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

Date	Our Reference No.	Our Contact	Direct Line
23rd May, 2017	SEC/07-1 & 2/2017	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 39th Annual General Meeting (AGM) of the Company held on 11th May, 2017, Annual Report 2016(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 39th Annual General Meeting Notice alongwith Annual Report,2016 for your record.

Thanking you,

Yours faithfully,
For ITD Cementation India Limited

(RAHUL NEOGI)
COMPANY SECRETARY
Encl: as above

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

Commitment, Reliability & Quality

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 THIRTY-NINTH 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, 11th May, 2017 at 3:00 p.m. to transact the following businesses:

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, 2016, (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 ₹ 0.30 per equity share of ₹ 1/- each (30%) for the financial year ended 31st December, 2016.
3. To appoint a Director in place of Mr. Premchai Karnasuta (DIN: 00233779), 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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 ("the Rules") (including any statutory modification(s) or re-enactment of the Act or Rules for the time being in force) and pursuant to the acceptance by the Board of Directors of the recommendations of the Audit Committee, M/s Walker Chandiok & Co LLP, Mumbai (Firm Registration No. 001076N/N500013), who will complete a term of five consecutive years as Statutory Auditors of the Company at the conclusion of this Annual General Meeting be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 44th Annual General Meeting subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting on such remuneration as may be determined by the Board of Directors based on the recommendation of the Audit Committee plus applicable taxes and out of pocket expenses actually incurred by them during the course of audit."
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(s) of the Act or Rules 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 service tax and out of pocket expenses, if any, incurred during the course of Audit to Mr. Suresh Damodar Shenoy, Cost Accountant (Membership Number 8318) appointed 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 December, 2017 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 authorized 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 Special Resolution:

   "**RESOLVED THAT** pursuant to Section 62 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant rules made thereunder and other applicable laws, if any, approval be and is hereby granted to the Company to confer an option to Scheduled Commercial Banks/Institution (hereinafter collectively called "the Lenders") to convert on one or more occasions the entire loans (including unpaid interest) or part thereof advanced by them to the Company into equity shares of the Company as required by the Lenders under and in accordance with the Strategic Debt Restructuring Scheme ("SDR") Notification dated 8th June, 2015 issued by the Reserve Bank of India as amended from time to time subject to the Lenders' respective total shareholding in the Company conforming to the statutory limits in terms of the applicable provisions of the Banking Regulation Act, 1949 in the event of the Company being unable to achieve the viability milestones and/or adhere to the critical conditions as stipulated in the restructuring package under the SDR so that the Lenders acquire a majority shareholding in the Company; the equity shares so issued and allotted by the Company to the Lenders pursuant to such conversion to rank pari passu with the existing equity shares of the Company in all respects.

   RESOLVED FURTHER THAT the conversion price of the equity shares issued and allotted by the Company to the Lenders as aforesaid shall be determined as follows:

   Conversion of outstanding debt (principal as well as unpaid interest) into equity instruments should be at 'Fair Value' as of the date on which the Lenders decide to exercise their conversion option which will not exceed the lowest of the following, subject to the floor of 'Face Value' (restriction under section 53 of the Companies Act, 2013):

   a) Market value: Average of the closing prices of the instrument on a recognized stock exchange during the ten trading days preceding the aforesaid date;

   b) Break-up value: Book value per share to be calculated from the Company's latest audited balance sheet (without considering 'revaluation reserves', if any) adjusted for cash flows and financials post the earlier restructuring, the balance sheet should not be more than a year old. In case the latest balance sheet is not available this break-up value shall be ₹ 1/-.

   Upon receipt of notice of conversion from the Lenders, the Company shall issue and allot the requisite number of fully paid-up equity shares to the Lender(s), from the date of the exercise of the option for the conversion at the conversion price of the equity shares determined as above in satisfaction of the amount so stipulated in the Lender's notice of conversion. The amount so converted shall cease to carry interest and/or further interest as from the Conversion Date and the amount of the loan and other amounts due and repayable by the Company to the Lenders shall thereupon stand correspondingly reduced.

RESOLVED FURTHER THAT the Board (including any Committee of the Board) be and is hereby authorized to do such acts, deeds, matters and things as may be necessary, usual or expedient to give effect to the above resolution."

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

By Order of the Board

RAHUL NEOGI
Company Secretary
Membership No. – A10653

Dated : 21st February, 2017

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 businesses at Items 5 and 6 of the Notice, is annexed hereto. The relevant details of director seeking re-appointment under Item 3, of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred as the "Listing Regulations, 2015") are also annexed.

4. a. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 5th May, 2017, to Thursday, 11th May, 2017 (both days inclusive).

   b. The dividend, if any, that may be declared at the AGM will be paid on 16th May, 2017, to those Members whose names appear in the Register of Members of the Company as on 11th May, 2017.

      The dividend in respect of shares held in dematerialization form will be paid to the beneficial owners of the shares whose names appear in the Register and Index of Beneficial Owners as on the close of business hours of 4th May, 2017 as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

5. The Company has transferred to the Investor Education and Protection Fund (IEPF) all unclaimed / unpaid dividends in respect of the financial years 1995-96 to 31st December, 2008.

   The Company has uploaded the details of the unclaimed amounts of Dividend of the shareholders as on 12th May, 2016 (date of last Annual General Meeting) 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.

   In terms of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs with effect from 7th September, 2016, the Company is required to transfer the dividend which remains unpaid or unclaimed by the shareholders of the Company for a period of seven consecutive years, to the IEPF Account established by the Central Government. Such shareholders who have not encashed their dividend Warrant(s) within the aforesaid period of seven consecutive years can claim the transferred dividends from the IEPF, details of which are available at www.iepf.gov.in.

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

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

8. All relevant documents referred to in the accompanying Notice and the Statement Annexed 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) up to the date of the AGM of the Company.

9. 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.

10. 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 - 500 008, 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 - 400 023,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.

11. Members desirous of seeking any information relating to the annexed Audited Financial Statements of the Company for the financial year ended 31st December, 2016, may write to the Company at its Registered Office, Attention Mr. S. Ramnath, 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.

12. 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 2016 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 2016 is being sent in the permitted mode.

13. Electronic copy of the Notice of the 39th AGM of the Company, *inter alia*, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(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 copies of the Notice of the 39th 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.

14. 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.

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

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

17. **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 the 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 e-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 DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID 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 wherein 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 the 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 abovementioned 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, 8th May, 2017 (10.00 a.m. IST) and ends on Wednesday, 10th May, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 4th May, 2017, 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. Varghese P A of Karvy Computershare Pvt. Ltd. at 040 67162222 or call at 1800 345 4001 (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 4th May, 2017. 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 becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 4th May, 2017, 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 Mr. Mitesh Dhabliwala 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 along with 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.

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 December, 2017, at remuneration of ₹ 4.50 Lakh (Rupees Four Lakh Fifty Thousand only) per annum plus service tax and out of pocket expenses, if any. 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 confirmed and ratified by the Members of the Company.

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

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution at Item 5 of the Notice, except to the extent of their respective shareholding in the Company, if any.

Item 6

For the purpose of its business, subject to limits approved by the shareholders under section 180(1)(a) and 180(1)(c) of the Act, the Company has been availing and will continue to avail Working Capital Facilities/Equipment Finance/ Term Loan ("Loans") from various Scheduled Commercial Banks/Institution ("Lenders") comprising fund based and non-fund based facility from time to time.

Under the Loan agreements executed by the Company with Lenders and as required by the Reserve Bank of India ("RBI"), vide its notification dated 8th June, 2015, the Lenders have been provided an option to convert the entire loan or part thereof (including any unpaid interest thereon) into equity shares in the Company in accordance with the Strategic Debt Restructuring Scheme of RBI ("SDR") referred to in the said Notification as amended from time to time, in the event the borrower is unable to achieve the viability milestones and/or adhere to 'critical conditions' as stipulated in the restructuring package and which equity shares shall rank pari passu with the other existing equity shares of the Company in all respects. The conversion price of the equity shares issued and allotted by the Company to the Lenders will be determined in terms of the SDR as set out in the text of the Special Resolution.

Pursuant to the provisions of Section 62 of the Companies Act, 2013 and the Rules framed thereunder and other applicable laws, if any, issuance of new shares upon exercising of the rights of Lender(s) to convert the entire loan or part thereof into equity share capital of the Company caused by the exercise of an option as a term attached to the loan agreement(s) would require the shareholders' approval by way of Special Resolution. Hence, the Special Resolution at Item 6 of the Notice.

The option to convert the loan into equity shares would be exercisable by the Lenders only in the event of the Company being unable to achieve the viability milestones and/or adhere to 'critical conditions' as stipulated in the restructuring package and not in any other case.

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

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item 6 of the Notice, except to the extent of their respective shareholding in the Company, if any.

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

By Order of the Board

RAHUL NEOGI
Company Secretary
Membership No. – A10653

Dated : 21st February, 2017

The particulars of Director, who is proposed to be re-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:

(a) A brief resume of the Director:

Name : Mr. Premchai Karnasuta

Qualifications : MBA, B.Sc in Mining Engineering

Director of the Company since 4th November, 2004.

(b) Nature of his expertise in specific functional areas: Experience of over 38 years in construction industry.

(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: None in any Indian company

Other Committee Membership : Nil

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

www.sapprints.com

ITD Cementation India Limited

Determined
to perform.

Disciplined
to achieve.

Driven
to succeed.







ITD Cem

Commitment, Reliability & Quality

Annual Report 2016

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 2016.

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The Indian infrastructure opportunity is unparalleled anywhere in the world with the Indian Government allocating ₹ 39,61,354 crore for the country's infrastructure sector in the Union Budget 2017.

ITD Cementation is attractively positioned to capitalize on this unprecedented opportunity. The Company possesses a good balance sheet on the one hand and market-leading positions in targeted verticals on the other. These represent the foundation for profitable and sustainable growth across businesses, geographies and market cycles. When one combines these realities, one gets the making of an exciting story on India's infrastructure sector.

Arising out of determination, discipline and drive.

The ITD Cementation strategy:

Focus on execution and customer expectations management.

Committed to quality, safety and delivery.

Result: Enhanced stakeholder value.



Achieved profitability turnaround

Our profitability transformed from net loss of ₹ 5,931 lakh in 2015 to net profit after tax of ₹ 4,811 lakh.



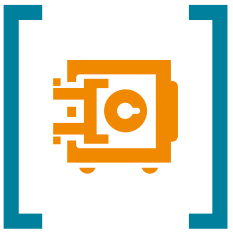
Reported decent revenue growth

Revenues increased 6.9% to ₹ 292,527 lakh.



Improved working capital management

Our finance costs declined 22.9% to ₹ 8,874 lakh; interest cost as a percentage of revenue declined from 4.2% in 2015 to 3.0%.



Expanded RoE

Higher EBITDA and lower debt translated into a healthy return on equity of 9.1%.



Reported substantial order book growth

Our aggregate order book increased 26.5% to a record ₹ 658,346 lakh, translating to about 30 months of forward work.



Forged strong partnerships

We forged alliances with several global construction majors to bid for and take up larger and more challenging infrastructure asset construction opportunities in joint venture. Over the past three years, we have forged as many as 9 global joint ventures for specific projects, enhancing our collaborative approach to business.



Augmented shareholder value

Our earnings per share and book value per share increased 181% and 8.4% to ₹ 3.10 and ₹ 35.49, respectively.

Our ideology

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

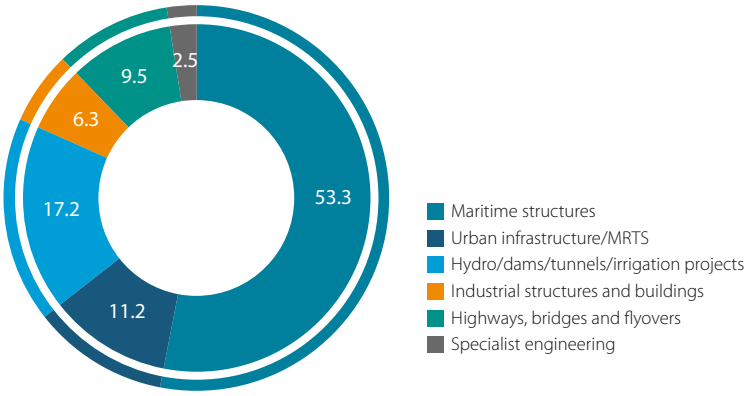
To make ITD Cementation India Limited, the country's leading construction Company in customer choice, quality and safety.

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 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 a commitment to both training and R&D.

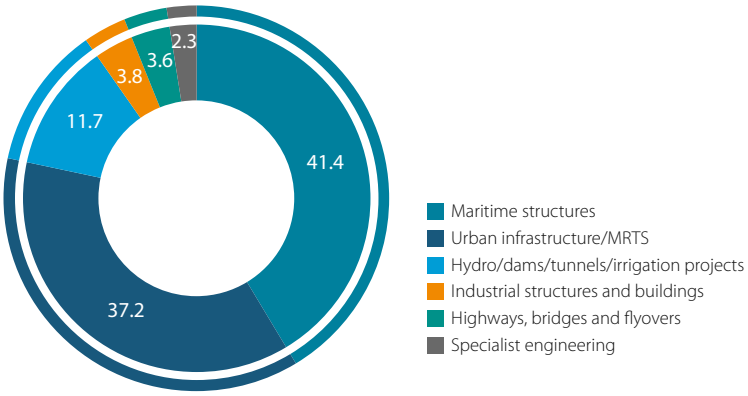
Order backlog, 31 December 2015

Percentage of order backlog



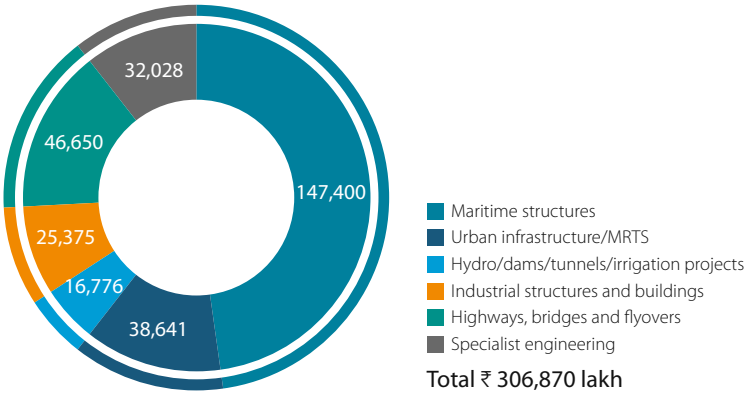
Order backlog, 31 December 2016

Percentage of order backlog



Consolidated revenues, 2015

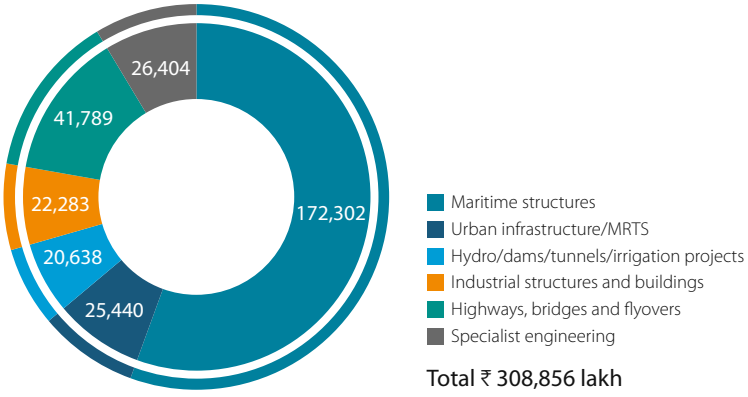
Revenues (₹ lakh)



Total ₹ 306,870 lakh

Consolidated revenues, 2016

Revenues (₹ lakh)



Total ₹ 308,856 lakh

Chairman's communication to shareholders



Dear shareholders,

The infrastructure sector is the centrepiece for the Indian Government's targeted economic growth of 8% over the foreseeable future.

The decision of the government to finance and initiate a number of infrastructure projects is a positive incentive for business in India. Many large Indian infrastructure companies are carrying significantly leveraged balance sheets leaving them with little flexibility to mobilise additional funds to undertake challenging projects. At a time when a number of companies are being invited to increase their project equity and innovative partnership models, the prevalent situation represents an opportunity.

Another factor that promises to accelerate economic growth comprises declining interest rates which tend to enhance project viability. With lenders and other financial channels reviewing their exposures, a combination of better liquidity, moderate debt and more workable debt servicing capabilities can potentially transform the Indian construction sector into one of the fastest growing in the world.

The Indian Government has also announced the release of 75% of frozen arbitration amounts against margin-free guarantees in situations where awards had been given but not finalized. The Indian Cabinet Committee on Economic Affairs, chaired by the Prime Minister, approved the measures proposed by the NITI

The Indian Government has recently provided a USD 15 billion outlay in the 2016 Union Budget for the roads sector and has proposed to establish the National Investment and Infrastructure Fund (NIIF) with an initial investment of ₹ 200 billion for a 49% stake in NIIF.

Aayog to revive the Indian construction sector. These measures will assist in settling disputes faster as well as releasing some funds by government agencies against arbitration awards. In addition, the Kelkar Committee, set up to energize the public-private partnership program, has also provided a strong positive direction, giving opportunities to well-managed companies.

The on-ground reality however is that India's 1.3-billion population is still serviced by inadequate infrastructure. For a consumption-driven economy with regional trade, India's highways account for only 2% of the total road network even though they carry 40% of the national traffic. This means that India needs to source a USD 1.5 trillion investment to improve this infrastructure weakness.

The Indian Government has recently provided a USD 15 billion outlay in the 2016 Union Budget for the roads sector and has proposed to establish the National Investment and Infrastructure Fund (NIIF) with an initial investment of ₹ 200 billion for a 49% stake in NIIF. The government targeted a goal of 10,000 km of highway construction in 2016 and has also announced an ambitious Sagar Mala project to reinforce marine infrastructure. Also, mass rapid transportation projects are in various stages of development, construction or commissioning across a number of Indian cities, representing a good source of opportunity.

The new aviation policy is anchored on enhancing regional connectivity, making it possible for the average Indian to fly from regional to terminal airports. During the last decade, the country's passenger terminal usage has almost doubled, with the sector's current 20% growth making it one of the fastest-growing large aviation markets of the world. This new aviation policy will accelerate regional economies with the Airports Authority of India initiating extensive passenger terminal expansions (at Chennai, Guwahati, Jaipur, Srinagar, Lucknow, Leh, Trichy, Patna and Pune). This will also widen opportunities under the EPC model for ITD Cementation.

Combined with our construction abilities, sound tendering approach, commitment to delivery, commercial focus on cash flow and return on investment, I am certain that we are on the path of achieving sustainably profitable growth in the coming years. We believe that our transformation from a net loss in 2015 to a net profit in 2016 represents the beginning of an endurable multi-decade growth.

I would like to take this opportunity to express my deepest appreciation to our customers, bankers, employees, partners and to you, our shareholders, who have believed in us and have supported us in our journey.

With my best wishes,

Premchai Karnasuta

Chairman

ITD Cementation's strategy is a concise articulation of our client focus, service offering and the benefits we deliver to our customers.

This represents the making of an enduring business enterprise.

Our business segments

Maritime structures; urban infrastructure/MRTS; hydro/ dams/tunnels/irrigation projects; industrial civil works; highways, bridges & flyovers and specialist engineering works

Key projects (past and ongoing)

Mumbai Metro; Delhi Metro; Kolkata Metro; Nagpur Metro; Mumbai Port ; Shiplift Seabird, Karwar; Kakinada Port; Bharat Mumbai Container Terminal, JNPT, Mumbai; Mundra Port; Netaji Subhash Chandra Bose International Airport, Kolkata; PWD, New Delhi; Mandovi Bridge, Goa; Park Street flyover, Kolkata; IOCL, Paradip; Sabarmati riverfront development, Ahmedabad; Haj Tower Complex, Kolkata; IIT Ropar; Bose Institute, Kolkata; Myntdu Leshka hydro tunnel, Meghalaya; Agartala water treatment plant; Vizag Port; Ennore Port

Total operational sites

58, pan-India



At ITD Cementation, we possess a robust competence pool that enables us to capitalise on prevalent market opportunities with speed while concurrently remaining steadfast on profitable and cash accretive contracts.

Order book

₹ 658,346 lakh as on 31 December 2016, up 26.5% from the close of the previous year

Human capital

Staff strength of 1,882 as on 31 December 2016

Dividend declared

30%, corresponding to ₹ 0.30 per share of ₹ 1 face value

Capital markets value improvement

35% market capitalization growth in 2016



Determined to perform.

At ITD Cementation, we constantly endeavor to leverage our strong engineering and construction competencies to achieve outstanding performance across our operational assets, financial resources and human capital on exciting projects in attractive sectors, while at all times maintaining our resolute commitment to the highest standards of safety and sustainability.

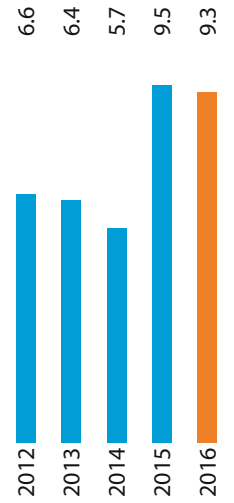
This intent is visible in our success in the maritime construction space and the construction quality and achievements in several projects in the MRT segment, over the last few years. These verticals will continue to be increasingly shaped by consolidation-driven port capacity expansion, policy-driven mass rapid transportation priorities in many cities in India and some landmark, new governmental initiatives like Inland Waterways and Sagar Mala.



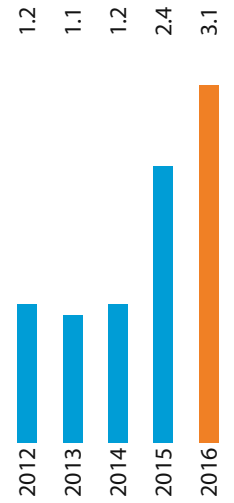
Our determination to respond to these evolving opportunities is reflected in our ability to:

- Shore our design and engineering teams
- Strengthen our tendering and project estimation processes
- Reinforce modern construction equipment and technologies

ITD Cementation's strategic roadmap also includes forging strong partnerships and collaborations to take up larger and more complex civil engineering projects with a view to enhance skill-sets, experience and qualification criteria.



Fixed asset turnover *(times)*



Capital employed turnover *(times)*



Profit before tax *(₹ lakh)*

ITD Cementation's competitiveness.
Marked by earnings diversity, cyclical-resilience and business de-risking.

18%
Order book CAGR
(over the past five years)

18%
Revenue CAGR
(over the past five years)



Disciplined to achieve.

We operate in a complex and rapidly changing world – a world in which the cyclical structure of markets is creating significant new challenges and substantial new opportunities. We refreshed our strategy during the year under review to ensure we maintain a disciplined focus on specific high-value sectors, markets and client opportunities. We employ our value proposition, including our direct delivery model, to create certainty for clients and procure competitively to connect and integrate our supply chain.

At ITD Cementation, we combine a deep understanding of the construction and infrastructure markets in India with a proven track record in designing and delivering high-performing capital assets. We focus exclusively on sectors and client opportunities with good growth potential that meet our financial targets



and align with our business ethics and delivery approach. To achieve this, we maintain engineering and commercial discipline in the application of our value proposition and its ability to produce greater certainty in an industry that is often characterised by time, cost and quality issues. Hence, we will only commit resources to opportunities where there is a high likelihood of long-term relationships based on mutual respect and value creation.

A number of our partners find in us a specialist enjoying a longstanding understanding of India's construction landscape on the one hand and multi-decade customer experience on the other. Besides, we enjoy a constant exposure to cutting-edge global best practices through our parent and principal shareholder, Italian Thai Development Public Company Limited.

Outcome

This unique partnership-driven approach has reinforced our brand as a reputed engineering multinational and an emerging point of reference for global leaders looking at specific infrastructure construction opportunities in India.

9
No. of consortium partners (current)

24
Number of safety and quality awards won during 2016

~5x
Growth (average) in per order size between 2011 and 2016 from average of ₹ 3,100 lakh per order to about ₹ 14,797 lakh



Driven to succeed.

At ITD Cementation, we drive our financial performance to make acceptable returns that allow us to reinvest in sustaining our success. We focus on quality of earnings, cash generation and margin enhancement and exercise strict discipline in selecting and pursuing project opportunities which meet or better these financial targets. At our Company, revenue growth is not a major driver of business development, allowing us to shield the business from pursuing potentially riskier opportunities which are predicated on lowest price procurement routes. Capital allocation is tightly controlled and our investment appetite is driven by our excellence in engineering, human capital and manufacturing agendas. Taken together, our business model and approach improve our competitiveness and are helping us achieve our goal of being a trusted



partner for our customers and our position as an enduring engineering enterprise.

Acting as a long-term trusted partner, we are driven to support our clients by ensuring the very earliest engagement in design detailing stages of a project, allowing us to optimise the delivery approach and provide an optimal solution. By re-distributing time in the delivery schedule to the front-end in this way, greater levels of engineering and commercial insight ensure the design is fit for purpose and can be delivered using smart solutions that provide greater certainty against key client objectives.

This commitment has been extended to our construction model on large and complex projects based upon engagements with strong global construction companies as our partners bring specific complementary competencies to our table, thereby reinforcing customer competitiveness and underpinning our ideology of being ambitious to achieve sustainable success.

5.8%
Gross block of fixed assets CAGR (over the past five years)

0.6x
Debt-equity ratio stands at 0.6:1, one of the lowest in the industry

Pushing frontiers

We continuously extend technology frontiers, drive innovation and deploy talent in collaborative environments. The result: enhanced organizational value.



A story of transformation





Priorities	Change drivers	Achievements
Reduce debt leverage	• Sustained focus on timely milestone completion and revenue collection • Equity infusion and claim settlement • Proactive cash flow and liquidity management	Reduced standalone debt from ₹ 67,078 lakh in 2014 to ₹ 35,621 lakh in 2016, which is among the lowest in the industry.
Reduce working capital cycle	• Focused collection team with aggressive follow-up • Close monitoring of unbilled costs and inventories • Greater focus on projects backed by institutional finance	Reduced debtor days with respect to the overall working capital from 64 days in 2014 to 30 days in 2016. Reduced inventory (incl. WIP) days from 165 days in 2014 to 93 days in 2016
Target project selection for bidding with focus on larger and complex work	• Forging strategic partnerships for larger projects to improve chances of success	Successfully forged consortium/ joint ventures with nine global majors to take up and bid for projects involving a high level of engineering capabilities. Average ticket size per project secured increased to ₹ 14,797 lakh.
Secure projects with potential for superior margins	• Selective bidding approach to avoid projects where the competitive intensity is high	Increased the share of maritime projects in the order book from 29% of order book in 2014 to 41% in 2016.
Improve shareholder return	• Focus on cash accretive projects • Reduce interest costs • Improve credit rating • Reduce interest rates • Exercise capital expenditure control	Interest cost of ₹ 8,874 lakh in 2016 was reduced to 3% of revenue. Improved fixed asset turnover from 5.7 times revenue in 2014 to 9.3 times revenue in 2016.

Key performance indicators

Consolidated Financials

₹ crore

Particulars	2016	2015	2014	2013	2012
Order book	6,583.5	5,204.3	4,763.0	3,821.0	2,891.1
Total revenue	3,089.6	3,070.9	1,718.9	1,584.1	1,650.9
PBT (before exceptional item)	73.6	39.4	(68.6)	23.9	31.1
PBT (after exceptional item)	73.6	(84.6)	26.9	23.9	31.1
EBITDA	235.1	*89.8	*205.1	196.5	197.5
EBITDA margin (%)	7.6	2.9	11.9	12.5	12.1
Net profit	48.1	(59.3)	19.4	9.3	22.0
Net profit margin (%)	1.6	(1.9)	1.1	0.6	1.3
Net worth	550.7	508.2	567.8	408.4	400.5
Total debt	463.0	600.7	765.3	769.5	783.7
Debt-equity ratio	0.8	1.2	1.4	1.9	2.0
Book value per share (Face value of ₹ 1 each)	35.5	32.8	36.6	35.5	34.8
Earnings per share (₹)	3.1	(3.8)	1.5	0.8	1.9
Return on capital employed (%)	15.5	6.4	12.3	11.7	12.4
Return on equity (%)	9.1	(11.0)	4.0	2.3	5.6

Standalone Financials

₹ crore

Particulars	2016	2015	2014	2013	2012
Order book	4329.0	4,387.5	3,638.0	2,534.8	2,150.7
Total revenue	2,871.6	2,743.5	1,369.4	1,260.2	1,305.9
PBT (before exceptional item)	94.4	35.2	(67.6)	9.4	26.7
PBT (after exceptional item)	94.4	(88.8)	27.9	9.4	26.7
EBITDA	215.5	*51.2	*177.3	158.4	166.2
EBITDA margin (%)	7.4	1.9	13.1	12.9	13.0
Net profit	48.1	(59.3)	19.4	9.3	22.0
Net profit margin (%)	1.6	(2.2)	1.4	0.8	1.7
Net worth	550.7	508.2	567.8	408.4	400.5
Total debt	356.2	488.4	670.8	695.0	687.0
Debt-equity ratio	0.6	0.9	1.2	1.7	1.7
Book value per share (Face value of ₹ 1 each)	35.5	32.8	36.6	35.5	34.8
Earnings per share (₹)	3.1	(3.8)	1.5	0.8	1.9
Return on capital employed (%)	14.4	5.0	11.9	11.4	11.9
Return on equity (%)	9.1	(11.0)	4.0	2.3	5.6
Dividend per share (face value of ₹ 1 each)	0.3	-	-	0.1	0.2

* EBITDA for the year 2015 is after considering loss of ₹ (123.9) crore from settlement with NHAI and for 2014 after depreciation written back of ₹ 95.5 crore.

Our clientele

Customers (select, major)

Maritime sector
- PSA Group
- Adani Port
- Mumbai Port

Highways/Bridges/Flyovers sector
- PWD, New Delhi
- Ghaziabad Development Authority
- New Okhla Industrial Development Authority (NOIDA)

Specialist works
- China Kunlun Contracting & Engineering Corporation
- JSW Steel
- IRCON

Industrial/Buildings sector
- IIT, Ropar
- RVNL
- IHI Corporation

MRTS sector
- Delhi Metro Rail Corporation
- Kolkata Metro Rail Corporation
- Nagpur Metro Rail Corporation

Hydro & tunneling sector
- Kolkata Municipal Corporation
- Konkan Railway Corporation
- Vadodara Mahanagar Seva Sadan

Major institutional shareholders (shareholding as on the calendar year closing on the last working day of December 2016)

Mutual funds
- ICICI Prudential Infrastructure Fund
- L&T Mutual Fund
- HDFC Prudence Fund
- Sundaram Smile Fund
- Franklin Templeton Mutual Fund
- UTI-MNC Fund
- SBI Magnum Midcap Fund
- Axis Mutual Fund

Foreign portfolio investors
- Eastspring Investments India Infrastructure Equity Open Limited

Stock market dashboard (BSE)
- Security code: 509496
- Grouping: S&P BSE 500
- Face value per equity share: ₹ 1
- Closing market price (as on 30 December 2016, last working day of 2016): ₹ 148.65
- Market capitalization (as on 30 December 2016, last working day of 2016): ₹ 230,642 lakh
- Fiscal year: January-December

Measuring our financial performance

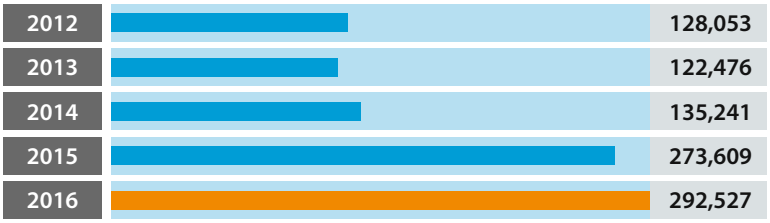
The Board at ITD Cementation and our senior management use a balanced range of financial and operational indicators across our business verticals to measure our performance against key strategic goals and objectives, helping us to guide our thinking and decision-making at every stage of our development.

Core financial metrics

Revenues (₹ lakh)

₹ 292,527 lakh

6.9% growth over 2015



Definition: Our revenues represent the amount of sales generated from the provision of engineering and construction-related services, including our share of joint ventures, associates and inter-segment sales.

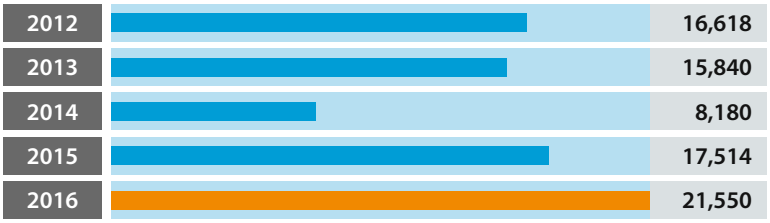
Performance: Revenues increased by 6.9% to ₹ 292,527 lakh (2015: ₹ 273,609 lakh) during the year 2016. This was a result of increased revenues from most divisions, especially from the maritime division, as we focused on meeting our construction targets and achieving our invoicing and revenue recognition milestones while continuing to be selective in our bidding strategy in times of intense market competition. This also directly reflects an increased focus on the quality of our earnings across some award-winning projects. Going forward, we will increasingly look to consolidate our presence by turning our emphasis on larger and more complex projects which enable us to earn a higher return on our capital.

Operating profit

(EBIDTA, ₹ lakh)

₹ 21,550 lakh

23% growth over 2015



Definition: Earnings before interest, depreciation and tax (operating profit) is a measure of a company's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses and is a key measure of the operating profitability of all revenue-generating business units.

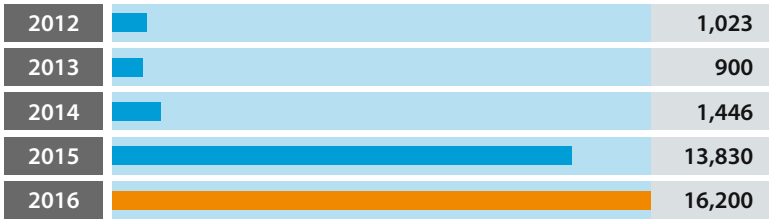
Performance: Our operating profit improved 23% to ₹ 21,550 lakh (2015: ₹ 17,514 lakh) despite continuing market challenges facing the Indian construction industry. The performance benefitted from our geographic diversity, optimization and reduction in overheads as we accelerated technical integration between our divisions in terms of sharing resources etc. and drove productivity improvements in parallel. Despite the challenges faced on a couple of projects, as a result of these initiatives, our EBIDTA margin improved 740 bps to 7.4% in 2016.

Cash and liquid balances

(net funds position, ₹ lakh)

₹ 16,200 lakh

17% growth over 2015



Definition: Our cash and liquid balances (net funds) position at the year-end is a key factor in evaluating the liquidity position. Operating in a working-capital intensive business, it is important to have strong liquid balances to enhance our ability to invest in business growth and also reinforce our ability to forge stronger consortiums for creating the potential for bagging larger projects.

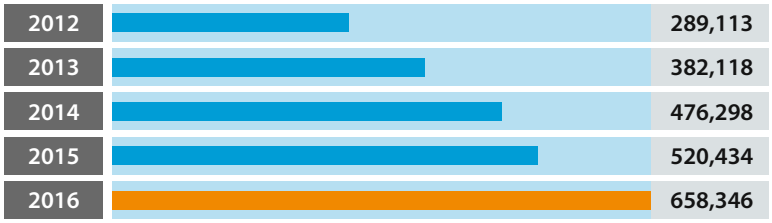
Performance: We ended the financial year 2016 with a strong net funds position of ₹ 16,200 lakh (2015: ₹ 13,830 lakh). This indicates strong performance in the prevailing market, underlying the strength of our business model. We continued to hold significant cash balances and this performance was achieved in parallel with continued investment in the core areas of our business, including in machinery and equipment and the continuation of debt reduction strategy over the course of the year. As a result of these concerted efforts, our bank borrowings were lower by ₹ 13,215 lakh during the year. As an outcome, our interest cost declined 22.9% to ₹ 8,874 lakh and interest cover strengthened from 1.44x to 2.69x during the period under report.

Order book

(₹ lakh)

₹ 658,346 lakh

27% growth over 2015

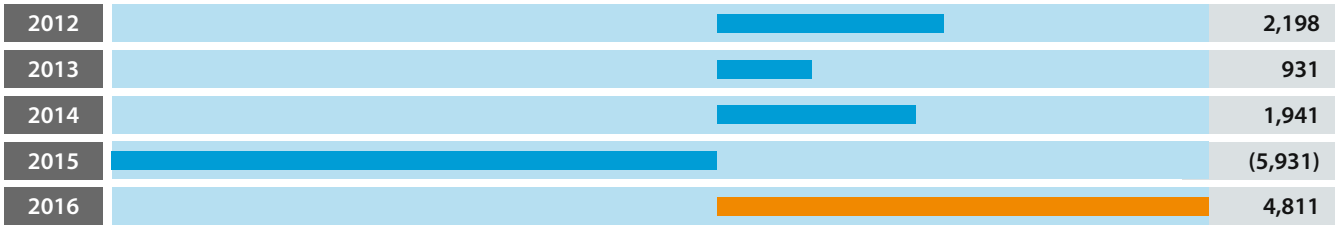


Definition: Our order book represents the value of work outstanding on secured contracts. It is a key measure of our success in winning projects and also provides future earnings visibility.

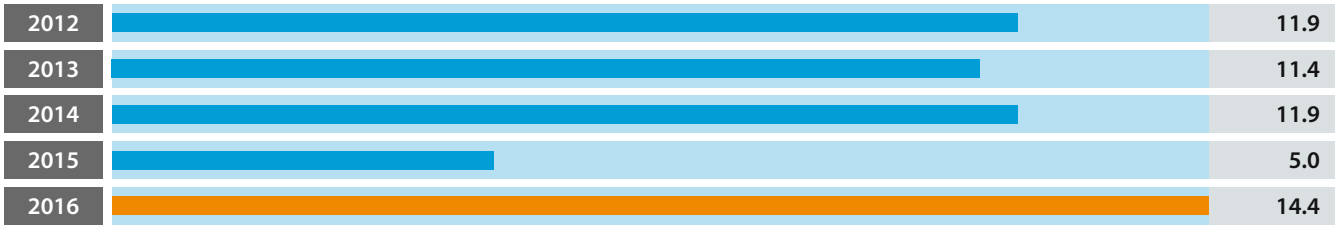
Performance: Our consolidated order book increased to ₹ 658,346 lakh (2015: ₹ 520,434 lakh). The strong performance is attributable to our improving focus on bidding and bagging large and more complex projects with an emphasis on profitability rather than volume. This disciplined approach resulted in some major wins during the year in targeted key sectors such as ports and mass rapid transportation projects. Our year-end order backlog of ₹ 6,58,346 lakh provides us with revenue visibility of almost 2.5 years (on 2016 revenue base). During the current year, as of now, we are in the L1 status on a project with a value at about ₹ 170,000 lakh. Going forward, we will continue to maintain selectivity in bidding for new projects to ensure that we achieve our financial goals.

Other financial metrics

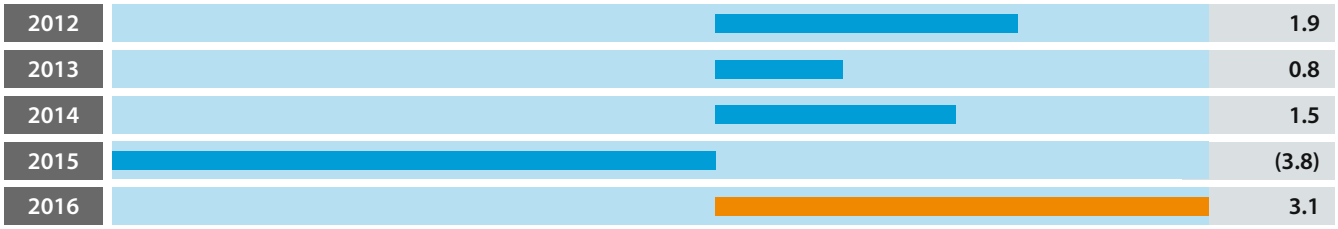
Net profit *(₹ lakh)*



Return on capital employed *(%)*



Earnings per share *(basic, ₹ 1)*



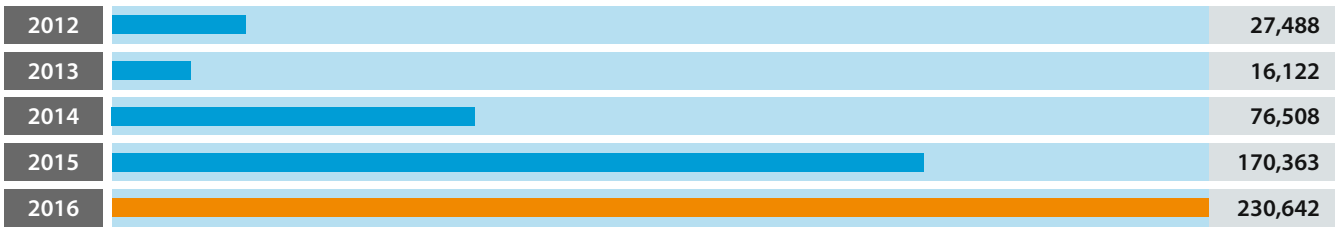
Book value per share *(₹)*



Gross block *(₹ lakh)*



Market capitalization *(₹ lakh)*



An endorsement of our commitment to build India

- HSE Achievement Certificate for contribution towards achieving 'Ten Million Safe Manhours' at GSPC LNG Terminal, Mundra, Gujarat
- 'Prashansa Patra' in recognition for developing and implementing effective management systems and procedures and achieving good performance in OSH, awarded by the National Safety Council of India
- Best safety construction contractor award, 2015, for EPC contract for container terminal 4 at Mundra, Gujarat, awarded by Adani Ports and Special Economic Zone Limited
- HSE achievement award for five million safe manhours at GLMRF, Mundra, Gujarat, awarded by Toyo Engineering
- Appreciation letter from Meghalaya Power Generation Corporation Limited
- Appreciation letter from Kolkata Metro Rail Corporation Limited
- Certificate of excellence awarded by Aegis Logistics Limited for 1,000,000 safe manhours without lost time injury



















Discussion with the management





Mr. Adun Saraban, *Managing Director,* responds to questions on how the Company is prepared for achieving sustainable growth with profitability turnaround achieved during the year 2016.

Q. What is the order backlog now and what is the visibility for the next one year?

A: Our order backlog stood at ₹ 658,346 lakh during the close of 2016, up 26.5% over the previous year. We possess a strong 'in-bid' project pipeline where we are at the L1 stage of ₹ 170,000 lakh and the major constituents of our order book comprise projects in the maritime, hydro/dams/tunnel/irrigation and urban infrastructure/ MRTS projects space. We are confident of securing some good contracts in the elevated MRT space where we see serious traction with many cities announcing MRT projects. Under this scenario, going into 2017, we target to grow our order backlog by at least 30%, setting a clear tone for our growth aspirations.

Q. Please describe the order book composition on a more granular level.

A. We are a strong leader in the Indian -maritime structure construction business; this segment's order backlog stood at ₹ 272,636 lakh as on 31 December 2016. There are several major projects that the Company has bid for, aligned with the government's intention to double port capacities over the next 5-6 years. This policy direction has enabled substantial structural opportunities. We believe that the opportunities through the Inland Waterways Bill etc. will see our marine segment continue to report respectable multi-year growth. Besides, we are carefully appraising global maritime construction opportunities. This apart, we are also looking to grow our presence in the metro rail space. On a longer term perspective, water and waste-water treatment are other areas of interest and, in the next year or so, the Namami Gange (or clean Ganga campaign) is, we believe, a robust opportunity area. So, from a positional point of view, the Company is positioned to benefit from additional initiatives in all these areas.

Q. Can you segregate the order book? How much of it is derived from port and maritime-related projects and how much from metro and other sectors?

A: As of 31 December 2016, our order book stood at about ₹ 658,346 lakh; about 41% was from the maritime segment and roughly 35% from metros. Interestingly, the

Government of Maharashtra is pushing for faster projects implementation. Besides, one of the breakthrough achievements was the award of one package by Mumbai Metro to our consortium, in August 2016. We also bagged a project valued at ₹ 44,575 lakh from Nagpur Metro and an order from Inland Waterways Authority for about ₹ 51,700 lakh for the construction of a port terminal in Haldia (West Bengal). Besides, the value of the contract from Kolkata Metro, being executed by us in a joint venture, was enhanced by over ₹ 60,000 lakh during the year.

I must state that our 2016 order book was slightly under expectation following the delay in the award of certain projects, which will, in all probability, be awarded during the current year. In addition to our organic focus on growing the value of our order backlog, the conversion of these projects will represent a strong boost. Besides, port expansions are planned across major Indian ports in addition to inland waterways development projects. Through this, there could be some terminal constructions across major waterways.

We see our industrial and buildings division growing well in the current year. In a short period of about three years, this division has consolidated well and is poised to become a major contributor to revenues and margins, going forward. Our opportunity basket in this vertical includes construction of metro railway stations, educational institutions, industrial plant buildings and airports. Besides, the development of new airports and upgradation of several airstrips into airports in a number of Tier-II cities like Guwahati, Leh and Lucknow etc. are being planned by the government in the next year or two that represents opportunity to boost our revenues and margins.

Q. How is the Company's margins profile evolving?

A: The year 2015 saw ITD Cementation report an EBIDTA margin of around 6.4%. In 2016, our margins trended to 7.4%, largely on account of better execution. We are confident of further improvement in our margins in the coming years.

Q. How else are you strengthening your de-risked business model?

A: In de-risking our order book, we are not entirely dependent on government-funded projects. In the maritime space, some of the large ticket projects are private projects. Besides, even the major ports that the government is taking up for expansion are being funded through internal accruals of these ports. So in that sense, we are not entirely reliant on the government's expenditure to sustain our growth.

Q. What are some of the major financial highlights of 2016?

A. Our Balance Sheet-strengthening focus continues; we optimised debt by 27% to ₹ 35,621 lakh as on 31 December 2016. With this, our interest outflow declined about 23% to ₹ 8,874 lakh; our interest coverage ratio improved to 2.7 from (1.4 a year ago). Following debt moderation, our gearing improved from 0.9 to 0.6 as on 31 December 2016, which we believe is among the best in India's construction sector. By activating a number of initiatives to optimise costs, our profitability transformed from a net loss of ₹ 5,931 lakh in 2015 to a net profit of ₹ 4,811 lakh in 2016. This provides us with the optimism that we are well on the path to normalised profits.

Q. What are the initiatives that the Company expects to embark upon in the current year?

A. The positivity in the country's construction sector is gradually improving, specifically with the priority being accorded by the government through a sizable allocation of funds in the 2017 Budget. With a view to enlarge our role in responsible nation-building, we expect to bid for (and bag) larger projects across the maritime, aviation, metro rail, road, irrigation and building segments. In line with this, we are increasingly seeking global alliances to enhance our market presence, future competence and financial performance.

At our Company, we pursue an industry-leading financial and operational performance. This is dependent on the quality and commitment of our people. It is critical that we attract, develop and retain the best talent to ensure project delivery within the tight tolerances of quality, time, cost, safety and sustainability required to provide certainty to our clients. Employee engagement is an all-encompassing metric which determines the level of understanding and commitment of the employee base to our strategic goals and hence provides a direct correlation to service levels, client satisfaction, business growth and financial performance.

Following these initiatives, we expect to generate fresh orders worth ₹ 400,000-500,000 lakh in 2017.

Business segment review

Acting as a long-term trusted partner for our customers, we directly support their investment decisions to validate their capital investment decisions. By ensuring early interventions-driven engagement, we have influence over the architectural and design detailing stages of a project, allowing us to optimise delivery and provide a world-class solution. By focusing thus on some of the most critical stages in the lifecycle of the project, we also ensure that we provide greater certainty against key client goals and objectives. This is a recurring feature of our portfolio book, which is diversified and present in some of the fastest-growing construction and infrastructure segments of the country.



Business segment review – **1**

Maritime structures

Market status: Leader in the segment with a ~50% market share
Status within the Company: Largest
Ongoing projects, as at 31 December 2016: 15
Completed projects in 2016: 4
Projects bagged in 2016: 8
Revenue, 2016: ₹ 172,302 lakh
Revenue growth, 2016: 16.9%
Divisional contribution to total consolidated revenues, 2016: 55.8%
Order book, as on 31 December 2016: ₹ 272,636 lakh

Overview

ITD Cementation was one of the first construction companies in India to focus on the construction of maritime structures. Over the decades, the Company has delivered successful projects across all major ports and most minor ports - Chennai, Ennore, Haldia, Kakinada, Kandla, Pipavav, Dahej, Mormugao, Karwar, Mumbai Nhava Sheva, Paradip, Tuticorin and Visakhapatnam. The Company delivered dedicated jetties, product handling terminals, ship repair and ship building facilities during these construction engagements.

Our portfolio

- Construction of jetties, dolphins and service platforms
- Construction of quay, berths on concrete and steel piles as well as solid gravity type wharf structures
- Construction of shiplift, dry dock, wet basin (in complete marine condition) and inclined berth
- Break water and piled approach trestles
- Steel piles (vertical and raker), bored cast in-situ pile
- Undersea ground improvement
- Dredging and land reclamation
- Coastal erosion protection and rock bund

Competitive advantages

- A multi-year engagement in the Indian maritime construction sector
- Strong process-led execution competence, ensuring timely project completion
- Robust manpower retention, ensuring the accumulation of rich skills and experience
- Rich terrain experience in working across India's 7,500-km+ coastline
- Captive ownership of plant, machinery and technology, coupled with high utilization, optimizing working capital management
- Stable 30%-70% customer mix (private-public sector) marked by repeat orders, leading to multi-decade client relationships

Financial snapshot

(₹ in lakh)

	2013	2014	2015	2016
Order book status (as on 31st December)	107,318	136,391	277,268	272,636
Revenue	44,181	53,020	147,400	172,302

Key projects bagged in 2016

- Construction of multi-modal IWT terminal for Haldia, West Bengal, ₹ 51,736 lakh
- Civil works for the project of construction of the 5th oil berth at Jawahar Dweep in Mumbai harbor – ₹ 32,051 lakh
- Development of multi-purpose terminal by replacement of existing EQ 2 to EQ 5 berths to cater to 14-m draft vessels in the inner harbour of Visakhapatnam Port Trust – ₹ 18,173 lakh

Key projects completed in 2016

- Design and construction of reclamation and container yard with associated facilities at JNPT, Navi Mumbai
- Rehabilitation and phase-II development of jetty at Modular Fabrication Facility, Kattupalli, Tamil Nadu
- Container terminal 4 at Mundra, Gujarat
- Construction of EMC bridge across intake channel at Mundra, Gujarat
- Container terminal at Ennore Port Wharf, Tamil Nadu

Outlook, 2017

- Increasingly focus on mega marine (₹ 1,000-crore+) and highly specialized and prestigious projects; actively explore collaborations with overseas partners
- Focus on enhancing our capacities in projects in which we are at L1 stage, including the marine facilities for the Udangudi super critical thermal power plant
- Focus on such upcoming projects as the Mumbai Trans-Harbor Link in which we are participating with a Japanese JV and the Delhi Metro Phase-IV, Mumbai elevated metro and the Mumbai Versova-Bandra sea link project
- Continue to look for large Defence projects with a high marine content and forge global collaborations for strengthening bidding capacities
- Look to appraise marine infrastructure opportunities beyond the Indian shores



Business segment review – **2**

Urban infrastructure/ MRTS

Ongoing projects, as at 31 December 2016: 12

Revenue, 2016: ₹ 25,440 lakh

Contribution to the total consolidated revenue in 2016: 8.2%

Order book, as on 31 December 2016: ₹ 244,598 lakh



Overview

The urban infrastructure/MRTS vertical is engaged in the development of urban infrastructure (including MRTS projects). Venturing into the MRTS space through parental support, ITD Cementation has subsequently enhanced its expertise. The Company followed its association with Delhi MRTS Phase-1 in 1998 through several MRT projects in Delhi and National Capital Region (NCR) as well as metro cities (Kolkata, Jaipur and Bengaluru). The Company drew from its parent's capabilities and entered the Indian airport construction segment in 2008.

Our portfolio

- Construction of civil and building structures for mass rapid transportation systems (MRTS)
- Construction of tunnels, underground railway stations and installation of track
- Construction of integrated passenger terminals and allied services at airports

Competitive advantages

- Strong parentage resulting in robust pre-qualification credentials for large/complex MRTS and airport projects
- Track record in the execution of complex hard rock TBM tunneling, marked by 1250 RM length twin tunnels (a first in DMRC Phase III) and rock excavation of the longest underground DMRC station proximate to the Delhi Airport and peripheral buildings
- Captive ownership of world-class equipment (tunnel boring machines and associated equipment and one of the largest pile/diaphragm wall rigs in India) ensuring timely project completion
- Track record of having constructed for the first time in the history of Delhi Metro an elevated track segment (21m) over an operational metro line.

Financial snapshot

(₹ in lakh)

	2013	2014	2015	2016
Order book status (as on 31st December)	84,231	91,200	58,047	244,598
Revenue	34,862	34,488	38,641	25,440

Key projects bagged in 2016

- Construction of 10 elevated metro stations for Nagpur Metro Rail project – ₹ 44,575 lakh
- Design and construction of underground section including three underground stations for Mumbai metro rail project – ₹ 283,010 lakh (ITD Cementation's share ₹ 113,204 lakh @ 40%)

Outlook, 2017

- Focus on more extensively engaging in urban infrastructure projects, especially with the government's emphasis on decongesting cities, on mass housing projects and on aviation projects, especially in Tier-II cities
- Recruit quality manpower through tie-ups with engineering and other vocational institutes
- Acquire more sophisticated equipment, especially with the award of larger and more complex metro projects



Business segment review – **3**

Hydro/dams/ tunnels/ irrigation projects

- Ongoing projects, as at 31 December 2016: 8
- Projects completed in 2016: Nil
- Projects bagged in 2016: 1
- Revenue, 2016: ₹ 20,638 lakh
- Revenue growth, 2016: 23%
- Contribution to the total consolidated revenue, 2016: 6.7%
- Order book, as on 31 December 2016: ₹ 76,949 lakh

Overview

The Company entered this business vertical in 1992 when it embarked on the construction of a hydro-electric project for Tata Power. Since then, it has executed a number of complex assignments. Besides, the company leveraged its expertise in dam repairs to extend into earth-fill works as well as dam construction and tunnels for hydro power and irrigation systems.

Our portfolio

- Earth fill embankment
- Concrete and masonry dams
- Irrigation and hydro tunnels
- Hydro power station
- Irrigation canal structures

Competitive advantages

- Multi-decade experience in the construction of dams, hydroelectric and irrigation projects
- Tunneling (open face, drill and blast methods) through conventional/NATM techniques
- Irrigation-centric project experience across more than six states, strengthening pan-India bidding eligibility
- Parent alliance assuring access to cutting-edge know-how, project management competence and value chain opportunities

Key projects bagged in 2016

- Laying of trunk sewer along James Long Sarani, Kolkata, by the micro-tunneling method, ₹ 9,871 lakh (ITD Cementation's share ₹ 4,837 lakh @ 49%)

Outlook, 2017

- Focus on emerging opportunities, especially in the state of Maharashtra, with an increasing emphasis on JV-led growth
- Increasingly interacting and networking with clients with a view to building and strengthening relationships for more project award opportunities
- Focus on bagging specialized projects in the LNG/STP/desalination/water and waste water management projects

Financial snapshot

(₹ in lakh)

	2013	2014	2015	2016
Order book status (as on 31st December)	74,687	90,026	89,682	76,949
Revenue	12,538	9,549	16,776	20,638



Business segment review – **4**

Industrial structures and buildings

Ongoing projects, as at 31 December 2016: 5

Projects completed and handed over in 2016: 1

Projects bagged in 2016: 2

Revenue, 2016: ₹ 22,283 lakh

Contribution to the total consolidated revenue in 2016: 7.2%

Order book, as on 31 December 2016: ₹ 25,055 lakh

Overview

The Company embarked on the construction of industrial structures in 1995. Since then, it has been engaged in the execution of civil works for refineries, petrochemicals, industrial plants (power, cement, steel and fertilizer) and commercial buildings.

Our portfolio

- Construction of plant buildings for the power, steel, refineries and fertilizer sectors
- Civil works for water treatment and water intake systems
- Buildings for educational institutions, hospitals, shopping malls and IT parks, etc

Competitive advantages

- Competence in the execution of turnkey EPC contracts
- Engineering and execution competence in prestigious industrial structures and buildings
- Robust project management leading to timely completion

Key projects bagged in 2016

- Civil, structural fabrication and erection, water supply, plumbing electric, lighting and earthing and HVAC installation works for CKCEC, Rath Chakra, Paradip, ₹ 10,160 lakh
- Architectural finishing of 6 metro stations for Kolkata Metro Rail Corporation Ltd., Kolkata ₹ 8,996 lakh

Outlook, 2017

- Target select opportunities in the education and healthcare spaces
- Enhance manpower base to reinforce in-house capabilities

Financial snapshot

(₹ in lakh)

	2013	2014	2015	2016
Order book status (as on 31st December)	12,681	56,813	32,986	25,055
Revenue	12,860	8,389	25,375	22,283



Business segment review – **5**

Highways, bridges and flyovers

Ongoing projects, as at 31 December 2016: 4
Projects completed in 2016: 3
Projects bagged in 2016: 2
Revenue, 2016: ₹ 41,790 lakh
Contribution to the total consolidated revenue in 2016: 13.5%
Order book, as on 31 December 2016: ₹ 23,929 lakh

Overview

The Company entered the road construction sector in 2001. After this entry, it implemented five Golden Quadrilateral road projects undertaken by the National Highways Authority of India, connecting four metro cities with four-lane highways, and East–West as well as North–South Corridors. The total length of road projects completed by the Company is estimated at around 500kms. The Company is also engaged in the construction of flyovers, underpasses and river bridges using specialized foundation techniques.



Financial snapshot

(₹ in lakh)

	2013	2014	2015	2016
Order book status (as on 31st December)	69,188	73,617	49,337	23,929
Revenue	21,277	32,964	46,650	41,790

Competitive advantages

- Pioneered the construction in India of a two-tiered flyover for Jaipur metro
- Equipped to execute complex projects involving long span bridges comprising special construction techniques
- Invested with robust execution competence leading to on-schedule project delivery

Key project bagged in 2016

Railway bridges for IIC Ltd at Nashik- ₹10,595 lakh

Key projects completed in 2016

- Construction of a six-lane link road between NH-24 Byepass and NH-58 at Ghaziabad, including ROB (excluding railway portion) on the Delhi-Howrah rail track
- Comprehensive development of corridor (Outer Ring Road) between Mangolpuri to Madhuban Chowk.
- Construction of elevated road, FOB, RCC drain, footpath, cycle track, widening/ strengthening of road, rainwater harvesting scheme, electrical works and other allied works [PWD -1]
- Comprehensive development of corridor (Outer Ring Road) between Madhuban Chowk to Mukarba Chowk. Construction of elevated road, FOB, RCC drain, footpath, cycle track, widening / strengthening of road, rainwater harvesting scheme, electrical works and other allied works [PWD -2]

Outlook, 2017

- Target bagging one road project on the EPC/HAM model
- Look to bid for large opportunities arising out of elevated metro projects, especially those coming up in Ahmedabad, Jaipur, etc.



Business segment review – **6**

Specialist engineering

Ongoing projects, as at 31 December 2016: 14
Projects completed in 2016: 24
Projects bagged in 2016: 23
Revenue, 2016: ₹ 26,404 lakh
Contribution to the total revenue in 2016: 8.6%
Order book, as on 31 December 2016: ₹ 15,180 lakh

Overview

The Company was founded around a distinctive ground engineering expertise. Eight decades later, the company has sustained its niche leadership, offering modern comprehensive construction techniques in the construction of piles and diaphragm walls, ground improvement, drilling, grouting works, rock anchors, slope stabilization and rehabilitation. Besides, the Company developed technologies related to pipe jacking and box jacking, eliminating problems that could otherwise occur when new roads and rail lines are constructed in busy cities and towns. The prudent use of this unique technology ensures normal traffic flow concurrent with construction activity. This technology incentivizes urban infrastructure renewal, enhancing public life quality.

Our portfolio

- Geotechnical investigations
- Pile foundations of all kind
- Deep excavation support systems like diaphragm wall, contiguous piles etc.
- Sandwicks/band drains
- Ground improvement technique like Vibro-floatation stone-columns/vibro compaction
- Drilling and grouting
- Rock/soil anchors
- Colcrete
- Gunite/shotcrete
- Grouted mattress
- Repairs/rehabilitation/ underpinning
- Tube heading and box pushing

Strengths

- A proprietary design competence that makes it possible to offer economical solutions in the face of diverse ground conditions and structural requirements.
- The introduction of new or improved technologies, reinforcing its credentials as the customer's preferred choice in projects warranting geotechnical engineering applications.
- The execution of a large number of tube heading and box pushing projects, demonstrating the Company's technological competence.
- The pioneering implementation of a challenging spun concrete piling technique for the first time in India.
- The completion of a challenging assignment of 3,800 bored and driven piles in just four months in Paradip (including procurement and logistics).

Financial snapshot

(₹ in lakh)

	2013	2014	2015	2016
Order book status (as on 31st December)	34,014	28,251	13,115	15,180
Revenue	32,119	32,832	32,028	26,404

Key projects bagged in 2016

- Ground improvement works using vibro stone column works for RMHS-II project at Dharamtar for JSW Steel Ltd, Dolvi, Maharashtra - ₹ 2,150 lakh
- Construction of 2 subways through railway tracks by box pushing at Shalimar Railway Station, Howrah, West Bengal - ₹ 2,465 lakh

Key projects completed in 2016

- Piling work of Talwandi 3x660 MW supercritical thermal power plant at Talwandi Sabo, Mansa, Punjab
- Installation of caissons (large diameter piles) for foundation of new secretariat building and elevated road at Tashiling, Gangtok
- Construction of substructure (topdown methodology) and superstructure works (conventional) at the proposed Club House, NCP Wadala project
- Bored cast in-situ RCC piling works for OSBL portion of resid upgradation project at the Manali refinery of CPCL, Chennai
- Piling works for polypropylene plant at Indian Oil Corporation Limited, Paradip refinery, Odisha

Outlook, 2017

- Increasingly look for opportunities beyond India, especially in the countries of Nepal, Sri Lanka and Bangladesh
- With the declining interest rate regime in India, we anticipate this will trigger investments, creating fresh opportunities for us
- Extensively look to bid for projects that are backed by institutional finance, thereby ensuring revenue security urity

Board of Directors

Mr. Premchai Karnasuta

Chairman

Mr. Premchai Karnasuta is a Director and Chairman of the Company since 2004 and he also serves as the President and Director of ITD, the promoter of the Company. He has more than three decades of experience in the infrastructure construction industry and has been the guiding force for your Company's progress over the years. He is a graduate in B.Sc in Mining Engineering and also holds an MBA degree.

Mr. Pathai Chakornbundit

Vice Chairman

Mr. Pathai Chakornbundit is a Director of the Company since 2004. He is also the Vice Chairman of the Company. He holds huge experience of more than four decades in the construction industry. He is also a Director and Senior Executive Vice President of ITD, the promoter of the Company. He is a graduate in B.Eng.

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 holds a rich 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. Darius Erach Udwadia

Independent Director

Mr. Darius Erach Udwadia is the senior most Director of the Company, having been on the Board since 1983. He 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 upto July 1997. 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.

He holds an M.A. Hons. Degree and LL.B from the University of Bombay.

Mr. Udwadia has spent nearly 54 years in active law practice and has significant experience and expertise in corporate law, joint ventures, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, project and infrastructure finance, intellectual property, international loans and finance-related transactions and instruments, mutual funds, real estate and conveyancing. His attendance at the Board and Audit Committee meetings of the Company has been virtually 100%. As an Independent Director, he participates actively in the proceedings of the Board, the Audit Committee meetings of which he is a Member and Nomination & Remuneration Committee of which he is Chairman. He sits on the Board of several public listed companies and private companies.

Mr. Per Ebbe Hofvander

Independent Director

Mr. Per Ebbe Hofvander is a Director of the Company since 2005. He has more than four decades of experience in civil engineering and has huge exposure in many overseas projects and international businesses. In his earlier stint he has held many senior positions, the last being as the President of Skanska International AB. He participates actively in the proceedings of the Board and Audit Committee meetings as an Independent Director. He holds a Degree in M.Sc. in Civil Engineering.

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 rich and wide experience in Corporate, International and Investment Banking Sectors of over40 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 attended all the Board and Audit Committee meetings of the Company except one. 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 Nominee: 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 Director of the Company since August 2015. He has experience and knowledge in Civil Engineering and Construction of over 14 years. He is an Executive Vice President of Italian-Thai Development Public Company Limited, Thailand, the promoter of the Company. He holds a Bachelor's Degree in Civil Engineering from Waseda University.

Management team

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

Mr. S. Ramnath
Senior Executive Vice President & CFO

Mr. Ashwin Parmar
Executive Vice President & CBO

Mr. K. Rajan
Senior Executive Vice President& CCO

Mr. Jayanta Basu
Executive Vice President & COO

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, 2016.

FINANCIAL RESULTS

(₹ in Lakh)

	Year 2016	Year 2015
Total Income	289,132.07	276,037.00
Gross Profit / (Loss) before depreciation and provision for doubtful debts	14,725.26	7,374.64
Less: Depreciation on fixed assets	3,230.79	2,485.29
Profit before provision for doubtful debts	11,494.47	4,889.35
Less: Provision for doubtful debts	2,050.07	1,367.65
Profit before taxation and exceptional item	9,444.40	3,521.70
Add/ (Less): Exceptional item (including share of loss in joint venture ₹907.09 Lakh)	-	(12,397.19)
Profit/ (Loss) before taxation after exceptional item	9,444.40	(8,875.49)
Less: Provision for taxation/(deferred tax credit)	(4,633.45)	2,944.76
Profit/ (Loss) after taxation	4,810.95	(5,930.73)
Add : Surplus of previous year brought forward	3,037.31	8,997.65
Amount available for appropriation	7,848.26	3,066.92
Directors' recommendation for appropriation:		
Proposed dividend	465.47	-
Dividend distribution tax	94.76	-
Adjustment on account of additional depreciation	-	29.61
Balance carried to Balance Sheet	7,288.03	3,037.31

DIVIDEND

The Directors are pleased to recommend dividend of Re 0.30 per share (2015-Nil) on 155,157,900 equity shares of Re 1/- each fully paid up. The above dividend, together with tax thereon, if approved, will represent 11.64% of distributable profits of ₹4,810.95 Lakh 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 ₹292,526.78 Lakh has increased by ₹18,918.08 Lakh, from ₹273,608.70 Lakh in the year 2015, an increase of about 6.9% over the previous year. Consolidated revenue from operations for the year at ₹308,856.02 Lakh has increased only marginally by ₹1,985.99 Lakh, from ₹306,870.03 Lakh in the year 2015, an increase of about 0.70% over the previous year.

The Company made a profit before tax of ₹ 9,444.40 Lakh compared to a loss before tax of ₹8,875.49 Lakh (after exceptional item of ₹12,397.19 Lakh) for the year 2015.

The Consolidated profit before tax was ₹7,360.80 Lakh compared to loss before tax of ₹8,458.58 Lakh (after exceptional item of ₹12,397.19 Lakh) for the year 2015.

After a review of the position of outstanding debts, your Directors have decided to write off bad debts during the year amounting to ₹342.89 Lakh (2015- Nil).

Total value of new contracts secured during the year aggregated ₹422,305 Lakh (2015 – ₹296,875 Lakh). Major contracts having a value of ₹7,500 Lakh and above are as under-

- Civil & structural works for a refinery at Paradip, Odisha.

- Architectural finishings and service works for Metro Stations at Kolkata, West Bengal.
- Development of multipurpose terminal by replacement of existing EQ 2 to EQ 5 Berths to cater to 14.00 metre draft vessels in inner harbour at Visakhapatnam Port.
- Civil works for fifth oil berth at Jawahar Dweep in Mumbai harbour.
- Complete civil construction works of railway line and bridges for a power plant at Nashik, Maharashtra.
- Construction of ten elevated metro stations for Nagpur Metro Rail.
- Civil works for construction of LNG Berth at Jaigad Port, Maharashtra.
- Construction of multi modal IWT terminal at Haldia, West Bengal.
- Construction of Container Berth 3 at Hazira, Gujarat.

During the year, your Company's Joint Venture, ITD-ITD Cem Joint Venture, has received a contract for laying of trunk sewer along James Long Sarani, Kolkata by micro tunneling method for KEIIP (₹9,871 Lakh) and the CEC-ITD Cem- Tata Projects Joint Venture has received a contract for design and construction of underground section including 3 underground stations at Siddhi Vinayak, Dadar and Shitaladevi Temple and associated bored tunnel for Mumbai Metro Rail Corporation (₹283,010 Lakh).

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

- Comprehensive development of elevated corridor between Mangolpuri to Madhuban chowk for PWD Delhi.
- Comprehensive development of elevated corridor between Madhuban chowk to Mukarba chowk for PWD, Delhi.
- Design and construction of reclamation and container yard with associated facilities at Jawaharlal Nehru Port, Navi Mumbai.
- Container terminal 4 at Mundra, Gujarat.
- Construction of New Haj Tower Complex at Kolkata for Hooghly River Bridge Commissioners.
- Construction of six lane link road on Delhi Howrah Rail Track for Ghaziabad Development Authority, Uttar Pradesh.
- Various piling and civil works in Maharashtra, Odisha, Sikkim, Tamil Nadu, etc.

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 (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, form part of this Annual Report.

The performance and financial position of the Company's subsidiary and joint ventures are summarized herein below: (₹ in Lakh)

Name	Total income	Profit/ (Loss) for the year	% share	Share of Profit/ (Loss)
Subsidiary:				
ITD Cementation Projects India Limited	0.30	(0.18)	100%	(0.18)
Joint Ventures:				
• ITD Cemindia JV	1,923.07	196.19	80%	156.95
• ITD-ITD Cem JV	29,957.63	(11,253.26)	49%	(5,514.10)
• ITD-ITD Cem JV (Consortium of ITD - ITD Cementation)	25.08	(461.72)	40%	(184.69)
• ITD Cem-Maytas Consortium	176.06	(36.14)	95%	(34.33)
• CEC-ITD Cem-TPL JV	1,708.50	NIL	40%	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 optimization, 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

The present Statutory Auditors of the Company, Messrs Walker Chandiok & Co LLP, Chartered Accountants, Mumbai, having Firm Registration No. 001076N/N500013 were appointed as the Auditors of the Company at the 34th Annual General Meeting (AGM) held on 4th May, 2012. Pursuant to the provisions of Section 139 of the Act, the Auditors were re-appointed for a period of two years from the conclusion of the 37th AGM held on 13th May, 2015 until the conclusion of the 39th AGM to be held on 11th May, 2017 and this appointment was duly ratified by the shareholders of the Company at the AGM held on 12th May, 2016. Accordingly, their term of five years would be expiring on 11th May, 2017.

As per the provisions of Section 139 of the Act, a company can appoint the same Audit Firm for a second term of 5 years subject to the approval of the shareholders of the company.

Based on the recommendations of the Audit Committee, the Board hereby recommends the appointment of Messrs Walker Chandiok & Co LLP, Chartered Accountants, Mumbai as the Company's Statutory Auditors for a further period of five years commencing from 11th May, 2017 for the approval of the shareholders.

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, 2016:

Name of the KMP	Designation
Mr. Adun Saraban	Managing Director
Mr. S. Ramnath	Chief Financial Officer
Mr. R.C. Daga	Company Secretary

None of the KMP has resigned during the year.

b) Directors

Mr. Premchai Karnasuta will retire by rotation and, being eligible, offers himself for re-appointment.

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 9th November, 2016.

e) Number of Meetings of Board of Directors

7 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

Disclosures 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 are 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	0.68
Mr. Per Ebbe Hofvander	-
Mr. D.P. Roy	0.68
Mrs. Ramola Mahajani	0.68
Mr. Piyachai Karnasuta	-
Executive Director	
Mr. Adun Saraban	18.13

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	15%
Mr. S. Ramnath, Chief Financial Officer	20%
Mr. R.C. Daga, Company Secretary	17%

(c) The percentage increase in the median remuneration of employees in the financial year: 12.08%

(d) The number of permanent employees on the rolls of the Company: 1882.

(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	12.69%	18.45%	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, 2016, the applicable accounting standards have been followed and there have been no material departures;
- they have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on an on- going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are 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 victimization, if any. This Policy has adequate safeguards against victimization 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.

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 Company has constituted a Risk Management Committee comprising Mr. Per Hofvander, Mr. Adun Saraban and Mr. B. K. Saha, Senior Executive Vice President of the Company. Mr. Per Hofvander is the Chairman of this Committee.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has constituted a CSR Committee comprising Mr. Per Hofvander, Mr. Pathai Chakornbundit and Mr. Adun Saraban. Mr. Per Hofvander is the Chairman of this Committee.

The Company has 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 forms 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 form 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 Annual Report and marked as Annexure 8 to this Report.

CORPORATE GOVERNANCE

Pursuant to Listing Regulation, 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.

ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007

The Company has an established Integrated Management System comprising Quality Management System (QMS) conforming to ISO 9001:2008, Environmental Management System (EMS) conforming to ISO 14001: 2004 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

During the last couple of years, India has had the privilege of being among the most favoured investment destinations of the world. Benign crude oil and commodity prices combined with the increase in tax revenues of the government have helped improve public finances and reduce some of its external vulnerabilities. Good monsoon in 2016 and its benevolent effect on food prices ensured that inflation remained in control with WPI and CPI at 3.39 % and 3.41% respectively as of December 2016.

However, the demonetization action by the government is likely to lower GDP growth in 2016-17 to about 6.8%, according to a survey carried out by FICCI in December '16/ January '17. This is lower by a percent from the IMF forecast of 7.6% GDP growth for India in 2016-17.

The anticipated revival in private capital investment has not come about and, going forward, the growth prospects for the construction sector in 2017 will largely be led by government expenditure on infrastructure. In the Budget for 2017-18, the government has increased the outlay on infrastructure by about 25% over its previous year and has chosen to adopt an integrated approach to improving the transportation network by combining roads, railways, waterways and civil aviation.

The Economic Survey for 2016-17 estimates the Indian economy to grow between 6.75% and 7.5% in 2017-18. But rising crude and commodity prices in global markets, increased protectionist policies by many governments affecting exports and the weakening of the rupee against the US dollar are factors that are likely to exert pressures on the fiscal front. This could in turn impact the government's investment expenditure in infrastructure.

The demonetization action led to a spurt in bank deposits and, with low demand for credit, has seen a reduction in lending rates. However, this alone will not be sufficient for improving credit metrics. Any significant improvement in liquidity profile and credit metrics of construction companies will take time and will be contingent on improvement in working capital cycle (by way of faster execution and release of stuck receivables/retention money), improvement in pace of execution and ability to raise long term funds.

The Company has maintained its focus on project selection for bidding after due evaluation of risks, profitability and project cash flow and has been able to build a strong and diverse order book worth ₹658,346 Lakh as on 31st December, 2016. The Company is also in the L1 status on a significant contract amounting to over ₹170,000 Lakh, which it is hopeful of converting into an award. The Company is confident of improving its performance in the coming year, although executional challenges will continue to exert pressure on profit margins for the next couple of quarters.

PARENT COMPANY

Italian-Thai Development Public Company Limited (ITD), founded in 1958, is a leading civil engineering & infrastructure construction and development company. 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 58 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 then 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 2015.

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

In 2015, ITD posted revenues of over 51 billion Thai Baht (about ₹9,400 crore) and had 27,317 employees on its rolls. Of its revenues, about 40% are derived from overseas operations.

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

The Company Law Board, New Delhi has granted permission to the Company to follow the financial year 1st January to 31st December.

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

Premchai Karnasuta
Chairman

21st February, 2017

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 Lakh)

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	Period of 12 months from 1st January, 2016 to 31st December, 2016.
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	(0.56)
6.	Total assets	4.51
7.	Total liabilities	4.51
8.	Investments	NIL
9.	Turnover	0.30
10.	Profit before taxation	(0.18)
11.	Provision for taxation	NIL
12.	Profit after taxation	(0.18)
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

(₹ in Lakh)

Name of associates/Joint Ventures	ITD-ITDCem JV(Consortium ITD-ITD Cementation)	ITDCem-Maytas Consortium	ITD-ITDCem JV	ITD Cemindia JV	CEC-ITDCEM-TPL JV
Latest audited Balance Sheet Date	31.12.2016	31.12.2016	31.12.2016	31.12.2016	31.12.2016
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	827.67	354.30	(390.18)	234.46	NIL
Extend of Holding %	40%	95%	49%	80%	40%
Description of how there is significant influence	Joint Control	Control	Joint Control	Control	Joint Control
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Net worth attributable to shareholding as per latest audited Balance Sheet	2,073.17	39.19	13,031.60	939.61	130.95
Profit/(Loss) for the year	(461.72)	(36.14)	(11,253.26)	196.19	NIL
i. Considered in Consolidation	(461.72)	(36.14)	(11,253.26)	196.19	NIL
ii. Not Considered in Consolidation	NIL	NIL	NIL	NIL	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

Adun Saraban
Managing Director

Pathai Chakornbundit
Director

S. Ramnath
Chief Financial Officer

Rahul Neogi
Company Secretary

21st February, 2017

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 optimization, 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:**

- For the Company's project stores, constructed at the Company's project sites, the Company has started using translucent polycarbonate corrugated sheets in place of conventional roofing material which allow ample daylight to reach inside the shed, thereby saving on electricity.

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

At the Company's new depot, the Company has decided to use solar panels to conserve non-renewable energy and utilize abundantly available sunny weather as a reliable energy source.

(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. In the year 2016, the Company invested in the capital purchase of 8 nos. of such cranes ranging in capacity from 35 tons to 160 tons.
- For Trenching works through rock strata for diaphragm wall construction for foundation, it has been a conventional practice to use either a very expensive trench cutter rig or adopt a method of chiseling with 3 to 5 ton chisel for excavation, which is a slow process. The Company utilized a heavy duty hydraulic foundation crane and especially manufactured a 15 ton chisel for trenching in rock. This combination was successfully used at one of our diaphragm wall work which expedited diaphragm wall construction in rock strata. This has resulted in reducing the cycle time per panel from 90 hours to 15 hours apart from substantial energy conservation.

B) Technology absorption

(i) **Efforts made towards technology absorption** – Nil

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

- Heavy traffic and inadequate space in urban areas have posed challenges necessitating use of engineering and construction methods that enable going deeper into the ground, and thereby increase the space required for providing public amenities, parking and for housing utilities. Vertical peripheral embedded soil retention systems became the need of the day to protect sides from deep excavations and facilitate construction. Retaining of sides of deep excavation in urban areas is always a difficult proposition especially when the ground water table is shallow. Secant piles has been adopted for the purpose on the metro packages in Mumbai. Secant piles forming a continuous wall of soft and hard piles alternating with each other with the harder piles cutting into the adjacent soft piles has been proposed. This type of construction requires special tools and methodology. The Company developed the tools for the purpose and these indigenously developed tools have been successfully put to commercial use on the Metro project.
- For a reclamation project, the Company utilized the static cone penetration test using PIEZO cone for evaluating on-site shear strength of very sensitive and low strength of underlying marine clay and thereby obtained a better assessment of consolidation process that ultimately achieved faster progress in performing reclamation works, thereby saving time and cost.
- Use of jointed precast stop end section in lieu of conventional steel stop end during construction of diaphragm wall foundation construction thereby improving the quality of construction process and saving time and cost.

(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 Company is continuing its efforts to identify opportunities of securing overseas contract in its specialist activities.

c. There were no earnings in foreign exchange from construction and related activities during the year under report. The foreign exchange outgo on account of traveling, import of consumables, capital goods, tools and spare parts aggregated to ₹3051.39 Lakh.

For and on behalf of the Board

Premchai Karnasuta
Chairman

21st February, 2017

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 programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   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.

2. The Composition of the CSR Committee:
   The CSR Committee comprises of Mr. Per Hofvander, Mr. Pathai Chakornbundit and Mr. Adun Saraban. Mr. Per Hofvander is the Chairman of this Committee.

3. Average net profit of the Company for last three financial years (₹ in Lakh): (4,264.02)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (₹ in Lakh): 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

21st February, 2017

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 programs such as succession planning, employment agreements, severance agreements, and any other benefits.
   - Review progress on the Company's leadership development programs, 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.

ANNEXURE 6

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2016

[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 - 400 057

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, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

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

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

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

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

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

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (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 :

- The Contract Labour (R&A)Act,1970 and Rules made thereunder;
- The Building & Other Construction (RE&CS) Act,1996 and Rules made thereunder;
- The Inter-state Migrant Workmen Act, 1976 and Rules made thereunder;
- The Explosive Act, 1884 and Rules made thereunder;
- Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
- Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
- 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, 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

Place: Mumbai

Date : 21st February, 2017

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

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. Where ever 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

Place: Mumbai

Date : 21st February, 2017

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

ANNEXURE 7

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.12.2016

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

I REGISTRATION & 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 – 500 008 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 SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st January, 2016) (Face Value ₹ 1/- each)				No. of Shares held at the end of the year (As on 31st December, 2016) (Face Value ₹ 1/- each)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (1)	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	80113180	0	80113180	51.63	80113180	0	80113180	51.63	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	80113180	0	80113180	51.63	80113180	0	80113180	51.63	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	80113180	0	80113180	51.63	80113180	0	80113180	51.63	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	37499511	1000	37500511	24.17	38534738	1000	38535738	24.84	0.67
b) Banks/FI	50244	1300	51544	0.03	42118	1300	43418	0.03	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	5832033	0	5832033	3.76	4192377	0	4192377	2.7	-1.06
h) Foreign Venture									
Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
a) Foreign Bank	0	500	500	0	0	500	500	0	0
SUB TOTAL (B)(1)	43381788	2800	43384588	27.96	42769233	2800	42772033	27.57	-0.39
(2) Non Institutions									
a) Bodies Corp.	5068014	32730	5100744	3.29	4377366	31180	4408546	2.84	-0.45
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	16960678	1506370	18467048	11.9	17856945	1403530	19260475	12.82	0.92

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st January, 2016) (Face Value ₹ 1/- each)				No. of Shares held at the end of the year (As on 31st December, 2016) (Face Value ₹ 1/- each)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	7127910	0	7127910	4.59	7597035	0	7597035	4.49	-0.10
c) Others (specify)									
(i) NRI	643535	5500	649035	0.42	906932	5500	912432	0.59	0.17
(ii) Clearing Member	292955	0	292955	0.19	85749	0	85749	0.06	-0.13
(iii) Trust	10000	0	10000	0.01	8000	0	8000	0	-0.01
(iv) NBFC registered with RBI	12440	0	12440	0.01	450	0	450	0	-0.01
SUB TOTAL (B)(2)	30115532	1544600	31660132	20.41	30832477	1440210	32272687	20.80	0.39
Total Public Shareholding (B)= (B)(1)+(B)(2)	73497320	1547400	75044720	48.37	73601710	1443010	75044720	48.37	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	153610500	1547400	155157900	100	153714890	1443010	155157900	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01/01/2016)			"Shareholding at the end of the year (As on 31/12/2016)			% 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 01/01/2016)		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 31/12/2016)			80113180	51.63

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

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year (As on 01/01/2016)		Cumulative Shareholding at the end of the year (As on 31/12/2016)*	
		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	11033180	7.11	10576780	6.82
2	UTI-MNC FUND	7189685	4.63	7633041	4.92
3	HITESH RAMJI JAVERI	4150000	2.67	4150000	2.67
4	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY	4100000	2.64	3418958	2.20
5	SBI MAGNUM MIDCAP FUND	3897150	2.51	5460315	3.52
6	L & T MUTUAL FUND TRUSTEE LTD L & T MONTHLY INCOME PLAN	3841467	2.48	2318779	1.49
7	ICICI PRUDENTIAL INFRASTRUCTURE FUND	3400000	2.19	2098505	1.35
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	3161149	2.04	3535069	2.28
9	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS MIDCAP FUND	2650000	1.71	1629503	1.05
10	PARAM CAPITAL RESEARCH PRIVATE LIMITED	2000000	1.29	2000000	1.29

*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 01/01/2016)		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	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
2	Mr. Pathai Chakornbundit	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
3	Mr. D.E. Udwadia	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
4	Mr. Per Hofvander	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
5	Mr. D.P. Roy	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
6	Mrs. Ramola Mahajani	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
7	Mr. Piyachai Karnasuta	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
8	Mr. Adun Saraban	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0

Sl. No.	Name of Director / Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year (As on 01/01/2016)		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Mr. S. Ramnath	01/01/2016	At the beginning of the year	0	0	0	0
		31/12/2016	At the end of the year			0	0
10	Mr. R. C. Daga	01/01/2016	At the beginning of the year	100	0	100	0
		31/12/2016	At the end of the year			100	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	31,335.94	17,500.00	NIL	48,835.94
ii) Interest due but not paid	48.46	-	NIL	48.46
iii) Interest accrued but not due	21.72	-	NIL	21.72
Total (i+ii+iii)	31,406.12	17,500.00	NIL	48,906.12
Change in Indebtedness during the financial year				
Additions	5,813.62	-	NIL	5,813.62
Reduction	-19,028.39	-	NIL	-19,028.39
Net Change	-13,214.77	-	NIL	-13,214.77
Indebtedness at the end of the financial year				
i) Principal Amount	18,121.17	17,500.00	NIL	35,621.17
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	6.11	-	NIL	6.11
Total (i+ii+iii)	**18,127.28**	**17,500.00**	**NIL**	**35,627.28**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (₹ in Lakh)

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	78.44	78.44
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	16.17	16.17
	(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	NII
4	Commission	25.00	25.00
	- as % of profit	0.19	0.19
	- others (specify)	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	119.61	119.61
	Ceiling as per the Act		565.40

B. Remuneration to other directors

(₹ in Lakh)

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 committee meetings	4.50	2.80	1.60	NIL	8.90
	(b) Commission	5.00	5.00	5.00	NIL	15.00
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	9.50	7.80	6.60	NIL	23.90
2	Other Non Executive Directors	Mr. Premchai Karnasuta	Mr. Pathai Chakornbundit	Mr. Piyachai Karnasuta		
	(a) Fee for attending board 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)	9.50	7.80	6.60	NIL	23.90
	Total Managerial Remuneration					143.51
	Overall Ceiling as per the Act.					678.48

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

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1		Company Secretary (Mr. R.C. Daga)	CFO (Mr. S. Ramnath)	Total
	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	44.99	48.55	93.54
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	2.69	6.96	9.65
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5	Other, please specify	NIL	NIL	NIL
	Total	47.68	55.51	103.19

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

ANNEXURE 8

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

ITD Cementation India Limited is a leading player in the engineering, procurement and construction (EPC) area of the infrastructure and construction industry. Propelled by a proven competence in the realm of civil engineering, the Company undertakes activities primarily in the following verticals:

- 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

Global growth is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised down by 0.1 percentage point for 2017 compared to the April 2016 projections. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US. However, long-term prospects of emerging market economies have improved on the back of a visible lowering of interest rates in advanced economies and firming of commodity prices. Asia in general and India in particular has demonstrated robust growth while sub-Saharan Africa has experienced a sharp slowdown. (Source: IMF & World Bank)

Emerging markets and developing economies (EMDEs): Aggregate growth for EMDEs was estimated at 3.5% for 2016, just above the post-crisis low reached in 2015. However, the overall forecast masks a marked difference between countries with strong commodity import-export ratios. After stagnating in 2015, growth in commodity-exporting EMDEs for 2016 was pegged at 0.4% – substantially below the forecasted 1.6% (January 2016). This reflects a significant downward revision in terms of commodity prices spurred by weak global trade, volatile capital flows and inherent domestic challenges.

Inflation and commodity prices: With China reorienting itself into a consumption-centric economy and Saudi Arabia reducing its dependence on oil, the case for base metals has been strengthened. This has in turn propped up commodity prices. Consequently, inflation rates have recovered across advanced economies and commodity prices bottomed out in recent months.

Financial markets: Long-term nominal and real interest rates have risen substantially in the UK and in the US since the November 2016 Presidential elections. As of early January 2017, nominal yields on 10-year US treasury bonds have increased by ~1 percentage point since August 2016. Since, the US fiscal policy is projected to become more expansionary, the greater demand will catalyse inflationary pressure.

Outlook: The global economy has entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices may provide some respite for resource-rich economies in 2017, but the medium-term outlook continues to be bleak with growth weakening in terms of investment and labour supply. Businesses will need to prepare themselves adequately in order to address the challenges arising from geopolitical tensions, policy uncertainties, financial market volatilities and rapid changes in technology. They can do so by leveraging qualitative sources of growth and boosting their technological quotients and business productivity ratios. (Source: https://www.conference-board.org/data/globaloutlook/)

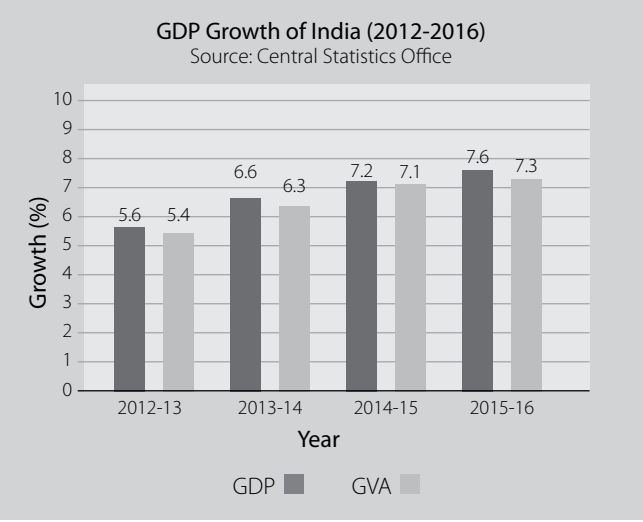
Indian economy

The Indian economy is the fifth-largest in the world, in terms of nominal GDP and the third-largest in terms of purchasing power parity. The country is classified as a 'newly industrialised country' and among the fastest-growing large economies of the world (an average growth rate of about 7%).

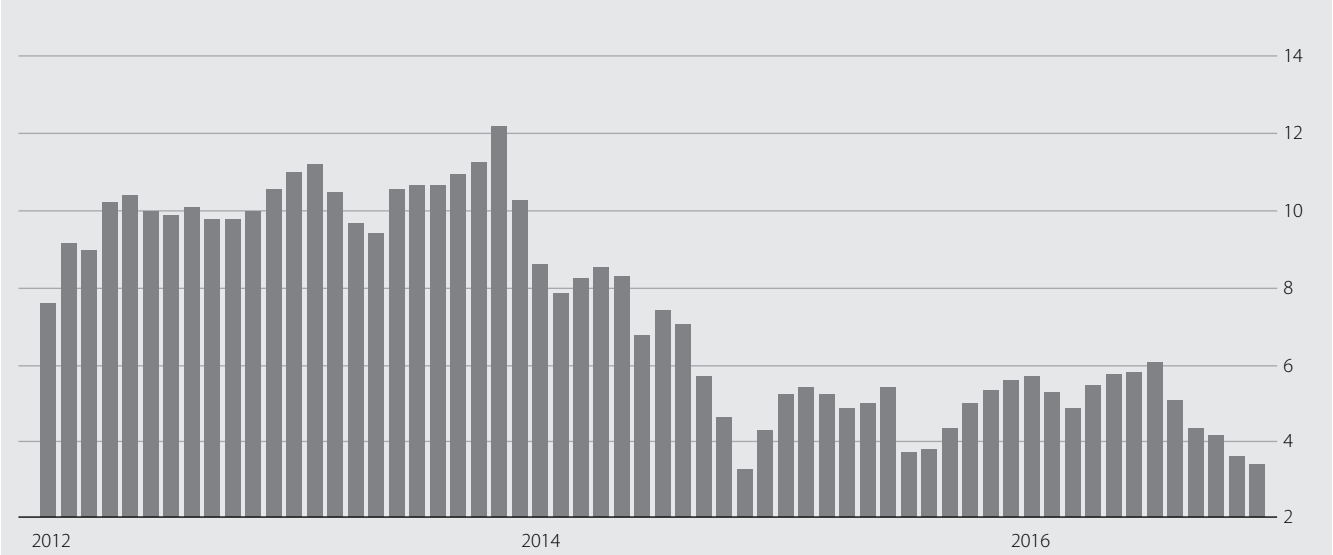
Economic growth in India gained momentum in the second quarter of fiscal year 2016, but dynamics remained lopsided. GDP increased 7.3% annually in the July to September period, which came in above the 7.1% rise recorded in the first quarter. However, the result was worse than the 7.5% expected by analysts and showed the economy is not firing on all cylinders. Still, India continues to grow the fastest of all major economies in the world.

Overall, GDP data suggest that the Indian economy remained on solid footing, driven largely by booming consumption. However, economic activity took a hit in the third quarter as the government's currency demonetization disrupted cash transactions.

GDP and inflation CPI- 2012 to 2016



INDIA INFLATION RATE



Source: WWW.TRADINGECONOMICS.COM MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI), INDIA

Infrastructure investment and development agenda has been one of the key priorities of the extant government and the earlier budgets also focused on substantial outlay for infrastructure sector backed with policy announcements to address the key concerns of the construction and infrastructure sector. The Budget-2017 continues to place emphasis on infrastructure development with an increased outlay by 25% over the FY 16-17 for infrastructure in the budgeted expenditure for FY 17-18. A good allocation of capex for transportation, rural and other infrastructure, including for water efficient micro irrigation are also encouraging steps, as also the development of select airports in tier II cities, supplementing the regional connectivity initiatives.

Key sector related announcements in the Budget 2017-18 for construction and infrastructure:

- Total outlay of ₹396,135 crore planned for infrastructure in 2017-18.
- The outlay on roads increased from ₹57,976 crore in budget 2016-17 to ₹64,900 crore in budget 2017-18. In all, 2,000 km of coastal connectivity roads have been identified for construction and development.
- The expenditure of Railways stands at ₹131,000 crore which includes ₹55,000 crore to be provided by the government.
- For transportation sector as a whole, including rail, roads and shipping, ₹241,387 crore has been proposed.
- Addition of ₹20,000 crore to corpus of Long-Term Irrigation Fund set up in NABARD. This will take the total corpus of the Fund to ₹40,000 crore.
- Higher investment in affordable housing. Increase in the allocation for Pradhan Mantri Awaas Yojana – Gramin from ₹15,000 crore in 2016-17 to ₹23,000 crore in 2017-18.
- For effective resolution of disputes in infrastructure-related construction contracts, PPP and public utility contracts, a mechanism will be introduced as an amendment to the Arbitration and Conciliation Act, 1996.

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian construction sector

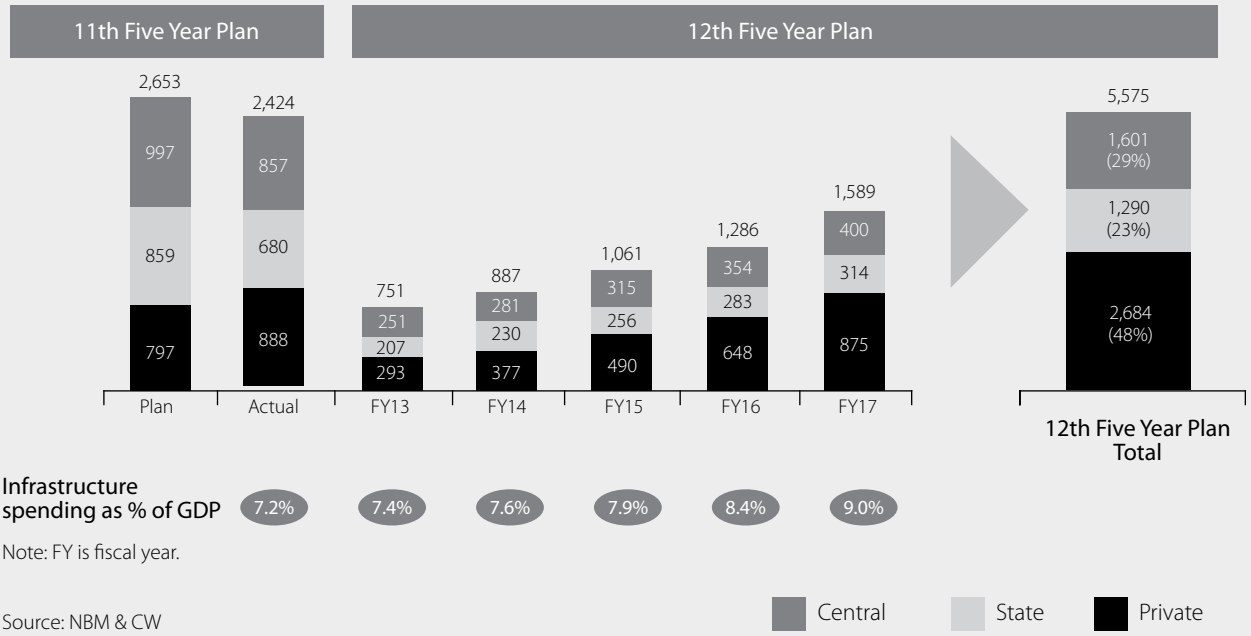
A report, 'Global Construction 2030', forecasts that the volume of construction output will grow by 85% to $15.5 trillion worldwide by 2030, with three countries, China, US and India , leading the way and accounting for 57% of all global growth. The report also concludes that the Indian construction market will grow at an average rate of 8.5% annually.

The prospects notwithstanding, the performance of the construction sector has been a mixed bag with some segments like roads and urban infrastructure registering improvement in the pace of execution and awarding of fresh projects while several other segments have remained tepid at best. The recovery in the sector is likely to get delayed further with the sharp fall in prices of commodities, which will defer the private sector investments in segments such as oil & gas, steel, and mining etc. This comes at a time when corporates and banks have stressed balance sheets, limiting the funding avenues for newer projects. However, on the positive side, with the savings from lower crude oil prices and the government's emphasis on infrastructure projects, public sector investments are expected to increase in medium term. Nevertheless, higher public sector investments alone may not be sufficient for revival of the construction/infrastructure sector as public sector spending is also constrained by fiscal deficit targets and other increased expenditures on account of pay revisions and subsidies.

While the order book position of most construction companies has remained sizeable at 3x the revenues, execution has not gained significant traction with the order books of several companies burdened with slow moving or stalled projects.

Infrastructure spending %

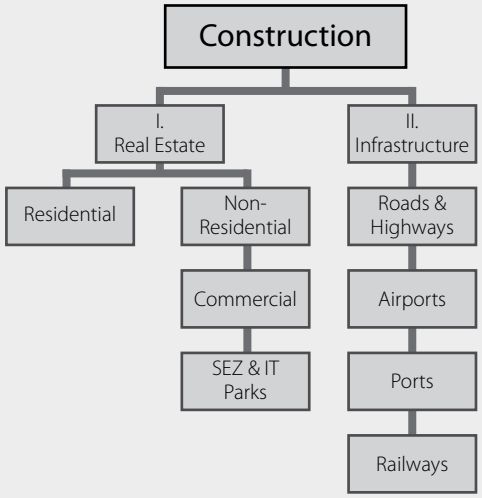
Spending (Rupees 000 crores)



Note: FY is fiscal year.

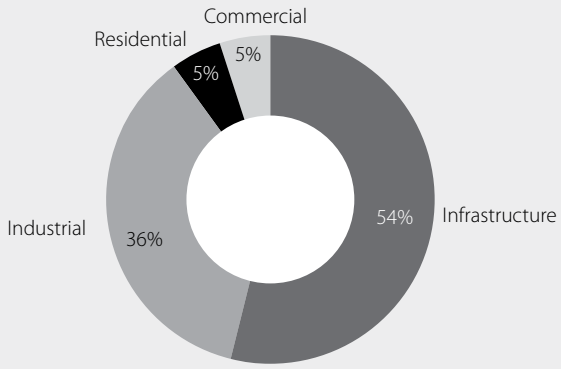
Source: NBM & CW

Structure of the Construction Industry



Source: Approach paper to the Twelfth Five Year Plan, Planning Commission

Share of Construction activities (%)



Source: D&B Research

Engineering, procurment and construction (EPC) business

With the size of several infrastructure projects going up, project developers are increasingly adopting the EPC or 'design and build' mode in preference to 'item rates' for award of contracts. This is especially evident in port and MRT projects. EPC and design & build contracts have enlarged the role and responsibilities of construction companies and also exposed them to higher risk of cost overruns. Other segments in the construction sector will also be graduating towards EPC as the preferred mode of infrastructure development in the coming years.

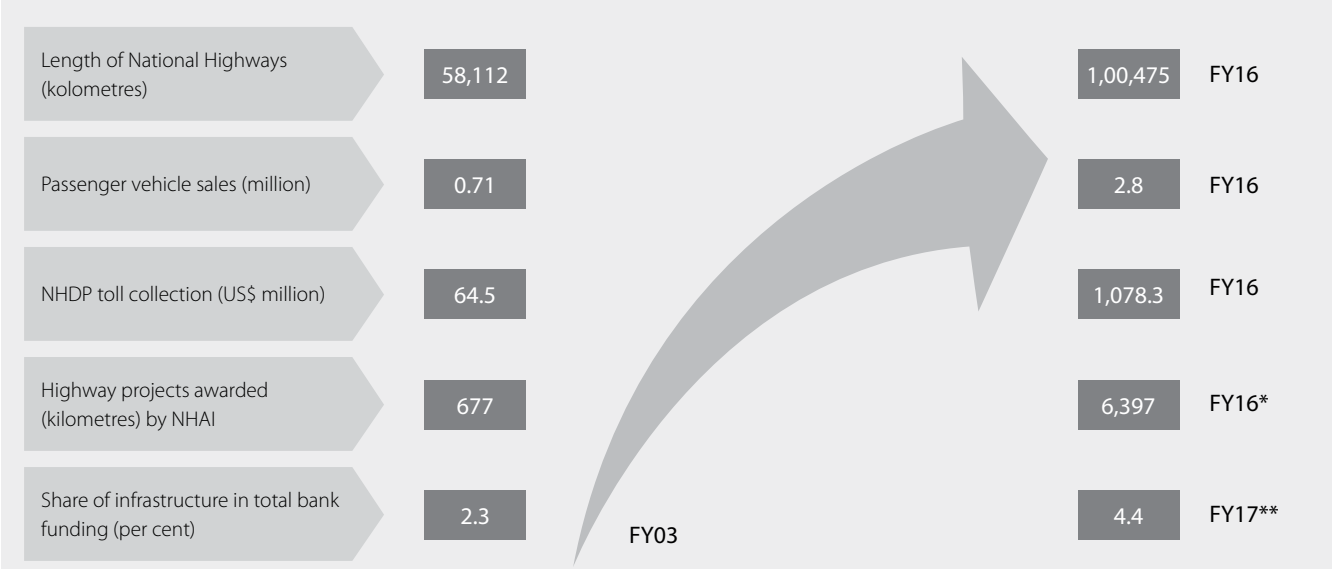
Construction companies will be required to remodel their businesses

to build in-house design and engineering capabilities to respond adequately and to remain relevant whilst simultaneously improving their risk management processes to handle the newer role. While EPC is increasingly being preferred, the necessary contractual framework based upon internationally best practices is yet to be fully adopted, especially by government agencies.

OPPORTUNITIES- KEY INFRASTRUCTURAL SECTORS

Roads

Evolution: India has the second largest road network in the world (4.87 million kilometres).
Roads constitute about 80 per cent of the country's passenger traffic and 65 per cent of freight traffic.



Source: National Highway Authority of India (NHAI), National Highway Builders Foundation, Reserve Bank of India (RBI)
Notes: FY - Indian Financial Year (April-March). NHDP - National Highways Development Project. TechSci Rearch: FY16*: Till December 2015. FY17**. Till May 2016

The government, through a series of initiatives, is working on policies to attract significant investor interest. The Indian government plans to develop a total of 66,117 km of roads under different programmes such as National Highways Development Project (NHDP) and Special Accelerated Road Development Programme in North East (SARDP-NE) and has set an objective of building 30 km of road a day from 2016.

Government Initiatives

Some of the recent developments are as follows

- The Ministry of Road Transport and Highways and National Highways Authority of India (NHAI) plan to take up 82 highway development projects under the Bharatmala project, which would help in improving connectivity to both major as well as minor ports in the country.
- The Government of India plans to invest ₹3 trillion (US$ 44.73 billion) for developing 35,000 km of roads across the country, of which 21,000 km will be economic corridors and 14,000 km will be feeder routes, which is expected to improve freight movement, ease traffic bottlenecks and improve inter-city connectivity in the country.
- A panel set by Government of India has cleared 16 highway projects worth ₹7,456 crore (US$ 1.11 billion) for bidding in 11 states, totaling a length of 622 kilometers, including the construction of new roads, widening and expansion of existing highways, and rehabilitation and upgrade of some projects.
- The Ministry of Road Transport and Highways plans to set up Land Acquisition (LA) cells across the country, which will work towards resolving issues related to land acquisition and ensure speedy compensation disbursal by the state governments.
- The Ministry of Road Transport and Highways plans to build five more greenfield expressways across the country, which are expected to reduce travel time and propel economic growth.
- The Cabinet Committee on Economic Affairs (CCEA) has approved a hybrid annuity model for implementing highway projects, which adopts a more rational approach to allocation of risks between the government and the private developer, and is hence expected to revive highway projects construction in India.
- India and Japan are planning to enter into a partnership and launch an infrastructure finance company which will provide soft loans for Indian road projects with a credit target of ₹ 2 Lakh crore.

- The government is planning a compensation policy for road sector developers, which will seek to compensate companies for any delays related to clearance for road projects.
- With the objective of reviving private investment in the roads sector, the Ministry of Roads and Highways is now working on two more models for attracting capital. One model proposes allowing bidding of a road project on the basis of the least present value, and the other envisages selling off road projects that have been built using government funds.
- The Indian government plans to set up a finance corporation with an amount of ₹ 1 trillion in collaboration with Japanese investors, to fund projects in the roads segment.

Railways and MRTS

The fact that about 80% of Indian Railway's (IR) current network was built before independence highlights the severe lack of investment in railways over the past 7 decades. Roads have garnered the lion's share of government support with railways being a poor cousin. On the other hand, rail traffic has surged exponentially; this means that IR has been battling intense congestion on its network. Overall, 40% of all railway sections and 65% of its high density sections are running at over 100% utilisation. This has dented average speeds and punctuality.

Having battled lack of investment, depleting market share and falling financial health for years, a paradigm shift is now underway as regards expansion and modernization of the railway network, manifested in an INR 8.56 trillion investment plan over 2015-19. Systemic changes like funding from LIC/states, focus on capacity enhancement, accounting overhaul, regulatory reforms, along with likely improvement in profitability post start of the Dedicated Freight Corridor (DRC) indicates that, going forward, railway investments may far outstrip those in National Highways over the next decade.

For EPC companies, IR together with DRC is likely to open up an entire new segment for orders. For companies in capital goods, power, ports, cement, logistics and metals/mining space, this will spell better volumes and cost reduction.

At present, seven metro networks in the cities of Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Gurgaon, and Jaipur are operational with plans to further expand each of these. Metro projects are also in various stages of planning and execution in 31 other cities. Besides, a monorail is already operational in Mumbai. As of September 2016, India has 324 km of operational metro lines. A further 520 km of lines are under construction. No country has laid out metro and other similar networks at such a breathtaking pace. The London Underground, the world´s first metro, is over a century old but the entire Great Britain still has only 20-odd urban rail systems. Even China, which has witnessed the fastest pace of urbanisation in history, has just 20-odd metro networks.

Airports

The civil aviation market in India is all set to become the world's third largest by 2020. During September 2016, domestic airlines carried over 8.23 million passengers, showing a growth of more than 23 per cent compared to the same period last year. By 2020, passenger traffic at Indian airports is expected to increase to 421 million. Domestic passenger traffic expanded at a compound annual growth rate (CAGR) of 11.8 per cent over FY06–15. It is expected to touch 209 million by FY17. International passenger traffic posted a CAGR of 9.5 per cent over FY06-15 and is set to touch 60 million by FY17.

The Government of India (GOI) envisions airport infrastructure investment of about INR 775 billion under the Twelfth Five Year Plan (2012-17). It has opened airport sector to private participation, six airports across major cities are being developed under the Public Private Partnership (PPP) model. The Airports Authority of India (AAI) aims to bring around 250 airports under operation across the country by 2020. The Government of India has recently launched the regional connectivity scheme named UDAN, (Ude Desh ka Aam Nagrik), to make flying affordable for common man. Under the scheme, 43 new airports are to be opened for traffic and 60 underserved and unserved airports are also planned to be connected, bringing the total number of airports in the country to 115 from where regular flights will be operated.

The near-term plans drawn up by the AAI are as under:

- Bring around 250 airports under operation across the country by 2020.
- Spend about INR 8 billion on non-metro projects by mainly focusing on the modernisation and up gradation of airports; New airports at Itanagar, Kohima and Gangtok are also planned.
- The Government of Andhra Pradesh plans to develop greenfield airports in six cities. (Nizamabad, Nellore, Kurnool, Ramagundam, Tadepalligudem, and Kothagudem) under the PPP model.
- About 22 airports to get connected under regional connectivity scheme of AAI Northeast India.
- Over 30 airport development projects are under progress across various regions in Northeast India.
- Develop over 20 airports in tier II and III cities in next five years.
- The AAI plans to develop Guwahati as an inter-regional hub and Agartala, Imphal and Dibrugarh as intra-regional hubs.

Ports

According to the Ministry of Shipping, around 95 per cent of India's trading by volume and 70 per cent by value is done through maritime transport.

India has 12 major and 200 notified minor and intermediate ports. Cargo traffic, which recorded 1,052 Million Metric Tonnes (MMT)

in 2015, is expected to reach 1,758 MMT by 2017. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km. The Indian Government play an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100 per cent under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

The Indian Government plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala project. The government is also looking to develop the inland waterway sector as an alternative to road and rail routes to transport goods to the nation's ports and hopes to attract private investment in the sector.

Some of the other major initiatives taken by the government in the port development are:

- The government plans to establish two new major ports, one at Sagar in West Bengal and the other at Dugarajapatnam in the Nellore district of Andhra Pradesh.
- Construction of the Fourth Container Terminal of Jawaharlal Nehru Port at Mumbai, which is expected to increase the existing capacity of the container terminal by more than twice.
- The Ministry of Shipping, in collaboration with Rajasthan Government, has planned to develop an Inland Shipping Port at Jalore, Rajasthan.
- Mechanisation of East Quay (EQ) Berths-1, 2 and 3 at Paradip Port on Build, Operate and Transfer (BOT) basis, under PPP mode, which will increase their coal handling capacity from existing 7.85 million tonnes to 30 million tonnes.
- The government is considering a proposal to set up an Integrated National Waterways Transport Grid (INWTG), which covers primarily five national waterways.

Power

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner.

Total installed capacity of power stations in India stood at 305,554.25 Megawatt (MW) as of August 31, 2016. Electricity generation rose 5.69 per cent year-on-year to 486.44 BU during April 2016-August 2016.

The Planning Commission's 12th Five-Year Plan estimates total domestic energy production to reach 669.6 Million Tonnes of Oil Equivalent (MTOE) by 2016–17 and 844 MTOE by 2021–22. India's wind power capacity, installed in 2016, is estimated to increase 20 per cent over last year to 2,800 MW led by favorable policy support that has encouraged both independent power producers (IPP) and non-IPPs. India is expected to add nearly 4,000 MW of solar power in 2016, nearly twice the addition of 2,133 MW in 2015.

India's wind energy market is expected to attract investments totaling ₹1,00,000 crore (US$ 14.91 billion) by 2020, and wind power capacity is estimated to almost double by 2020 from over 23,000 MW in June 2015, with an addition of about 4,000 MW per annum in the next five years.

OUTLOOK

During the last couple of years, India has had the privilege of being among the most favoured investment destinations of the world. Benign crude oil and commodity prices combined with the increase in tax revenues of the government have helped improve public finances and reduce some of its external vulnerabilities. Good monsoon in 2016 and its benevolent effect on food prices ensured that inflation remained in control with WPI and CPI at 3.39 % and 3.41% respectively as of December 2016.

However, the demonetization action by the government is likely to lower GDP growth in 2016-17 to about 6.8%, according to a survey carried out by FICCI in December '16/ January '17. This is lower by a percent from the IMF forecast of 7.6% GDP growth for India in 2016-17.

The anticipated revival in private capital investment has not come about and, going forward, the growth prospects for the construction sector in 2017 will largely be led by government expenditure on infrastructure. In the Budget for 2017-18, the government has increased the outlay on infrastructure by about 25% over its previous year and has chosen to adopt an integrated approach to improving the transportation network by combining roads, railways, waterways and civil aviation.

The Economic Survey for 2016-17 estimates the Indian economy to grow between 6.75% and 7.5% in 2017-18. But rising crude and commodity prices in global markets, increased protectionist policies by many governments affecting exports and the weakening of the rupee against the US dollar are factors that are likely to

exert pressures on the fiscal front. This could in turn impact the government's investment expenditure in infrastructure.

The demonetization action led to a spurt in bank deposits and, with low demand for credit, has seen a reduction in lending rates. However, this alone will not be sufficient for improving credit metrics. Any significant improvement in liquidity profile and credit metrics of construction companies will take time and will be contingent on improvement in working capital cycle (by way of faster execution and release of stuck receivables/retention money), improvement in pace of execution and ability to raise long term funds.

The Company has maintained its focus on project selection for bidding after due evaluation of risks, profitability and project cash flow and has been able to build a strong and diverse order book worth ₹658,346 Lakh as on 31st December, 2016. The Company is also in the L1 status on a significant contract amounting to over ₹170,000 Lakh, which it is hopeful of converting into an award. The Company is confident of improving its performance in the coming year, although executional challenges will continue to exert pressure on profit margins for the next couple of quarters.

RISKS AND CONCERNS

Business environment risk: The demand for the Company's services is largely dependent on growth of the infrastructure sector and the economic cycle. Our business is also influenced by changes in government policies and spending. Any change in policies or downturn in the economy that leads to lower spending on construction projects (including privately-funded infrastructure projects) could affect revenues.

Measures: The Indian economic scenario, over the next five years, is conducive to infrastructure investments barring unforeseen circumstances. The year 2016 saw some steps being taken by the government in according faster green clearances, addressing structural issues to de-bottleneck and revive stalled investment projects and introduce a new arbitration law, all of which are likely to favorably impact the construction sector. Besides, initiatives like the 'Make in India' campaign, the proposed 100 'Smart City' projects and several high-speed railway and road corridor projects are likely to sustain infrastructure opportunities. The planned increase in infrastructure spends by 25% in the Budget for FY 2017-18 has also reinforced the government's commitment to the sector.

Operational risk: The Company's operations are subject to risks arising out of operational inefficiencies, 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).

Measures: The Company engages in careful project screening and evaluation, with a view to negate project hazards. An appropriate insurance coverage or provisions of assessed costs for complying with such obligations has been made. The Company's professional project managers possess a rich industry experience, enabling the Company to reduce operational risks. The Company operates through ISO-certified processes and being a part of an internationally-acclaimed parent Company, enjoys access to superior equipment and technologies, reducing site risks. The Company participates in government projects backed by regulatory approvals and credible land titles, ensuring uninterrupted execution and secured cash flows.

Price escalation risk: Price escalation of multi-year infrastructure projects are the result of factors ranging from design changes to increasing cost of materials, machinery and labour as well as client delays. This can potentially cause time and cost overruns, impacting profitability.

Measures: A majority of the Company's contracts have escalation clauses which protect it from volatile external conditions. The Company's strong parentage provides seamless access to appropriate technology and equipment, helping to engage in value engineering as a partial hedge against rising costs.

Competition risk: The Company operates in a competitive market. If we are unable to bid for and win construction projects, we could fail to increase or maintain our volume of order intake and corresponding results.

Measures: 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.

The Company enters into joint ventures with players for large complex projects. The Company's promoter group enjoys an international reputation in handling complex challenging projects, the Suvarnabhumi International Airport in Bangkok standing as a testimony. This provides the Company with a credible brand with strong project execution skills.

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

Measures: A net worth of about ₹55,073 Lakh (31st December, 2016) pre-qualifies the Company for most large government and private projects across many industries. Besides, the Company enters into joint ventures and consortium partnerships to pool capabilities and bid for large projects. The consortium model enabled the Company to deepen its civil engineering competence and graduate to higher margin projects with reduced competitive intensity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an internal control system commensurate with its size and nature of business. The Company has systems and operating procedures (SOP), documented through a manual that defines the processes to be followed and delegation of authority is exercised prudently across various managerial levels. An internal

audit cell conducts audits to test the adequacy of internal systems and suggest continual improvements, round the year. These internal audit reports and adequacy of internal controls are reviewed by the Board's Audit Committee on a regular basis.

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 ₹658,346 Lakh as on 31st December, 2016.

On a standalone basis, the Company achieved revenue from operations of ₹292,526.78 Lakh in 2016, an increase of over 6.9% over the revenues of ₹273,608.70 Lakh reported in the last year. The Company made a profit before tax of ₹9,444.40 Lakh in 2016, in comparison to a loss before tax and after exceptional item of ₹8,875.49 Lakh achieved in 2015.

On a consolidated basis, the revenue from operations stood at ₹308,856.02 Lakh during the year 2016, against a revenue of ₹306,870.03 Lakh achieved in 2015. The Company has made a profit before tax of ₹7,360.80 Lakh in 2016, in comparison to a loss before tax and exceptional item of ₹8,458.58 Lakh in 2015.

The Company's consolidated order book as at 31st December, 2016 stands at ₹658,346 Lakh, representing a growth of 26.5% over the order book of ₹520,434 Lakh as at 31st December, 2015. This provides good visibility for the business for the next 2-3 years.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company encourages a performance-oriented culture through transparent employee appraisal systems. The Company believes in creating a professional, congenial, safe and environment-friendly workplace and consequently has striven to make construction sites as injury-free as possible. As on 31st December, 2016, there were 1,882 employees on the Company's steady roster and 2,697 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 realizing 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) effective 1st December, 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 out 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 2016		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	7	2	Yes	Nil	Nil
Mr. Pathai Chakornbundit (Vice Chairman)	Non– Independent, Non– Executive	7	5	Yes	Nil	Nil
Mr. D. E. Udwadia	Independent, Non– Executive	7	7	Yes	6	7 (includes 1 Chairmanship)
Mr. Per Hofvander	Independent, Non– Executive	7	5	Yes	Nil	Nil
Mr. D. P. Roy	Independent, Non– Executive	7	7	Yes	2	2
Mrs. Ramola Mahajani	Independent, Non– Executive	7	7	Yes	3	3
Mr. Piyachai Karnasuta	Non– Independent, Non– Executive	7	7	Yes	Nil	Nil
Mr. Adun Saraban (Managing Director)	Executive	7	7	Yes	1	Nil

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

Seven (7) meetings of the Board were held during the financial year ended 31st December, 2016. The dates on which the meetings were held are as follows: 2nd February, 24th February, 12th May, 7th July, 10th August, 26th September and 9th November, 2016.

(ii) During the year, information as mentioned in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, 2015, had been placed before the Board and the Company has complied with the same.

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

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

(v) 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, namely Mr Per Hofvander, Mr D. E. Udwadia and Mr D. P. Roy are Independent Directors. During the financial year ended 31st December, 2016 the Audit Committee held Six (6) meetings on 24th February, 12th May, 10th August, 26th September, 9th November and 23rd December, 2016. Attendance of the Directors was as under:

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

Mr Per Hofvander, the Chairman of Audit Committee, was present at the last Annual General Meeting held on 12th May, 2016.

Mr R.C. Daga, Company Secretary, attended the meetings of the Audit Committee held during the year 2016.

(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, and Rules framed thereunder pertaining to the Audit Committee and its functioning.**

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

4. Nomination and Remuneration Committee

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

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

(i) **Composition, names of members and Chairman and attendance during the year**

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 three (3) meetings during the financial year ended 31st December, 2016 on 24th February, 12th May, and 9th November, 2016. Attendance of the Directors was as under:

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

Mr R.C. Daga, Company Secretary, attended the meetings of the NRC held during the year 2016.

(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 meeting are placed at the meeting of the Board of Directors following the NRC meeting.

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

During the year, a meeting of the Independent Directors of the Company was held on 9th November, 2016. The performance evaluation of the Chairman and Non – Independent Directors was carried out by them.

The Board of Directors had evaluated performance of the Independent Directors based on the time spent, input and guidance given 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 of 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 ₹5,00,000/- (Rupees Five Lakh only) per annum to each such Director. Commission is payable to the 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.

The remuneration of the Non-Executive Directors by way of commission for the year ended 31st December, 2016, was determined by the Board in terms of the ordinary resolution passed by the shareholders at the Annual General Meeting held on 12th May, 2016.

During the financial year 1st January, 2016 to 31st December, 2016, the Company paid professional fees amounting to ₹23,59,220/- to M/s Udwadia & Co., Solicitors & Advocates, Mumbai, of which Mr D. E. Udwadia, Independent Director, is the Sole Proprietor, on account of professional services rendered by the firm to the Company on specific legal matters that were entrusted to the firm by the Company. 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 of judgement of Mr D. E. Udwadia as an Independent Director of the Company.

(c) **Disclosure with respect to remuneration:**

Executive Directors are 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, 2016 are given below:

Sl. No.	Name of the Director	Service Contract Years/ months	Salary (Rs.)	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	78,84,000	25,00,000	19,25,360	9,46,080	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	5,00,000	NIL	NIL	4,50,000
2.	Mr. D. P. Roy	-	NIL	5,00,000	NIL	NIL	2,80,000
3.	Mrs. Ramola Mahajani	-	NIL	5,00,000	NIL	NIL	1,60,000
	Total		78,84,000	40,00,000	19,25,360	9,46,080	8,90,000

Note: Sitting fees are paid for attendance by Non- Executive Directors resident in India at meetings of the Board and of the Committees of the Board.

6. A. Stakeholders Relationship Committee

The erstwhile Shareholders/Investors' Grievance Committee was rechristened 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, names of members and attendance during the year**

The SRC comprises of two (2) Directors and the Committee is headed by Mr Pathai Chakornbundit, a Non-Executive Director. The Committee held four (4) meetings during the financial year ended 31st December, 2016 on 24th February, 12th May, 9th August and 9th November, 2016. 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 R.C. Daga, Company Secretary, attended the meetings of the SRC held during the year 2016.

(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 meeting are placed before the meeting of the Board of Directors 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, 2016, fifty (50) 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 R.C. Daga, Company Secretary, has been the Company Secretary and Compliance Officer till 31st January, 2017.

Mr. Rahul Neogi has been appointed as the Company Secretary and Compliance Officer with effect from 1st February, 2017.

6. B. 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, 2016, 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, 2016, there was no pending request/ letter involving transfer 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 39th Annual General Meeting ('AGM') have been provided in the notice of the AGM.

7. Subsidiary Company

As on 31st December, 2016, 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 Resolution passed	
		No.	Nature
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	Adoption and alteration of Articles of Association under Section 61 and Section 14 of the Companies Act, 2013.
31.12.2013	8th May, 2014 2.30 p.m. Rama Watumull Auditorium, Mumbai.	None	–

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

During the financial year ended 31st December, 2016, the Company passed a Special Resolution through Postal Ballot relating to giving of loan(s) and guarantee(s), providing security(ies) or acquiring by way of subscription, purchase or otherwise the securities of any other body corporate in excess of the prescribed limits under section 186 of the Companies Act, 2013 as under:

"To give loan(s) to any person or other body corporate; give any guarantee(s) or provide any security(ies) in connection with a loan to any other body corporate or person; acquire by way of subscription, purchase or otherwise the securities of any other body corporate(s), for an amount not exceeding ₹2,500 Crores (Rupees Two Thousand Five Hundred Crores Only), outstanding at any time, under Section 186 of the Companies Act, 2013 read with Rules framed thereunder."

Electronic Voting (E:voting/Remote e-Voting) facility was also made available to the members. 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 Scrutinizer 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	12,10,86,117	12,10,81,932	11,39,48,274 (94.11%)	71,33,658 (5.89%)

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 Financial Express and Dainik Mumbai Lakshadweep. 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.

(iiii) 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: 11th May, 2017
Time: 3.00 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) 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 2016-2017 (upto 31.03.2017) of the above mentioned stock exchanges have been paid.

(iv) Stock Code
BSE Limited (BSE): 509496
The National Stock Exchange of India Limited (NSE): ITDCEM

(i) 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 2016

Months	High		Low		Close	
	ITD Cem price ₹	BSE Sensex	ITD Cem price ₹	BSE Sensex	ITD Cem price ₹	BSE Sensex
January	115.00	26197.27	95.50	23839.76	100.30	24870.69
February	102.20	25002.32	83.30	22494.61	89.70	23002.00
March	115.10	25479.62	90.00	23133.18	108.65	25341.86
April	130.00	26100.54	108.10	24523.20	122.50	25606.62
May	140.10	26837.20	118.80	25057.93	130.75	26667.96
June	138.00	27105.41	118.10	25911.33	134.80	26999.72
July	160.45	28240.20	132.65	27034.14	147.45	28051.86
August	165.00	28532.25	126.30	27627.97	143.05	28452.17
September	149.50	29077.28	135.10	27716.78	140.55	27865.96
October	152.00	28477.65	136.50	27488.30	149.60	27930.21
November	154.50	28029.80	126.20	25717.93	144.00	26652.81
December	153.80	26803.76	141.40	25753.74	148.65	26626.46

High and Low prices of the Company's shares at NSE with corresponding Nifty January to December 2016

Months	High		Low		Close	
	ITD Cem price ₹	Nifty	ITD Cem price ₹	Nifty	ITD Cem price ₹	Nifty
January	114.90	7972.55	95.00	7241.50	99.85	7563.55
February	103.00	7600.45	83.10	6825.80	90.00	6987.05
March	115.00	7777.60	89.30	7035.10	109.20	7738.40
April	129.80	7992.00	108.00	7516.85	123.10	7849.80
May	140.50	8213.60	118.80	7678.35	130.65	8160.10
June	137.90	8308.15	119.00	7927.05	135.10	8287.75
July	160.80	8674.70	134.00	8287.55	147.50	8638.50
August	163.95	8819.20	130.65	8518.15	143.70	8786.20
September	149.30	8968.70	135.00	8555.20	141.00	8611.15
October	152.40	8806.95	137.55	8506.15	149.55	8625.70
November	155.00	8669.60	118.60	7916.40	144.65	8224.50
December	154.00	8274.95	141.20	7893.80	149.20	8185.80

(vi) Registrars and Share Transfer Agents

M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 008, Tel: +91 40 67162222, Fax : +91 40 23420814, email ID : einward.ris@karvy.com are the Registrars and Share Transfer Agents of the Company.

(vii) 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.

(viii) Shareholding Pattern as on 31st December, 2016.

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	26865510	17.31
(iii)	Banks/IFI	43418	0.03
(iv)	Mutual Funds	38535738	24.84
(v)	Corporate Bodies	4408546	2.84
(vi)	NRI/OCB/FII/FOREIGN BANK/FPB/FPI	5105309	3.29
(vii)	Clearing Members	85749	0.06
(viii)	NBFC	450	0.00
	Total	**155157900**	**100.00**

(ix) Distribution of Shareholding as on 31st December, 2016

Sl No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1-500	12642	60.90	2002499	1.29
2	501-1000	3748	18.06	2984018	1.92
3	1001-2000	2206	10.63	3368072	2.17
4	2001-3000	783	3.77	1987869	1.28
5	3001-4000	385	1.85	1376037	0.89
6	4001-5000	285	1.37	1342629	0.87
7	5001-10000	367	1.77	2669667	1.72
8	10001 & above	343	1.65	139427109	89.86
	TOTAL:	**20759**	**100.00**	**155157900**	**100.00**

(x) 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, 2016, out of the 20759 shareholders 19008 shareholders have dematerialised their shares aggregating to 153714890 shares i.e. around 99.07% of the total paid – up capital of the Company.

(xi) Dates of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 5th May, 2017 to Thursday, 11th May, 2017 (both days inclusive).

(xii) Registered Office

National Plastic Building,
A-Subhash Road,
Paranjape B Scheme,
Vile Parle (East),
Mumbai - 400 057, Maharashtra, India.

(xii) 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 – 500 008
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
+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, 2016.

(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:** None

(iii) **Whistle Blower Policy:**
The Company has in place a Whistle-Blowing and Prevention of Sexual Harassment Policy and Procedures and it affirms that no personnel has been denied access to the Audit Committee.

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

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 21st February, 2017 to approve the Audited Financial Statements for the financial year ended 31st December, 2016.

12. Discretionary Requirements

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

(ii) **Shareholders' Rights:**
The quarterly, half yearly 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 a half yearly declaration of financial performance including summary of significant events in the last six months to each household of shareholders.

(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 are 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 31 December 2016, 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 **Sudhir N. Pillai**
Partner
Membership No: 105782

Place: Mumbai
Date: 21 February 2017

Business Responsibility Report

(Pursuant to Regulation 34(2)(f) of 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
6.	Financial Year reported:	2016
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. 58 sites across 15 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, 2016):	₹1,551.58 Lakh.
2.	Total turnover (as at 31st December, 2016): Revenue from standalone operations	₹292,527 Lakh.
3.	Total profit after taxes (as at 31st December, 2016): On standalone basis	₹4,811 Lakh.
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 2016 - 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	1.	Director Identification Number	01312769
	(a) Details of Director/Directors responsible for implementation of the BR policy/policies	2.	Name	Mr. Adun Saraban
		3.	Designation	Managing Director
	(b) Details of the BR Head	1.	Director Identification Number	Not Applicable
		2.	Name	S. Ramnath
		3.	Designation	Chief Financial Officer
		4.	Telephone No.	022 67680806
		5.	e-mail id	s.ramnath@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: 2008, Environmental Management System (EMS) conforming to ISO 14001: 2004 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.								
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_ExDir_Emp.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.
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 50 complaints in the financial year ended 31st December, 2016 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 (Transportation not applicable).
	(a) 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
	(a) 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 recognize 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:	4,579
2.	Please indicate the total number of employees hired on temporary/ contractual/casual basis:	2,697
3.	Please indicate the number of permanent women employees:	38
4	Please indicate the number of permanent employees with disabilities:	1
5.	Do you have an employee association that is recognized 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 recognized employee association?:	2%

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:	No	Category	No of complaints filed during the financial year	No of complaints pending on 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?	Yes. On a continual basis.			
	(a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities				

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1.	Has the Company mapped its internal and external stakeholders? Yes/No :	Yes
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders :	Yes
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so :	The Company'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.
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.
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 social development projects/ activities.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?:	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, 2016. However, in accordance with the CSR Policy, the Company had spent ₹19.74 Lakh on CSR activities for the year 2015 on 3 projects relating to sanitation and providing safe drinking water.
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 have been 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. • Customer complaints pending as at the end of the financial year (31st December, 2016) – NIL. • There are no consumer cases pending as at the end of the financial year (31st December, 2016).
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

Financial Statements

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 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 the 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 the 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, of the state of affairs of the Company as at 31 December 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 38 to the standalone financial statements which describes the uncertainty related to recoverability of long-term trade receivables and unbilled work in progress aggregating to ₹2,863.37 lakhs (31 December 2015: ₹2,863.37 lakhs) and ₹8,677.57 lakhs (31 December 2015: ₹8,677.57 lakhs) respectively, outstanding as at 31 December 2016, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of litigation, the Company has assessed

the recoverability of these claims based on legal opinion from an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the audited standalone financial statements. Our opinion is not modified in respect of these matters.

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. 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. the matter described in paragraph 9 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;

    f. on the basis of the written representations received from the directors as on 31 December 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2016 from being appointed as a director in terms of Section 164(2) of the Act;

    g. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 December 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 21 February 2017 as per Annexure II expressed an unmodified opinion.

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

        i. as detailed in Note 31 (d) to (g) and 38 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;

        ii. the Company has made provisions as required under applicable law or accounting standards, for foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts.

        iii. there were no amounts which were 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 Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 February 2017

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 2016

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, we report that:

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

(b) The fixed assets 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 products/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:

Name of statue	Nature of disputes	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	Sales Tax	31.97	-	2004-05	Deputy Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Value Added Tax	412.02	-	2011-12 and 2012-13	Additional Commercial Tax Officer, Goa
Sales Tax Act/Works Contract Tax Act	Value Added Tax	790.65	72.06	2009-10, 2010-11 and 2011-12	Joint Commissioner of Commercial Taxes, Rajkot
Sales Tax Act/Works Contract Tax Act	Value Added Tax	478.17	70.00	2012-13	The West Bengal Taxation Tribunal, Salt Lake Kolkata
Sales Tax Act/Works Contract Tax Act	Sales Tax	16.60	-	1994-95	Revision Board (Tribunal) Kolkata
Sales Tax Act/Works Contract Tax Act	Value Added Tax	10.38	2.70	2005-06	The Joint Commissioner, Sales Tax, Mumbai
Sales Tax Act/Works Contract Tax Act	Sales Tax/ Value Added Tax	100.29	25.07	2006-07, 2007-08, 2008-09 and 2009-10	Appellate Deputy Commissioner of Commercial Taxes, Tamil Nadu

Name of statue	Nature of disputes	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	235.53	-	2012-13	Deputy Commissioner, Uttar Pradesh
Sales Tax Act/Works Contract Tax Act	Sales Tax/ Value Added Tax	714.58	-	2004-05, 2006-07, 2007-08, 2010-11 and 2011-12	Appellate and Revisional Board, West Bengal
Sales Tax Act/Works Contract Tax Act	Value Added Tax	44.09	-	2008-09	West Bengal Taxation Tribunal
Sales Tax Act/Works Contract Tax Act	Value Added Tax	307.59	-	2013-14	Senior Joint Commissioner Appeals, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.15	-	1999-00	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.19	-	2005-06	Assistant Commissioner, Rajasthan
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.68	0.34	2003-04	Assistant Commissioner of Sales Tax, Orissa
Sales Tax Act/Works Contract Tax Act	Sales Tax	4.29	-	1997-98 and 2007-08	Deputy Commissioner of Commercial Taxes, Uttar Pradesh
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
Income Tax Act, 1961	Income Tax	161.30	-	A.Y. 2012-13 and A.Y. 2013-14	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	153.64	-	A.Y. 2013-14	Commissioner of Income Tax (Appeals), Kolkata
Income Tax Act, 1961	Income Tax	286.84	-	A.Y. 2011-12 & A.Y. 2012-13	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	206.69	-	A.Y. 2010-11 & A.Y. 2011-12	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	0.63	-	A.Y. 2010-11	Assessing Officer, Mumbai

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government during the year. The Company did not have any outstanding debentures 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) No 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 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 accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with 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 Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 February 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 2016, 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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 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 included 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 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 internal financial controls over financial reporting were operating effectively as at 31 December 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 February 2017

Balance Sheet as at 31 December 2016

(Currency : Indian Rupee in lakhs)

	Notes	As at 31 December 2016	As at 31 December 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,551.58	1,551.58
Reserves and surplus	3	53,520.95	49,270.23
		55,072.53	**50,821.81**
Non-Current Liabilities			
Long-term borrowings	4	4,062.13	982.81
Long-term provisions	5	902.36	692.16
		4,964.49	**1,674.97**
Current Liabilities			
Short-term borrowings	6	29,348.43	45,168.90
Trade payables	7		
- Total outstanding dues of Micro Enterprises and Small Enterprises		709.27	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		59,713.93	71,678.03
Current maturity of long-term-borrowings	4	2,210.61	2,684.22
Other current liabilities	8	31,102.82	44,363.77
Short-term provisions	9	2,541.83	1,597.52
		1,25,626.89	**1,65,492.44**
Total		**1,85,663.91**	**2,17,989.22**
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	10	33,560.87	29,312.93
- Capital work-in-progress		560.20	196.84
Non-current investments	11	1,031.25	6,607.42
Deferred tax assets (net)	12	3.07	3,622.20
Long-term loans and advances	13	21,456.49	16,960.30
Long-term trade receivables	17	2,863.37	2,863.37
Other non-current assets	14	-	18.89
		59,475.25	**59,581.95**
Current Assets			
Current investment	15	0.26	0.26
Inventories	16	66,700.86	99,730.47
Trade receivables	17	22,744.76	26,116.29
Cash and bank balances	18	16,469.59	14,087.97
Short-term loans and advances	13	20,236.46	18,355.39
Other current assets	19	36.73	116.89
		1,26,188.66	**1,58,407.27**
Total		**1,85,663.91**	**2,17,989.22**
Significant accounting policies	1		

Notes 1 to 43 form an integral part of these standalone financial statements

This is the balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Statement of Profit and Loss for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

	Notes	Year ended 31 December 2016	Year ended 31 December 2015
REVENUE			
Contract revenue		2,92,526.78	2,73,608.70
Other operating income	20	(5,370.49)	744.36
Other income	21	1,975.78	1,683.94
Total revenue		**2,89,132.07**	**2,76,037.00**
EXPENSES			
Cost of materials consumed		65,536.17	66,234.95
Sub-contract expense		1,28,612.76	1,24,255.07
Employees benefits expense	22	22,140.99	18,432.25
Finance costs	23	8,874.36	11,506.77
Depreciation expense	10	3,230.79	2,485.29
Other expenses	24	51,292.60	49,600.97
Total Expenses		**2,79,687.67**	**2,72,515.30**
Profit before exceptional item and tax		**9,444.40**	**3,521.70**
Exceptional items	25	-	(12,397.19)
Profit/(loss) before tax		**9,444.40**	**(8,875.49)**
Tax expense			
Current tax		(3,565.15)	-
Less: Minimum alternative tax credit entitlement		2,550.83	-
Deferred tax (charge)/credit		(3,619.13)	2,944.76
Net profit /(loss) for the year		**4,810.95**	**(5,930.73)**
Earnings/(loss) per equity share of ₹1 each	26		
Basic and diluted		3.10	(3.82)

Notes 1 to 43 form an integral part of these standalone financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Cash Flow Statement for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2016	Year ended 31 December 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	9,444.40	(8,875.49)
Adjustments for:		
Depreciation expenses	3,230.79	2,485.29
Finance costs	8,874.36	11,506.77
Interest income	(1,167.89)	(380.00)
Provision for doubtful debts	2,050.07	1,367.65
Bad debts written off on one time settlement with NHAI	-	11,490.10
Provision for doubtful deposits	2.74	50.22
(Profit) / loss on sale of fixed assets (net)	80.25	(787.37)
Share of loss in Joint Ventures	5,576.17	603.83
Sundry balances written back	(206.92)	(98.17)
Operating profit before working capital changes	**27,883.97**	**17,362.83**
Adjustment for change in working capital		
Decrease/(Increase) in inventories	33,029.61	(3,786.55)
Decrease/(Increase) in trade receivables	1,321.46	(5,516.22)
Increase in loans and advances	(4,868.04)	(11,278.46)
(Decrease)/Increase in trade payables and other current liabilites	(23,792.90)	50,285.01
Cash generated from operations	**33,574.10**	**47,066.61**
Direct taxes paid	(3,238.42)	(2,204.26)
Net cash generated from operating activities	**30,335.68**	**44,862.35**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(7,107.84)	(4,095.49)
Proceeds from sale of fixed assets	77.26	1,175.79
Fixed Deposit with bank (maturity beyond three months)	(241.65)	(6,241.65)
Proceeds from fixed deposit with bank (maturity beyond three months)	6,241.65	222.87
Interest received	1,254.93	277.34
Net cash generated from/(used in) investing activities	**224.35**	**(8,661.14)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	5,812.63	801.38
Repayment of long-term borrowings	(3,206.92)	(4,469.48)
Repayment of short-term borrowings (net)	(15,820.47)	(14,573.56)
Interest paid	(8,974.94)	(11,575.63)
Dividend paid	(0.71)	(1.27)
Net cash used in financing activities	**(22,190.41)**	**(29,818.56)**
Net increase in cash and cash equivalents	8,369.62	6,382.65
Cash and cash equivalents at the beginning of year	7,836.32	1,453.67
Cash and cash equivalents at the end of year	**16,205.94**	**7,836.32**

Cash Flow Statement for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2016	Year ended 31 December 2015
Componenets of cash and cash equivalents (Refer note 18)		
Cash in hand	56.59	134.99
Balance with scheduled banks		
- current accounts	2,943.89	3,395.16
- unpaid dividend bank accounts	5.46	6.17
- deposit with original maturity upto 3 months	13,200.00	4,300.00
	16,205.94	**7,836.32**

Notes :

1. Figures given in brackets indicate cash outflow
2. The cash flow statement has been prepared under Indirect Method as per the Accounting Standard 3 Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the classification of the current year.

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Company') was incorporated in 1978 and 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 specialist engineering work. The activities of the Company comprise only one business segment viz. Construction.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting and preparation of standalone financial statements

The standalone financial statements of the Company have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 to the Companies Act, 2013. The standalone financial statements are prepared under the historical cost convention, on an accrual basis of accounting.

The accounting policies applied are consistent with those used in the previous year.

B. Accounting estimates

The preparation of the standalone financial statements in conformity with generally accepted accounting principles requires 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 standalone 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 these are determined.

C. Fixed assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure.

D. Depreciation on tangible fixed assets

(i) Depreciation on tangible assets is provided on straight line basis at useful life prescribed in Schedule II to the Companies Act, 2013 on a pro-rata basis. However, certain class of plant and machinery are depreciated on the useful life different from the useful life prescribed in Schedule II to the Companies Act, 2013 having regard to useful life of those assets in construction projects based on the management's experience of use of those assets which is in line with industry practices.

(ii) Leasehold improvements are amortized over the lease period or useful life whichever is lower.

(iii) Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the month of additions/deductions.

E. Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and its value in use. Impairment loss is recognized in the Statement of Profit and Loss or against revaluation surplus where applicable beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

F. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

Current investments are carried in the standalone financial statements at lower of cost or fair value determined on an individual investment basis. Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Investments in integrated Joint Ventures are carried at cost net of adjustments for Company's share in profits or losses as recognized.

G. Inventories

i. Construction materials are valued at cost. 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).

ii. Tools and equipment are stated at cost less the amount amortised. Tools and equipment are amortised over their estimated useful lives ranging from 3 to 10 years. Cost is determined by the weighted average method.

iii. Machinery spares that are of regular use are charged to the statement of profit and loss as and when consumed.

iv. Unbilled work in progress: Work done remaining to be certified/billed is recognized as unbilled work in progress provided it is probable that they will be recovered in the accounts. The same is valued at the realizable value.

H. Revenue recognition

i) On 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 work-in-progress" and certification in excess of contract revenue has been classified as "Other current liabilities" in the standalone financial statements.

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.

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.

Contractual liquidated damages, payable for delays in completion of contract work or for other causes, are accounted for as costs when such delays and causes are attributable to the Company or when deducted by the client.

ii) Accounting for Joint Venture Contracts

a) Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share of profit in unincorporated joint ventures. The share of profit / loss is accounted based on the audited financial statements of Joint Ventures and is reflected as Investments in the Balance sheet.

b) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company.

(iii) Service Income from Joint ventures

Service income is accounted on accrual basis in accordance with the terms of agreement with unincorporated Joint ventures.

(iv) Insurance claims

Insurance claims are recognized as income based on certainty of receipt.

(v) Interest Income and other income

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

I. Advances from customers, progress payments and retention

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables. Where such retention has been released by customers against submission of bank guarantees, the amount so released is adjusted against receivable from customers and the value of bank guarantees is disclosed as a contingent liability.

J. Foreign currency transactions

i. Initial Recognition

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

ii. Conversion

Foreign currency monetary items are reported using the closing rate. 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.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

K. Employee benefits

i. Defined benefit plan

In terms of the Guidance on implementing Accounting Standard (AS) 15 - Employee Benefits, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the Company is treated as a defined benefit plan. This is administered through trusts of the Company. The Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. 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.

Further company has defined benefit plans for post-employment benefits in the form of Gratuity. The Company has taken an insurance policy under the Group Gratuity Scheme with the insurance company to cover the Gratuity Liability. The liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return of plan assets is the Company's expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the Balance Sheet date. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

ii. Defined contribution plan:

The certain employees of the Company are also participant in the superannuation plan, employee state insurance scheme and Labour Welfare Fund scheme which is a defined contribution plan. The Company has no obligations to the Plan beyond its contributions. The Company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as incurred.

iii. Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for the measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuations using the projected unit credit method at the period end. Accumulated leave which is expected to be utilised within next 12 months, is treated as short-term employee benefit. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

L. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential equity shares.

M. Taxation

Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the standalone financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each balance sheet date to reassess realization. Timing differences originating and reversing during the tax holiday period are not considered for the purpose of computing deferred tax assets and liabilities.

N. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss account on a straight-line basis over the lease term.

O. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed in 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.

Contingent assets are neither recognised nor disclosed in the standalone financial statements.

P. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

2. Share capital

	As at 31 December 2016		As at 31 December 2015	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity shares of ₹1 each	30,00,00,000	3,000.00	30,00,00,000	3,000.00
Redeemable preference shares of ₹10 each	4,50,00,000	4,500.00	4,50,00,000	4,500.00
	34,50,00,000	**7,500.00**	**34,50,00,000**	**7,500.00**
Issued				
Equity shares of ₹1 each	15,51,83,160	1,551.83	15,51,83,160	1,551.83
	15,51,83,160	**1,551.83**	**15,51,83,160**	**1,551.83**
Subscribed and fully paid-up				
Equity shares of ₹1 each	15,51,57,900	1,551.58	15,51,57,900	1,551.58
	15,51,57,900	**1,551.58**	**15,51,57,900**	**1,551.58**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 December 2016		As at 31 December 2015	
	Number	Amount	Number	Amount
At the beginning of the year	15,51,57,900	1,551.58	1,55,15,790	1,551.58
Add: Conversion on account of share split (Refer note below)	-	-	13,96,42,110	-
Balance at the end of the year	**15,51,57,900**	**1,551.58**	**15,51,57,900**	**1,551.58**

Pursuant to the approval of the members at the 37th Annual General Meeting of the Company held on 13 May 2015 to the sub-division of the Equity Shares of the Company, each Equity Share of nominal face value of ₹10 each was sub-divided to 10 (ten) Equity Share of ₹1 each. The effective date for the said sub-division was 24 August 2015.

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 shares 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.

c) Shares held by holding Company

	As at 31 December 2016		As at 31 December 2015	
	Number	Amount	Number	Amount
Equity shares of ₹1each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	801.13	8,01,13,180	801.13

d) Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2016

	As at 31 December 2016		As at 31 December 2015	
	Number	% Holding	Number	% Holding
Equity shares of ₹1 each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	51.63%	8,01,13,180	51.63%
HDFC Trustee Company Limited	1,05,76,780	6.82%	1,10,33,180	7.11%

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.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

2. Share capital *(contd.)*

e) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date.**
The Company has not issued any bonus shares, shares for consideration other than cash and bought back any shares during five years immediately preceeding the reporting date.

f) Out of the total issued capital, 25,260 (Previous year : 25,260) equity shares of ₹1 each have been kept in abeyance pending final settlement of rights issues.

3. Reserves and surplus

	As at 31 December 2016	As at 31 December 2015
Securities premium account	45,556.44	45,556.44
General reserve	676.48	676.48
Surplus in the statement of profit and loss		
Balance at the beginning of the year	3,037.31	8,997.65
Add : Transferred from statement of profit and loss	4,810.95	(5,930.73)
Less : Proposed dividend on equity shares (Refer note 3.1 below)	(465.47)	-
Less : Tax on proposed equity dividend	(94.76)	-
Less : Adjustment on account of additional depreciation (Refer note 3.2 below)	-	(29.61)
	7,288.03	3,037.31
	53,520.95	49,270.23

3.1 The Board of Directors of the Company, in its meeting held on 21 February 2017, have proposed a final dividend of ₹0.30 per equity share for the financial year ended 31 December 2016. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting.

3.2 In the previous year, the Company had provided depreciation on the basis of useful life of fixed assets as mandated by Schedule II of Company Act, 2013. Further in line with Schedule II, the Company undertook technical evaluation of certain fixed assets to determine the true useful life and recomputed the depreciation on that basis. Consequently, the depreciation and loss for the year ended 31 December 2015 was lower by ₹217 lakhs. Further ₹29.61 lakhs (net of tax adjustment of ₹13.24 lakhs) had been adjusted to the opening balance of retained earnings where the remaining useful life of the assets was Nil as at 1 January 2015.

4. Long-term borrowings

	As at 31 December 2016		As at 31 December 2015	
	Non-current	Current	Non-current	Current
Secured				
Rupee term loans				
- From bank	2,650.00	1,350.00	-	1,989.04
- From other party	-	-	315.04	273.94
Plant loans				
- From bank	484.56	361.94	212.91	100.76
- From other party	843.61	435.32	364.77	281.04
Vehicle loans from bank	83.96	63.35	90.09	39.44
	4,062.13	2,210.61	982.81	2,684.22

4. Long-term borrowings *(contd.)*

Rupee term loan from bank (secured)

Term loan obtained from Doha Bank carries an interest rate of 10.15 percent per annum and repayable in 3 installments starting from November 2017. This loan is secured by hypothecation of Kolkata area depot land.

Term loan obtained from Vijaya Bank carried an interest rate of 12.25 percent per annum and has been fully repaid during the year. This loan was secured by hypothecation of Kolkata area depot land.

Rupee term loans from other parties (secured)

Term loan obtained from Indiabulls Housing Finance Limited carried an interest rate of 13.50 percent per annum and has been fully repaid during the year. This loan was secured by hypothecation of Kolkata office premises

Term loan obtained from Tata Capital Financial Services Limited carried an interest rate of 13 percent per annum and has been fully repaid during the year. This loan was secured by hypothecation of the office purchased out of this loan.

Plant loans from bank (secured)

Loan obtained from Axis bank for purchase of commercial vehicle /construction equipment carries interest rate ranging between 10.75 to 11.03 percent per annum and are repayble in 36 monthly installments. These loans are secured by first and exclusive charge on specific vehicle/equipment financed by the bank.

Loan obtained from Kotak Mahindra Bank Ltd. for purchase of commercial vehicle /construction equipment carries an interest rate of 9.65 percent per annum and are repayble in 46 to 58 monthly installments.These loans are secured by first and exclusive charge on specific vehicle/equipment financed by the bank.

Plant loans from other party (secured)

Loans obtained from Tata Capital Limited for purchase of construction equipment carry interest rate ranging between 11.00 to 12.50 percent per annum and are repayable in 29 to 60 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loans from bank (secured)

Loan obtained from Axis Bank for purchase of vehicles carry interest rate ranging between 9.51 to 10.50 percent per annum and are repayble in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

5. Long-term provision

	As at 31 December 2016	As at 31 December 2015
Provision for employee benefits		
- Leave entitlement (Refer note 33)	902.36	692.16
	902.36	**692.16**

6. Short-term borrowings

	As at 31 December 2016	As at 31 December 2015
Secured		
Cash credit facilities	3,361.23	24,175.01
Working capital demand loan	8,487.20	3,493.89
Unsecured		
Commercial paper	17,500.00	17,500.00
	29,348.43	**45,168.90**

Cash credit facilities (secured)

Cash credit facilities are availed from consortium bankers carries various interest rates ranging from 11.00 to 15.15 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those hypothecated against plant loans. These facilities are payable on demand.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

6. Short-term borrowings *(contd.)*

Working capital demand loan (secured)

Working capital demand loan carry 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 hypothecated against plant loans. These facilities are payable on demand.

Commercial Paper (unsecured)

Commercial Paper is issued to HDFC Trustee Company Limited and Escorts Mutual Fund carries interest rate ranging between 10.00 to 10.50 percent.

7. Trade payables

	As at 31 December 2016	As at 31 December 2015
Total outstanding dues of Micro Enterprises and Small Enterprises	709.27	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	59,713.93	71,678.03
	60,423.20	**71,678.03**
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 2016.		
The disclosure pursuant to the said Act is as under:		
- Principal amount due to suppliers under MSMED Act	709.27	-
- Interest accrued and due to suppliers under MSMED Act on the above amount	6.78	-
- Payment made to suppliers (other than interest) beyond appointed day during the year	632.89	-
- Interest paid to suppliers under MSMED Act	-	-
- Interest due and payable to suppliers under MSMED Act towards payments already made	5.10	-
- Interest accrued and remaining unpaid at the end of the accounting year	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.	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.

8. Other current liabilities

	As at 31 December 2016	As at 31 December 2015
Creditors for capital expenses	358.99	179.39
Interest accrued and due	-	48.47
Interest accrued but not due	37.20	89.30
Unpaid dividend *	5.46	6.17
Advances from customers	12,786.32	37,269.90
Material received from clients	167.39	58.76
Amount due to customers	13,002.45	1,833.90
Payable to related parties (Refer note 37)	333.75	785.66
Employee related dues	3,149.48	2,541.04
Statutory dues payable	328.49	587.34
Others	933.29	963.84
	31,102.82	**44,363.77**

* Not due for credit to Investor Education and Protection Fund

9. Short term provisions

	As at 31 December 2016	As at 31 December 2015
Provision for employee benefits		
- Gratuity (Refer note 33)	1,653.81	1,315.03
- Leave entitlement (Refer note 33)	131.13	100.38
- Provident fund	196.66	182.11
Proposed dividend	465.47	-
Provision for tax on proposed dividend	94.76	-
	2,541.83	**1,597.52**

10. Tangible assets

Gross Block	Freehold land	Leasehold improvments	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
Gross block								
Balance as on 1 January 2015	**15.32**	**453.82**	**1,099.17**	**34,927.74**	**6,604.04**	**1,587.38**	**451.82**	**45,139.29**
Additions	533.39	-	-	2,481.70	793.64	131.31	9.07	3,949.11
Disposals	-	-	(34.51)	(870.55)	(84.81)	-	(21.38)	(1,011.25)
Balance as on 31 December 2015	**548.71**	**453.82**	**1,064.66**	**36,538.89**	**7,312.87**	**1,718.69**	**439.51**	**48,077.15**
Additions	1.21	568.04	170.39	5,888.64	816.46	140.68	50.82	7,636.24
Disposals	-	-	-	(283.38)	(21.53)	(92.34)	(5.68)	(402.93)
Balance as on 31 December 2016	**549.92**	**1,021.86**	**1,235.05**	**42,144.15**	**8,107.80**	**1,767.03**	**484.65**	**55,310.46**
Accumulated depreciation								
Balance as on 1 January 2015	**-**	**195.23**	**98.95**	**10,704.50**	**4,566.19**	**1,131.62**	**162.42**	**16,858.91**
Depreciation charge	-	102.87	16.80	1,625.97	518.83	174.39	46.43	2,485.29
Reversal on disposal of assets	-	-	(13.73)	(518.96)	(76.50)	-	(13.64)	(622.83)
Transition Adjustments (Refer note 3.2)	-	-	-	0.11	-	40.61	2.13	42.85
As at 31 December 2015	**-**	**298.10**	**102.02**	**11,811.62**	**5,008.52**	**1,346.62**	**197.34**	**18,764.22**
Depreciation charge		32.70	18.86	2,366.09	615.23	152.28	45.63	3,230.79
Reversal on disposal of assets	-	-	-	(128.68)	(19.19)	(92.11)	(5.44)	(245.42)
As at 31 December 2016	**-**	**330.80**	**120.88**	**14,049.03**	**5,604.56**	**1,406.79**	**237.53**	**21,749.59**
Net block								
As at 31 December 2016	**549.92**	**691.06**	**1,114.17**	**28,095.12**	**2,503.24**	**360.24**	**247.12**	**33,560.87**
As at 31 December 2015	**548.71**	**155.72**	**962.64**	**24,727.27**	**2,304.35**	**372.07**	**242.17**	**29,312.93**

Note:

Buildings include ₹0.09 lakhs (31 December 2015 : ₹0.09 lakhs) being the cost of shares in co-operative housing societies.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

11. Non current investments

	As at 31 December 2016		As at 31 December 2015	
	No. of Shares	Book Value	No. of Shares	Book Value
(Valued at cost, fully paid up, unless stated otherwise)				
Trade investments				
Investments in equity shares of wholly owned subsidiary (unquoted)				
ITD Cementation Projects India Limited	50,000	5.00	50,000	5.00
[50,000 (Previous year : 50,000) equity shares of ₹10 each fully paid up]				
Investment in unincorporated joint ventures *				
ITD Cemindia JV	-	234.46	-	77.51
ITD - ITDCem JV	-	(390.18)	-	5,123.92
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	-	827.67	-	1,012.36
ITD Cem-Maytas Consortium	-	354.30	-	388.63
		1,031.25		6,607.42

* These joint ventures are jointly controlled entities formed in India. The extent of investment in these unincorporated joint ventures represents entirely the Company's share of profits /(losses) after tax in the joint ventures from inception to date, as reduced by the distribution of profit by the joint ventures, if any.

12. Deferred tax assets (net)

	As at 31 December 2016	As at 31 December 2015
Deferred tax asset arising on account of (A)		
Provision for doubtful debts	2,057.42	1,309.46
Provision for employee benefits	1,093.34	651.20
Disallowance u/s 43B as per Income Tax Act, 1961	378.10	330.56
Provision for doubtful deposits	19.32	30.14
Disallowance for forseeable loss as per Income Computation and Disclosure Standards (ICDS)	163.59	356.54
Unabsorbed business loss	-	4,211.56
Others	0.04	11.01
Total (A)	3,711.81	6,900.47
Deferred tax liability arising on account of (B)		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	3,708.74	3,278.27
Total (B)	3,708.74	3,278.27
Deferred tax assets (A-B)	3.07	3,622.20

13. Loans and advances

	As at 31 December 2016		As at 31 December 2015	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, considered good unless otherwise stated)				
Capital advances	499.90	-	1,212.05	-
Security and other deposits				
- considered good	263.71	2,309.41	293.42	1,451.05
- considered doubtful	-	55.84	-	97.55
Balances with related parties (Refer note 37)	-	14,102.08	-	5,343.50
Other loans and advances				
Advance recoverable in cash or kind				
- considered good (Refer note 37)	-	1,668.94	-	9,420.70
Prepaid expenses	-	2,144.71	-	2,121.84
Loans and advances to employees	-	11.32	-	18.30
Balances with statutory / government authorities	14,383.84	-	11,369.90	-
Advance income tax (net of provisions for tax)	6,309.04	-	4,084.93	-
	21,456.49	**20,292.30**	**16,960.30**	**18,452.94**
Less : provision for doubtful deposits	-	(55.84)	-	(97.55)
	21,456.49	**20,236.46**	**16,960.30**	**18,355.39**

14. Other non-current assets

	As at 31 December 2016	As at 31 December 2015
Non-current bank balances (Refer note 18)	-	12.00
Interest accrued but not due	-	6.89
	-	**18.89**

15. Current investments

	As at 31 December 2016		As at 31 December 2015	
	No. of Shares	Book Value	No. of Shares	Book Value
(Non-trade, unquoted at lower of cost and fair value)				
Investments in equity shares				
AVR Infra Private Limited (Face value of ₹10 each)	2,600	0.26	2,600	0.26
		0.26		0.26

16. Inventories

	As at 31 December 2016	As at 31 December 2015
Construction materials	9,697.33	13,154.32
Tools and equipment	4,621.12	4,000.35
Machinery spares	1,294.00	1,366.73
Unbilled work in progress (Refer note 38)	51,088.41	81,209.07
	66,700.86	**99,730.47**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016 (Currency : Indian Rupee in lakhs)

17. Trade receivables (Refer notes 38)

	As at 31 December 2016		As at 31 December 2015	
	Long-term	Short-term	Long-term	Short-term
(unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for more than six months				
- Considered good *	2,863.37	12,509.21	2,863.37	15,946.71
- Considered doubtful	-	5,944.91	-	4,237.73
	2,863.37	18,454.12	2,863.37	20,184.44
Less: Provision for doubtful debts	-	(5,944.91)	-	(4,237.73)
	2,863.37	12,509.21	2,863.37	15,946.71
Other debts **	-	10,235.55	-	10,169.58
	2,863.37	**22,744.76**	**2,863.37**	**26,116.29**
Notes :				
* Includes retention money	571.41	8,651.96	571.41	8,802.62
** Includes retention money	-	3,294.68	-	3,925.51

18. Cash and bank balances

	As at 31 December 2016		As at 31 December 2015	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash in hand	-	56.59	-	134.99
Balance with banks				
- current accounts	-	2,943.89	-	3,395.16
- unpaid dividend bank accounts	-	5.46	-	6.17
- in deposit account with original maturity upto 3 months	-	13,200.00	-	4,300.00
	-	**16,205.94**	**-**	**7,836.32**
Other bank balances				
Deposit with maturity of more than 3 months and less than 12 months *	-	263.65	-	6,251.65
Bank deposits with maturity of more than 12 months **	-	-	12.00	-
	-	**16,469.59**	**12.00**	**14,087.97**
Less: Amounts disclosed as Other non-current assets (Refer note 14)	-	-	(12.00)	-
	-	**16,469.59**	**-**	**14,087.97**

* Includes ₹241.65 lakhs (previous year ₹241.65 lakhs) earmarked against bank guarantees taken by the Company and ₹22 lakhs (previous year ₹10 lakhs) placed as earnest money deposit.

** Placed as earnest money deposit.

19. Other current assets

	As at 31 December 2016	As at 31 December 2015
Interest accrued but not due	36.73	116.89
	36.73	**116.89**

20. Other operating income

	Year ended 31 December 2016	Year ended 31 December 2015
Service income from unincorporated joint ventures	205.68	441.10
Company's share in (loss)/profit after tax of joint ventures (Refer note 37)	(5,576.17)	303.26
	(5,370.49)	**744.36**

21. Other Income

	Year ended 31 December 2016	Year ended 31 December 2015
Interest income :		
- on bank deposits	1,157.93	376.88
- on income tax refund	183.28	-
- on sales tax refund	21.82	-
- from customer on settlement	-	81.01
- others	9.96	3.12
Other non operating income :		
- Profit on sale of fixed assets (net)	-	787.37
- Exchange gain (net)	25.64	-
- Sundry balances written back	206.92	98.17
- Insurance claim	34.87	175.49
- Miscellaneous income	335.36	161.90
	1,975.78	**1,683.94**

22. Employee benefits expense

	Year ended 31 December 2016	Year ended 31 December 2015
Salaries and wages	19,964.21	16,491.75
Contribution to gratuity (Refer note 33)	588.93	724.65
Contribution to provident and other funds (Refer note 33)	1,531.58	1,162.70
Staff welfare expenses	56.27	53.15
	22,140.99	**18,432.25**

23. Finance costs

	Year ended 31 December 2016	Year ended 31 December 2015
Interest expenses		
- Cash credit facilities and working capital demand loan	3,233.13	5,405.22
- Long term loan	333.68	807.35
- Commercial papers	1,668.62	1,386.18
- Advances from customers	772.93	1,238.98
- Letter of credit	367.25	360.96
- Buyer's credit	-	5.15
- Others	31.21	32.81
Other borrowing costs		
- Applicable net loss on foreign currency transactions and transition	-	55.71
- Bank charges and guarantee commission	2,467.54	2,214.41
	8,874.36	**11,506.77**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016 (Currency : Indian Rupee in lakhs)

24. Other expense

	Year ended 31 December 2016	Year ended 31 December 2015
Plant hire expenses	5,466.13	5,128.66
Power and fuel	7,666.65	6,623.25
Sales tax on works contracts	7,186.51	7,015.51
Travelling expenses	930.32	832.04
Tools and equipment	1,688.72	1,479.07
Foreseeable loss	313.33	231.96
Site transport and conveyance	2,507.61	2,305.25
Repairs and maintenance:		
- Plant & machinery	1,218.21	516.53
- Others	177.61	300.17
Insurance	1,082.45	966.11
Professional fees	1,088.13	1,954.49
Rent (Refer note 40)	2,562.60	2,496.18
Consumption of spares	2,104.66	1,797.15
Security charges	830.73	900.40
Temporary site installations	397.93	755.40
Postage and telephone	209.71	188.94
Auditor remuneration (Refer note 27)	73.98	56.71
Provision for doubtful debts (Refer note 28)	2,050.07	1,367.65
Provision for doubtful deposits (Refer note 29)	2.74	50.22
Rates and taxes	295.45	86.14
Water charges	791.69	692.82
Printing and stationery	159.19	149.12
Infotech expenses	259.89	282.16
Service tax	7,670.78	9,772.41
Labour cess	2,638.28	1,529.54
Directors' sitting fees	8.90	6.05
CSR expenses #	-	19.74
Loss on sale of fixed assets (net)	80.25	-
Miscellaneous expenses	1,830.08	2,097.30
	51,292.60	**49,600.97**

The Company is not liable to incur any expenses on CSR as per Section 135 of the Companies Act, 2013.

25. Exceptional items

	Year ended 31 December 2016	Year ended 31 December 2015
Loss on account of one time settlement with National Highway Authority of India (Refer note 39)	-	(12,397.19)
	-	(12,397.19)

26. Earnings per share

	Year ended 31 December 2016	Year ended 31 December 2015
Weighted average number of equity shares outstanding during the year	15,51,57,900	15,51,57,900
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted earning/(loss) per share	15,51,57,900	15,51,57,900
Net profit/(loss) after tax attributable to equity shareholders	4,810.95	(5,930.73)
Earning per share :		
Basic and diluted	3.10	(3.82)

(With effect from record date 24 August 2015, the face value of the Company's shares have been sub-divided from ₹10 per share to ₹1 per share. For the previous year, the equity shares and basic and diluted Earnings per share has been presented to reflect for the split in accordance with Accounting Standard 20 - Earning Per Share)

27. Auditor remuneration (including service tax)

	Year ended 31 December 2016	Year ended 31 December 2015
Audit fee*	39.68	25.76
Tax audit fee (including tax accounts)	12.65	11.50
Limited review	17.23	15.63
Certification	3.10	2.97
Out-of-pocket expenses	1.32	0.85
	73.98	**56.71**

* Includes fees for the audit of internal Financial controls over financial reporting ₹13.80 lakhs (Previous year NIL).

28. Provision for doubtful debts

	Year ended 31 December 2016	Year ended 31 December 2015
Bad debts written off during the year	342.89	-
Provision for doubtful debts at the end of year	5,944.91	4,237.73
Less: Provision for doubtful debts at the beginning of year	4,237.73	2,870.08
	2,050.07	**1,367.65**

29. Provision for doubtful deposits

	Year ended 31 December 2016	Year ended 31 December 2015
Deposits written off during the year	44.45	-
Provision for doubtful deposits at the end of year	55.84	97.55
Less: Provision for doubtful deposits at the beginning of year	97.55	47.33
	2.74	**50.22**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

30. Commitment

	Year ended 31 December 2016	Year ended 31 December 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,362.36	310.28

31. Contingent Liabilities*

		Year ended 31 December 2016	Year ended 31 December 2015
a)	Guarantees given by banks in respect of contracting commitments in the normal course of business		
	- for the Company	39,241.31	28,521.08
	- for Joint Ventures (Refer note 37)	3,241.95	6,555.36
b)	Letter of credit limit utilized by joint ventures (Refer note 37)	610.77	63.81
c)	Corporate Guarantee given to bank on behalf of Joint Ventures (Refer note 37)	48,651.00	48,651.00
d)	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.	13,116.77	12,016.77
e)	Sales Tax matters pending in appeals	4,006.27	2,006.88
f)	Income Tax matters pending in appeals	1,480.38	1,319.08
g)	Excise matter pending in appeal	51.70	51.70

* 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.

32. Particulars of unhedged foreign currency exposures at the reporting date:

a) There is no derivative outstanding at the reporting date

b) Unhedged foreign currency exposures at the reporting date:

Buyers credit, Trade payables and Acceptances	As at 31 December 2016			As at 31 December 2015		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	64,755	68.69	44.48	14,526	66.60	9.67
EURO Exposure	2,31,409	72.64	168.10	13,811	99.41	13.73
Total			212.58			23.40

33. Employee benefits

i) Gratuity

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

	31 December 2016	31 December 2015
The amount recognised in the statement of profit and loss :		
Current service cost	274.50	252.51
Interest cost	207.61	161.51
Expected return on plan assets	(126.48)	(119.56)
Net actuarial loss for the year	233.30	430.19
Net benefit expense	**588.93**	**724.65**
The amount recognised in the balance sheet :		
Defined benefit obligation	3,272.28	2,681.54
Fair value of plan assets	1,618.47	1,366.51
Plan liability	**1,653.81**	**1,315.03**
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the year	2,681.54	2,157.59
Current service cost	274.50	252.51
Interest cost	207.61	161.51
Actuarial loss	281.36	387.47
Benefit paid	(172.73)	(277.54)
Present value of defined benefit obligation at end of year	**3,272.28**	**2,681.54**
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the year	1,366.51	1,367.21
Expected return on plan assets	126.62	119.55
Contributions by employer	250.00	200.00
Benefit paid	(172.73)	(277.54)
Actuarial gain/(loss)on plan assets	48.07	(42.71)
Fair value of plan assets at end of the year	**1,618.47**	**1,366.51**

The amount of defined benefit obligation, plan assets, the defecit thereof and the experience adjustments on plan assets and plan liabilities for the current and previous four years are as follows:

	2016	2015	2014	2013	2012
Defined Benefit Obligation	3,272.28	2,681.54	2,157.59	1,757.61	1,709.82
Plan Assets	1,618.47	1,366.51	1,367.21	1,225.67	1,216.84
Deficit	(1,653.81)	(1,315.03)	(790.38)	(531.94)	(492.98)
Experience adjustments on plan assets	48.07	(42.71)	48.05	(82.26)	71.78
Experience adjustment on plan liabilities	(281.36)	(387.47)	(145.59)	186.50	(118.31)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation of India and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation of India and Birla Sunlife Insurance as at 31 December 2016 are ₹0.18 lakhs (31 December 2015 - ₹0.16 lakhs) and ₹1,618.29 lakhs (31 December 2015 - ₹1,366.35 lakhs) respectively. The management understands that the assets in these portfolios are well diversified and as such the long term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

33. Employee benefits *(contd.)*

The principal assumptions used in determining the gratuity obligations :

	31 December 2016	31 December 2015
Discount rate	7.30%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Salary esclation rate	5.00%	5.00%
Withdrawal rates	Upto age 44 - 5% 45 years & above - 2.5%	Upto age 44 - 5% 45 years & above - 2.5%

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.

ii) Provident fund

The Company's expense for the provident fund aggregates ₹966.47 lakhs during the year ended31 December 2016 (31 December 2015 - ₹774.51 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 31 December 2016 and 31 December 2015.

iii) Superannuation

The Company's expense for the superannuation, a defined contribution plan aggregates ₹565.11 lakhs during the year ended 31 December 2016 (31 December 2015 - ₹388.19 lakhs) .

iv) Leave entitlement

The liability for leave entitlement and compensated absences as at 31 December 2016 is ₹1,033.49 lakhs (31 December 2015 : ₹792.54 lakhs).

34. Supplementary profit and loss information pursuant to the provisions of paragraph 5 of part II of Schedule III to the Companies Act 2013

		31 December 2016	31 December 2015
a)	**Expenditure in foreign currency:**		
	Travelling expenses	10.86	8.45
	Infotech expenses	4.79	24.58
	Interest on buyers credit	-	5.15
	Miscellaneous expenses	1.17	3.43
		16.82	**41.61**
b)	**Amount remitted in foreign currency for dividend:**		
	Number of non-resident shareholders	1	1
	Number of shares held of ₹1 each	8,01,13,180	8,01,13,180
	Dividend remitted	-	-
	Year to which dividend relates	-	-
c)	**Value of imports on CIF basis:**		
	Spare parts	128.27	45.50
	Tools and equipments	170.17	8.62
	Construction materials	506.75	1,287.04
	Capital goods (including capital work-in-progress)	3,128.51	778.25
		3,933.70	**2,119.41**

34. Supplementary profit and loss information pursuant to the provisions of paragraph 5 of part II of Schedule III to the Companies Act 2013 *(contd.)*

	31 December 2016		31 December 2015	
	%	Value	%	Value
d) Consumption of spare parts, tools & equipment and raw materials:				
Spare parts				
Imported	6.09	128.27	2.53	45.50
Indigenous	93.91	1,976.39	97.47	1,751.65
	100.00	**2,104.66**	**100.00**	**1,797.15**
Tools and equipment				
Imported	10.08	170.17	0.58	8.62
Indigenous	89.92	1,518.55	99.42	1,470.45
	100.00	**1,688.72**	**100.00**	**1,479.07**
Construction material				
Imported	0.77	506.75	1.94	1,287.04
Indigenous	99.23	65,029.42	98.06	64,947.91
	100.00	**65,536.17**	**100.00**	**66,234.95**

35. Segment reporting

The activities of the Company comprises of only one business segment viz Construction. The Company operates in only one geographical segment viz India. Hence the Company's financial statements also represents the segmental information.

36. Joint Ventures disclosure

a) Contracts executed by following unincorporated Jointly Controlled Entities are accounted in accordance with the accounting policy for Joint Venture contracts [Refer note 1 (H) ii(a)]

Name of the Joint Venture	% of Participation as at		Nature of business	Description of interest
	31 December 2016	31 December 2015		
ITD Cemindia JV	80%	80%	Construction	Co-venturer
ITD - ITD Cem JV	49%	49%	Construction	Co-venturer
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%	Construction	Co-venturer
ITD Cem-Maytas Consortium	95%	95%	Construction	Co-venturer
CEC-ITD Cem-TPL JV	40%	-	Construction	Co-venturer

All the above are unincorporated jointly controlled entities in India

b) Contracts executed by following unincorporated Jointly Controlled Entity is accounted in accordance with the accounting policy for Joint Venture contracts [Refer note 1 (H) ii(b)]

Name of the Joint Venture	Nature of business	Description of interest
ITD Cementation India Limited JV	Construction	Co-venturer

36. Joint Ventures disclosure *(contd.)*

c) Details of share of Assets, Liabilities, Income, Expenditure, Contingent Liabilities and Capital Commitments in Joint Ventures

Particulars	ITD Cemindia JV	ITD - ITDCem JV	ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	ITD-Cem Maytas Consortium	CEC-ITD Cem-TPL JV
Share of Assets	1,507.96	30,695.71	1,016.66	2,073.39	3,207.49
	(1,255.44)	(31,936.85)	(1,051.50)	(2,148.41)	(-)
Share of Liabilities	1,273.50	31,085.89	188.99	1,719.09	3,207.49
	(1,177.93)	(26,812.93)	(39.13)	(1,759.78)	(-)
Share of total revenue	1,538.19	14,485.74	5.51	167.26	678.62
	(921.52)	(31,818.32)	(528.51)	(526.18)	(-)
Share of total expenses including exceptional item and tax	1,381.24	19,999.84	190.20	201.59	678.62
	(1,810.02)	(31,530.03)	(549.55)	(508.75)	(-)
Share of Contingent Liabilities	1,383.46	9,544.49	456.66	-	-
	(1,305.72)	(796.41)	(239.73)	-	-
Share of Capital Commitments	-	-	-	-	4,028.20
	(-)	(-)	(-)	(-)	(-)

(Previous year figures are given in brackets)

37. Related Party Disclosures :

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) Joint Ventures (unincorporated)
ITD Cemindia JV
ITD - ITD Cem JV
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)
ITD - Cem Maytas Consortium
CEC - ITD Cem-TPL JV

ii) Key management personnel (KMP)
Mr. Adun Saraban – Managing Director
Mr. S. Ramnath – Chief Financial Officer
Mr. Rahul Neogi - Company Secretary (appointed w.e.f. 1st February 2017)
Mr. R C. Daga - Company Secretary (retired on 31st January 2017)

iii) Fellow subsidiary
First Dhaka Elevated Expressway (FDEE) Company Limited

37. Related Party Disclosures : *(contd.)*

(b) Transactions with related parties for the year are as follows:

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow subsidiary
Contract Revenue				
Italian-Thai Development Public Company Limited	131.61	-	-	-
	-	(-)	(-)	(-)
Plant & tools hire income (net of expenses)				
ITD Cemindia JV	-	2.96	-	-
	(-)	(0.30)	(-)	(-)
ITD-ITDCem JV	-	202.72	-	-
	(-)	(440.80)	(-)	(-)
Sale of Construction materials and spares				
ITD-ITDCem JV	-	29.88	-	-
	(-)	(-)	(-)	(-)
Purchases of Construction materials and spares				
ITD Cemindia JV	-	-	-	-
	(-)	(17.99)	(-)	(-)
ITD-ITDCem JV	-	71.61	-	-
	(-)	(14.10)	(-)	(-)
Purchase of fixed assets				
ITD-ITDCem JV	-	-	-	-
	(-)	(70.02)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(17.72)	(-)	(-)
Sale of fixed assets				
First Dhaka Elevated Expressway (FDEE) Company Limited	-	-	-	-
	(-)	(-)	(-)	(78.87)
Remuneration				
Mr. Adun Saraban	-	-	104.40	-
	(-)	(-)	(94.56)	(-)
Mr. S. Ramnath	-	-	62.16	-
	(-)	(-)	(52.27)	(-)
Mr. R. C. Daga	-	-	54.02	-
	(-)	(-)	(44.69)	(-)
Corporate Guarantee issued				
ITD-ITDCem JV	-	-	-	-
	(-)	(15,151.00)	(-)	(-)
Corporate Guarantee withdrawn				
ITD-ITDCem JV	-	-	-	-
	(-)	(13,200.00)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(4,300.00)	(-)	(-)
Share of profit/(loss) after tax in joint ventures				
ITD Cemindia JV (including exceptional loss)	-	156.95	-	-
	(-)	(-888.50)	(-)	(-)
ITD-ITDCem JV	-	-5,514.10	-	-
	(-)	(288.29)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-184.69	-	-
	(-)	(-21.04)	(-)	(-)
ITD Cem Maytas Consortium	-	-34.33	-	-
	(-)	(17.43)	(-)	(-)

(Previous year figures are given in brackets)

37. Related Party Disclosures : *(contd.)*

(c) Balances at the year end:

Particulars	Holding Company	Joint Venture	Fellow subsidiary
Trade receivables			
Italian-Thai Development Public Company Limited	2.26	-	-
	(25.89)	(-)	(-)
Creditors for capital expenses			
ITD-ITDCem JV	-	70.02	-
	(-)	(70.02)	(-)
Advance receivable in cash or kind			
First Dhaka Elevated Expressway (FDEE) Company Limited	-	-	78.87
	(-)	(-)	(78.87)
Balances - receivable / (payable)			
ITD Cemindia JV	-	1,056.21	-
	(-)	(919.17)	(-)
ITD-ITDCem JV	-	13,043.80	-
	(-)	(4,424.33)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	3.98	-
	(-)	(-446.03)	(-)
ITD Cem Maytas Consortium	-	-333.75	-
	(-)	(-339.63)	(-)
CEC-ITD Cem-TPL JV		68.11	
	(-)	(-)	(-)
Corporate guarantee issued on behalf of			
ITD-ITDCem JV	-	48,651.00	-
	(-)	(48,651.00)	(-)
Letter of credit limit utilized			
ITD-ITDCem JV	-	610.77	-
	(-)	(63.81)	(-)
Bank guarantee issued on behalf of			
ITD Cemindia JV	-	513.79	-
	(-)	(1,027.57)	(-)
ITD-ITDCem JV	-	2,728.16	-
	(-)	(5,327.79)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-
	(-)	(200.00)	(-)

(Previous year figures are given in brackets)

38. (a) Long-term trade receivables at 31 December 2016 include variation claims of ₹309 lakhs (31 December 2015 - ₹309 lakhs) for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.

(b) Long-term trade receivables and unbilled work-in-progress at 31 December 2016 include ₹1,139.96 lakhs (31 December 2015 - ₹1,139.96 lakhs) and ₹2,755.80 lakhs (31 December 2015 - ₹2,755.80 lakhs), in respect of a contract which has been rescinded by the Company and long-term trade receivables and unbilled work-in-progress as at 31 December 2016 includes ₹1,414.41 lakhs (31 December 2015 - ₹1,414.41 lakhs) and ₹5,921.77 lakhs (31 December 2015 - ₹5,921.77 lakhs) respectively, in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract for which the Company has also issued guarantees aggregating ₹1,497.13 lakhs (31 December 2015 - ₹1,497.13 lakhs). The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the financial statements.

39. During the previous year ended 31 December 2015, the Company had signed a definitive agreement with the National Highways Authority of India (NHAI) under which both parties have agreed to settle all awards received, claims under consideration at various forums, pending disputes and amounts outstanding in the Company's and joint venture's books of account under trade receivables and unbilled work-in-progress in respect of all the contracts executed by the company and Joint Venture. Pursuant to this settlement the Company including its share in Joint Venture had accounted for the resultant loss on the settlement of ₹12,397.19 lakhs which had been disclosed as an exceptional item.

40. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 'Construction Contracts' issued by Institute of Chartered Accountants of India are as under:

		Year ended 31 December 2016	Year ended 31 December 2015
a)	Contract revenue recognised as revenue in the period Clause 38 (a)	2,92,526.78	2,73,608.70
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	5,99,818.35	7,61,162.29
c)	Advance received on Contract under progress Clause 39 (b)	12,786.32	37,269.90
d)	Retention amounts on Contract under progress Clause 39 (c)	12,518.05	13,299.54
e)	Gross amount due from customers for contract work as an asset Clause 41 (a)	51,088.41	81,209.07
f)	Gross amount due to customers for contract work as a liability Clause 41 (b)	13,002.45	1,833.90

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

41. Operating lease

a) 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 ₹2,010.60 lakhs (31 December 2015 - ₹1,974.18 lakhs).

b) 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 2016 are as follows:

	As at 31 December 2016	As at 31 December 2015
Minimum Lease Payments		
Payable not later than 1 year	230.00	552.00
Payable later than 1 year and not later than 5 years	-	230.00
Payable later than 5 years	-	-
Total	**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 2015 - ₹522.00 lakhs) towards such non-cancellable leases.

c) 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.

42. The tax year for the Company being the year ending 31 March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31 March 2016 and the provision based on the figures for the remaining nine months up to 31 December 2016, the ultimate tax liability of which will be determined on the basis of the figures for the period 1 April 2016 to 31 March 2017.

43. Previous year figures have been regrouped or reclassified, to conform to the current year's presentation whereever considered necessary.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

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 subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and unincorporated jointly controlled entities which comprise the Consolidated Balance Sheet as at 31 December 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 unincorporated jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiary included in the Group, and unincorporated jointly controlled entities 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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 auditor's 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 the 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 the 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 of the Group and unincorporated jointly controlled entities as at 31 December 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 37 to the consolidated financial statements which describes the uncertainty related to recoverability of long-term trade receivables and unbilled work in progress aggregating to ₹2,863.37 lakhs (31 December 2015: ₹2,863.37 lakhs) and ₹8,677.57 lakhs (31 December 2015: ₹8,677.57 lakhs) respectively, outstanding as at 31 December 2016, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of litigation, the Company has assessed the recoverability of these claims based on legal opinion from an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the consolidated financial statements. Our opinion on the consolidated financial statements is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiary and unincorporated jointly controlled entities, 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

    e) The matter described in paragraph 9 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Group;

    f) On the basis of the written representations received from the directors of the Holding Company as on 31 December 2016 taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company, is disqualified as on 31 December 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company which is incorporated in India, as at 31 December 2016, in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date and our report dated 21 February 2017 as per Annexure I expressed an unmodified opinion.

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

        (i) except for the possible effect of the matters described above in paragraph 9 under the Emphasis of Matters paragraph and as detailed in Note 30 (d) to (e), the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and unincorporated jointly controlled entities;

        (ii) the Group and unincorporated jointly controlled entities has made provisions as required under applicable law or accounting standards, for foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts.

        (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, incorporated in India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 February 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 the ITD Cementation India Limited ("the Holding Company") and its subsidiary incorporated in India, (the Holding Company and its subsidiaries together referred to as "the Group") and unincorporated jointly controlled entities, as at and for the year ended 31 December 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company incorporated in India, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (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 included 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 its subsidiary company 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 December 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 February 2017

Consolidated Balance Sheet as at 31 December 2016

(Currency : Indian Rupee in lakhs)

	Notes	As at 31 December 2016	As at 31 December 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,551.58	1,551.58
Reserves and surplus	3	53,520.39	49,269.85
		55,071.97	**50,821.43**
Non-Current Liabilities			
Long-term borrowings	4	4,062.13	1,178.81
Long-term provisions	5	902.36	694.56
		4,964.49	**1,873.37**
Current Liabilities			
Short-term borrowings	6	37,105.85	56,211.69
Trade payables	7		
- Total outstanding dues of Micro Enterprises and Small Enterprises		758.85	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		63,208.08	75,429.28
Current maturity of long-term-borrowings	4	5,131.01	2,684.22
Other current liabilities	8	46,996.70	55,837.61
Short-term provisions	9	2,544.04	1,621.57
		1,55,744.53	**1,91,784.37**
Total		**2,15,780.99**	**2,44,479.17**
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	10	38,184.36	34,898.52
- Capital work-in-progress		560.20	267.22
Deferred tax assets (net)	11	2,756.42	4,423.39
Long-term loans and advances	12	27,518.73	22,167.51
Long-term trade receivables	16	2,863.37	2,863.37
Other non-current assets	13	-	23.79
		71,883.08	**64,643.80**
Current Assets			
Current investment	14	0.26	0.26
Inventories	15	84,567.21	1,17,538.07
Trade receivables	16	26,482.29	30,917.17
Cash and bank balances	17	18,509.82	14,760.26
Short-term loans and advances	12	14,298.79	16,500.51
Other current assets	18	39.54	119.10
		1,43,897.91	**1,79,835.37**
Total		**2,15,780.99**	**2,44,479.17**
Significant accounting policies	1		

Notes 1 to 42 form an integral part of these consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Consolidated Statement of Profit and Loss for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

	Notes	Year ended 31 December 2016	Year ended 31 December 2015
REVENUE			
Contract revenue		3,08,856.02	3,06,870.03
Other operating income	19	103.98	224.87
Other income	20	2,522.16	2,217.41
Total revenue		**3,11,482.16**	**3,09,312.31**
EXPENSES			
Cost of materials consumed		73,225.93	80,945.83
Sub-contract expense		1,32,999.85	1,29,588.37
Employees benefits expense	21	25,380.31	22,240.69
Finance costs	22	11,652.27	13,771.36
Depreciation expense	10	4,494.45	3,665.05
Other expenses	23	56,368.55	55,162.40
Total Expenses		**3,04,121.36**	**3,05,373.70**
Profit before exceptional item and tax		**7,360.80**	**3,938.61**
Exceptional items	24	-	(12,397.19)
Profit/(loss) before tax		**7,360.80**	**(8,458.58)**
Tax expense			
Current tax		(3,455.44)	(265.37)
Less: Minimum alternative tax credit entitlement		2,550.83	-
Earlier year tax adjustments		21.55	(131.83)
Deferred tax (charge)/credit		(1,666.97)	2,925.02
Net profit /(loss) for the year		**4,810.77**	**(5,930.76)**
Earnings/(loss) per equity share of ₹1each	25		
Basic and diluted		3.10	(3.82)

Notes 1 to 42 form an integral part of these consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Consolidated Cash Flow Statement for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2016	Year ended 31 December 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	7,360.80	(8,458.58)
Adjustments for:		
Depreciation expense	4,494.45	3,665.05
Finance Costs	11,652.27	13,771.36
Interest income	(1,189.16)	(449.58)
Provision for doubtful debts	2,050.07	1,367.65
Provision for doubtful deposits	2.74	50.22
Bad debts written off on one time settlement with NHAI	-	12,397.19
Loss/(profit) on sale of fixed assets (net)	74.58	(815.02)
Sundry balances written back	(310.09)	(235.81)
Prior years provision written back	(209.34)	-
Operating profit before working capital changes	**23,926.32**	**21,292.48**
Adjustment for change in working capital		
Decrease/(Increase) in Inventories	32,970.86	(4,412.85)
Decrease/(Increase) in trade receivables	2,384.81	(3,396.19)
Increase in loans and advances	(438.35)	(12,266.25)
(Decrease)/Increase in trade payables and other current liabilites	(19,258.94)	47,792.02
Cash generated from operations	39,584.70	49,009.21
Direct taxes paid	(3,666.15)	(2,503.69)
Net cash generated from operating activities	**35,918.55**	**46,505.52**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(8,008.44)	(5,862.62)
Proceeds from sale of fixed assets	122.60	1,258.21
Fixed Deposit with bank (maturity beyond three months)	(391.00)	(6,372.42)
Proceeds from fixed deposit with bank (maturity beyond three months)	6,364.14	222.87
Interest received	1,275.61	344.88
Net cash used in investing activities	**(637.09)**	**(10,409.08)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	8,733.03	997.38
Repayment of long term borrowings	(3,402.92)	(5,547.48)
Proceeds from short term borrowings (net)	(19,105.84)	(11,907.84)
Interest paid	(11,799.21)	(13,749.82)
Dividend paid	(0.71)	(1.27)
Net cash used in financing activities	**(25,575.65)**	**(30,209.03)**
Net increase in cash and cash equivalents	9,705.81	5,887.41
Cash and cash equivalents at the beginning of year	8,382.74	2,495.33
Cash and cash equivalents at the end of year	**18,088.55**	**8,382.74**

Consolidated Cash Flow Statement for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2016	Year ended 31 December 2015
Componenets of cash and cash equivalents (Refer note 17)		
Cash in hand	64.93	157.51
Balance with scheduled banks		
- current accounts	3,641.81	3,600.56
- unpaid dividend bank accounts	5.46	6.17
- deposit with original maturity upto 3 months	14,376.35	4,618.50
	18,088.55	**8,382.74**

Notes :

1. Figures given in brackets indicate cash outflow
2. The consolidated cash flow statement has been prepared under Indirect Method as per the Accounting Standard 3 Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the classification of the current year.

This is the consolidated cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Company') was incorporated in 1978 and 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 specialist engineering work. The activities of the Company comprise only one business segment viz Construction.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation and Principles of Consolidation

(i) Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013. The consolidated financial statements are prepared under the historical cost convention, on an accrual basis of accounting.

The accounting policies applied are consistent with those used in the previous year.

The consolidated financial statement comprises the financial statements of ITD Cementation India Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and unincorporated jointly controlled entities.

(ii) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Holding Company and its subsidiary company have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and elimination of resulting unrealized profits in accordance with Accounting Standard ('AS') - 21 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.

b. The Interests in Joint Ventures which are in the nature of unincorporated jointly controlled entities have been consolidated by using the proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transaction and elimination of resulting unrealized profits in accordance with AS 27 - 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.

c. Consolidated financial statements are prepared using uniform policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

d. Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statement. 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 consolidated financial statement has not been disclosed in the consolidated financial statements.

e. The difference between the cost to the Group of investment in subsidiary and joint ventures and the proportionate share in the equity of the investee company as at the date of the acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

B. Accounting estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires 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 consolidated financial statements and the results of operation during the reported year. 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 year in which they are determined.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

C. Fixed assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure.

D. Depreciation on tangible fixed assets

(i) Depreciation on tangible assets is provided on straight line basis at useful life prescribed in Schedule II to the Companies Act, 2013 on a pro-rata basis. However, certain class of plant and machinery are depreciated on the useful life different from the useful life prescribed in Schedule II to the Companies Act, 2013 having regard to useful life of those assets in construction projects based on the management's experience of use of those assets which is in line with industry practices.

(ii) Leasehold improvements are amortized over the lease period or useful life whichever is lower.

(iii) Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the day of additions/deductions.

(iv) In case of Joint Ventures, depreciation on fixed assets is provided on straight-line method at the rates determined as per the useful lives of the respective assets and the life of the project.

E. Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and its value in use. Impairment loss is recognized in the Statement of Profit and Loss or against revaluation surplus where applicable beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

F. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the consolidated financial statements at lower of cost or fair value determined on an individual investment basis. Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

G. Inventories

i. Construction materials are valued at cost. 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).

ii. Tools and equipment are stated at cost less the amount amortised. Tools and equipment are amortised over their estimated useful lives ranging from 3 to 10 years. Cost is determined by the weighted average method.

iii. Machinery spares that are of regular use are charged to the statement of profit and loss as and when consumed.

iv. Unbilled work in progress: Work done remaining to be certified/billed is recognized as unbilled work in progress provided it is probable that they will be recovered in the accounts. The same is valued at the realizable value.

H. Revenue recognition

i) On 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 work-in-progress" and certification in excess of contract revenue has been classified as "Amount due to customer" under "Other current liabilities" in the consolidated financial statements.

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.

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.

Contractual liquidated damages, payable for delays in completion of contract work or for other causes, are accounted for as costs when such delays and causes are attributable to the Company or when deducted by the client.

ii) Accounting for Joint Venture Contracts

Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company.

(iii) Service Income

Service income is accounted on accrual basis in accordance with the terms of agreement with the parties.

(iv) Insurance claims

Insurance claims are recognized as income based on certainty of receipt.

(v) Interest Income and other income

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

I. Advances from customers, progress payments and retention

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables. Where such retention has been released by customers against submission of bank guarantees, the amount so released is adjusted against receivable from customers and the value of bank guarantees is disclosed as a contingent liability.

J. Foreign currency transactions

i. Initial Recognition

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

ii. Conversion

Foreign currency monetary items are reported using the closing rate. 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.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognized as income or as expenses in the year in which they arise.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

iv. Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

K. Employee benefits

i. Defined benefit plan

In terms of the Guidance on implementing Accounting Standard (AS) 15 - Employee Benefits, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the Company is treated as a defined benefit plan. This is administered through trusts of the Company. The Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. 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.

Further Company has defined benefit plans for post-employment benefits in the form of Gratuity. The Company has taken an insurance policy under the Group Gratuity Scheme with the insurance company to cover the Gratuity Liability. The liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return of plan assets is the Company's expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the Balance Sheet date. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

ii. Defined contribution plan:

The certain employees of the Company are also participant in the superannuation plan, employee state insurance scheme and Labour Welfare Fund scheme which is a defined contribution plan. The Company has no obligations to the Plan beyond its contributions. The company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as incurred.

iii. Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for the measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuations using the projected unit credit method at the period end. Accumulated leave which is expected to be utilised within next 12 months, is treated as short-term employee benefit. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise.

L. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential equity shares.

M. Taxation

Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each balance sheet date to reassess realization. Timing differences originating and reversing during the tax holiday period are not considered for the purpose of computing deferred tax assets and liabilities.

N. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss account on a straight-line basis over the lease term.

O. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed in 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.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

P. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

2. Share capital

	As at 31 December 2016		As at 31 December 2015	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity shares of ₹1 each	30,00,00,000	3,000.00	30,00,00,000	3,000.00
Redeemable preference shares of ₹10 each	4,50,00,000	4,500.00	4,50,00,000	4,500.00
	34,50,00,000	**7,500.00**	**34,50,00,000**	**7,500.00**
Issued				
Equity shares of ₹1 each	15,51,83,160	1,551.83	15,51,83,160	1,551.83
	15,51,83,160	**1,551.83**	**15,51,83,160**	**1,551.83**
Subscribed and fully paid-up				
Equity shares of ₹1 each	15,51,57,900	1,551.58	15,51,57,900	1,551.58
	15,51,57,900	**1,551.58**	**15,51,57,900**	**1,551.58**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 December 2016		As at 31 December 2015	
	Number	Amount	Number	Amount
At the beginning of the year	15,51,57,900	1,551.58	1,55,15,790	1,551.58
Add: Conversion on account of share split (Refer note below)	-	-	13,96,42,110	-
Balance at the end of the year	**15,51,57,900**	**1,551.58**	**15,51,57,900**	**1,551.58**

Pursuant to the approval of the members at the 37th Annual General Meeting of the Company held on 13 May 2015 to the sub-division of the Equity Shares of the Company, each Equity Share of nominal face value of ₹10 each was sub-divided to 10 (ten) Equity Share of ₹1 each. The effective date for the said sub-division was 24 August 2015.

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 shares 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.

c) Shares held by holding Company

	As at 31 December 2016		As at 31 December 2015	
	Number	Amount	Number	Amount
Equity shares of ₹1 each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	801.13	8,01,13,180	801.13

d) Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2016

	As at 31 December 2016		As at 31 December 2015	
	Number	% Holding	Number	% Holding
Equity shares of ₹1 each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	51.63%	8,01,13,180	51.63%
HDFC Trustee Company Limited	1,05,76,780	6.82%	1,10,33,180	7.11%

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.

2. Share capital *(contd.)*

e) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date.**
The Company has not issued any bonus shares, shares for consideration other than cash and bought back any shares during five years immediately preceeding the reporting date.

f) Out of the total issued capital, 25,260 (31 December 2015 : 25,260) equity shares of ₹1 each have been kept in abeyance pending final settlement of rights issues.

3. Reserves and surplus

	As at 31 December 2016	As at 31 December 2015
Securities premium account	**45,556.44**	**45,556.44**
General reserve	**676.48**	**676.48**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	3,036.93	8,997.30
Add : Transferred from statement of profit and loss	4,810.77	(5,930.76)
Less : Proposed dividend on equity shares (Refer note 3.1 below)	(465.47)	-
Less : Tax on proposed equity dividend	(94.76)	-
Less : Adjustment on account of additional depreciation (Refer note 3.2 below)	-	(29.61)
	7,287.47	**3,036.93**
	53,520.39	**49,269.85**

3.1 The Board of Directors of the Company, in its meeting held on 21 February 2017, have proposed a final dividend of ₹0.30 per equity share for the financial year ended 31 December 2016. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting.

3.2 In the previous year, the Company had provided depreciation on the basis of useful life of fixed assets as mandated by Schedule II of the Companies Act, 2013. Further, in line with Schedule II, the Company undertook technical evaluation of certain fixed assets to determine the true useful life and recomputed the depreciation on that basis. Consequently, the depreciation and loss for the year ended 31 December 2015 was lower by ₹217 lakhs. Further, ₹29.61 lakhs (net of tax adjustment of ₹13.24 lakhs) had been adjusted to the opening balance of the retained earnings where the remaining useful life of the assets was NIL as at 1 January 2015.

4. Long-term borrowings

	As at 31 December 2016		As at 31 December 2015	
	Non-current	Current	Non-current	Current
Secured				
Rupee term loans				
- From bank	2,650.00	4,270.40	196.00	1,989.04
- From other parties	-	-	315.04	273.94
Plant loans				
- From bank	484.56	361.94	212.91	100.76
- From other party	843.61	435.32	364.77	281.04
Vehicle loans from bank	83.96	63.35	90.09	39.44
	4,062.13	**5,131.01**	**1,178.81**	**2,684.22**

4. Long-term borrowings *(contd.)*

Rupee term loan - from bank (secured)

Term loan obtained from Doha Bank carries an interest rate of 10.15 percent per annum and repayable in 3 installments starting from November 2017. This loan is secured by hypothecation of Kolkata area depot land.

Term loan obtained from Exim Bank carries interest rate of 11.0 percent per annum. This loan is repayable on 31 July 2017 or on receipt of retention money which ever is earlier. This loan is secured by entire moveable assets of the project.

Term loan obtained from Exim Bank carries interest rate of 11.25 percent per annum. This loan is repayable in 5 quarterly installments starting from September 2016 or out of projects receipts which ever is earlier. This loan is secured by entire moveable assets of the project.

Term loan obtained from Vijaya Bank carried an interest rate of 12.25 percent per annum and has been fully repaid during the year. This loan was secured by hypothecation of Kolkata area depot land.

Rupee term loans from other parties (secured)

Term loan obtained from Indiabulls Housing Finance Limited carried an interest rate of 13.50 percent per annum and has been fully repaid during the year. This loan was secured by hypothecation of Kolkata office premises

Term loan obtained from Tata Capital Financial Services Limited carried an interest rate of 13 percent per annum and has been fully repaid during the year. This loan was secured by hypothecation of the office purchased out of this loan.

Plant loans from bank (secured)

Loan obtained from Axis bank for purchase of commercial vehicle /construction equipment carries interest rate ranging between 10.75 to 11.03 percent per annum and are repayble in 36 monthly installments. These loans are secured by first and exclusive charge on specific vehicle/equipment financed by the bank.

Loan obtained from Kotak Mahindra Bank Ltd. for purchase of commercial vehicle /construction equipment carries an interest rate of 9.65 percent per annum and are repayble in 46 to 58 monthly installments.These loans are secured by first and exclusive charge on specific vehicle/equipment financed by the bank.

Plant loans from other party (secured)

Loans obtained from Tata Capital Limited for purchase of construction equipment carry interest rate ranging between 11.00 to 12.50 percent per annum and are repayable in 29 to 60 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loans from bank (secured)

Loan obtained from Axis Bank for purchase of vehicles carry interest rate ranging between 9.50 to 10.50 percent per annum and are repayble in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

5. Long-term provision

	As at 31 December 2016	As at 31 December 2015
Provision for employee benefits		
- Leave entitlement (Refer note 32)	902.36	694.56
	902.36	**694.56**

6. Short-term borrowings

	As at 31 December 2016	As at 31 December 2015
Secured		
Cash credit facilities	11,118.65	35,217.80
Working capital demand loan	8,487.20	3,493.89
Unsecured		
Commercial paper	17,500.00	17,500.00
	37,105.85	**56,211.69**

6. Short-term borrowings *(contd.)*

Cash credit facilities (secured)
Cash credit facilities are availed from consortium bankers carries various interest rates ranging from 10.90 to 15.15 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those hypothecated against plant loans. These facilities are payable on demand.

Working capital demand loan (secured)
Working capital demand loan carry 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 hypothecated against plant loans. These facilities are payable on demand.

Commercial Paper (unsecured)
Commercial Paper is issued to HDFC Trustee Company Limited and Escorts Mutual Fund carries interest rate ranging between 10.00 to 10.50 percent.

7. Trade payables

	As at 31 December 2016	As at 31 December 2015
Total outstanding dues of Micro Enterprises and Small Enterprises	758.85	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	63,208.08	75,429.28
	63,966.93	**75,429.28**
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 2016.		
The disclosure pursuant to the said Act is as under:		
- Principal amount due to suppliers under MSMED Act	758.85	-
- Interest accrued and due to suppliers under MSMED Act on the above amount	6.87	-
- Payment made to suppliers (other than interest) beyond appointed day during the year	632.89	-
- Interest paid to suppliers under MSMED Act	-	-
- Interest due and payable to suppliers under MSMED Act towards payments already made	5.10	-
- Interest accrued and remaining unpaid at the end of the accounting year	6.87	-
- 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.	6.87	-
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		

8. Other current liabilities

	As at 31 December 2016	As at 31 December 2015
Creditors for capital expenses	358.99	145.08
Interest accrued and due	-	138.87
Interest accrued but not due	81.23	89.30
Unpaid dividend *	5.46	6.17
Advances from customers	26,508.04	46,411.63
Material received from customers	167.39	58.76
Amount due to customers	13,401.49	2,292.94
Payable to Co-venturer	16.69	16.98
Employee related dues	3,537.45	3,030.12
Statutory dues payable	401.79	653.51
Others	2,518.17	2,994.25
	46,996.70	**55,837.61**

* Not due for credit to Investor Education & Protection Fund

9. Short term provisions

	As at 31 December 2016	As at 31 December 2015
Provision for employee benefits		
- Gratuity (Refer note 32)	1,654.96	1,317.93
- Leave entitlement (Refer note 32)	132.19	100.42
- Provident fund	196.66	182.11
Provision for taxation (net of advance tax)	-	21.11
Proposed dividend	465.47	-
Provision for tax on proposed dividend	94.76	-
	2,544.04	1,621.57

10. Tangible assets

Gross Block	Freehold land	Leasehold improvments	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
Gross block								
Balance as on 1 January 2015	15.32	453.82	1,099.17	46,181.56	6,776.66	1,902.49	582.40	57,011.42
Additions	533.39	-	-	4,022.09	793.64	145.57	29.08	5,523.77
Disposals	-	-	(34.51)	(1,472.10)	(157.37)	(121.91)	(26.85)	(1,812.74)
Balance as on 31 December 2015	548.71	453.82	1,064.66	48,731.55	7,412.93	1,926.15	584.63	60,722.45
Additions during the year	1.21	568.04	170.39	6,178.28	816.46	192.27	50.82	7,977.47
Disposals during the year	-	-	-	(404.91)	(22.85)	(163.34)	(17.47)	(608.57)
As at 31December 2016	549.92	1,021.86	1,235.05	54,504.92	8,206.54	1,955.08	617.98	68,091.35
Accumulated depreciation								
Balance as on 1 January 2015	-	195.23	98.95	16,858.26	4,694.20	1,403.32	235.63	23,485.59
Depreciation charge	-	102.87	16.80	2,773.62	521.86	192.85	57.05	3,665.05
Reversal on disposal of assets	-	-	(13.73)	(1,082.95)	(132.89)	(123.46)	(16.53)	(1,369.56)
Transition Adjustments (Refer note 3.2)	-	-	-	0.11	-	40.61	2.13	42.85
As at 31 December 2015	-	298.10	102.02	18,549.04	5,083.17	1,513.32	278.28	25,823.93
Charge for the year	-	32.70	18.86	3,597.08	617.70	164.99	63.12	4,494.45
Disposals during the year	-	-	-	(211.25)	(20.34)	(162.57)	(17.23)	(411.39)
As at 31 December 2016	-	330.80	120.88	21,934.87	5,680.53	1,515.74	324.17	29,906.99
Net block								
As at 31 December 2016	549.92	691.06	1,114.17	32,570.05	2,526.01	439.34	293.81	38,184.36
As at 31 December 2015	548.71	155.72	962.64	30,182.51	2,329.76	412.83	306.35	34,898.52

Note: Buildings include ₹0.09 lakhs (31 December 2015: ₹0.09 lakhs) being the cost of shares in co-operative housing societies.

11. Deferred tax assets (net)

	As at 31 December 2016	As at 31 December 2015
Deferred tax asset arising on account of (A)		
Provision for doubtful debts	2,057.42	1,309.46
Provision for employee benefits	1,093.34	651.20
Disallowance u/s 43B as per Income Tax Act, 1961	443.53	419.86
Provision for doubtful deposits	19.32	30.14
Disallowance for forseeable loss as per Income Computation and Disclosure Standards (ICDS)	163.59	356.54
Unabsorbed business loss	1,954.12	4,211.56
Others	0.04	11.01
Total (A)	**5,731.36**	**6,989.77**
Deferred tax liability arising on account of (B)		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	2,974.94	2,566.38
Total (B)	**2,974.94**	**2,566.38**
Deferred tax assets (A-B)	**2,756.42**	**4,423.39**

12. Loans and advances

	As at 31 December 2016		As at 31 December 2015	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, considered good unless otherwise stated)				
Capital advances	1,206.01	-	1,254.11	-
Security and other deposits				
- considered good	263.72	2,404.95	293.41	1,526.07
- considered doubtful	-	55.84	-	97.55
Receivable from Holding Company (Refer note 36)	-	6,755.21	-	2,081.27
Other loans and advances:				
Advance recoverable in cash or kind				
- considered good	-	2,775.98	-	10,504.79
Prepaid expenses	-	2,348.22	-	2,368.23
Loans and advances to employees	-	14.43	-	20.15
Balances with statutory / government authorities	18,429.77	-	15,762.74	-
Advance income tax (net of provisions for tax)	7,619.23	-	4,857.25	-
	27,518.73	14,354.63	22,167.51	16,598.06
Less : Provision for doubtful deposits	-	(55.84)	-	(97.55)
	27,518.73	**14,298.79**	**22,167.51**	**16,500.51**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016 (Currency : Indian Rupee in lakhs)

13. Other non-current assets

	As at 31 December 2016	As at 31 December 2015
Non-current bank balances (Refer note 17)	-	16.90
Interest accrued but not due	-	6.89
	-	**23.79**

14. Current investments

	As at 31 December 2016		As at 31 December 2015	
	No. of Shares	Book Value	No. of Shares	Book Value
(Non-trade, unquoted at lower of cost and fair value)				
Investments in equity shares				
AVR Infra Private Limited (Face value of ₹10 each)	2,600	0.26	2,600	0.26
		0.26		**0.26**

15. Inventories

	As at 31 December 2016	As at 31 December 2015
Construction materials	11,762.94	15,242.35
Tools and equipment	6,061.42	5,653.67
Machinery spares	1,880.19	1,826.66
Unbilled work in progress (Refer note 37)	64,862.66	94,815.39
	84,567.21	**1,17,538.07**

16. Trade receivables (Refer notes 37)

	As at 31 December 2016		As at 31 December 2015	
	Long-term	Short-term	Long-term	Short-term
(unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for more than six months				
- Considered good *	2,863.37	13,738.03	2,863.37	19,330.29
- Considered doubtful	-	5,944.91	-	4,237.73
	2,863.37	19,682.94	2,863.37	23,568.02
Less: Provision for doubtful debts	-	(5,944.91)	-	(4,237.73)
	2,863.37	13,738.03	2,863.37	19,330.29
Other debts **	-	12,744.26	-	11,586.88
	2,863.37	**26,482.29**	**2,863.37**	**30,917.17**
Notes :				
* Includes retention money	571.41	11,121.36	571.41	11,040.01
** Includes retention money	-	3,294.68	-	4,033.27

17. Cash and bank balances

	As at 31 December 2016		As at 31 December 2015	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash in hand	-	64.93	-	157.51
Balance with banks				
- current accounts	-	3,641.81	-	3,600.56
- unpaid dividend bank accounts	-	5.46	-	6.17
Bank deposits with original maturity not more than 3 months	-	14,376.35	-	4,618.50
	-	18,088.55	-	8,382.74
Other bank balances				
Deposits with maturity of more than 3 months but less than 12 months *	-	421.27	-	6,377.52
Bank deposits with maturity of more than 12 months **	-	-	16.90	-
	-	18,509.82	16.90	14,760.26
Less: Amounts disclosed as Other non-current assets (Refer note 13)	-	-	(16.90)	-
	-	18,509.82	-	14,760.26

* Includes ₹241.65 lakhs (previous year ₹241.65 lakhs) earmarked against bank guarantees taken by the Company and ₹22 lakhs (previous year ₹10 lakhs) placed as earnest money deposit.

** Placed as earnest money deposit

18. Other current assets

	As at 31 December 2016	As at 31 December 2015
Interest accrued but not due	39.54	119.10
	39.54	119.10

19. Other operating income

	Year ended 31 December 2016	Year ended 31 December 2015
Service income from unincorporated joint ventures	103.98	224.87
	103.98	224.87

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016 (Currency : Indian Rupee in lakhs)

20. Other Income

	Year ended 31 December 2016	Year ended 31 December 2015
Interest income :		
- on bank deposits	1,179.20	408.15
- on income tax refund	184.44	52.55
- on sales tax refund	204.12	-
- from customer on settlement	-	81.01
- others	9.96	41.43
Other non operating income :		
- Profit on sale of fixed assets (net)	-	815.02
- Exchange gain (net)	43.82	20.62
- Sundry balances written back	310.09	235.81
- Provisions no longer required, written back	209.34	-
- Insurance claim	34.87	175.49
- Miscellaneous income	346.32	387.33
	2,522.16	**2,217.41**

21. Employee benefits expense

	Year ended 31 December 2016	Year ended 31 December 2015
Salaries and wages	22,948.89	19,993.94
Contribution to gratuity (Refer note 32)	589.18	725.28
Contribution to provident and other funds (Refer note 32)	1,715.76	1,386.83
Staff welfare expenses	126.48	134.64
	25,380.31	**22,240.69**

22. Finance costs

	Year ended 31 December 2016	Year ended 31 December 2015
Interest expenses		
- Cash credit facilities and working capital demand loan	4,243.23	6,411.07
- Long term loan	716.67	1,000.77
- Commercial papers	1,668.62	1,386.18
- Advances from customers	1,721.52	1,814.37
- Letter of credit	368.82	378.44
- Buyer's credit	-	5.15
- Others	56.49	123.09
Other borrowing costs		
- Applicable net loss on foreign currency transactions and transition	-	55.71
- Bank charges and guarantee commission	2,876.92	2,596.58
	11,652.27	**13,771.36**

23. Other expense

	Year ended 31 December 2016	Year ended 31 December 2015
Plant hire expenses	6,082.02	5,995.35
Power and fuel	8,164.42	7,097.04
Sales tax on works contracts	7,857.93	8,146.71
Travelling expenses	1,014.96	926.17
Tools and equipment	2,038.01	1,740.02
Foreseeable loss	970.08	231.96
Site transport and conveyance	2,691.16	2,559.47
Repairs and maintenance:		
- Plant & machinery	1,256.70	646.13
- Others	188.35	323.81
Insurance	1,351.17	1,323.74
Professional fees	1,487.44	2,501.78
Rent (Refer note 39)	2,808.51	2,759.49
Consumption of spares	2,144.76	1,821.82
Security charges	1,226.05	1,308.67
Temporary site installations	592.81	834.75
Postage and telephone	230.77	214.01
Auditor remuneration (Refer note 26)	105.20	84.40
Provision for doubtful debts (Refer note 27)	2,050.07	1,367.65
Provision for doubtful deposits (Refer note 28)	2.74	50.22
Rates & taxes	295.98	86.14
Water charges	798.35	704.61
Printing and stationery	168.46	161.50
Infotech expenses	265.58	294.52
Service tax	7,707.82	9,794.14
Labour cess	2,797.65	1,851.04
Directors' sitting fees	8.90	6.05
CSR expenses #	-	19.74
Loss on sale of fixed assets (net)	74.58	-
Miscellaneous expenses	1,988.08	2,311.47
	56,368.55	**55,162.40**

The Company is not liable to incur any expenses on CSR as per Section 135 of the Companies Act, 2013

24. Exceptional items

	Year ended 31 December 2016	Year ended 31 December 2015
Loss on account of one time settlement with National Highway Authority of India [Refer note 38]	-	(12,397.19)
	-	**(12,397.19)**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

25. Earnings per share

	Year ended 31 December 2016	Year ended 31 December 2015
Weighted average number of equity shares outstanding during the year	15,51,57,900	15,51,57,900
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted earning/(loss) per share	15,51,57,900	15,51,57,900
Net profit/(loss) after tax attributable to equity shareholders	4,810.77	(5,930.76)
Earning per share :		
Basic and diluted	3.10	(3.82)

(With effect from record date 24 August 2015, the face value of the Company's shares have been sub-divided from ₹10 per share to ₹1 per share. For the previous year, the equity shares and basic and diluted Earnings per share has been presented to reflect for the split in accordance with Accounting Standard 20 - Earning Per Share).

26. Auditor remuneration (including service tax)

	Year ended 31 December 2016	Year ended 31 December 2015
Audit fee*	48.48	32.64
Tax audit fee	22.28	20.32
Limited review	29.31	27.48
Certification	3.10	2.97
Out-of-pocket expenses	2.03	0.99
	105.20	**84.40**

* Includes fees for audit of Internal Financial Controls over financial reporting ₹13.80 lakhs (Previous year: NIL)

27. Provision for doubtful debts

	Year ended 31 December 2016	Year ended 31 December 2015
Bad debts written off during the year	342.89	-
Add: Provision for doubtful debts at the end of year	5,944.91	4,237.73
Less: Provision for doubtful debts at the beginning of year	4,237.73	2,870.08
	2,050.07	**1,367.65**

28. Provision for doubtful deposits

	Year ended 31 December 2016	Year ended 31 December 2015
Deposits written off during the year	44.45	-
Provision for doubtful deposits at the end of year	55.84	97.55
Less: Provision for doubtful deposits at the beginning of year	97.55	47.33
	2.74	**50.22**

29. Commitment

	Year ended 31 December 2016	Year ended 31 December 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	5390.36	417.32

30. Contingent Liabilities*

		Year ended 31 December 2016	Year ended 31 December 2015
a)	Guarantees/Letter of credits given by banks in respect of contracting commitments in the normal course of business	43,094.03	35,140.25
b)	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.	21743.22	12,016.77
c)	Corporate Guarantee given to bank on behalf of Joint Ventures	48,651.00	48,651.00
d)	Sales Tax matters pending in appeals	6,311.74	3,901.35
e)	Income Tax matters pending in appeals	1,933.07	1,607.91
f)	Excise matter pending in appeal	51.70	51.70

* 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.

31. Particulars of unhedged foreign currency exposures at the reporting date:

a) There is no derivative outstanding at the reporting date

b) Unhedged foreign currency exposures at the reporting date:

Buyers credit, Trade payables and Acceptances	As at 31 December 2016			As at 31 December 2015		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	64,755	68.69	44.48	14,526	66.60	9.67
EURO Exposure	2,31,409	72.64	168.10	13,811	99.41	13.73
Total			212.58			23.40

32. Employee benefits

i) Gratuity

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

	31 December 2016	31 December 2015
The amount recognised in the Statement of Profit and Loss :		
Current Service Cost	274.52	253.12
Interest Cost	207.70	161.75
Expected return on plan assets	(126.48)	(119.56)
Net actuarial loss for the year	233.44	429.97
Net benefit expense	**589.18**	**725.28**
The amount recognised in the balance sheet :		
Defined benefit obligation	3,273.44	2,684.44
Fair value of plan assets	1,618.48	1,366.51
Plan liability	**1,654.96**	**1,317.93**
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the year	2,684.44	2,160.83
Current service cost	274.52	253.12
Interest cost	207.70	161.75
Actuarial loss	281.50	387.26
Benefit paid	(174.72)	(278.52)
Present value of defined benefit obligation at end of year	**3,273.44**	**2,684.44**
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the period	1,366.51	1,367.21
Expected return on Plan Assets	126.63	119.55
Contributions by employer	250.00	200.00
Benefit Paid	(172.73)	(277.54)
Actuarial gain/(loss) on plan assets	48.07	(42.71)
Fair value of plan assets at end of the year	**1,618.48**	**1,366.51**

The amount of defined benefit obligation, plan assets, the defecit thereof and the experience adjustments on plan assets and plan liabilities for the current and previous four years are as follows:

	2016	2015	2014	2013	2012
Defined Benefit Obligation	3,273.44	2,684.44	2,160.83	1,759.84	1,714.10
Plan Assets	1,618.48	1,366.51	1,367.21	1,225.67	1,216.84
Deficit	(1,654.96)	(1,317.93)	(793.62)	(534.17)	(497.26)
Experience adjustments on plan assets	48.07	(42.71)	48.05	(82.26)	71.78
Experience adjustment on plan liabilities	(281.50)	(387.26)	(145.25)	189.33	(118.31)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation of India and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation of India and Birla Sunlife Insurance as at 31 December 2016 are ₹0.18 lakhs (31 December 2015 - ₹0.16 lakhs) and ₹1,618.29 lakhs (31 December 2015 - ₹1,366.35 lakhs) respectively. The management understands that the assets in these portfolios are well diversified and as such the long term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

32. Employee benefits *(contd.)*

The principal assumptions used in determining the gratuity obligations :

	31 December 2016	31 December 2015
Discount rate	7.30%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Salary esclation rate	5.00%	5.00%
Withdrawal rates	Upto age 44 - 5% 45 years & above - 2.5%	Upto age 44 - 5% 45 years & above - 2.5%

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.

ii) The Company's expense for the superannuation and provident fund aggregates ₹1,715.76 lakhs during the year ended 31 December 2016 (31 December 2015 - ₹1,386.83 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 31 December 2016 and 31 December 2015.

iii) The liability for leave entitlement and compensated absences as at 31 December 2016 is ₹1034.55 lakhs (31 December 2015 : ₹794.98 lakhs).

33. Segment reporting

The activities of the Company comprises of only one business segment viz Construction. The Company operates in only one geographical segment viz India. Hence the Company's financial statements also represents the segmental information.

34. Subsidiary

The following Subsidiary Company (incorporated in India) has been consolidated in the consolidated financial statement applying Accounting Standard (AS) - 21:

Name of the Subsidiary	31 December 2016		31 December 2015	
	Proportion of Ownership Interest	Voting Power	Proportion of Ownership Interest	Voting Power
ITD Cementation Projects India Limited	100%	100%	100%	100%

35. Unincorporated Jointly Controlled Entities

The following unincorporated Jointly Controlled Entities have been consolidated applying Accounting Standard (AS) - 27 ("Financial Reporting of Interests in Joint Ventures").

	% of Participation as at 31 December 2016	% of Participation as at31 December 2015
ITD Cemindia JV	80%	80%
ITD - ITD Cem JV	49%	49%
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%
ITD-Cem Maytas Consortium	95%	95%
CEC-ITD Cem-TPL JV	40%	-

All the above are unincorporated jointly controlled entities in India

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

35. Unincorporated Jointly Controlled Entities *(contd.)*

The proportionate share of assets, liabilities, income and expenditure of the unincorporated Jointly Controlled Entities, consolidated in the accounts is tabulated hereunder:

	As at 31 December 2016		As at 31 December 2015	
Non-current assets				
Net Block		4,623.49		5,585.58
Capital work-in-progress		-		70.37
Deferred tax assets		2,753.35		801.19
Current Assets :				
Inventories	17,866.36		17,807.59	
Trade receivables	3,737.53		4,800.88	
Cash and bank balances	2,036.80		668.34	
Loans and advances	7,473.17		6,655.19	
Total Current Assets (A)		**31,113.86**		**29,932.00**
Current Liabilities (B)		**19,756.82**		**16,054.38**
Net Current Assets (A-B)		**11,357.04**		**13,877.62**
Total Assets		**18,733.88**		**20,334.76**
Liabilities				
Loan Funds :				
Secured loans		10,677.83		11,238.80
Reserves and surplus				
Opening balance of retained earnings	6,602.42		5,909.11	
Add : Loss for the year	(5,576.17)		(603.83)	
Add : Share of brought forward loss and exceptional loss on one time settlement with NHAI adjusted against advances to joint venture	-		1,297.14	
		1,026.25		6,602.42
Total Liabilities		**11,704.08**		**17,841.22**
Revenue				
Contract revenue	16,329.24		33,261.33	
Other income	546.08		533.19	
Total revenue		**16,875.32**		**33,794.52**
Expenses:				
Site and administration expenses	20,493.34		29,629.98	
Finance costs	2,777.90		2,264.59	
Depreciation	1,263.67		1,179.75	
Total expenses		**24,534.91**		**33,074.32**
(Loss)/profit before exceptional item and tax		**(7,659.59)**		**720.20**
Exceptional item		-		907.09
(Loss)/profit after exceptional item and tax		**(7,659.59)**		**(186.89)**
Provision for tax		131.26		(397.20)
Deferred tax credit		1,952.16		(19.74)
Loss after tax		**(5,576.17)**		**(603.83)**
Capital commitment		4,028.20		107.04
Contingent liabilities		11,384.61		2,341.86

36. Related Party Disclosures :

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 Company had transactions

i) Key management personnel (KMP)

Mr. Adun Saraban – Managing Director

Mr. S. Ramnath – Chief Financial Officer

Mr. Rahul Neogi - Company Secretary (appointed w.e.f. 1st February 2017)

Mr. R C. Daga - Company Secretary (retired on 31st January 2017)

ii) Fellow subsidiary

First Dhaka Elevated Expressway (FDEE) Company Limited

(b) Transactions with related parties for the year are as follows:

Transaction during the year	Holding Company	KMP	Fellow subsidiary
Contract Revenue			
Italian-Thai Development Public Company Limited	131.61	-	-
	(-)	(-)	(-)
Sale of fixed assets			
First Dhaka Elevated Expressway (FDEE) Company Limited	-	-	-
	(-)	(-)	(78.87)
Remuneration			
Mr. Adun Saraban	-	104.40	-
	(-)	(94.56)	(-)
Mr. S. Ramnath	-	62.16	-
	(-)	(52.27)	(-)
Mr. R. C. Daga	-	54.02	-
	(-)	(44.69)	(-)

(Previous year figures are given in brackets)

(c) Balances at the year end:

Particulars	Holding Company	Fellow subsidiary
Trade receivables		
Italian-Thai Development Public Company Limited	2.26	-
	(25.89)	(-)
Advance receivable in cash or kind		
First Dhaka Elevated Expressway (FDEE) Company Limited	-	78.87
	(-)	(78.87)
Loan and Advances		
Italian-Thai Development Public Company Limited	6,755.21	-
	(2,081.27)	(-)

(Previous year figures are given in brackets)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2016

(Currency : Indian Rupee in lakhs)

37. (a) Long-term trade receivables at 31 December 2016 include variation claims of ₹309 lakhs (31 December 2015 - ₹309 lakhs) for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.

(b) Long-term trade receivables and unbilled work-in-progress at 31 December 2016 include ₹1,139.96 lakhs (31 December 2015 - ₹1,139.96 lakhs) and ₹2,755.80 lakhs (31 December 2015 - ₹2,755.80 lakhs), in respect of a contract which has been rescinded by the Company and long-term trade receivables and unbilled work-in-progress as at 31 December 2016 includes ₹1,414.41 lakhs (31 December 2015 - ₹1,414.41 lakhs) and ₹5,921.77 lakhs (31 December 2015 - ₹5,921.77 lakhs) respectively, in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract for which the Company has also issued guarantees aggregating ₹1,497.13 lakhs (31 December 2015 - ₹1,497.13 lakhs). The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the consolidated financial statements.

38. During the previous year ended 31 December 2015, the Company had signed a definitive agreement with the National Highways Authority of India (NHAI) under which both parties have agreed to settle all awards received, claims under consideration at various forums, pending disputes and amounts outstanding in the Company's and joint venture's books of account under trade receivables and unbilled work-in-progress in respect of all the contracts executed by the company and Joint Venture. Pursuant to this settlement the Company including its share in Joint Venture had accounted for the resultant loss on the settlement of ₹12,397.19 lakhs which had been disclosed as an exceptional item.

39. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 'Construction Contracts' issued by Institute of Chartered Accountants of India are as under:

		Year ended 31 December 2016	Year ended 31 December 2015
a)	Contract revenue recognised as revenue in the period Clause 38 (a)	3,08,856.02	3,06,870.03
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	7,35,627.74	9,74,089.03
c)	Advance received on Contract under progress Clause 39 (b)	26,508.04	46,411.63
d)	Retention amounts on Contract under progress Clause 39 (c)	14,987.45	15,644.69
e)	Gross amount due from customers for contract work as an asset Clause 41 (a)	64,862.66	94,815.39
f)	Gross amount due to customers for contract work as an liability Clause 41 (b)	13,401.49	2,292.94

40. Operating lease

a) 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 ₹2,256.51 lakhs (31 December 2015 - ₹2,237.49 lakhs).

b) 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 2016 are as follows:

	As at 31 December 2016	As at 31 December 2015
Minimum Lease Payments		
Payable not later than 1 year	230.00	552.00
Payable later than 1 year and not later than 5 years	-	230.00
Payable later than 5 years	-	-
Total	**230.00**	**782.00**

40. Operating lease *(contd.)*

These leases have no escalation clauses.
Rental expenses in the statement of profit and loss for the year includes ₹552.00 lakhs (31 December 2015 - ₹522.00 lakhs) towards such non-cancellable leases.

c) 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.

41. The tax year for the Company being the year ending 31 March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31 March 2016 and the provision based on the figures for the remaining nine months up to 31 December 2016, the ultimate tax liability of which will be determined on the basis of the figures for the period 1 April 2016 to 31 March 2017.

42. Previous year figures have been regrouped or reclassified, to conform to the current year's presentation whereever considered necessary.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 21 February 2017

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date: 21 February 2017

Corporate Information

BOARD OF DIRECTORS

P. Karnasuta, *Chairman*
P. Chakornbundit, *Vice Chairman*
A. Saraban, *Managing Director*
D. E. Udwadia
Per Hofvander
D.P. Roy
Ramola Mahajani
Piyachai Karnasuta

COMMITTEES OF DIRECTORS

Audit Committee

Per Hofvander
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

Corporate Social Responsibility Committee

Per Hofvander
P. Chakornbundit
A. Saraban

CHIEF FINANCIAL OFFICER

S. Ramnath

COMPANY SECRETARY

Rahul Neogi

AUDITORS

Walker Chandiok & Co LLP, Mumbai

LEGAL ADVISERS

Udwadia & Co., Mumbai

REGISTERED OFFICE

National Plastic Building,
A-Subhash Road, Paranjape B Scheme,
Vile Parle (East), Mumbai - 400 057.
Phone No: +91 22 66931600. Fax no. +91 22 6693162
Email: investors.relation@itdcem.co.in
Website: www.itdcem.co.in

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

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,
Financial District, Nanakramguda, Hyderabad - 500 008.

ANNUAL GENERAL MEETING

Thursday, 11th May, 2017, 3.00 p.m
Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K.M. Kundnani Chowk,
124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.

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