ITD Cem

Commitment, Reliability & Quality

FOUNDATIONS THAT ENABLE STEADY RISE

ITD Cementation India Limited
Annual Report 2013

CONTENTS

Panoramic view, MRTS, Jaipur

Caution Note
The statements in the report describing your Company's operations and expectations are "forward looking statements". Actual results may differ owing to environmental dynamics.

Cover Image Caption 1. New Integrated Terminal, Kolkata Airport
2. Underground MRTS Tunnel, Kolkata
3. Marine Project, JNPT, Mumbai

FOUNDATIONS THAT ENABLE STEADY RISE

Large or small, high or low whatever the structure may be, the most integral part remains its FOUNDATION. Nothing else but a strong foundation can withhold the height and weight of a structure both in good times and bad times. The Company was founded on the strength of Ground Engineering expertise and continues to lead the industry in this field. For the last eight decades, the Company has been working relentlessly, and its past performance and commitment has earned it a special status of being the customer's first choice for any Foundation and Ground engineering applications.

This Company established its operations in India in 1931 as a branch of The Cementation Company Ltd, UK, a member of Trafalgar House Group of London, for carrying out extensive grouting and drilling works to the hydraulic structures which were then growing at rapid pace. Since then the Company has been assiduously working towards building stronger India and has gained vast expertise in the field of infrastructure construction. Its foreign lineage has seen change of hands from Trafalgar House UK to Kvaerner ASA Norway, in 1996, to Skanska AB Sweden, in 2000 to Italian-Thai Development Plc, Bangkok, Thailand (ITD) in 2004. This consistent yet changing foreign lineage has resulted in bringing along advanced technological knowhow and diverse global experience to the Company.

As one of the largest civil engineering contractors in South East Asia, ITD holds close to 30% infrastructure construction market share in Thailand. With more than 5 decades of experience in infrastructure construction, it has been able to make steady investments across South East Asia and Africa in the mining and construction sectors. The strong parentage has furthered the Company's momentum in acquiring large infrastructure construction projects across India.

Confident of the firm foundation that the Company has been laying since last eight decades, and, barring unforeseen circumstances, it is poised for the steady rise in near future.

QUICK READ

OVERVIEW

The Company has been in India since over last 8 decades and is one of the leading players in the Engineering, Procurement and Construction (EPC) area of the construction industry.

MISSION

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

CORE PRINCIPLES

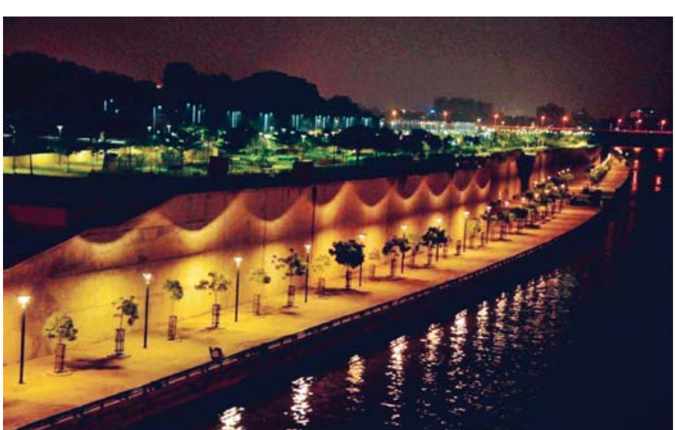
- Our quality, health and safety standards is second to none.
- Customers come first.
- Employees are our most important asset - working conditions and training must enable them to give their best.
- Timely commencement and completion of projects.
- Good plant and machinery is our wealth.
- Well developed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

AIM

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

KEY AREAS OF OPERATION

- Maritime Structures.
- Mass Rapid Transit Systems.
- Airports.
- Hydroelectric Power, Tunnels, Dams & Irrigation.
- Highways.
- Bridges & Flyovers.
- Industrial Structures.
- Tube Heading & Box Pushing.
- Foundation & Specialist Engineering.
- Water & Waste Water.
- Buildings.



Sabarmati Riverfront, Ahmedabad

Foundation & Pipe laying, Cuttack, Odisha

PARENTAGE

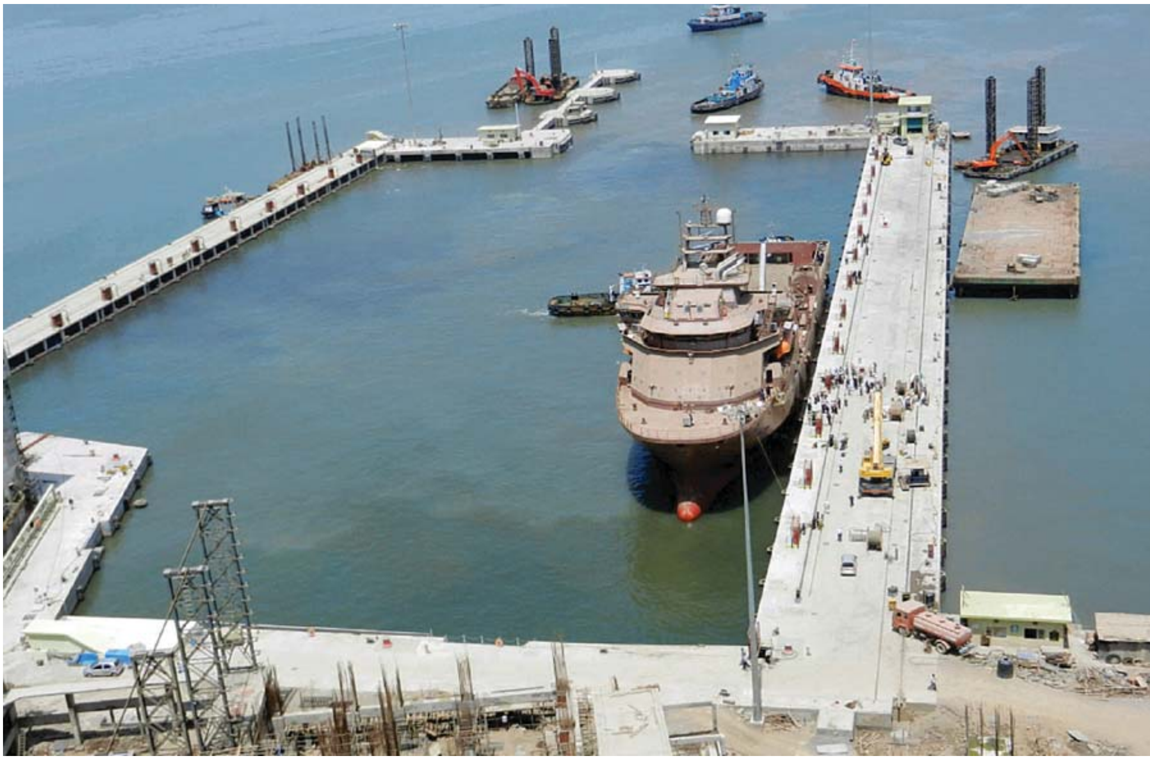
After taking the controlling stake in 2004 from Skanska AB, ITD became the parent company of the Company. ITD is a leading global construction company based out of Thailand. ITD's construction activities are spread across many countries specifically in South East Asia and Africa region. ITD has over 5 decades of experience in construction. ITD's key focus areas include building Airports, MRTS, Dams & Tunnels, and Ports etc.

ITALIAN-THAI DEVELOPMENT Public Company Limited

Suvarnabhumi International Airport, Bangkok

RIGHT MIX BUILT OVER TIME

The Company was active in the field of specialised civil, mining and foundation engineering up until eighties. However, with the change of lineage and also by leveraging the expertise and technology know-how of the parent company, the Company gradually expanded into other streams of core infrastructure development.



Wet Basin, Mumbai

Marine civil's in early nineties

Increased its focus towards maritime structures, industrial and major infrastructure and is a leading player today.

It was in the year 1992, when the Company entered into hydro electric projects by acquiring a construction contact for building a pumped storage plant for a 150MW hydro plant at Bhira near Mumbai for Tata Power Company. Thereafter, the Company has been executing a number of large, medium and small Hydroelectric & Irrigation Projects like Pumping Stations, Power Houses, Tunnels, Intake Structures, Headrace Tunnels, Pressure Shafts and Penstock Pipes.

Similarly, during the early nineties, the Company expanded its focus towards maritime structures, industrial and major infrastructure and today is one of the key players in maritime structures and foundation specialist work. Equipped with strong foundation specialist, piling and diaphragm technique; the Company entered MRTS in 1998 and grabbed key projects from the Delhi Metro Rail. In a joint venture with parent ITD, which has commendable experience of developing Thailand Metro, the Company has won many projects across Delhi, Bangalore, Jaipur and Kolkata Metro.

Over time, the Company has developed expertise in design and construction of large infrastructure projects. Today it is one of the most preferred construction companies for maritime structures, MRTS & foundation specialist works. Over the years, the Company also has a strong presence in tunnels and other infrastructure construction segments.

A right mix of material is a pre-requisite for having a strong foundation and the Company has incorporated this in its business ethos. With consistent expansion of service offerings, the Company has built expertise across large core infrastructure segments like from building ports to jetties to metro stations to elevated structures and from dams to tunnels to industrial structures to airports, to highways to bridges to flyovers, apart from others.

Marine Project, Tuna, Kandla

Sheet Piling Project, Kolkata

Hydro electric project in 1992

The first project being 150MW Pumped Storage Plant at Bhira near Mumbai for Tata Power.

MRTS in 1998

Equipped with strong foundation, piling and diaphragm technique ITD Cementation entered MRTS in 1998.

BEST QUALITY MATERIAL MIX

The Company strongly believes that trained and experienced employee base is essential for seamless execution of challenging infra construction projects. The Company over the years has built a passionate and well-trained work force of 1,869 dedicated employees. Close to 60 percent of these are qualified engineers and postgraduates.

Delhi Metro-TBM Lowering

Modern Equipment

ITD Cementation possesses a fleet of fairly new and advanced equipment.

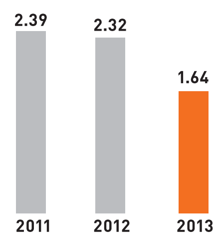
In today's era of fast changing technology, a modern fleet of plant and equipment renders a key competitive advantage. The Company possesses a fleet of fairly new and advanced equipment. The Company periodically carries out enhancement of its plant inventory to ensure that all the plant and machinery are well-maintained and remain in good working condition. Additionally, to ensure their high service quality, the plant and equipment are handled by a seasoned professional team.

For the Company, employees are its most important asset and the Company lays great emphasis on maintaining high safety, health and environment standards. The Company has a dedicated team for best safety, health and environmental practices that reports directly to the Managing Director. The team consists of experienced training staff responsible for maintaining high levels of safety throughout the project. The ratio of employees handling safety to total employees in the Company stands at 1:18. Also its Accident Incident Ratio(AIR) has improved to 1.64 in 2013 from 2.39 in 2011. The Company has received many awards from National Safety Council of India and reputed clients.

The Company is one of the few construction companies to conform to ISO standards for Quality Management System, Occupational Health and Safety Management System and Environmental Management System. The Company has an Integrated Management System (IMS) conforming to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

True, the Company's contribution towards the safety health, and environmental drive has been appreciated across several quarters and reflects the Company's passion towards excellence.

Accident Incident Rate



APPRECIATIONS AND SAFETY AWARDS

Achievement Award for Best Professionally Managed Company

Achievement Award for Best Construction Project, Sabarmati Riverfront

Achievement Award for Best Construction Project, Kolkata Airport Terminal Building

Safety Trophy from BASF GIR Project, Dahej


Best Airport Project

Appreciation letter from National Safety Council of India (NSCI)

Accident Incident Ratio

Accident Incident Ratio has reduced to 1.64 in 2013.

Integrated Management System

Integrated Management System conforming to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

READY TO RISE

With the execution of landmark projects such as 8.3 km of tunneling, 7.1 km viaduct and 21 stations for Delhi Metro, second container terminal at Chennai, liquid chemical jetty at Dahej, dock modernization project at Mumbai and Kolkata, Micro tunnelling for water supply at Kolkata, diaphragm wall for Sabarmati, piling work for Paradeep refinery, Highways of over 358 km, plant building and chemical complex for international companies in Dahej, New Intergrated Kolkata Airport and Jaipur Metro; The Company has gained tremendous expertise in executing construction projects in the toughest of the terrains. With high focus on innovation, the Company has an in-house R&D facility that has helped it in introducing modern construction techniques in India.


View Terminal Building-Kolkata Airport


Industrial Project, Dahej

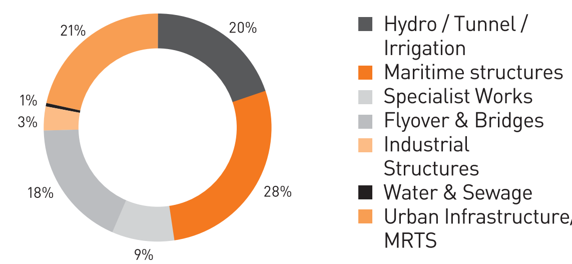
Landmark projects

The execution of landmark projects such as Kolkata Airport and Jaipur Metro.

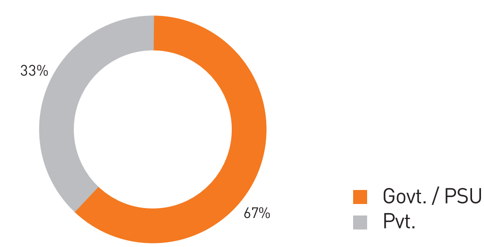
The Company has built a healthy order book of ₹ 3,821 Crore, well-spread amongst Government / PSU and Private that provides a revenue visibility of over two years. During the year, the Company secured orders worth ₹ 2,676 Crore despite a sharp slowdown in investments across almost all sectors. The Company, in a joint venture with ITD, qualifies to execute large and complex infrastructure projects in India and also gets access to the contemporary tools & technology of ITD. Also, helped by a global parent company, the Company is working hard to get an opportunity to work on global infrastructure projects, which can open an additional stream of business for the Company.

Domestically, with a few concrete steps undertaken by the government to ease the policy logjam and with the improvement in global growth outlook, the Company is ready for a rise on the strong foundation that it has built over the years.

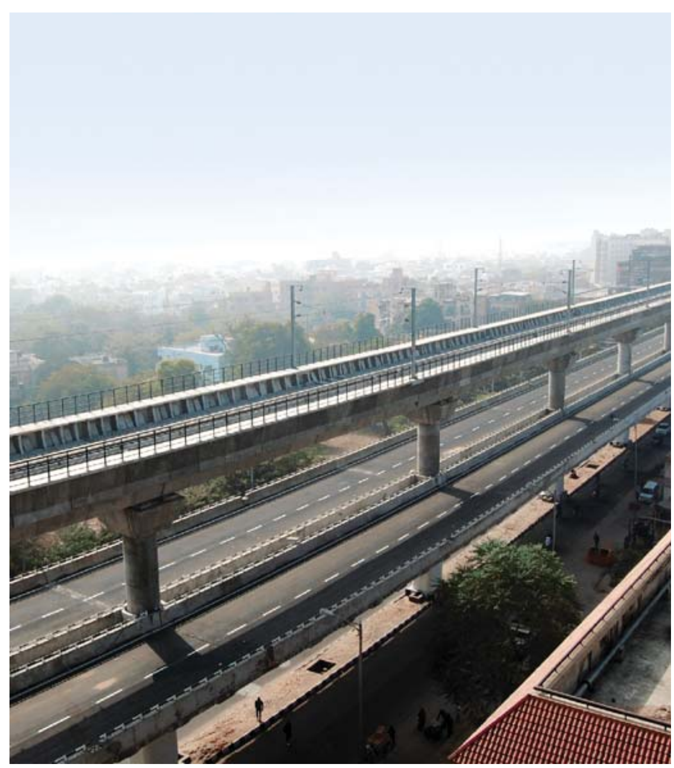
Work-in-hand breakup



Clientele breakup



Box Pushing below Rail Track, Kolkata



Double tier elevated structure-MRTS, Jaipur

Order Book

ITD Cementation has a well balanced order book of ₹ 3,821 Crore that gives the Company revenue visibility.

Clientele

ITD Cementation has a huge clientele base and is also well placed amongst both Govt./PSU and Private.

SNAPSHOT 2013

JANUARY

- Successfully completed the construction of a modernized integrated passenger terminal at Kolkata Airport in a Joint Venture (JV) with ITD.
- Received order of approximate value ₹ 115.07 Crore from Ghaziabad Development Authority for construction of a 6 lane Link Road between NH 24 Bypass and NH 58 at Ghaziabad including ROB on Delhi Howrah Rail Track.
- Won order amounting to ₹ 752.00 Crore from Delhi Metro Rail Corporation (DMRC) for design and construction of tunnel by Shield TBM, Palam and IGD Airport underground stations by cut and cover method between Palam (including) and Shankar Vihar (excluding) on Janakpuri West- KalindiKunj Corridor under Delhi MRTS Project of Phase-III in a JV with ITD.

MARCH

- Received order worth ₹ 289.65 Crore from Public Works Department (PWD), New Delhi, for comprehensive development of Corridor (Outer Ring Road) between Mangolpuri to Madhuban Chowk, including construction of Elevated Road, FOB, RCC Drain, Footpath, Cycle Track, widening / strengthening of road and other allied works.
- Received order worth ₹ 279.90 Crore from Public Works Department (PWD), New Delhi, for comprehensive development of Corridor (Outer Ring Road) between Madhuban Chowk to Mukarba Chowk including construction of Elevated Road, FOB, RCC Drain, Footpath, Cycle Track, widening / strengthening of road and other allied works.

APRIL

- Completed civil works, service and allied works for modernisation at GRSE – Main Unit for Garden Reach Shipbuilders and Engineers Limited, Kolkata.

MAY

- Received order worth ₹ 71.95 Crore from Hooghly River Bridge Commissioners, Kolkata for construction of New Haj Tower Complex with Tower Building including all civil works, sanitary and plumbing works, elevators and other ancillary works.

JULY

- Received order worth ₹ 547.53 Crore for Development of Marine Facilities at Karanja Creek.

SEPTEMBER

- Completed construction of Ship Repair facility at Lavgan, Maharashtra.
- Completed construction of Landside structure for Ship Repair facility at Jaigad, Maharashtra.
- Received order worth ₹ 132.90 Crore for part design and construction of elevated viaduct and 2 elevated stations viz. Dwarka and Najafgarh Depot including architectural finishing, water supply, sanitary installation and drainage works on Dwarka – Najafgarh Corridor of Phase-III Delhi MRTS.

OCTOBER

- Completed piling work for SEPCO, Cuddalore, Tamil Nadu
- Received order worth ₹ 196.48 Crore for design and construction of 330 mtr. Wharf structure at Nhava Sheva (India) Gateway Terminal, JNPT.

NOVEMBER

- Completed piling work for multi-storeyed residential complex at Jaypee Greens, Noida.

DECEMBER

- Received order worth ₹ 64.86 Crore for construction of the Balance Works of the Ramps, Cut and Cover Tunnel (U & Box Section) through the Air Funnel Area, between OTA Station and Meenambakkam Station (Chainage:19000m to 20400m) including Drains of Chennai Metro Rail Project, Phase I.

KEY PERFORMANCE INDICATORS

CONSOLIDATED FINANCIALS

(₹ Crore)

Particulars	2013	2012	2011	2010	2009
Order book	**3,821.0**	2,891.1	2,907.0	3,536.6	2,864.1
Net revenue	**1,584.1**	1,650.9	1,712.2	1,462.2	1,474.6
EBITDA	**196.5**	201.2	176.2	154.4	149.2
EBITDA margin (%)	**12.4**	12.2	10.3	10.6	10.1
EBIT	**152.2**	150.6	134.1	112.5	100.9
EBIT margin (%)	**9.6**	9.1	7.8	7.7	6.8
Net profit	**9.3**	22.0	22.6	9.4	5.4
Net profit margin (%)	**0.6**	1.3	1.3	0.6	0.4
Net worth	**408.4**	400.5	381.2	361.3	353.9
Total debt	**769.5**	783.4	651.7	546.8	500.4
Debt Equity ratio (x)	**1.9**	2.0	1.7	1.5	1.4
Book value per share (₹)	**354.7**	347.8	331.0	313.7	307.3
Earnings per share (₹)	**8.1**	19.1	19.6	8.2	4.7
Return on Capital Employed (%)	**12.9**	12.7	13.0	12.4	11.8
Return on Equity (%)	**2.3**	5.5	5.9	2.6	1.5

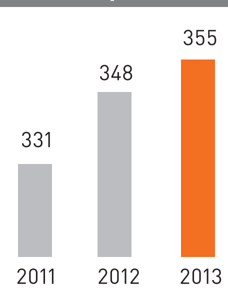
STANDALONE FINANCIALS

(₹ Crore)

Particulars	2013	2012	2011	2010	2009
Order book	**2,534.8**	2,150.7	2,216.7	2,475.4	2,001.5
Net revenue	**1,260.2**	1,305.9	1,302.9	1,086.2	989.8
EBITDA	**158.4**	169.9	149.0	120.7	109.7
EBITDA margin (%)	**12.6**	13.0	11.4	11.1	11.1
EBIT	**124.9**	133.8	114.8	90.0	79.1
EBIT margin (%)	**9.9**	10.3	8.8	8.3	8.0
Net profit	**9.3**	22.0	22.6	9.4	5.4
Net profit margin (%)	**0.7**	1.7	1.7	0.9	0.6
Net worth	**408.4**	400.5	381.2	361.3	353.9
Total debt	**695.0**	687.0	633.4	524.7	496.6
Debt Equity ratio (x)	**1.7**	1.7	1.7	1.5	1.4
Book value per share (₹)	**354.7**	347.8	331.0	313.7	307.3
Earnings per share (₹)	**8.1**	19.1	19.6	8.2	4.7
Return on Capital Employed (%)	**11.3**	12.3	11.3	10.2	9.3
Return on Equity (%)	**2.3**	5.5	5.9	2.6	1.5
Dividend per Share (₹)	**1.0**	2.0	2.0	1.5	1.0

CONSOLIDATED FINANCIALS

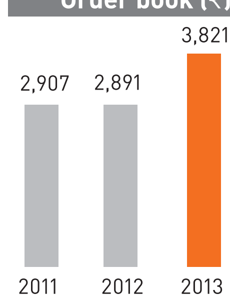
Book value per share(₹)



How we performed?
With continues profitability the Company is maintaining its upward trajectory in generating higher net worth.

Why it's important?
It shows the net worth that the Company holds for its every shareholder.

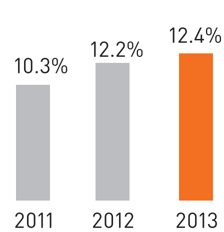
Order book (₹) Crore



How we performed?
The order book at the end of the year has been the highest ever and the Y-o-Y growth was a whopping 32%.

Why it's important?
It shows revenue visibility for the coming years.

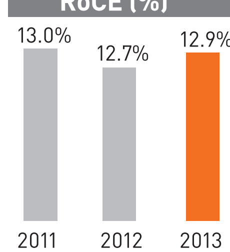
EBITDA Margin (%)



How we performed?
Even after exorbitantly high inflation the Company's EBITDA margin was marginally enhanced by 20bps Y-o-Y.

Why it's important?
It depicts the operating efficiency of the Company.

RoCE (%)



How we performed?
The return on capital employed even after harsh economic environment in the year was up by 20bps Y-o-Y.

Why it's important?
It shows what return the Company was able to make on its total employed capital.

BOARD OF DIRECTORS

Mr. Premchai Karnasuta
Chairman

He has been a Director and Chairman of the Company since 2004. He also serves as the President and Director of ITD, the promoter of the Company. He has more than three decades of experience in infrastructure construction industry and has been the guiding force for your Company's progress over the years.

He is a graduate in B.Sc. Mining Engineering and also holds an M.B.A. degree.

Mr. Pathai Chakornbundit
Vice Chairman

He has been a Director of the Company since 2004. He is also the Vice Chairman of the Company. He holds 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

He has been 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 King Mongkut's University of Technology Thonburi, Thailand.

Mr. Per Ebbe Hofvander
Independent Director

He has been a Director of the Company since 2005. He has more than four decades of experience in civil engineering and has wide 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 holds a degree in M.Sc. Civil Engineering.

Mr. Darius Erach Udwadia
Independent Director

He has been a Director of the Company since 1983. He is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. He is founder partner of M/s. Udwadia & Udeshi, Solicitors and Advocates, Mumbai since July 1997. Udwadia & Udeshi which was reconstituted in 2012 under the firm name of Udwadia Udeshi & Argus Partners where he continues to be a Senior Partner. Mr. Udwadia has spent over 49 years in active law practice and has significant experience and expertise in areas like corporate law, joint ventures, mergers acquisitions and takeovers, corporate restructuring, foreign collaboration, project and infrastructure finance, intellectual property, telecommunications, international loan and finance–related transactions and instruments, mutual funds, real estate and conveyancing.

He holds an Hons. Degree in M.A. and LL.B.(Bombay).

Mr. Deba Prasad Roy
Independent Director

He has been a Director of the Company since 2007. He was the Ex- Chairman of SBI Capital Markets Limited and has rich and wide experience in Corporate, International and Investment Banking Sectors of over 40 years. He held various senior executive and managerial posts in State Bank of India like Deputy Managing Director and Group Executive (International Banking), President and CEO New York and Country Manager USA, Deputy Managing Director and Group Executive (Associates and Subsidiaries), Manager in SBI London, etc. He is also a certified Associate of the Indian Institute Bankers and Fellow of India Council of Arbitration and he is actively engaged in Arbitration in NSE, BSE, MCX and ICA and is also on the advisory committee of Central Bank of India.

He holds a Degree in M.Sc. Chemistry from Jadavpur University, Calcutta.

KEY MANAGEMENT

Mr. Bijoy K. Saha
Sr. Executive Vice President

Mr. K. Rajan
Executive Vice President

Mr. S. Ramnath
Executive Vice President & CFO

Mr. Gautam Basuroy
Sr. Vice President

Mr. Rameshwardas C. Daga
Sr. Vice President & Company Secretary

Mr. Rupak Sarkar
Vice President

Mr. S.N. Patil
Vice President

Mr. Manish Kumar
Vice President

Mr. Jayanta Basu
Vice President

Mr. Manas Ranjan Bhattacharya
Vice President

Mr. Bellary Ramachar Vijaykumar
Vice President – Corporate Affairs

Dry Dock, Kolkata

Marine Project, Jaigad

Construction of Diaphragm wall, Delhi

THE WORLD OF ITD CEMENTATION

COMPANY PROFILE

ITD Cementation India Limited is one of the leading players in the Engineering, Procurement and Construction (EPC) area of the construction industry. Its main activities are Maritime Structures, Mass Rapid Transit Systems, Airports, Hydroelectric Power, Tunnels, Dams and Irrigation, Highways, Bridges and Flyovers, Industrial Structures, Tube Heading and Box Pushing, Foundation and Specialist Engineering, Water, Waste Water and Buildings.

KEY DIFFERENTIATORS

- Access to global best, tools, technologies and processes through leading global parentage.
- Highly professional team.
- Vast experience across diverse forms of infrastructure construction.
- One of the leading players in maritime structures, piling and foundation specialist works.
- High focus on innovation backed by in-house R&D team and track record of introducing modern construction techniques.
- Diversified and healthy order book.

HUMAN & EQUIPMENT ASSET

Major Equipments	Number of units
Hydraulic and rotatory piling rigs	39
Cranes	60
Excavators	16
Crushers	05
Batching plants	36
Sensor pavers	07
Hot mix plants	05
Concrete pump	34
DG set	103
Gantry	22
Launching girder I / segment	03

ITD Cementation employees	No. of Employees	% of Employees
Post graduates / professionals	152	8
Graduates	355	19
Engineers	961	52
Other support staff	401	21
Total permanent employees	1869	100

KEY CLIENTELE

Government:

DMRC, Kolkata Metro Rail Corporation, Bangalore Metro Rail Corporation, NHAI, Mazagaon Dock Ltd., Garden Reach Shipbuilders , Airport Authority of India, Indian Railways, Govt. of Andhra Pradesh, PWD, Kolkata Municipal Corporation, major ports in India, various State and Central Govt. Organization and Bodies.

Private:

DP World, Reliance Power, Reliance Industries, Tata Power, Lodha Group, PSA (Singapore), Adani Group, Samsung, L&T, Jindal Group, Mundra Port Trust, ABG Shipyard, Gangavaram Port, etc.

KEY PROJECT OFFICE

- Medak, Andhra Pradesh
- Vizag, Andhra Pradesh
- Jorabat, Assam
- Delhi
- Dahej, Gujarat
- Hazira, Gujarat
- Kandla, Gujarat
- Gurgaon, Haryana
- Jammu, J&K
- Bengaluru, Karnataka
- Gulbarga, Karnataka
- Kolkata, West Bengal
- Sasan, Madhya Pradesh
- Kymore, Madhya Pradesh
- Gondia, Maharashtra
- JNPT, Maharashtra
- Mumbai, Maharashtra
- Nashik, Maharashtra
- Pune-Satara, Maharashtra
- Ratnagiri, Maharashtra
- Umtru, Meghalaya
- Cuttack, Odisha
- Mansa, Punjab
- Jaipur, Rajasthan
- Sikkim
- Chennai, Tamil Nadu
- Tuticorin, Tamil Nadu
- Agartala, Tripura
- Lucknow, Utter Pradesh

OPERATING REGION

ITALIAN-THAI DEVELOPMENT

ITD is a Thailand based engineering and construction company with over 5 decades of experience and projects across South East Asia and Africa. It is a leading infrastructure company in Thailand and one of the largest civil engineering contractors in South East Asia.

BUSINESS AREA

Airports, Buildings, Dams and Tunnels, Highways, Bridges and Expressways, Industrial and Power Plants, Mass Rapid Transit Systems, Ports, Jetties and Dredging, Pipelines and Utility Works, Railways, Steel Fabrication, Telecommunications.

KEY PROJECTS EXECUTED

- Construction of elevated corridor of approximate 23.5 km length, for the Bangkok Mass Transit System.
- Design and construction of 9 underground stations and 10.5 km long twin bored tunnels with TBM.
- Construction of Suvarnabhumi International Airport, Bangkok.
- Turnkey design & construction of terminal building with all associated airside and infrastructure facilities for New Mandalay International Airport, Myanmar.
- Construction of viaduct structures with total length 27.3 km for Taiwan High Speed Rail Project.
- Construction of Nam Theun 2 Hydroelectric Power Project, Laos.

Bangkok Mass Transit System

Khao Laem Multi-purpose Dam & Tunnel

KEY MILESTONES

1931
Commenced operations in India as a branch of The Cementation Company Ltd, UK.

1950
In early 1950's Cementation introduced the technology and plant for construction of Bored Piles, an economic solution to fast-growing Bombay's foundation problems.

1961
Soil densification by Vibroflot method.

1962
Started the sinking of its first mine shaft at Zawar mines which was followed by sinking and deepening of shafts in the coal-belts in Jharia.

1968
Sand wicks for accelerated soil consolidation at Kolkata.

1977
Introduced tube heading technology to create underpasses under railway tracks without disturbing railway movement at Kolkata.

1978
Branch office converted into Indian subsidiary named as Cemindia Company Limited and a member of Trafalgar House Group of London.

1979
Listed on Bombay Stock Exchange.

1983
First ever Vibro Stone Column treatment of ground for a major industrial structure namely the Pelletisation Plant for Kudremukh Iron Ore Co. Ltd.

First venture into Maritime structures - Paradeep Port Project, Odisha.

1985
Completed in record time an interesting and challenging work of construction of a pre-packed concrete wall in about 20 metre depth at water at Srisailam Dam in Andhra Pradesh.

1990
First major Maritime project at Tuticorin Port, Tamil Nadu.

1992
Took up construction contract of hydro electric projects, the first project being 150MW Pumped Storage Plant at Bhira near Mumbai for Tata Power.

1993
Development of Deep Water Port at Kakinada and installation of Marine Band Drain from spudded marine craft.

Created world record in progress of band - drain under sea.

1994
Changed the name of the Company from Cemindia Company Limited to Trafalgar House Construction India Limited.

1995
Major maritime projects for Birla Copper at Dahej.

1996
Kvaerner ASA acquired Trafalgar House Plc. Consequent upon the acquisition, the name of the Company was changed to Kvaerner Cementation India Limited in 1998.

1997
Liquid chemical jetty at Gujarat Chemical Port, Dahej.

First private sector container terminal for NSICT at JNPT, Mumbai.

1998
Entered MRTS and secured key projects from the start of Delhi Metro Rail .

2000
Marine Piling from both ends of Gantry.

Skanska AB Sweden acquire Kvaerner Construction Group Limited. Consequent upon the acquisition, the name of the Company waschanged to Skanska Cementation India Limited in 2001.

2002
Enrolled in Highway projects.

2004
ITD, acquired Skanska AB's interest in Skanska Cementation India Limited and the name of the Company was changed to ITD Cementation India Limited in 2005.

2005
Built the first ship lift facility for Indian Navy at Seabird, Karwar, Karnataka.

Construction of a 12.5 km diaphragm wall by a single agency on both banks of river Sabarmati, Ahmedabad.

2008
Installation of more than 40 driven, cast in-situ piles in a single day by a rig at Mundra, Gujarat.

Installation of 211 driven cast in-situ piles in a single day at a site, Mundra, Gujarat.

2009
Created Asian record in Tunnelling at Delhi Metro by boring 37.5 m in a day by using Shield Tunnel Boring machine.

Completion of container terminal at Chennai for PSA Singapore.

2012
Construction of Impounded Wet basin at Mazagon Dock, Mumbai and Dry Dock in GRSE, Kolkata.

Construction of Dedicated Water Transmission Main by Micro Tunnelling Technique for Kolkata Municipal Corporation.

Construction of double tier elevated structure – first level for road and second level for metro for Jaipur Metro.

2013
Completed the construction of a modernized integrated passenger terminal at Kolkata Airport in joint venture with ITD.

Directors' Report

The Directors present herewith their Report and Statement of Accounts for the year ended 31st December, 2013.

FINANCIAL RESULTS

(₹ in Lakh)

	Year 2013	Year 2012
Total Income	127,893.74	131,451.45
Gross Profit before depreciation and bad debts	4,944.33	6,922.49
Less: Depreciation on fixed assets	3,348.91	3,604.91
Profit before provision for doubtful debts	1,595.42	3,317.58
Less: Provision for doubtful debts	660.81	645.21
Profit before Taxation	934.61	2,672.37
Less: Provision for Taxation/ (deferred Tax Credit)	3.67	474.60
Profit after Taxation	930.94	2,197.77
Add : Surplus of previous year brought forward	6,285.11	4,519.85
Amount available for appropriation	7,216.05	6,717.62
Directors' recommendation for appropriation:		
Proposed Dividend	115.16	230.32
Dividend Distribution Tax (Incl. earlier year)	21.35	37.36
Transfer to General Reserve	23.27	164.83
Balance carried to Balance Sheet	7,056.27	6,285.11
	7,216.05	6,717.62

DIVIDEND

The Directors are pleased to recommend dividend of ₹ 1.00 per share (2012 – ₹ 2.00 per share), on 11,515,790 equity shares of ₹ 10 each fully paid. The above dividend, together with tax thereon, if approved, will represent 14.5% of distributable profits of ₹ 930.94 Lakh for the year.

REVIEW OF OPERATIONS

Revenue for the year at ₹ 122,476 Lakh has declined by ₹ 6,317 Lakh from ₹ 128,793 Lakh in the year 2012, a decline of about 5% over previous year. Consolidated revenue for the year was also lower at ₹ 157,837 Lakh as compared to ₹ 164,472 Lakh for the year 2012, a decline of about 4% over the previous year.

The Company's profit before tax for the year was lower by 65% at ₹ 935 Lakh compared to a profit before tax of ₹ 2,672 Lakh for the year 2012.

The Consolidated profit before tax for the year was lower by 23% at ₹ 2,391 Lakh compared to profit before tax of ₹ 3,107 Lakh for the year 2012.

The profit after tax for the year at ₹ 931 Lakh was lower by ₹ 1,267 Lakh in comparison with 2012 because of lower revenues and reduction in margins because of change in the composition of revenues from different types of construction work.

On a review of the position of outstanding debts, there are no write off of bad debts during the year (2012 – ₹ 450 Lakh).

Total value of new contracts secured during the year aggregated ₹ 267,620 Lakh (2012 – ₹ 143,502 Lakh). Major contracts include-

- Construction of six lane link road including Road over Bridge, Ghaziabad.
- Comprehensive Development of Corridor between Mangolpuri to Madhuban Chowk including construction of Elevated Road, Foot over Bridge and allied works for PWD, Delhi.
- Comprehensive Development of Corridor between Madhuban Chowk to Mukarba Chowk including construction of Elevated Road, Foot over Bridge and allied works for PWD, Delhi.
- Construction of New Haj Tower Complex at Rajarhat, West Bengal.
- Development of Marine facilities at Karanja Creek, Uran, Maharashtra.
- Part Design and Construction of Elevated viaduct and 2 elevated stations, Phase III of Delhi MRTS, Delhi.
- Design and build construction of 330 meter Wharf Structure at Nhava Sheva, Maharashtra.
- Construction of the Balance Works of the Ramps, Cut and Cover Tunnel of Chennai Metro Rail Project, Phase I, Chennai.

During the year, your Company's Joint Venture, ITD-ITD Cem Joint Venture, has received two contracts namely: Design and Construction of Tunnels by shield TBM, Palam and I.G.D. Airport Underground Stations by Cut & Cover Method between Palam (including) & Shankar Vihar (excluding) on Janakpuri West – Kalindi Kunj Corridor under Delhi MRTS Project of Phase-III for Delhi Metro Rail Corporation of the value of ₹ 75,200 Lakh and Procurement of Ground Water Treatment Plants, Design, Construction, Supply, Installation, Commissioning including Mechanical & Electrical Equipment and Operation for Government of Tripura (SIPMIU) of the value of ₹ 3,988 Lakh.

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

- Civil works, service and allied works for Modernisation at GRSE – Main Unit for Garden Reach Shipbuilders and Engineers Limited, Kolkata.
- Bored Cast-in-situ Piling, Diaphragm Wall and Ground Improvement work at Dahej, Gujarat.
- Piling work for multi-storeyed residential complex at Jaypee Greens, Noida.
- Construction of Ship Repair facility at Lavgan, Maharashtra.
- Construction of Landside structure for Ship Repair facility at Jaigad, Maharashtra.
- Construction of Integrated Passenger Terminal Building at NSCBI Airport, Kolkata.
- Piling work for SEPCO, Cuddalore, Tamil Nadu.

The Directors state that subsequent to the year end, a client of the Company has, pursuant to its contract with the Company for execution of work, invoked bank guarantees provided to the client by the Company's banks. Banks have made payments to the client aggregating to ₹ 9,200 Lakh. The Company is currently in dialogue with the client to resolve the matter amicably and the Company has reasons to believe that the matter will be favourably resolved.

A disclosure in this regard has been made under Notes 29 (g) and 28(h) under the heading 'Contingent Liabilities' for the Standalone Financials and Consolidated Financials respectively.

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

The Company has an established Integrated Management System comprising of Quality Management System 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 accreditation has been audited and compliance to the requirements of the International Standards has been confirmed by Det Norske Veritas AS (DNV).

The Company is amongst a few construction companies who have established an Integrated Management System and are maintaining the system with proper customer satisfaction along with continual improvements to the system.

OUTLOOK

The overall infra growth environment for the construction sector during the year gone by was very challenging. But your Company, with its strong execution capabilities and strong balance sheet has sailed steadily through these difficult times. Government has recently taken a number of measures to fast track infrastructure growth and a few encouraging signs are already visible. The inflation though sticky, with tight liquidity scenario, is expected to cool in the coming months. This may lead to a fall in interest rate in the system. Your Company has already built a strong and diversified order book of ₹ 382,118 Lakh for the year, which, gives it good revenue visibility for more than two years. It is expected that the years ahead would bring great opportunities in the key business areas that your Company is focused in.

PARENT COMPANY

Italian-Thai Development Public Company Limited (ITD) is engaged in the business of civil engineering and infrastructure construction and development and has been a major builder of Thailand's infrastructure for over 50 years. It had an annual consolidated revenue for the year 2012 of approximately Baht 46,970 million (about ₹ 8,330 crore) which puts it in the lead position amongst contractors in Thailand. In 2012, ITD had a skilled work force of around 24,278 employees, including around 1,502 qualified engineers. An experienced in-house training division provides its employees with continuous training in safety and construction skills. The business operations of ITD are in nine major categories namely: buildings; industrial plants; pipelines and utility works; highways, railways, high speed rails, viaducts, trackworks, MTR systems, bridges and expressways; airports, ports and marine works; dams, tunnels and power plants; steel structures; telecommunications and mining.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

A Statement pursuant to Section 212 of the Companies Act, 1956 ("the Act") containing the details of Company's subsidiary is attached.

As required under the Listing Agreements with the Stock Exchanges, Consolidated Financial Statements of the Company and its subsidiary are attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards 21 and 27 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company, its subsidiary and its share in joint ventures.

Pursuant to the provisions of Section 212(8) of the Act, Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated 8th February, 2011 has granted a general exemption, subject to certain conditions, to Holding

Companies from complying with the provisions of Section 212 of the Act which requires attaching of its Balance Sheet, Profit and Loss Accounts and other documents of its Subsidiary Company to its Balance Sheet. Accordingly, the said documents are not included in this Annual Report. The main financial summary of the Company's Subsidiary for the year ended 31st December, 2013 is included in the Annual Report. 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.

RESEARCH AND DEVELOPMENT

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The Research & Development Division of the Company continues to enjoy recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. 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.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

Information as per Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the conversion of energy, technology absorption, foreign exchange earnings and outgoings respectively, is attached hereto and forms part of this Report.

Particulars of employees pursuant to Section 217 (2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in the annexure and forms part of this Report. However, in pursuance of Section 219 (1) (b) (iv) of the Act, the Report and Accounts is 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.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors state that in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations have been provided for material departures, wherever applicable. The Board also confirms that the Directors 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 the year under report. The Board has 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. It is further confirmed that the Directors have prepared the annual accounts on a going concern basis.

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).

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance alongwith a certificate of compliance from the Auditors are attached hereto and form part of this Report.

DIRECTORS

Mr. Per Hofvander and Mr. Deba Prasad Roy retire by rotation and, being eligible, offer themselves for re-appointment.

AUDITORS

The retiring Auditors, Walker, Chandiok & Co., Chartered Accountants, Mumbai, offer themselves for re-appointment.

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

February 26, 2014

Annexure to the Directors' Report

Statement Pursuant to Section 217(1)(e) of the Companies Act, 1956.

RESEARCH AND DEVELOPMENT

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The Research & Development Division of the Company continuous to enjoy recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. 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

(a) ***Energy Conservation Measures Taken:***

1) *Use of Acoustic Generators*

Acoustic generators are being increasingly used at project sites which consume less diesel due to induction of more recent version of Engines.

2) *Reducing Fuel Consumption during Pile Driving*

Pneumatic hammers is being phased out. Energy efficient Hydraulic hammers are being used for pile driving operations. Hydraulic hammer, apart from efficient operations, had been able to save diesel also.

3) Selecting New Plant and equipment with Euro III & EURO IV engines, on as available basis.

(b) ***Additional Investments and Proposals, if any, being implemented for reduction in Consumption of Energy:***

i) Energy efficiency continued to remain one of the major criterion for selection of new plant for 2013 and also will remain focus area during the year 2014.

ii) Use of electrical power driven equipment, wherever possible, to utilize supply power or single source of power generation, in lieu of individual gensets, thereby savings on enengy.

(c) ***Impact of the Measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:***

i) Decrease in fuel consumption per unit of work done.

ii) Optimization of fleet size and productivity thus resulting in savings in fuel consumption and reduce pressure on environment.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the annexure to the Rules in respect of industries specified in the Schedule thereto:

Not applicable

B. Technology Absorption

Research & Development (R & D)

1) *Comparative Studies on use of Polymer Fluid Performance for Borehole stability*

Three varieties of environmentally friendly polymer based slurry system are employed at Delhi Metro sites to study their performance. Outcome of this research is expected to bring under purview an optimized borehole support system which can cover a wide range of sub-surface conditions and proper utilization of polymer fluid in future.

2) *Study for Optimized Deep Excavation Support Solutions Using GEO5 Software*

In recent years, there had been a spurt of design and built projects on deep excavation support systems. Presently, a study is underway for optimized excavation support solution using GEO5 software. This software affords non-linear analysis of failure surface in addition to realistic modeling of surcharge, submergence, in addition to real-time field conditions. These studies are expected to account for various shapes of retaining wall cross sections leading to economic delivery of deep retention systems.

Technology Absorption, Adaption and Innovation

1) *Top Down Construction Works at Mumbai Site*

Top Down technique is currently being adapted for construction of a Club House building for a large residential project underway at Mumbai. This project involves innovative use of bored pre-cast piling, which, subsequently would double up as a pre-cast column for the basement. Innovative adaptations were use of 32mm diameter couplers, addressing column slenderness effect, and solution to address variations in rock levels.

2) *Water Resistant Support System for Deep Shoring Works Using Micro Piles*

Deep retention system, at one of the project sites of Mumbai, required use of closely spaced piles. These piles, 800 and 1000mm in diameter, had a clear gap of 100mm between them, which made it susceptible to water ingress. Since dry condition was mandatory at the basement side, an innovative solution was adopted by use of approximately 200mm diameter micro piles between the piles at the backfill side. An impervious concrete mix design based on earlier researches at cut-off wall projects was adapted, and this retention system ensured basement work continues in seepage free condition.

3) *Slope Failure Prevention Measures at Mangalore*

Rehabilitation measures were urgently desired for one of the critical refinery areas at Mangalore where one of the 75m sections of the slope had given way due to persistent rains. One of the solution adopted was filling of the crevices and voids at the failure portion with sand bags followed by extensive grouting. This step ensured restoration of slope to its original profile, which was followed by strengthening the slope with rock bolts and arrangements of gabions. This scheme successfully overcame the monsoon spell, and protected the critical structures above the slope.

4) *Concrete Sampler*

In one of the sites, in lieu of conventional manual sampler, a cylindrical concrete sampler was attached to the Kelly bottom which permitted assessing the concrete top level and sample collection in a single operation. This technique saved valuable process time. This technique is planned for adopting as a routine practice sounding and sampling in areas of deep cut-offs.

5) Use of full scale floating Concrete Batching plant operating at a distance of 2.5 km inside sea, for facilitating construction of a coal berth in Tuna, Kandla.

6) Extensive use of Rotary hydraulic piling rig on top cantilever gantry for construction of piling in Sea conditions, in lieu of using conventional Bored piling winch to speed up construction.

7) Use of sheet pile driven by sheet pile driver for retaining excavated soil face for underground construction.

8) Use of NATM (New Austrian Tunnelling Method) method of Tunnel construction at Reasi, Jammu for Railway tunnels.

9) Use of Slip form shuttering system for concreting for a critical Material handling Silo at a height of 40 meter, at Vizag.

C. Foreign Exchange Earnings and Outgo

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

2) The Company is continuing its efforts to identify opportunities of securing an overseas contracts in its specialist activities.

3) There were no earnings in foreign exchange from construction and related activities during the year under report and the outgo on account of travelling, ECB and interest on ECB, royalty, dividend, professional fee, consumables, capital goods, tools and spare parts aggregated to ₹ 2,195 Lakh.

For and on behalf of the Board

Premchai Karnasuta

February 26, 2014 *Chairman*

Management Discussion and Analysis

Company review

ITD Cementation Limited is a leading player in the Engineering, Procurement and Construction (EPC) area of construction industry. Its main activities are marine projects, urban transport, foundation specialist engineering, hydroelectric power and tunneling, dams and irrigation, industrial structures, highways and bridges, and airports.

Economic overview

Global economy

The global economy continued to recover through the year 2013, ably supported by extraordinary monetary measures undertaken by central banks of some major economies including US, Japan and Euro Region. While advanced economies' growth was in line with International Monetary Fund's (IMF) 2013 initial projections, developing economies' growth lost considerable momentum. As a result, the global GDP growth came down to 3.0% in 2013 from 3.1% recorded in 2012.

One of the key developments during the year was Fed's indication to gradually taper the quantitative easing. This event sparked rapid depreciation in currencies of countries with high current account and fiscal deficit. Going forward, IMF has projected that the global economy is expected to strengthen its growth momentum recording a 3.7% growth in 2014 followed with 3.9% growth in 2015.

Indian economy

The Indian Economy is passing through one of its most challenging phases in recent times. The economy is confronted with some significant problems including, waning institutional as well as retail demand, alarming inflation, high cost of borrowing, weakened INR (Vs. USD), stagnant policy reforms and falling industrial output. Gross Domestic Product (GDP) growth rate has remained in the sub-5% range for the last 4 quarters (Exhibit 1: India Quarterly Y-o-Y GDP Growth rate). The industrial production has also been very tepid with an average year 2013 Index of Industrial Production (IIP) growth of mere 0.35% (Exhibit 2: Key economic indicators).

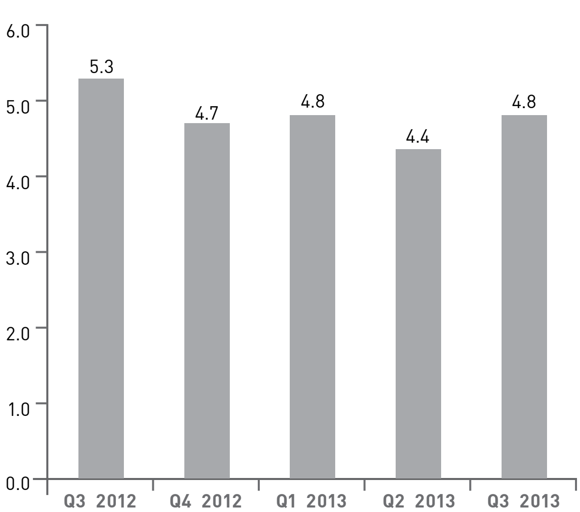
The Wholesale Price Index (WPI) in the initial months of 2013 did show signs of decelerating but after hitting a low of 4.58% in May 2013 (Exhibit 2: Key economic indicators) gradually inched higher and stood at 6.16% as of December 2013. The Consumer Price Index (CPI) inflation for most of the year remained in double-digit and after touching a high of 11.16% in November 2013, it has come down to 9.87% in December 2013.

The inflation volatility impacted domestic interest rates too. After near 8.0% repo rate in 2012, the year 2013 witnessed some rate cuts in H1 2013. With Reserve Bank of India's (RBI) resolve to contain inflation the cycle has turned again in H2 2013. The high cost of funds coupled with overall economic slowdown has impacted profitability adversely for Infrastructure sector including Power. The growth in GDP during FY14 is estimated at 4.9% as compared to the growth rate of 4.5% in FY13.

Construction industry: Overview

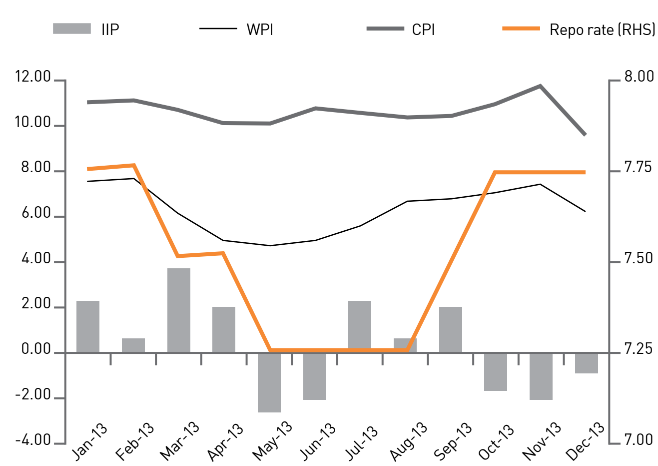
Considered to be the lifeline of any economy, Infrastructure remains the pivotal link in India's economic growth prospects. Often-referred-to as the growth-driver of emerging economies, India ranked 85th in terms of overall Infrastructure quality among 148 countries covered in "The Global Competitiveness Report 2013-14" by World Economic Forum. Much smaller countries like Nambia, Sri Lanka and Kenya ranked ahead of India. India needs significant enhancement in

Exhibit 1: India quarterly Y-o-Y GDP growth rate, %



Source: CSO, MOSPI, eaindustry.nic.in, RBI

Exhibit 2: Key economic indicators, %



its infrastructure facilities. Taking cognizance of this fact the country has been significantly increasing its planned outlay in infrastructure sector over the last three Five Year Plan. The planned outlay has nearly doubled to ₹ 5,230,900 Crore in 12th Five Year Plan from ₹ 2,056,150 Crore in 11th Five Year Plan.

The construction industry plays an instrumental role in building infrastructure. It requires to significantly enhance its execution capabilities in near-to-medium term in order to serve the pent-up demand. Indian construction industry's estimated current capacity of asset building of ₹ 415,000 Crore annually would require to be doubled. The human, machinery and material inputs need considerable stepping up together with re-alignment of policies and priorities at governments' and regulators' level.

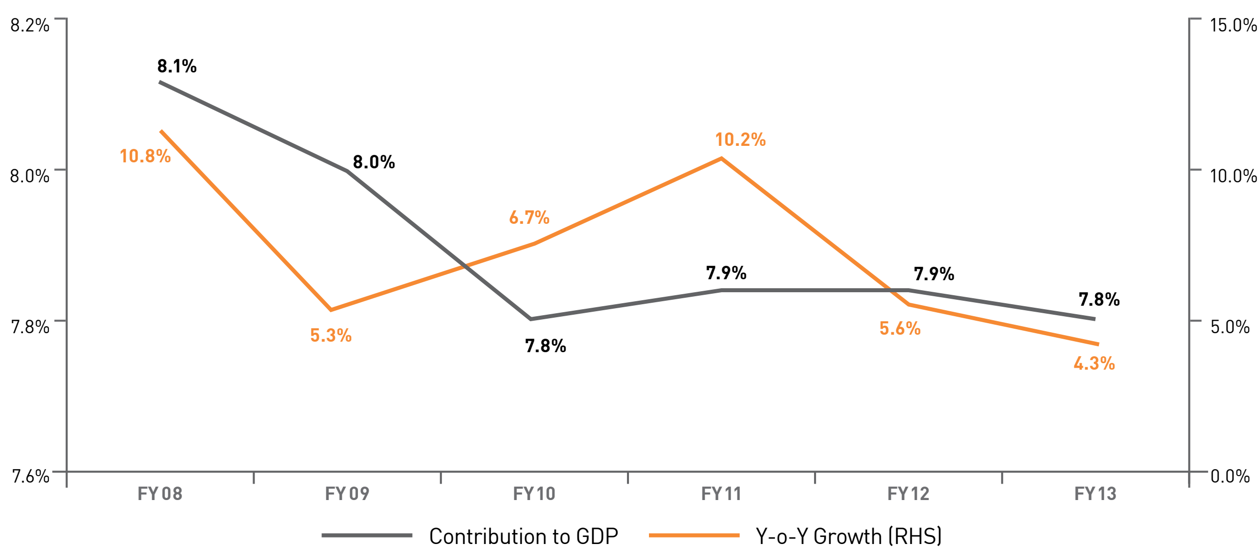
Contribution to economy

In the backdrop of economic slowdown coupled with policy stagnation during the recent past, the share of construction industry in GDP (at constant prices) has marginally declined from 8.1% to 7.8% between FY08 and FY13 (Exhibit 3: Construction industry's contribution in GDP and Y-o-Y growth). As per the 12th Five Year Plan the share of GDP from construction activities at factor cost (constant prices) has increased to ₹ 430,300 Crore in FY13 from ₹ 315,500 Crore in FY08. Over the last six years, the construction industry has posted an average growth of 7.1%, with a marked slowdown in the last two years. Responding to the growth slowdown, the government is fast removing addressable bottlenecks aimed at attaining fast track clearances for infrastructure projects.

Foreign Direct Investment (FDI) in construction industry

Both domestic and foreign investment has aided India's growth in construction industry. The cumulative FDI inflows in construction activities from April 2000 to September 2013 stood at around $22,765 Million (₹ 105,205 Crore) (Exhibit 4: Yearly FDI in Construction Industry). This was nearly 6% of the total cumulative FDI inflow into the country. The banking sector has been a key funding institution for the construction industry but alone it would not be able to support the funds required. Also the rising NPA's in the Infra space has made banks more stringent. Hence to fulfill the humongous demand of required funds, there is a need to develop different lending norms and special funding instruments, capable to address the requirement of the construction industry and also address bank's concerns.

Exhibit 3: Construction industry's contribution in GDP and Y-o-Y growth



Source: Planning Commission of India.

Exhibit 4: Yearly FDI in Construction Industry

FDI in Construction	FY08	FY09	FY10	FY11	FY12	FY13	H1 FY14	Cumulative Inflow (April '00 to Sept '13)
₹ Crore	6,989	8,792	13,469	4,979	15,236	7,248	4,156	105,205
USD Mn	1,743	2,028	2,852	1,103	3,141	1,332	685	22,765

Source: Planning Commission

Opportunities across key industry

Marine construction

Around 95% by volume and 70% by value of India's international trade moves through ports. India has a total of 13 major ports 6 on the west coast and 7 on the east coast, managed by Port Trusts, regulated by government. These ports serve around 59% of the cargo traffic whereas privately owned ports served 41% of cargo. It is expected that India's port traffic would grow at 17% CAGR over FY13 to FY17 and would increase to 1,758 MMT from 933 MMT in FY13.

Although there seems to be (Exhibit 5: India's Major Port's Capacity Utilization (FY13)) some room for utilization at ports on the east coast, west coast are operating at near 100% capacity. This has lead to high turnaround time for ships which add to their cost. Trade in India has high logistics cost of 14-15% as against 7-8% in the developed countries eroding the competitiveness of Indian exports. To cater to this issue the planning commission in the 12th Five Year Plan has put forth a total investment of ₹ 197,781 Crore for the development of ports and inland waterways in India.

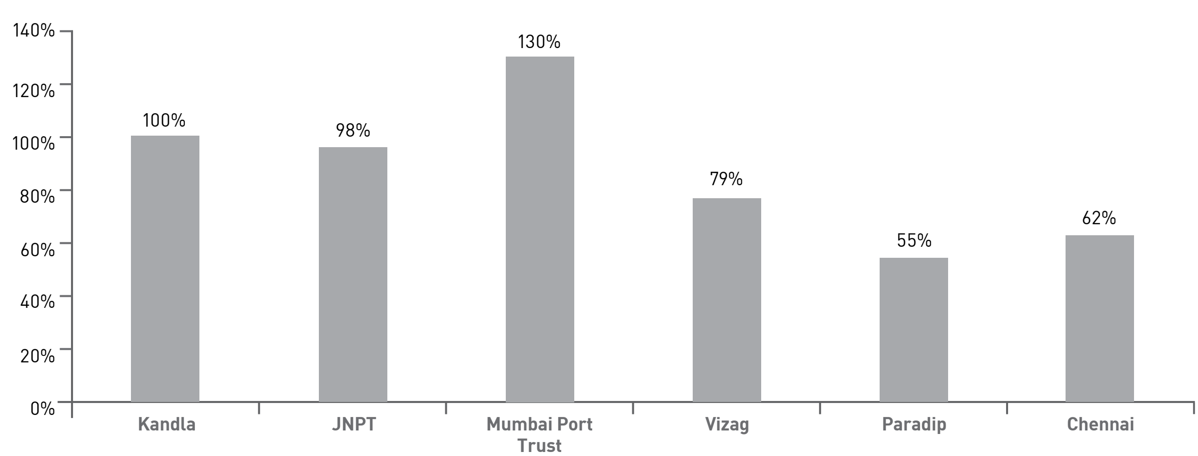
It is generally estimated that of the total cost for building a port, construction intensity is around 50%. Hence the opportunity for the construction industry in the 12th Five Year Plan stands at around ₹ 98,890 Crore. In a major expansion drive, the shipping ministry has planned to enhance key port's capacity by 250 MMT with total investment of ₹ 17,630 Crore. For the period April- December 2013 it has already awarded 102 MMT and the balance would be in H1 2014. Of the projects to be awarded the JNPT single project would enhance its capacity by 64 MMT. This brings huge opportunities for the infra construction industry in ports development.

The marine infrastructure industry has an upcoming opportunity in terms of building Liquefied Natural Gas Re-gasification (LNG). There is an incremental demand for imported Natural Gas in India due to dearth of domestic gas supply. To tap the burning need a number of players are planning for expansion and setting up of LNG re-gasification terminals on the east as well as west cost of India.

The marine infra industry holds huge opportunities in the coming years and ITD Cementation is one of the key players in this field with very strong execution skills. ITD Cementation over the years has been a partner in building some of the landmark terminal & jetties in India. This brings great execution skills to ITD Cementation to leverage on the opportunities in this industry. Following are the key projects that ITD Cementation acquired during the year.

Scope of Work	Value ₹ Crore
Development of Marine Facilities at Karanja Creek	547.53
Design and Construction of 330 mtr. Wharf Structure at NHAVA SHEVA (India) Gateway Terminal, JNPT	196.50

Exhibit 5: India's major port's capacity utilization (FY13)



Source: Ministry of Shipping

Key upcoming opportunities

Project	Estimated Capacity	Estimated Project Cost (₹ Crore)
Fourth Container Terminal at Jawaharlal Nehru Port Trust (JNPT)	4.8 MTEU	7,915
Mega Container Terminal at Tuna-Tekra-Kandla Port Trust	4.2 MTEU	5,992
Diamond Harbour Container Terminal-Kolkata Port Trust	1.2 MTEU	1,758
Off-Shore Multipurpose Cargo Berth at Mumbai Port Trust	4.5 IVITPA	696
Container Terminal at Ennore Port Ltd. (EPL)	1.4 MTEU	127

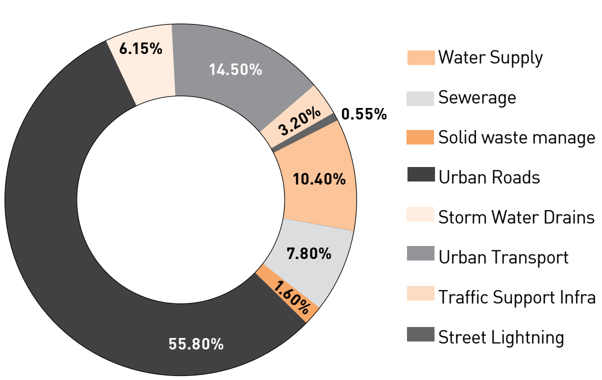
Source: Ministry of Shipping

Urban infrastructure

With 300 Million urban Indian residents, India ranks second in terms of total urban population in the world. But it also comes under the least urbanized countries in the world. Only 30 per cent of India's population lives in urban areas. This is much lower than other emerging markets such as China, Indonesia, South Korea, Mexico, and Brazil. The number of metropolitan cities with population of 1 million and above has increased from 35 in 2001 to 50 in 2011 and is expected to be 87 by 2031. The launch of the JNNURM in December 2005 by the Government of India signaled the importance of the urban sector for the Indian economy.

Ministry of Urban Development in 2008 formed a High Powered Expert Committee, to envisage the size of infra investment that would be required for managing the urbanization. The committee reported that with rapid transition from rural to cities, the urban population would reach 600 Million by 2031. It also estimated a total investment of ₹ 3,918,670 Crore would be required to facilitate urbanization.

Exhibit 6: Share of various sectors in Urban Investment



Source: Ministry of Urban Development.

The report places more focus towards urban roads, freeways, expressways, flyovers and means of transport which holds around 70% share of the total investment (Exhibit 6: Share of various sectors in Urban Investment). Planning and working on infrastructure in a city which lack free space and is awake 24x7, comes with lot of challenges that needs to be tackled by innovative means.

To enhance the means of transport with optimum utilization of space, India introduced new modes of transport such as Metro rail and Mono rail (Mass Rapid Transit System, MRTS). This has been successfully implemented in Delhi and Mumbai, and is now been implemented across various other cities. The planning commission in the 12th Five Year Plan has envisaged a total investment of ₹ 124,158 Crore in MRTS. With estimated construction intensity of close to 75%, the opportunity for the construction industry in MRTS stands at approximately ₹ 93,118 Crore.

ITD Cementation has a strong focus on urban infrastructure and has been associated with DMRC from the very beginning while building Delhi Metro. However, creating new or additional infrastructure facilities is not easy as they conflict with the existing facilities. ITD Cementation has developed the technologies of Pipe Jacking and Box Jacking. It eliminates the problems that would otherwise occur when new roads, rail lines, etc. are being constructed in busy cities and towns. Use of this unique technology ensures normal flow of traffic even as new construction activities are in progress. During the year ITD Cementation has been instrumental in acquiring the following key urban infrastructure projects.

Scope of Work	Value ₹ Crore
Design and Construction of Tunnels by Shield TBM, Palam and I.G.D Airport underground Stations by Cut & Cover Method between Palam (including) and Shankar Vihar (excluding) on Janalpuri West – Kalindi Kunj Corridor under Delhi MRTS Project of Phase-III (In joint venture)	752.00
Comprehensive Development of Corridor (Outer Ring Road) between Mangolpuri to Madhuban Chowk. SH:- Const. of Elevated Road, FOB, RCC Drain, Footpath, Cycle Track, widening / strengthening of road, rain water harvesting scheme, electrical works and other allied works	289.65
Part Design and Construction of Elevated Viaduct and 2 Elevated Stations viz. Dwarka and Najafgarh Depot including architectural finishing, Water supply, sanitary installation and drainage works on Dwarka – Najafgarh Corridor of Phase-III Delhi MRTS	132.90
Construction of six lane link road between NH 24 Bypass & NH 58 at Ghaziabad including ROB (Excluding Railway portion) on Delhi Howrah Rail Track	115.07
Construction of the Balance Works of the Ramps, Cut and Cover Tunnel (U & Box Section) through the Air Funnel Area, between OTA Station and Meenambakkam Station (Chainage :19000m to 20400m) including Drains of Chennai Metro Rail Project, Phase I	64.86

Key upcoming opportunities

Project by	Project	Location	Project Update
Pune Mahanagar Metro Rail Corporation Ltd	Pune Metro Project	Pune	• Estimated cost: ₹ 10,183 Crore. • Received a go ahead from Maharashtra Government.
METRO Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd.	Metro cum Regional Rail Transit System (MRRTS) for Gandhinagar - Ahmedabad	Ahmedabad	• Phase-1 of metro rail project – 34 km -limited to Ahmedabad.
Kochi Metro Rail Ltd	Kochi Metro Rail (Phase-1)	Kochi	• Projected Cost: ₹ 5,182 Crore. • Project completion target: June 2016.
Mumbai Metro Rail Corporation Limited	Designed and Construction of underground stations and associated tunnels – Mumbai Metro Line 3 (Colaba-Bandra-SEEPZ Metro Corridor)	Mumbai	• Estimated cost: ₹ 23,136 Crore

Source: Pune Mahanagar Metro, MEGA, Kochi Metro.org, Business Standard

Roads

India's road network carries 65% of its freight traffic and 80% of passenger traffic. National Highways constitute only 1.7% of the total road network in India, but carry ~40% of total road traffic, ~65% of freight and ~87% of passenger traffic. National Highways grew at a low CAGR of ~3.5% during FY08-13. Currently, only ~24% of the national highways is four lane and above whereas ~51% is two lane and ~24% is single/intermediate lane.

The National Highways Authority of India (NHAI), which is the nodal agency for development, maintenance and management of the national highways, is implementing the National Highway Development Programme (NHDP). The programme involves upgrade/strengthening of 50,329 km of highways in seven phases at a planned investment of ₹ 471,975 Crore. NHAI awarded only 479 km during April-September'13 against the target of 3,000 km.

Key upcoming opportunities

Company	Project	Location	Project Update
NHAI	Development of 135 km Six-Lane Eastern Peripheral Expressway on DBFOT (Toll).	Haryana and Uttar Pradesh	• Projected cost ₹ 4,489 Crore
NHAI	Construction of 3-Lane new RUB at Ch 9+513 of NH-1A (now known as NH-44) with Box push technique and its approaches & allied works from Ch 9+200 to 9+770 (LHS)	Punjab	• Tender in March 2014
NHAI	Four laning of Lucknow-Sultanpur section of NH-56 on BOT (Toll) mode on DBFOT.	Uttar Pradesh	• Tender in March 2014

Source: NHAI

Power

India's per capita power consumption of 884 kilowatt hours is almost 10% of the developed countries such as Europe and US with per capita power consumption of 7,000 KWh and 14,000 KWh respectively. This clearly indicated that there is huge potential for investment in Indian power industry. The industry attracted FDI worth ₹ 38,026.65 Crore (USD 6.19 billion) during April 2000 to October 2013. In 2013, India added a total of 22,978 MW of power capacity and the total power generation capacity as of December 2013 stood at 233,930 MW.

India has an estimated hydro potential of about 145,320 MW, of which only about 39,893.40 MW has been commissioned as of December 2013. In the 12th Five Year Plan the planning commission has projected power capacity addition to the tune of 88,537 MW, where 10,897 MW would be towards hydro projects.

The power industry is going through tough times with negligible availability of domestic gas and high cost of imported coal. As per CSO, India also has a huge power deficit of 4.2% over April to September 2013. The government has recently made a few meaningful structural announcements such as (i) Financial Restructuring of SEBs, (ii) Revival of tariff for imported coal based projects and (iii) fuel pass through upto 80% of Letter of Assurance with Coal India. These measures should bring in fresh wave of investment in this industry. ITD Cementation has successfully completed a number of Hydro electric projects including a few some of the most difficult of the terrains. During the year ITD Cementation acquired following project.

Scope of Work	Value ₹ Crore
Complete civil & structural works for Raw Water Pump House at Eklahara Barrage for 1350 MW (5 x 270 MW) Thermal Power Project at Sinnar SEZ, Nasik	23.25

Key upcoming opportunities

Project by	Project	Location	Project Update
NHPC	Install six hydroelectric projects with total capacity of 1020 MW	Odisha	• Formed JV with Government of Odisha and Odisha Hydro Power Corporation Limited
PFC	Set up 4000 MW UMPP project	Odisha	• Tender float and received 9 bids • Estimated project cost ₹ 25,200 Crore
PFC	Set up 4000 MW UMPP project	Tamil Nadu	• Tender Float and received 8 bids • Estimated project cost ₹ 24,200 Crore

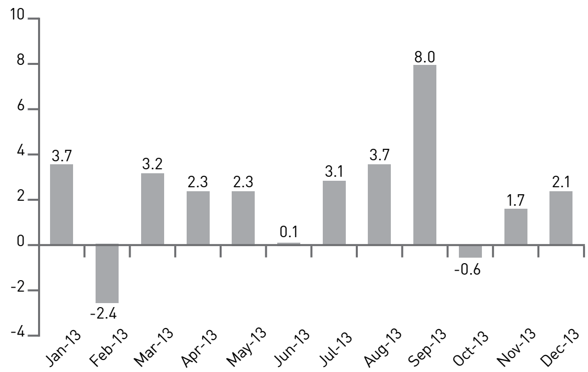
Source: NHPC, PFC

Industrial structures

The eight core industries Coal, Crude oil, Natural gas, Petroleum refinery products, Fertilizers, Steel, Cement, Electricity has a total 37.90% weight in the overall IIP has fared well during the year 2013 (Exhibit 7: Core IIP monthly Y-o-Y growth). This indicated further scope of expansion of facilities in the manufacturing industry. The industrial structures which largely consist of main plan building, chimneys, silos, conveyers, furnace and administrator buildings form an integral part of the manufacturing capacities.

As a preferred contractor for piling and foundation work, ITD Cementation's foray into construction and industrial structures and buildings is, but, a natural extension of its role and, thereby, ITD Cementation foresees good opportunities to grow in this area. During the year ITD Cementation has won the following industrial projects.

Exhibit 7: Core IIP monthly Y-o-Y growth



Source: eaindustry.nic.in

Scope of Work	Value ₹ Crore
Construction of New Haj Tower Complex with (B+G+10) Tower Building including all civil works, Sanitary & Plumbing works, Internal & External Electrification works, Elevators and other ancillary works.	71.95
Civil works for Pipe rack and Building for offsite Utility Project, Fernas, OPAL Dahej, Gujarat.	25.26
Piling Works for BOF-3 & Caster-4 in SMS-2 Complex in Visakhapatnam Steel Plant, Visakhapatnam, Andhra Pradesh.	23.70

Internal Control Systems

The Company has in place an internal control system commensurate with its size and nature of business. In accordance with the internal policy of the Company, delegation of authority is exercised at various levels of management. An internal audit cell operating through the year conducts audits to test the adequacy of internal systems and suggest continual improvements.

Internal Audit reports, progress in improvement action and adequacy of internal controls are reviewed by the Board's Audit Committee on a regular basis.

Financial Overview

The economic and operational environment in general and for the construction industry in particular was very challenging.

Standalone Financial Performance:

ITD Cementation's performance for 2013 compared with the earlier two years is as under:

(₹ Lakh)

Particulars	2013	2012	2011
Contract Revenue	122,476	128,793	129,053
PBIDT	15,840	16,989	14,904
Profit before Tax	935	2,672	2,203
Profit after Tax	931	2,198	2,258

On a standalone basis the Company earned a revenue of ₹ 122,476 Lakh from operations during the year against a revenue of ₹ 128,793 Lakh in 2012; a fall by about 5% caused mainly by execution delays on some projects and delay in finalization of some orders. Profit before Interest, Depreciation and Tax (PBIDT) at ₹ 15,840 Lakh in 2013 in comparison with ₹ 16,989 Lakh achieved in 2012, was lower by ₹ 1,149 Lakh. The lower profit is mainly attributable to lower revenues and lower share in revenues from some higher margin projects. On account of higher interest outgo, the Profit Before Tax (PBT) and Profit After Tax (PAT) were also lower at ₹ 935 Lakh and ₹ 931 Lakh respectively in 2013 as against ₹ 2,672 Lakh and ₹ 2,198 Lakh respectively in 2012.

Consolidated Financial Performance

Consolidated financial result for 2013 compared with earlier two years is as under:

(₹ Lakh)

Particulars	2013	2012	2011
Contract Revenue	157,837	164,472	170,845
PBIDT	19,645	20,118	17,617
Profit before Tax	2,391	3,107	2,817
Profit after Tax	931	2,198	2,258

On a consolidated basis the operational revenues stood at ₹ 157,837 Lakh in 2013 against ₹ 164,472 Lakh achieved in 2012. The PBIDT for 2013 was ₹ 19,645 Lakh against ₹ 20,118 Lakh in 2012. The PBT decreased to ₹ 2,391 Lakh in 2013 from ₹ 3,107 Lakh in 2012, mainly due to the higher interest burden.

The Company's consolidated order book at ₹ 382,118 Lakh is quite healthy and is the highest that the Company has achieved in its history. The order book as at December 2012 was ₹ 289,113 Lakh; showing an improvement of 32% in the order book which provides better visibility going forward.

Human Resources Development and Safety

This is a focus area for ITD Cementation's operations as its employees are a key asset. ITD Cementation encourages a performance oriented culture through employee appraisal systems leading up to succession planning, training needs and skill enhancement programs. ITD Cementation believes in providing a professional, congenial, safe and environment friendly work place coupled with opportunities for personal growth and development. ITD Cementation strives to make construction sites injury free. As on 31st December, 2013, there were 1869 employees in ITD Cementation's regular employment and 1846 employees on project based engagement.

Risk & Concerns

ITD Cementation is one of the most experienced players in construction sector and over the last eight decades has witnessed number of business cycles. Well aided by this experience & understanding of the industry and under the stewardship of a professional management, ITD Cementation has developed a robust and integrated risk management system. Some of the key risks faced by the Company and their mitigation plan are as under:

Economic Factor: Economic slowdown, increase in interest rates.

Measures: Over the last eight decades, your Company has seen number of business cycles. Leveraging this experience ITD Cementation has maintained a reasonably leveraged balance sheet. ITD Cementation carefully evaluates each project while bidding.

Political Factor: Government spending acts as a great push to Infrastructure growth. Also infrastructure development is subject to many clearances.

Measures: ITD Cementation serves a diverse set of clients across different states. This reduces client concentration and also mitigates regional specific risk.

Execution Factor: Time overrun would lead to higher cost of execution and also an infra project may get stuck due to clearances.

Measure: For a given project ITD Cementation builds a holistic and focused execution schedule and the project is assessed at regular intervals. ITD Cementation also insists on all key clearance before mobilization of resources for execution.

Credit Factor: Delay in payments from the clients may lead to shortfall in projected cash flow and also add to cost with increased working capital.

Measure: ITD Cementation's clientele largely consists of strong established players in the industry with strong long-term relationship. Also ITD Cementation takes very proactive and strong approach to project cash flow and follow a relatively low leveraging policy.

Outlook

The overall infra growth environment for the construction sector during the year gone by was very challenging. But ITD Cementation, with its strong execution capabilities and strong balance sheet has sailed steadily through these difficult times. Government has recently taken a number of measures to fast track infrastructure growth and a few encouraging signs are already visible. The inflation though sticky, with tight liquidity scenario, is expected to cool in the coming months. This may lead to a fall in interest rate in the system. ITD Cementation has already built a strong and diversified order book of around ₹ 382,118 Lakh for the year, which gives it good revenue visibility for more than two years. It is expected that the years ahead would bring great opportunities in the key business areas that ITD Cementation is focused in.

Report on Corporate Governance

1. **Company's philosophy on Corporate Governance**

Your Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Your Company has in place processes and systems whereby the Company complies with the requirements on Corporate Governance provided in Clause 49 of the Listing Agreement issued by the Stock Exchanges. 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 Clause 49 of the Listing Agreements with the stock exchanges on which the Company's Shares are listed. As on date the Company has six (6) Directors with a Non- Executive Chairman. Of the six (6) Directors, five (5) are Non- Executive Directors out of which three (3) 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 2013		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	1	Yes	Nil	Nil
Mr. Pathai Chakornbundit (Vice Chairman)	Non-Independent, Non– Executive	7	3	Yes	Nil	Nil
Mr. D. E. Udwadia	Independent, Non– Executive	7	6	Yes	11	7 (includes 1 Chairmanship)
Mr. Per Hofvander	Independent, Non– Executive	7	4	Yes	Nil	Nil
Mr. D. P. Roy	Independent, Non– Executive	7	7	Yes	3	2
Mr. Adun Saraban (Managing Director)	Executive	7	7	Yes	1	Nil

*Excludes membership / chairmanship of non-mandatory committees.

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

Seven (7) meetings of the Board were held during the Company's financial year ended 31st December, 2013. The dates on which the meetings were held are as follows: 21st January, 28th February, 10th May, 23rd May, 12th June, 8th August and 7th November, 2013.

(iv) Code of Conduct

The Company has adopted Codes of Ethical Conduct for (a) Directors and Senior Management personnel and (b) Executive Directors and Employees 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.

(v) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement had been placed before the Board.

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 15th February, 2013.

(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, 2013 the Audit Committee had held four (4) meetings. Meetings were held on 28th February, 10th May, 8th August and 7th November, 2013. Attendance of directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Per Hofvander, Chairman	4	4
Mr. D.E. Udwadia	4	4
Mr. Pathai Chakornbundit	4	3
Mr. D. P. Roy*	4	4

* appointed member of Audit Committee w.e.f. 15th February, 2013

Mr. Per Hofvander, the Chairman of Audit Committee, was present at the last Annual General Meeting.

Mr. R.C. Daga, Company Secretary, attended the meetings of Audit Committee held during the year 2013.

(ii) Terms of reference are broadly as under

- Overview of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of the audit fees and also approval for payment of any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing with management the quarterly / annual financial statements before submission to the Board, focusing primarily on:
  - Directors' Responsibility Statement to be included in Board's Report;
  - any changes in accounting policies and practices;
  - major accounting entries involving estimates based on exercise of judgment by management;
  - qualifications in draft audit report;
  - significant adjustments, arising out of audit;
  - compliance with accounting standards;
  - any related party transactions as per Accounting Standard 18;
  - compliance with listing and other legal requirements concerning financial statements;
  - reviewing with the management, external and internal auditors, the adequacy of internal control system;
  - reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  - discussion with the internal auditors of any significant findings and follow-up thereon;
  - reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; and
  - looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing with the Management, usages / applications of funds raised through an issue (public issue, rights issue, preferential issue, etc.), funds utilised for purposes other than those stated in the offer documents / prospective / notices and the report submitted by monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendation to the Board to take up steps in this matter.
- Review the functioning of the Whistle Blower mechanism.
- Approve appointment of Chief Financial Officer.
- The Minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

4. **Subsidiary Company**

As on 31st December, 2013 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.

5. **Remuneration Committee**

Remuneration Committee of Directors was constituted in March 1994. Terms of reference of the Remuneration Committee were last amended on 26th October, 2010.

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

Remuneration Committee comprises of 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 Independent Directors. The Committee held two (2) meetings during the year 2013 i.e. on 28th February and 7th November, 2013

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. D.E. Udwadia, Chairman	2	2
Mr. Premchai Karnasuta	2	–
Mr. Pathai Chakornbundit	2	2
Mr. Per Hofvander	2	2

(ii) Brief description of terms of reference

Committee to determine Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment from time to time. To determine the minimum remuneration to executive directors as required under Schedule XIII of the Companies Act, 1956.

(iii) Remuneration Policy

Remuneration Policy takes into account the remuneration trends for similar positions in national market within the same industry and across various industries with a view to attract and retain the right talent.

(iv) Details of Remuneration to the Directors

Executive Directors are paid remuneration by way of salary, commission, perquisites and retirement benefits as recommended by the Remuneration Committee and approved by the Board and shareholders of the Company.

The Company does not have any Stock Options Scheme.

No severance pay is payable on termination of appointment.

Non-Executive Directors are paid remuneration by way of sitting fees for attending the meetings of the Board and Committees thereof. The remuneration of the Non-Executive Directors by way of commission is determined by the Board in terms of the special resolution passed by the shareholders at the Annual General Meeting held on 4th May, 2012.

The Non-Executive Directors are compensated by way of commission based on input given and number of Board / Committee Meetings attended by them.

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

During the year, the Company paid ₹ 995,500/- to M/s Udwadia Udeshi & Argus Partners, Solicitors & Advocates, Mumbai, as fees for professional services that were provided by the said firms to the Company on specific legal matters entrusted to them from time to time. Mr. D. E. Udwadia is a partner of M/s Udwadia Udeshi & Argus Partners. The Board does not consider the firms' association with the Company to be of a material nature so as to affect the independence of judgement of Mr. D. E. Udwadia as a Director of the Company.

Details of remuneration payable to Executive and Non - Executive Directors of the Company for the year ended 31st December, 2013 are given below

Name of the Director	Service Contract Years/ months	Salary	Commission	Perquisites and cost of providing furnished residential acommodation	Retirement Benefits (PF and Gratuity)*	Total sitting fees
		₹	₹	₹	₹	₹
(a) Executive Director						
1. Mr. Adun Saraban	3 years 01.01.2013 to 31.12.2015	3,960,000	NIL	3,735,600	475,200	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	200,000	NIL	NIL	1,10,000
2. Mr. D. P. Roy	-	NIL	200,000	NIL	NIL	55,000
Total		3,960,000	400,000	3,735,600	475,200	165,000

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

6. **Shareholders Committee**

6.A. **Shareholders / Investors' Grievance Committee**

Shareholders / Investors' Grievance Committee of Directors was constituted on 2nd March, 2001 in terms of Clause 49 of the Listing Agreement. The terms of reference of Shareholders / Investors' Grievance Committee were last amended on 11th January, 2010.

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

Shareholders/Investors' Grievance Committee comprises two (2) Directors and the Committee is headed by Mr. Pathai Chakornbundit, a Non-Executive Director. The Committee held three (3) meetings during the year 2013 on 28th February, 10th May, and 7th November, 2013

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Pathai Chakornbundit	3	3
Mr. Adun Saraban	3	3

(ii) Brief description of terms of reference

Shareholders/Investors' Grievance Committee to look into redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

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

During the financial year ended 31st December, 2013, forty one (41) 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.

6.B. **Share Transfer Committee**

Share Transfer Committee of Directors 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, 2013 the Committee had twenty-four (24) meetings.

(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 (2) 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) Name and designation of Compliance Officer

Mr. R.C. Daga, Company Secretary, is the Compliance Officer.

(iii) Number of pending share transfers

As on 31st December, 2013 there was no pending request/letter involving transfer of shares.

(iv) Pursuant to Clause 49 (iv)(G) of the Listing Agreement, the particulars of directors who are proposed to be appointed / re-appointed at the 36th Annual General Meeting ('AGM') have been provided in the notice of the said AGM.

7. **General Body Meetings**

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

For Financial year ended	Date, Time and Location	Special Resolutions passed	
		Nos.	Nature
31.12.2012	10.05.2013 3.00 p.m. Rama Watumull Auditorium, Mumbai.	None	
31.12.2011	04.05.2012 11.00 a.m. Rama Watumull Auditorium, Mumbai.	1	Payment of commission to the Non - Executive Directors excluding Non -Resident Directors under Section 309 (4) and other applicable provisions of the Companies Act, 1956
31.12.2010	27.04.2011 3.00 p.m. Chavan Centre – Auditorium Yashwantrao Chavan Pratishthan, Mumbai.	None	

(ii) No special resolution was required to be passed through postal ballot last year. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. **Disclosures**

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

In the ordinary course of business, the Company participates in joint venture / consortium / subcontracting arrangements with the Promoter i.e. Italian-Thai Development Public Company Limited, Bangkok, Thailand, on identified projects based on customers' requirements and business considerations.

Work on such projects is performed by the Company and is paid for at market rates for similar work.

Necessary disclosures have been made in Financial Accounts in this regard under Related Party Transactions.

There were no transactions of material nature with the Directors or with bodies which have shareholding of management and their relatives during the year that may have potential conflict with the interests of the Company at large.

(ii) Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange 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 adopted a Whistle Blowing and Prevention of Sexual Harassment Policy and Procedures and it affirms that no personnel have been denied access to the Audit Committee.

(iv) The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreement.

(v) CEO/CFO Certification

A Certificate from the CEO/CFO of the Company in terms of Clause 49(v) of the Listing Agreement was placed before the Board at its meeting held on 26th February, 2014 to approve the Audited Annual Accounts for the year ended 31st December, 2013.

9. **Means of Communication**

(i) The quarterly Unaudited Consolidated Financial Results and Audited Annual Consolidated Financial Results are published in prominent daily newspapers. Such Financial Results were published in the Financial Express and Dainik Mumbai Lakshdeep. Quarterly Unaudited Standalone Financial Results and Audited Annual Standalone Financial Results are available on Company's website, www.itdcem.co.in.

(ii) Half yearly results are not sent to the shareholders. Annual Report and Financial Statements are sent to all the shareholders at their addresses registered with the Company.

(iii) Code of Conduct is available on the Company's website www.itdcem.co.in.

(iv) 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.

(v) No presentations have been made to institutional investors or to analysts.

(vi) 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 : 8th May, 2014

Time : 02:30 p.m.

Venue : Rama Watumull Auditorium,
Kishinchand Chellaram College,
Dinshaw Vachha Road,
Mumbai - 400 020

(ii) Dates of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Wednesday, 30th April, 2014 to Thursday, 8th May, 2014 (both days inclusive).

(iii) Financial Year of the Company

1st January to 31st December

(iv) Date of Dividend Payment

Dividend for 2013, if any, that may be declared at the Annual General Meeting will be paid on 16th May, 2014.

(v) Registered Office

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

(vi) Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Limited, The Calcutta Stock Exchange Association Limited and National Stock Exchange of India Limited.The listing fees for financial year 2013-2014 (upto 31.03.2014) of all these stock exchanges have been paid.

(vii) Stock Code

Bombay Stock Exchange Limited (BSE): 509496

The Calcutta Stock Exchange Association Limited (CSE): 30112

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

(viii) Market Price Data

Table below gives the monthly highs and lows of the Company's shares with corresponding Sensex at Bombay Stock Exchange Limited (BSE), showing performance of Company's share prices vis-a-vis BSE Sensex (closing):

High and Low prices of the Company's shares at BSE with corresponding BSE Sensex January to December 2013

Months	High ₹		Low ₹		Close ₹	
	ITD Cem price	BSE Sensex	ITD Cem price	BSE Sensex	ITD Cem price	BSE Sensex
January	260.00	20203.66	235.00	19508.93	237.40	19894.98
February	239.50	19966.69	197.00	18793.97	201.40	18861.54
March	200.00	19754.66	162.55	18568.43	176.30	18835.77
April	193.85	19622.68	167.00	18144.22	182.20	19504.18
May	204.90	20443.62	176.05	19451.26	180.00	19760.30
June	180.75	19860.19	145.25	18467.16	152.65	19395.81
July	167.00	20351.06	131.00	19126.82	161.90	19345.70
August	160.00	19569.20	140.10	17448.71	145.10	18619.72
September	168.00	20739.69	134.55	18166.17	155.05	19379.77
October	180.00	21205.44	150.05	19264.72	157.25	21164.52
November	166.00	21321.53	135.15	20137.67	148.50	20791.93
December	151.00	21483.74	139.95	20568.70	140.00	21170.68

(ix) Registrars and Share Transfer Agents

M/s. Karvy Computershare Private Limited, Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, are the Registrars and Share Transfer Agents of the Company.

(x) Share Transfer Systems

Share 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 possible to approve transfers and related matters as may be required by the Registrars and Share Transfer Agents.

(xi) Dematerialisation of Shares

The shares of the Company are in compulsory demat segment and are available for trading in the Depository System. Under the Depository System, the International Security Investigation Number (ISIN) allotted to the Company's name is INE686A01018.

As on 31st December, 2013, out of the 9809 shareholders, 7720 shareholders have opted for dematerialisation of their shares aggregating to 11343779 shares i.e. around 98.51% of the total paid - up capital of the Company.

(xii) Shareholding Pattern as on 31st December, 2013

Particulars	**No. of shares held**	**Percentage to total share capital**
Promoter – Italian-Thai Development Public Company Limited	8011318	69.57
General Public	2930101	25.44
Nationalised Banks	330	0.00
Mutual Funds	90600	0.79
Corporate Bodies	413357	3.59
NRI/OCB/FII	59724	0.52
Clearing Members	10360	0.09
Total	**11515790**	**100.00**

(xiii) Distribution of Shareholdings as on 31st December, 2013

No. of Equity Shares	No. of Share holders	% of Shareholders	No. of Shares	% of Shares
1-500	9098	92.75	985118	8.55
501-1000	384	3.91	279854	2.43
1001-2000	169	1.72	243021	2.11
2001-3000	52	0.53	131360	1.14
3001-4000	31	0.32	108347	0.94
4001-5000	15	0.15	69486	0.60
5001-10000	29	0.30	218477	1.90
10001 & above	31	0.32	9480127	82.33
Total	**9809**	**100.00**	**11515790**	**100.00**

(xiv) Investor correspondence

All enquiries, clarifications and correspondence should be addressed to 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
Plot No.17 to 24,
Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.
Tel: +91 40 44655000
Fax: +91 40 23420814
Emails: einward.ris@karvy.com
raju.sv@karvy.com
and / or
Branch Office at:
7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai - 400 053.
Tel: +91 22 2673 0153 / 2673 0799
Fax: +91 22 2673 0152
Email: mumbaiandheri@karvy.com

Compliance Officer:
Mr. R.C. Daga
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: rc.daga@itdcem.co.in
investors.relation@itdcem.co.in

Auditor's Certificate on Corporate Governance under Clause 49 of the Listing Agreement

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 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreements.

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

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Amyn Jassani**
Partner
Membership No. 46447

Place: Mumbai
Date: 26 February 2014

Independent Auditors' Report

To the Members of ITD Cementation India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of ITD Cementation India Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:

   i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2013;

   ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and

   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to Note 36 to the financial statement regarding trade receivables and unbilled work in progress aggregating to ₹ 11,099 lakh (31 December 2012: ₹ 8,727 lakh) and ₹ 25,507 lakh (31 December 2012: ₹ 8,686 lakh) respectively, outstanding as at 31 December 2013, 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 arbitration/ litigation, the Company has assessed the recoverability of these claims based on recommendation of Dispute Resolution Board, awards received from Arbitration Tribunal, High Court orders received and 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 Financial Statement. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

9. As required by Section 227(3) of the Act, we report that:

    a. we have 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 appears from our examination of those books;

    c. the financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and

    e. on the basis of written representations received from the directors, as on 31 December 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Amyn Jassani**
Partner
Membership No.: F-46447

Mumbai
26 February 2014

Annexure to the Independent Auditors' Report of even date to the members of ITD Cementation India Limited on the financial statements for the year ended 31st December 2013

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

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

(viii) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules 2011 have become applicable to the Company during the previous year and the said rules have not prescribed any specific formats for the cost statements relating to company's operations. In terms with the clarification issued by the Ministry of Corporate Affairs, the management believes that its records currently maintained by Company provide the information required under the said rules. 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 clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's operations 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.

(ix) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. 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 become payable.

(b) There are no dues in respect of wealth tax, service tax, customs duty and cess that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of sales-tax, income-tax and excise duty on account of any dispute, is as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	1,659,990	-	Y.E. 1994-95	Revision Board (Tribunal), Kolkata
Sales Tax Act/Works Contract Tax Act	Sales Tax	2,323,383	34,000	Y.E. 2003-04 & 2004-05	Assistant Commissioner of Sales Tax
Sales Tax Act/Works Contract Tax Act	Sales Tax	408,950	-	Y.E. 1997-98	Deputy Commissioner of Commercial Taxes
Sales Tax Act/Works Contract Tax Act	Sales Tax	18,500	-	Y.E. 2005-06	Assistant Commissioner , Rajasthan
Sales Tax Act/Works Contract Tax Act	Sales Tax	15,450	-	Y.E. 1999-00	Joint Commissioner of Commercial Taxes
Sales Tax Act/Works Contract Tax Act	Sales Tax	5,648,597	1,412,150	Y.E. 2006-07	Excise and Taxation Commissioner, Punjab
Sales Tax Act/Works Contract Tax Act	Sales Tax	3,196,927	-	Y.E. 2004-05	Assistant Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	32,041,940	-	Y.E. 2006-07 & 2007-08	Joint Commissioner of Commercial Taxes, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	468,499	117,125	Y.E. 2006-07	Assistant Commissioner of Commercial Taxes, Tamil Nadu
Sales Tax Act/Works Contract Tax Act	Sales Tax	2,254,954	-	Y.E.2003-04	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	115,262,781		March 2007 to September 2010	Appellate Deputy Commissioner, Andhra Pradesh
Sales Tax Act/Works Contract Tax Act	Sales Tax	7,781,391	-	Y.E. 2005-06 & 2008-09	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	20,076	-	April 2007 to December 2007	Assistant Commissioner of Commercial Taxes, Uttar Pradesh
Sales Tax Act/Works Contract Tax Act	Sales Tax	4,409,081	-	Y.E.2008-09	Appellate And Taxation Tribunal
Sales Tax Act/Works Contract Tax Act	Sales Tax	7,851,119	-	Y.E. 2007-08 & 2008-09	High Court, Tamil Nadu

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	1,709,364	-	Y.E.2009-10	Appellate Deputy Commissioner of Commercial Taxes
Sales Tax Act/Works Contract Tax Act	VAT/ Entry Tax	89,650,000	-	Y. E. 2009-10	Deputy Commissioner of Commercial Taxes, Allahabad
Sales Tax Act/Works Contract Tax Act	VAT	63,226,914	-	Y.E. 2009-10 & 2010-11	Commissioner, Commercial Taxes, Kolkata
Sales Tax Act/Works Contract Tax Act	VAT	7,983,049	2,394,916	Y.E. 2006-07 & 2007-08	Assistant Commissioner (Appeals), Commercial Taxes, Ernakulam
Sales Tax Act/Works Contract Tax Act	VAT	1,038,399	-	Y.E. 2005-06	Joint Commissioner of Sales Tax, Mumbai
Central Excise Act, 1944	Excise Duty	5,169,538	-	May 1998 to January 1999	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	21,075,346	-	A.Y.2004-05	High Court, Mumbai
Income Tax Act, 1961	Income Tax	54,408,408	-	A.Y. 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	21,585,017	-	A.Y.2007-08 to 2011-12	Commissioner of Income Tax (Appeals)

(x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under

Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Amyn Jassani**
Partner
Membership No.: F-46447

Mumbai
26 February 2014

Balance Sheet as at 31st December 2013

(Currency : Indian Rupee in lakh)

Particulars	Notes	As at 31st December 2013	As at 31st December 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,151.58	1,151.58
Reserves and surplus	3	39,690.13	38,895.70
		40,841.71	**40,047.28**
Non-Current Liabilities			
Long-term borrowings	4	1,140.91	2,602.08
Long-term provisions	5	417.37	518.98
		1,558.28	**3,121.06**
Current Liabilities			
Short-term borrowings	6	65,971.14	59,509.64
Trade payables	7	23,161.07	24,447.91
Other current liabilities	8	29,335.58	33,191.15
Short-term provisions	9	908.36	976.52
		119,376.15	**118,125.22**
Total		**161,776.14**	**161,293.56**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	19,169.86	19,311.21
Capital work-in-progress		672.87	1,359.71
Non-current investments	11	5,997.14	4,731.72
Deferred tax assets	12	1,422.20	1,104.00
Long-term loans and advances	13	11,410.88	10,269.86
Other non-current assets	14	22.00	22.00
		38,694.95	**36,798.50**
Current Assets			
Current investment	15	0.26	0.26
Inventories	16	77,172.36	79,107.85
Trade receivables	17	33,477.08	31,465.06
Cash and bank balances	18	1,112.46	1,217.30
Short-term loans and advances	13	11,303.16	12,692.62
Other current assets	19	15.87	11.97
		123,081.19	**124,495.06**
Total		**161,776.14**	**161,293.56**

Notes 1 to 40 form an integral part of these financial statements

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

For **Walker, Chandiok & Co.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Statement of Profit and Loss for the year ended 31st December 2013

(Currency : Indian Rupee in lakh)

Particulars	Notes	Year ended 31st December 2013	Year ended 31st December 2012
Revenue			
Contract revenue		122,475.67	128,793.11
Other operating income	20	3,547.77	1,793.49
Other income	21	1,870.30	864.85
Total		**127,893.74**	**131,451.45**
Expenses			
Cost of materials consumed		39,692.55	45,605.09
Sub-contract expense		22,558.92	20,584.41
Employees benefits expense	22	15,520.01	14,317.40
Finance costs	23	11,556.17	10,711.63
Depreciation expense	10	3,348.91	3,604.91
Other expenses	24	34,282.57	33,955.64
Total Expenses		**126,959.13**	**128,779.08**
Profit before tax		**934.61**	**2,672.37**
Tax expense			
Current tax		(321.87)	(820.60)
Deferred tax credit		318.20	274.56
Deferred tax credit for earlier years		-	71.44
Net profit for the year		**930.94**	**2,197.77**
Earnings per equity share (Face value of ₹ 10 each)	25		
Basic		8.08	19.08
Diluted		8.08	19.08

Notes 1 to 40 form an integral part of these financial statements

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

For **Walker, Chandiok & Co.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Cash flow statement for the year ended 31st December 2013

(Currency : Indian Rupee in lakh)

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
Cash flow from operating activities		
Net profit before tax	934.61	2,672.37
Adjustments for:		
Depreciation	3,348.91	3,604.91
Finance Cost	11,556.17	10,340.57
Interest income	(736.93)	(594.15)
Provision for doubtful debts	660.81	645.21
Provision for doubtful advances	49.56	105.30
Profit on sale of fixed assets (net)	(19.09)	(58.80)
Share of Profit in Joint Ventures	(2,429.71)	(648.82)
Sundry balances written back	(716.64)	(99.48)
Operating profit before working capital changes	**12,647.69**	**15,967.11**
Adjustment for change in working capital		
Decrease/(Increase) in Inventories	1,935.49	(11,135.57)
Decrease/(Increase) in Trade receivables	(2,672.83)	(363.95)
Decrease/(Increase) in Loans and advances	378.69	2,954.38
Increase/(Decrease) in Trade payables and other current liabilites	601.24	305.39
Cash generated from operations	**12,890.28**	**7,727.36**
Direct taxes (paid) / refunds received	(90.27)	(311.72)
Net cash generated from operating activities	**12,800.01**	**7,415.64**
Cash flow from investing activities		
Proceeds from investments in joint venture	1,164.30	-
Purchase of fixed assets (including capital work in progress)	(3,861.34)	(4,346.22)
Proceeds from sale of fixed assets	71.99	234.15
Fixed Deposit with bank (maturity beyond three months)	(205.60)	(200.82)
Proceeds from fixed deposit with bank (maturity beyond three months)	188.82	175.00
Interest received	733.02	582.18
Net cash used in investing activities	**(1,908.81)**	**(3,555.71)**
Cash flow from financing activities		
Proceeds from short term borrowings (net of repayment)	6,461.50	2,917.65
Proceeds from long term borrowings	1,020.56	3,486.87
Repayment of long term borrowings	(6,681.72)	(931.71)
Interest paid	(11,545.04)	(10,158.60)
Dividend paid	(228.98)	(228.71)
Tax on distributed profits	(39.14)	(37.36)
Net cash used in financing activities	**(11,012.82)**	**(4,951.86)**
Net decrease in cash and cash equivalents	**(121.62)**	**(1,091.93)**
Cash and cash equivalents at the beginning of year	**1,028.48**	**2,120.41**
Cash and cash equivalents at the end of year	**906.86**	**1,028.48**
Componenets of cash and cash equivalents (Refer note 18)		
Cash in hand	143.35	223.56
Balance with scheduled banks		
- current accounts	756.57	799.32
- dividend bank accounts	6.94	5.60
	906.86	**1,028.48**

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 confirm 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.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

1 **NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

I. **Nature of Operations**

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.

II. **Significant Accounting Policies**

A. ***Basis of preparation of financial statements***

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by the Securities and Exchange Board of India (SEBI). The 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.

All assets and liabilities have been classified as current or non- current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

B. ***Accounting estimates***

The preparation of the 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 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.

C. ***Fixed assets and depreciation***

Fixed 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.

Depreciation is provided as per the written-down value method for assets acquired on or after April 1, 1993, and as per the straight-line method for assets acquired up to March 31, 1993. On additions and disposals, depreciation is provided for from/up to the date of addition/disposal. The rates of depreciation are determined on the basis of useful lives of the assets estimated by the management, which are at rates specified in Schedule XIV to the Companies Act, 1956.

Leasehold improvements are depreciated over the lease period of 5 years, which is lower of the period of the lease or their estimated useful lives as determined by management.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year they are put to use.

D. ***Impairment***

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.

E. ***Investments***

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

F. ***Inventories***

Construction materials are valued at cost. Identified direct materials remaining on completion of contract are valued at their estimated scrap value. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities).

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.

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

Unbilled work in progress: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognised as unbilled work-in-progress provided it is probable that they will be recovered. Unbilled work-in-progress is valued at net realisable value.

G. ***Revenue recognition***

- 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.

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 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.

- On insurance claims

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

- Management Fee

Management Fee income is recognized based on the contractual terms with the parties.

H. ***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.

I. ***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 financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as a part of property, plant and equipment.

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

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

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.

J. ***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 and the company has no further obligation beyond making the contributions. The Company has to meet the interest shortfall, if any. However, as at the year end, no shortfall remains provided for. 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 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 employees of the company are also entitled for Leave availment and/or Encashment as per the company's policy. The liability for Leave Entitlement is provided on the basis of valuation, as at Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

K. ***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.

L. ***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.

M. ***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.

N. ***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.

O. ***Accounting for Joint Venture Contracts***

In respect of contract executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income Tax laws), the services rendered to the Joint Ventures is accounted as income on accrual basis. The share of profit / loss is accounted based on the audited financial statements of Joint Ventures and is reflected as Investments.

P. ***Cash and cash equivalents***

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

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013 Number	Amount	As at 31st December 2012 Number	Amount
2. **Share capital**				
Authorised Share Capital				
Equity shares of ₹ 10 each	15,000,000	1,500.00	15,000,000	1,500.00
Redeemable preference shares of ₹ 10 each	60,000,000	6,000.00	60,000,000	6,000.00
	75,000,000	**7,500.00**	**75,000,000**	**7,500.00**
Issued				
Equity shares of ₹ 10 each	11,518,316	1,151.83	11,518,316	1,151.83
	11,518,316	**1,151.83**	**11,518,316**	**1,151.83**
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	11,515,790	1,151.58	11,515,790	1,151.58
	11,515,790	**1,151.58**	**11,515,790**	**1,151.58**
a. **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**				
Balance at the beginning of the year	11,515,790	1,151.58	11,515,790	1,151.58
Add : Issued during the year	-	-	-	-
Balance at the end of the year	**11,515,790**	**1,151.58**	**11,515,790**	**1,151.58**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 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 by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

During the year, ₹ 1.00 (31st December 2012 : ₹ 2.00) per share dividend recognised as distributions to equity share holders.

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.

Particulars	As at 31st December 2013 Number	Amount	As at 31st December 2012 Number	Amount
c. **Shares held by holding Company**				
Equity shares of ₹ 10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	801.13	8,011,318	801.13
d. **Shareholders holding more than 5% of the equity shares in the Company as at 31st December 2013**				
Equity shares of ₹ 10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	69.57%	8,011,318	69.57%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. **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 31st December 2013**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceeding 31st December 2013.

f. **Out of the total issued capital, 2,526 (31st December 2012 : 2,526) equity shares of ₹ 10 each have been kept in abeyance pending final settlement of rights issues.**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013	As at 31st December 2012
3. **Reserves and surplus**		
Securities premium account	31,957.38	31,957.38
General reserve		
Balance at the beginning of the year	653.21	488.38
Add: Transferred from statement of profit and loss	23.27	164.83
Balance at the end of the year	**676.48**	**653.21**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	6,285.11	4,519.85
Add : Transferred from statement of profit and loss	930.94	2,197.77
Less : Transferred to general reserve	(23.27)	(164.83)
Less : Proposed dividend on equity shares	(115.16)	(230.32)
Less : Tax on proposed equity dividend	(19.57)	(37.36)
Less : Tax on equity dividend for earlier year	(1.78)	-
	7,056.27	**6,285.11**
	39,690.13	**38,895.70**

Particulars	As at 31st December 2013		As at 31st December 2012	
	Non-current	Current	Non-current	Current
4 **Long term borrowings**				
Secured				
Plant loan from financial institution	433.61	324.92	438.28	774.66
Vehicle loan from bank	72.23	19.23	2.57	2.50
Term loan - from financial institution	463.34	57.57	-	-
Unsecured				
Term loan - from Bank	-	-	-	5,000.00
Term loan - from financial institution	171.73	1,986.27	2,161.23	810.81
	1,140.91	**2,387.99**	**2,602.08**	**6,587.97**
Amount disclosed under "Other current liabilities" (Refer note 8)	-	(2,387.99)	-	(6,587.97)
	1,140.91	**-**	**2,602.08**	**-**

Plant loan from financial institution (Secured)

Loan obtained from Tata Capital Limited for purchase of construction equipment carries interest rate ranging between 12.75 to 13.75 percent per annum and are repayble in 36 to 60 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loan from bank (Secured)

Loan obtained from HDFC Bank and AXIS Bank for purchase of vehicles carries interest rate ranging between 10 to 12 percent per annum and are repayble in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

Term loan from financial institution (Secured)

Loan obtained from Indiabulls Housing Finance Limited for purchase of office premise carries interest rate of 13.50 percent per annum and are repayble in 84 monthly installments commencing from April 2013. This loans are secured by hypothecation of office purchased out of this loan.

Term loan - from bank (Unsecured)

Term loan obtained from Vijaya Bank carried interest rate of base rate plus 2.50 percent per annum. This loan has been repaid during the year.

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Term loan - from financial institution (Unsecured)

Term loan obtained from SREI Equipment Finance Private Limited carries interest rate of 12 percent per annum. These loans are repayable in 29 monthly installments commencing from September 2012.

Particulars	As at 31st December 2013	As at 31st December 2012
5 **Long term provision**		
Provision for employee benefits		
- Leave encashment (Refer note 31)	417.37	518.98
	417.37	**518.98**

Particulars	As at 31st December 2013	As at 31st December 2012
6 **Short term borrowings**		
Secured		
Working capital loans from banks	60,860.38	49,855.37
External commercial borrowings (Buyer's credit)	5,110.76	5,441.44
Unsecured		
Working capital loan from bank	-	4,212.83
	65,971.14	**59,509.64**

Working capital loan from banks (Secured) :

Working capital loans availed from consortium bankers carries various interest rates are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited. These facilities are repayable on demand.

External commercial borrowings (Buyer's credit) :

Buyer credit loans obtained from bankers carries interest of LIBOR plus 1.5 to 3.5 percent per annum (quarterly rests). These loans are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited.

Particulars	As at 31st December 2013	As at 31st December 2012
7 **Trade payables (Refer note 37)**		
Acceptances	1,517.69	4,336.03
Other than acceptances	21,643.38	20,111.88
	23,161.07	**24,447.91**

Particulars	As at 31st December 2013	As at 31st December 2012
8 **Other current liabilities**		
Current maturity of long term borrowing (Refer note 4)	2,387.99	6,587.97
Creditors for capital expenses	62.77	939.08
Interest accrued and due	143.86	19.59
Interest accrued but not due	367.78	480.92
Unclaimed dividend *	6.94	5.60
Advances from customers	20,348.35	18,317.75
Material received from clients	213.05	699.54

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013	As at 31st December 2012
Amount due to customers	1,844.13	1,175.83
Balances with related parties (Refer note 35)	182.08	1,132.55
Employee related dues	1,824.48	1,877.14
Statutory dues payable	276.74	729.65
Amount due to parent company (Refer note 35)	681.09	253.45
Liability for foreign exchange contracts	242.73	87.40
Others	753.59	884.68
	29,335.58	**33,191.15**

* Not due for credit to Investor Education & Protection Fund

Particulars	As at 31st December 2013	As at 31st December 2012
9 **Short term provisions**		
Provision for employee benefits		
- Gratuity (Refer note 31)	531.94	492.98
- Leave encashment (Refer note 31)	95.73	82.44
- Provident fund	145.96	133.42
Proposed dividend	115.16	230.32
Provision for tax on proposed dividend	19.57	37.36
	908.36	**976.52**

Particulars	Freehold land	Leasehold improvments	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
10. **Tangible assets**								
Gross block								
Balance as on 1st January 2012	15.32	341.13	221.94	31,026.91	6,250.49	1,402.42	199.33	39,457.54
Additions	-	300.06	-	2,374.19	479.78	120.96	19.92	3,294.91
Deletions	-	(309.77)	-	(637.17)	(166.05)	-	(1.09)	(1,114.08)
Balance as on 31st Dec., 2012	**15.32**	**331.42**	**221.94**	**32,763.93**	**6,564.22**	**1,523.38**	**218.16**	**41,638.37**
Additions	-	122.40	877.23	1,709.74	76.43	348.36	126.28	3,260.44
Disposals	-		-	(233.85)	(10.81)	(16.89)	(12.37)	(273.92)
Balance as on 31st Dec., 2013	**15.32**	**453.82**	**1,099.17**	**34,239.82**	**6,629.84**	**1,854.85**	**332.07**	**44,624.89**
Accumulated depreciation								
Balance as on 1st January 2012	-	297.67	105.75	13,594.25	4,373.46	1,147.45	142.40	19,660.98
Depreciation charge	-	51.84	5.20	2,761.04	674.23	92.07	20.53	3,604.91
Reversal on disposal of assets	-	(309.77)	-	(465.18)	(163.43)	-	(0.35)	(938.73)
As at 31st December 2012	**-**	**39.74**	**110.95**	**15,890.11**	**4,884.26**	**1,239.52**	**162.58**	**22,327.16**
Depreciation charge	-	85.69	44.89	2,539.46	517.56	124.89	36.42	3,348.91
Reversal on disposal of assets	-	-	-	(186.83)	(10.55)	(12.91)	(10.75)	(221.04)
As at 31st December 2013	**-**	**125.43**	**155.84**	**18,242.74**	**5,391.27**	**1,351.50**	**188.25**	**25,455.03**
Net block								
As at 31st December 2013	**15.32**	**328.39**	**943.33**	**15,997.08**	**1,238.57**	**503.35**	**143.82**	**19,169.86**
As at 31st December 2012	15.32	291.68	110.99	16,873.82	1,679.96	283.86	55.58	19,311.21

Note: Buildings include ₹ 0.09 lakh (31st December 2012 : ₹ 0.09 lakh) being the cost of shares in co-operative housing societies.

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013 No. of Shares	As at 31st December 2013 Book Value	As at 31st December 2012 No. of Shares	As at 31st December 2012 Book Value
11 **Non current investments**				
(Valued at cost, fully paid up, unless stated otherwise)				
Investments in equity shares (unquoted) *				
Wholly Owned Subsidiary				
ITD Cementation Projects India Limited	50,000	5.00	50,000	5.00
Investment in unincorporated joint ventures**				
ITD Cemindia JV	-	(328.05)	-	(534.50)
ITD - ITDCem JV	-	4,748.98	-	3,289.35
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	-	1,342.52	-	1,971.87
ITD Cem-Maytas Consortium	-	228.69	-	-
		5,997.14		**4,731.72**

* Face value of ₹ 10 each, unless otherwise stated

** The Company has 80% share in ITD Cemindia JV, 49% share in ITD-ITDCem JV, 40% share in ITD-ITDCem JV (Consortium of ITD-ITD Cementation) and 95% share in ITD Cem-Maytas Consortium. 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.

Particulars	As at 31st December 2013	As at 31st December 2012
12 **Deferred tax assets**		
Deferred tax asset arising on account of :		
Provision for doubtful debts	696.39	498.22
Provision for employee benefits	339.06	355.08
Disallowance u/s 43B as per Income Tax Act, 1961	305.65	48.67
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	29.27	126.32
Provision for doubtful advances	19.64	56.94
Others	32.19	18.77
Total deferred tax assets	**1,422.20**	**1,104.00**

Particulars	As at 31st December 2013 Long term	As at 31st December 2013 Short term	As at 31st December 2012 Long term	As at 31st December 2012 Short term
13 **Loans and advances**				
(Unsecured, considered good unless otherwise stated)				
Capital advances	459.40	-	47.99	-
Security and other deposits				
- considered good	284.30	1,464.71	744.59	776.25
- considered doubtful	-	49.56	-	28.64
Balances with related parties (Refer note 35)	-	8,682.22	-	10,561.75
Other loans and advances				
Advance recoverable in cash or kind				
- considered good	-	302.78	-	476.43
- considered doubtful	-	60.52	-	146.86
Prepaid expenses	-	840.83	-	721.66
Loans and advances to employees	-	12.62	-	9.49
Balances with statutory / government authorities	7,351.69	-	5,930.19	-
Advance income tax (net of provisions)	3,315.49	-	3,547.09	-
Receivable on foreign exchange contracts	-	-	-	147.04
	11,410.88	**11,413.24**	**10,269.86**	**12,868.12**
Less : Provision for doubtful advances / deposits	-	(110.08)	-	(175.50)
	11,410.88	**11,303.16**	**10,269.86**	**12,692.62**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013	As at 31st December 2012
14 **Other non current assets**		
Non-current bank balances (Refer note 18)	22.00	22.00
	22.00	**22.00**

Particulars	As at 31st December 2013		As at 31st December 2012	
	No. of Shares	Book Value	No. of Shares	Book Value
15 **Current investments**				
(Valued at cost, fully paid up, unless stated otherwise)				
Investments in equity shares (unquoted)				
Associate				
AVR Infra Private Limited (Face value of ₹ 10 each)	2600	0.26	2600	0.26
		0.26		**0.26**

Particulars	As at 31st December 2013	As at 31st December 2012
16 **Inventories**		
Construction materials	11,349.72	10,782.73
Tools and equipment	4,623.87	5,181.99
Machinery spares	1,289.83	1,821.80
Unbilled work in progress	59,908.94	61,321.33
	77,172.36	**79,107.85**

Particulars	As at 31st December 2013	As at 31st December 2012
17 **Trade receivable**		
(unsecured, considered good unless otherwise stated)		
Trade receivables outstanding for more than six months		
- Considered good *	21,852.36	19,535.97
- Considered doubtful	2,196.39	1,535.58
	24,048.75	21,071.55
Less: Provision for doubtful debts	(2,196.39)	(1,535.58)
	21,852.36	19,535.97
Other debts **	11,624.72	11,929.09
	33,477.08	**31,465.06**
Notes :		
* Includes retention money	6,334.86	6,232.69
** Includes retention money	1,706.03	1,837.96

Particulars	As at 31st December 2013		As at 31st December 2012	
	Non-current	Current	Non-current	Current
18 **Cash and bank balances**				
Cash and cash equivalents				
Cash in hand	-	143.35	-	223.56
Balance with scheduled banks				
- current accounts	-	756.57	-	799.32
- dividend bank accounts	-	6.94	-	5.60
	-	**906.86**	**-**	**1,028.48**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013 Non-current	As at 31st December 2013 Current	As at 31st December 2012 Non-current	As at 31st December 2012 Current
Other bank balances				
Deposit with maturity of more than 3 months and less than 12 months *	-	205.60	-	188.82
Bank deposits with maturity of more than 12 months **	22.00	-	22.00	-
	22.00	**1,112.46**	**22.00**	**1,217.30**
Less: Amounts disclosed as Other non-current assets (Refer note 14)	(22.00)	-	(22.00)	-
	-	**1,112.46**	**-**	**1,217.30**

* Earmarked against bank guarantees taken by the Company

** Placed as earnest money deposit

	Particulars	As at 31st December 2013	As at 31st December 2012
19	**Other current assets**		
	Interest accrued but not due	15.87	11.97
		15.87	**11.97**

	Particulars	Year ended 31st December 2013	Year ended 31st December 2012
20	**Other operating income**		
	Management fees	-	801.30
	Service income from unincorporated joint ventures	1,118.06	343.37
	Company's share in profit after tax of joint ventures	2,429.71	648.82
		3,547.77	**1,793.49**

	Particulars	Year ended 31st December 2013	Year ended 31st December 2012
21	**Other Income**		
	Profit on sale of fixed assets (net)	19.09	58.80
	Sundry balances written back	716.64	99.48
	Bad debts recovered	174.38	7.64
	Interest		
	- on bank deposits	24.37	27.47
	- on income tax refund	304.46	496.64
	- on sales tax refund	6.16	63.30
	- from customer on settlement	399.81	-
	- others	2.13	6.74
	Insurance claim	81.16	40.00
	Miscellaneous income	142.10	64.78
		1,870.30	**864.85**

	Particulars	Year ended 31st December 2013	Year ended 31st December 2012
22	**Employee benefits expense**		
	Salaries and wages	14,084.11	12,832.82
	Contribution to gratuity (Refer note 31)	113.96	242.71
	Contribution to provident and other funds (Refer note 31)	1,076.83	974.41
	Staff welfare expenses	245.11	267.46
		15,520.01	**14,317.40**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Pa rticulars	Year ended 31st December 2013	Year ended 31st December 2012
23 **Finance costs**		
Interest expenses		
- Working capital loans	8,139.19	7,006.40
- Short term loan	-	706.44
- Long term loan	679.37	998.23
- Advances from customers	496.76	250.74
- External commercial borrowings	72.24	136.31
- Others	113.45	17.75
Exchange loss (attributable to finance cost)	522.40	371.06
Bank charges and guarantee commission	1,532.76	1,224.70
	11,556.17	**10,711.63**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
24 **Other expense**		
Plant hire expenses	5,149.00	6,746.91
Power and fuel	6,813.53	6,799.42
Sales tax on works contracts	3,863.01	3,456.49
Travelling expenses	744.58	715.66
Tools and equipment	1,266.87	502.38
Foreseeable loss	308.28	739.96
Site transport and conveyance	2,252.18	2,388.01
Repairs and maintenance:		
- Plant & machinery	410.39	516.04
- Others	162.03	221.56
Insurance	606.53	441.06
Professional fees	1,032.97	1,105.81
Rent (Refer note 39)	1,974.21	1,894.72
Spares consumed	1,601.76	1,382.74
Security charges	566.39	493.42
Temporary site installations	1,430.27	500.17
Postage, telephone and telegram	177.97	161.70
Auditor remuneration (Refer note 26)	52.46	47.17
Provision for doubtful debts (Refer note 27)	660.81	645.21
Provision for doubtful advance/deposits (net)	49.56	105.30
Rates and taxes	246.72	225.65
Water charges	521.67	420.73
Printing and stationery	116.36	106.22
Fees and subscription	148.70	58.87
Infotech expenses	211.39	162.21
Service tax	1,517.72	1,733.21
Labour cess	533.98	108.09
Royalty expense	610.84	640.27
Commission to Directors other than Managing Director	-	6.00
Exchange loss (net)	45.88	85.43
Directors' sitting fees	1.65	1.50
Miscellaneous expenses	1,204.86	1,543.73
	34,282.57	**33,955.64**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	**Year ended 31st December 2013**	**Year ended 31st December 2012**
25 **Earnings per share**		
Weighted average number of equity shares outstanding during the year	11,515,790	11,515,790
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	11,515,790	11,515,790
Net Profit after tax attributable to equity shareholders	930.94	2,197.77
Earning per share :		
Basic and diluted	8.08	19.08

Particulars	**Year ended 31st December 2013**	**Year ended 31st December 2012**
26 **Auditor remuneration (including service tax)**		
Audit fee	23.66	22.93
Tax audit fee (including tax accounts)	10.13	10.13
Limited review	13.53	11.85
Certification	4.26	1.41
Out-of-pocket expenses	0.88	0.85
	52.46	**47.17**

Particulars	**Year ended 31st December 2013**	**Year ended 31st December 2012**
27 **Provision for doubtful debts**		
Bad debts written off during the year	-	450.16
Add: Provision for doubtful debts, end of year	2,196.39	1,535.58
Less: Provision for doubtful debts, beginning of year	1,535.58	1,340.53
	660.81	**645.21**

Particulars	**Year ended 31st December 2013**	**Year ended 31st December 2012**
28 **Commitment**		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	897.22	648.54

Particulars	**Year ended 31st December 2013**	**Year ended 31st December 2012**
29 **Contingent Liabilities**		
a) Guarantees given by banks in respect of contracting commitments in the normal course of business	27,117.78	31,985.67
b) Corporate Guarantee given to bank on behalf of Joint Ventures	51,000.00	44,800.00
c) 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.	12,244.58	21,044.14
d) Sales Tax matters pending in appeals	3,469.69	2,090.95
e) Income Tax matters pending in appeal	970.68	1,152.39
f) Excise matter pending in appeal	52.00	52.00

g) Subsequent to the year end, a Client of the Company has, pursuant to its contract with the Company for execution of work, invoked Bank Guarantees provided to the Client by the Company's banks. Banks have made payments to the Client aggregating to ₹ 9,200 lakh. The Company is currently in dialogue with the Client to resolve the matter amicably and the Company has reasons to believe that the matter will be favourably resolved.

30 **Particulars of unhedged foreign currency exposures at the balance sheet date**

Buyers credit. Trade payables & Acceptances	As at 31st December 2013			As at 31st December 2012		
	Foreign Currency	Exchange Rate	INR in lakh	Foreign Currency	Exchange Rate	INR in lakh
US Dollar Exposure	1,516	62.26	0.94	580,700	55.16	320.31
EURO Exposure	8,922	86.23	7.69	-	-	-
Total			**8.63**			**320.31**

31 **Employee benefits**

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.

	Gratuity	
	31st December 2013	31st December 2012
The amount recognised in the statement of profit & loss :		
Current service cost	188.84	170.28
Interest cost	138.07	121.75
Expected return on plan assets	(108.72)	(95.87)
Net actuarial (gain) / loss for the period	(104.23)	46.55
Net benefit expense	**113.96**	**242.71**
The amount recognised in the balance sheet is as follows :		
Defined benefit obligation	1,757.61	1,709.82
Fair value of plan assets	1,225.67	1,216.84
Plan liability / (asset)	**531.94**	**492.98**
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the period	1,709.82	1,467.43
Current service cost	188.84	170.28
Interest cost	138.07	121.75
Actuarial gain/(loss)	(186.50)	118.32
Benefit paid	(92.62)	(167.96)
Present value of defined benefit obligation at end of period	**1,757.61**	**1,709.82**
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the period	1,216.84	1,081.14
Expected return on plan assets	108.72	95.87
Contributions by employer	74.99	136.01
Benefit paid	(92.62)	(167.96)
Actuarial (loss)/gain on plan assets	(82.26)	71.78
Fair value of plan assets at end of the period	**1,225.67**	**1,216.84**

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:

	2013	2012	2011	2010	2009
Defined Benefit Obligation	1,757.61	1,709.82	1,467.43	1,260.30	1,027.51
Plan Assets	1,225.67	1,216.84	1,081.14	1,085.40	814.01
Deficit	(531.94)	(492.98)	(386.29)	(174.90)	(213.50)
Experience adjustments on plan assets	(82.27)	71.78	(108.93)	13.71	-
Experience adjustment on plan liabilities	186.50	(118.31)	(28.18)	(104.95)	-

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation and Birla Sunlife Insurance as at 31st December 2013 are ₹ 0.13 lakh (31st December 2012 - ₹ 0.13 lakh) and ₹ 1,225.54 lakh (31st December 2012 - ₹ 1,216.71 lakh) 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.

	31st December 2013	31st December 2012
The principal assumptions used in determining the gratuity obligations :		
Discount rate	9.25%	8.30%
Expected rate of return on plan assets	9.00%	9.00%
Salary esclation rate	4.50%	5.50%
Withdrawal rates	Upto age 44 - 2%	Upto age 44 - 2%
	45 years & above - 1%	45 years & above - 1%

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.

The Guidance Note on implementing AS 15,"Employee Benefits", issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India states that Provident Fund set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be Defined Benefit Plan in accordance with the requirements of paragraph 26(b) of AS 15. Pursuant to the Guidance Note, the liability in respect of the shortfall of interest earnings of the fund is Nil as determined on the basis of an actuarial valuation carried out as at 31st December, 2013. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefit", detailed disclosures are not required.

The Company's expense for the superannuation, a defined contribution plan aggregates ₹ 315.90 lakh during the year (31st December 2012 - ₹ 287.24 lakh) .

The Company's expense for the provident fund aggregates ₹ 760.93 lakh during the year ended (31st December 2012 - ₹ 687.17 lakh)

The liability for leave entitlement and compensated absences as at year end is ₹ 513.10 lakh (31st December 2012 : ₹ 601.42 lakh).

	31st December 2013	31st December 2012
32 **Supplementary Profit and Loss Information**		
a. **Expenditure in foreign currency:**		
Foreign travel	6.74	5.13
Professional and consultancy fees	120.12	-
Interest on external commercial borrowings	72.24	136.31
Membership & subscription	-	2.09
Royalty expense	610.84	640.27
	809.94	**783.80**
b. **Amount remitted in foreign currency for dividend:**		
Number of non-resident shareholders	1	1
Number of shares held	8,011,318	8,011,318
(Equity shares of ₹ 10 each)		
Dividend Remitted	160.23	160.23
Year to which dividend relates	2012	2011

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

		31st December 2013	31st December 2012
c.	**Value of imports on CIF basis:**		
	Spare parts	-	11.24
	Tools and equipments	76.55	39.87
	Construction materials	-	25.12
	Capital goods (including capital work-in-progress)	439.82	1,151.37
		516.37	**1,227.60**

d. **Consumption of spare parts, tools & equipment and raw materials:**

	%	Value	%	Value
Spare parts				
Imported	-	-	0.81	11.24
Indigenous	100.00	1,601.76	99.19	1,371.50
	100.00	**1,601.76**	**100.00**	**1,382.74**
Tools and equipment				
Imported	6.04	76.55	7.87	39.87
Indigenous	93.96	1,190.32	92.13	462.51
	100.00	**1,266.87**	**100.00**	**502.38**
Construction material				
Imported	-	-	0.05	25.12
Indigenous	100.00	39,692.55	99.95	45,579.97
	100.00	**39,692.55**	**100.00**	**45,605.09**

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 **Details of Joint Ventures (unincorporated)**

a. **Details of Joint Ventures entered into by the Company**

Name of the Joint Venture	**% of Participation as at**		**Nature of business**
	31st December 2013	31st December 2012	
ITD Cemindia JV	80%	80%	Construction
ITD - ITD Cem JV	49%	49%	Construction
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%	Construction
ITD-Cem Maytas Consortium	95%	-	Construction

All the above are unincorporated jointly controlled entities in India

b. **Details of share of Assets, Liabilities, Income, Expenditure, Capital Commitments and Contingent Liabilities in Joint Ventures**

	ITD Cemindia JV	ITD - ITDCem JV	ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	ITD-Cem Maytas Consortium
Share of Assets	**5,060.88**	**13,145.75**	**1,351.44**	**55.72**
	(5,624.21)	(11,869.07)	(3,970.41)	(-)
Share of Liabilities	**5,388.94**	**8,396.77**	**8.92**	**(172.97)**
	(6,158.71)	(8,579.71)	(3,181.66)	(-)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

	ITD Cemindia JV	ITD - ITDCem JV	ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	ITD-Cem Maytas Consortium
Share of Income	**266.23**	**27,474.13**	**5,596.41**	**3,549.61**
	(69.36)	(21,302.93)	(14,151.39)	(-)
Share of Expenditure	**59.79**	**26,014.51**	**5,061.45**	**3,320.93**
	(140.34)	(20,841.44)	(13,893.08)	(-)
Share of Contingent Liabilities	**552.91**	**-**	**3,214.18**	**-**
	(235.82)	(127.40)	(3,205.20)	(-)

Previous year figures are given in brackets

35. **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**

i) **Associate**

AVR Infra Private Limited

ii) **Joint Ventures (unincorporated)**

ITD Cemindia JV
ITD - ITD Cem JV
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)
ITD-Cem Maytas Consortium

iii) **Fellow subsidiary**

Aquathai Co., Ltd.

iv) **Key management personnel (KMP)**

Mr. Adun Saraban – Managing Director
Mr. S. Ramnath – Chief Financial Officer
Mr. R C. Daga - Company Secretary

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	107.95	-	-	-
	(494.95)	(-)	(-)	(-)
Royalty expense				
Italian-Thai Development Public Company Limited	610.84	-	-	-
	(640.27)	(-)	(-)	(-)
Dividend paid				
Italian-Thai Development Public Company Limited	160.23	-	-	-
	(160.23)	(-)	(-)	(-)
Management fees				
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(801.30)	(-)	(-)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow Subsidiary
Engineering Services				
Aquathai Co., Ltd.	-	-	-	114.00
	(-)	(-)	(-)	(-)
Plant hire charges (net of income)				
ITD Cemindia JV	-	(28.81)	-	-
	(-)	(-34.36)	(-)	(-)
ITD-ITDCem JV	-	1,329.20	-	-
	(-)	(196.21)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	11.46	-	-
	(-)	(11.46)	(-)	(-)
Sale of Construction materials and spares				
ITD-ITDCem JV	-	372.37	-	-
	(-)	(64.03)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	16.63	-	-
	(-)	(0.07)	(-)	(-)
ITD-Cem Maytas Consortium		29.99	-	-
	(-)	(-)	(-)	(-)
Purchases of Construction materials and spares				
ITD Cemindia JV	-	120.53	-	-
	(-)	(143.03)	(-)	(-)
ITD-ITDCem JV	-	156.45	-	-
	(-)	(12.01)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	44.74	-	-
	(-)	(358.56)	(-)	(-)
Sale of fixed assets				
ITD-ITDCem JV	-	8.05	-	-
	(-)	(-)	(-)	(-)
Purchase of fixed assets				
ITD Cemindia JV	-	1.24	-	-
	(-)	(-)	(-)	(-)
ITD-ITDCem JV	-	80.60	-	-
	(-)	(11.58)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	28.14	-	-
	(-)	(127.82)	(-)	(-)
Employee related expense				
ITD Cemindia JV	-	11.56	-	-
	(-)	(22.84)	(-)	(-)
ITD-ITDCem JV	-	7.06	-	-
	(-)	(2.12)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(531.99)	(-)	(-)
ITD-Cem Maytas Consortium	-	15.06	-	-
	(-)	(-)	(-)	(-)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow Subsidiary
Remuneration				
Mr. Adun Saraban	-	-	81.71	-
	(-)	(-)	(76.94)	(-)
Mr. S. Ramnath	-	-	48.91	-
	(-)	(-)	(43.80)	(-)
Mr. R. C. Daga	-	-	42.25	-
	(-)	(-)	(38.51)	(-)
Share of profit/(loss) net of tax in joint ventures				
ITD Cemindia JV	-	206.44	-	-
	(-)	(-70.97)	(-)	(-)
ITD-ITDCem JV	-	1,459.62	-	-
	(-)	(461.48)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	534.96	-	-
	(-)	(258.31)	(-)	(-)
ITD Cem Maytas Consortium	-	228.69	-	-
	(-)	(-)	(-)	(-)
Corporate guarantee issued by	-	-	-	-
	(3,000)	(-)	(-)	(-)
Corporate guarantee issued on behalf of				
ITD-ITDCem JV	-	49,300.00	-	-
	(-)	(15,800.00)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	4,300.00	-	-
	(-)	(29,000.00)	(-)	(-)

c. **Balances at the year end:**

Particulars	Holding Company	Joint Venture	KMP
Trade receivables			
Italian-Thai Development Public Company Limited	59.70	-	-
	(72.32)	(-)	(-)
Royalty payable			
Italian-Thai Development Public Company Limited	681.09	-	-
	(253.45)	(-)	(-)
Balances - receivable / (payable)			
ITD Cemindia JV	-	6,818.92	-
	(-)	(7,784.82)	(-)
ITD-ITDCem JV	-	1,840.98	-
	(-)	(2,776.93)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	22.31	-
	(-)	(-1132.55)	(-)
ITD Cem Maytas Consortium		(182.07)	
	(-)	(-)	(-)

(Figures in bracket represents previous year numbers)

36 a. Trade receivables as at 31st December 2013 include variation claims recognised by the Company aggregating ₹ 2,769 lakh (31st December 2012 : ₹ 3,278 lakh) which are disputed by the customer. Out of this claims amounting to ₹ 2,258 lakh (31st December 2012: ₹ 2,346 lakh) are a subject matter of arbitration. The Company has received arbitration award in its favour in respect of the balance amount of ₹ 511 lakh (31st December 2012 : ₹ 932 lakh) which have since been challenged by the customer. Based on the legal opinion from Company's counsel in the matter, the management is reasonably confident of recovery of these amounts.

b. Trade receivables as at 31st December 2013 include ₹ 4,080 lakh (31st December 2012 : ₹ 3,384 lakh) representing interim work bills for work done which have not been certified by customers beyond normal periods of certification. The management is reasonably confident of the certification and recovery of the same progressively on these contracts based on past experience of the Company, assessment of work done and the fact that these amounts are not disputed by the customer and based on the legal opinion received on this matter.

c. Trade receivables as at 31st December 2013 include ₹ 1,140 lakh (31st December 2012 : ₹ 1,140 lakh) relating to price escalation claims which are disputed by the customer. The Company has received an arbitration award in its favour which has subsequently been upheld by the High Court. The customer has challenged this High Court order. However, based on the above arbitration award, High Court order and legal opinion, management is reasonably confident of recovery of these amounts.

d. Trade receivables as at 31st December 2013 include variation claims of ₹ 309 lakh (31st December 2012 : ₹ 309 lakh) 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.

e. Trade receivables and unbilled work-in-progress as at 31st December 2013 include ₹ 1,140 lakh (31st December 2012 - ₹ 616 lakh) and ₹ 2,756 lakh (31st December 2012 - ₹ 2,757 lakh) respectively, in respect of a contract which has been rescinded by the Company and trade receivable and unbilled work-in-progress as at 31st December 2013 include ₹ 689 lakh (31st December 2012 : Nil) and ₹ 5,922 lakh (31st December 2012 - ₹ 5,929 lakh) 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 ₹ 2,227 lakh (31st December 2012 - ₹ 2,227 lakh). 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 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.

f. Trade receivables and unbilled work in progress as at 31st December 2013 includes ₹ 972 lakh (31st December 2012 - ₹ 1,004 lakh) and ₹ 16,829 lakh (31st December 2012 - ₹ 17,222 lakh) respectively in respect of certain road contracts which are currently being executed by the Company. The customer has already granted two extensions of time and the Company's request for further extension is under consideration. The Company has made claims on the customer for recovery of these amounts. Based on the contract terms and legal opinion obtained, the management is reasonably confident of recovery of these amounts.

37 **Micro, Small and Medium Enterprises**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st December 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.

38. 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:

	Particulars	Year ended 31st December 2013	Year ended 31st December 2012
a.	Contract revenue recognised as revenue in the period Clause 38 (a)	122,475.67	128,793.11
b.	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	475,247.26	316,206.95
c.	Advance received on Contract under progress Clause 39 (b)	20,348.35	18,317.75
d.	Retention amounts on Contract under progress Clause 39 (c)	8,040.89	8,070.65
e.	Gross amount due from customers for contract work as an asset Clause 41 (a)	59,908.94	61,321.33
f.	Gross amount due to customers for contract work as an asset Clause 41 (b)	1,844.13	1,175.83

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

39 **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 ₹ 1,778.31 lakh (31st December 2012 - ₹ 1,765.63 lakh). Plant hire expense relates to the lease payment for construction equipment.

b. The Company, in addition to above, has taken construction equipments on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31st December 2013 are as follows:

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
Minimum Lease Payments		
Payable not later than 1 year	470.40	473.51
Payable later than 1 year and not later than 5 years	1,338.00	1,808.40
Payable later than 5 years	-	-
Total	1,808.40	2,281.91

These leases have no escalation clauses.

Rental expenses in the statement of profit and loss for the year includes ₹ 195.90 lakh (31st December 2012 - ₹ 129.09 lakh) 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.

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

For **Walker, Chandiok & Co.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date: 26th February 2014

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company as at 31st December 2013

(Currency : Indian Rupee in lakhs)

Sr. No.	Name of the Subsidiary	ITD Cementation Projects India Ltd.
1	The financial year of the subsidiary Company ended on	31st December, 2013
2	Shares of the subsidiary Company held by	
	holding Company as on the above date	
	(i) Number	50,000
		Equity shares of Rs. 10/- each
	(ii) Extent of holding	100%
3	Date from which it became a subsidiary	21st June, 2007
4	The net aggregate amount of Profits/(Losses)	
	of the subsidiary so far as they concern the	
	member of the holding Company.	
(a)	Dealt within the holding Company's accounts	
	(i) for the financial year of the subsidiary (Rs.)	Nil
	(ii) for the previous financial years of the	Nil
	subsidiary since it became the holding	
	Company's subsidiary (Rs.)	
(b)	Not dealt within the holding Company's accounts	
	(i) for the financial year of the subsidiary (Rs.)	(0.03)
	(ii) for the prevoius financial years of the	(0.37)
	subsidiary since it became the holding	
	Company's subsidiary (Rs.)	

Details of Subsidiary Company Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956

Sr. No.	Particulars	ITD Cementation Projects India Ltd.
(a)	Capital	5.00
(b)	Reserves	(0.40)
(c)	Total Assets	4.77
(d)	Total Liabilities	0.17
(e)	Investments	Nil
(f)	Turnover	Nil
(g)	Profit/(Loss) before Taxation	(0.03)
(h)	Provision for Taxation	Nil
(i)	Profit after Taxation	(0.03)
(j)	Proposed Dividend	Nil

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakronbundit
Director

S. Ramnath
Chief Financial Officer

R.C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Independent Auditors' Report

To the Board of Directors of ITD Cementation India Limited

1. We have audited the accompanying consolidated financial statements of ITD Cementation India Limited ("the Company") and its subsidiary and joint ventures (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 December 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 December 2013;

ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to Note 35 to the consolidated financial statements regarding trade receivables and unbilled work in progress aggregating to ₹ 11,099 lakh (31 December 2012: ₹ 8,727 lakh) and ₹ 25,507 lakh (31 December 2012: ₹ 8,686 lakh) respectively, outstanding as at 31 December 2013, 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 arbitration/ litigation, the Company has assessed the recoverability of these claims based on recommendation of Dispute Resolution Board, awards received from Arbitration Tribunal, High Court orders received and 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 is not modified in respect of these matters.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Amyn Jassani**
Partner
Membership No.: F-46447

Mumbai
26 February 2014

Consolidated Balance Sheet as at 31st December 2013

(Currency : Indian Rupee in lakh)

Particulars	Notes	As at 31st December 2013	As at 31st December 2012
Equity and liabilities			
Shareholders' Funds			
Share capital	2	1,151.58	1,151.58
Reserves and surplus	3	39,689.74	38,895.33
		40,841.32	**40,046.91**
Non-Current Liabilities			
Long-term borrowings	4	1,140.91	7,778.93
Long-term provisions	5	417.37	518.98
		1,558.28	**8,297.91**
Current Liabilities			
Short-term borrowings	6	68,522.34	62,941.21
Trade payables	7	29,646.80	29,305.05
Other current liabilities	8	44,305.07	37,460.37
Short-term provisions	9	1,166.89	1,002.48
		143,641.10	**130,709.11**
Total		**186,040.70**	**179,053.93**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	22,356.48	22,969.76
Capital work-in-progress		672.87	1,390.92
Deferred tax assets	11	2,121.88	1,773.43
Long-term loans and advances	12	15,620.11	12,321.41
Other non-current assets	13	22.00	22.00
		40,793.34	**38,477.52**
Current Assets			
Current investment	14	0.26	0.26
Inventories	15	95,682.59	95,334.14
Trade receivables	16	40,158.45	36,384.94
Cash and bank balances	17	3,191.82	3,679.35
Short-term loans and advances	12	6,180.96	5,153.40
Other current assets	18	33.28	24.32
		145,247.36	**140,576.41**
Total		**186,040.70**	**179,053.93**

Notes 1 to 39 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.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Consolidated Statement of Profit and Loss for the year ended 31st December 2013

(Currency : Indian Rupee in lakh)

Particulars	Notes	Year ended 31st December 2013	Year ended 31st December 2012
Revenue			
Contract Revenue		157,836.53	164,472.38
Other operating income	19	570.69	617.27
Other income	20	3,396.12	1,001.60
Total		**161,803.34**	**166,091.25**
Expenses			
Cost of materials consumed		51,332.05	58,949.99
Sub-contract expense		32,123.64	28,568.93
Employees benefits expense	21	19,225.40	18,942.53
Finance costs	22	12,831.96	11,948.73
Depreciation expense	10	4,422.83	5,062.73
Other expenses	23	39,476.88	39,511.52
Total Expenses		**159,412.76**	**162,984.43**
Profit before tax		**2,390.58**	**3,106.82**
Tax expense			
Current tax		(1,833.53)	(1,419.00)
Excess/(Short) provision for tax for earlier years		25.41	-
Deferred tax credit		348.45	438.39
Deferred tax credit for earlier years		-	71.45
Net profit for the year		**930.91**	**2,197.66**
Earnings per equity share (Face value of ₹ 10 each)	24		
Basic		8.08	19.08
Diluted		8.08	19.08

Notes 1 to 39 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.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Consolidated Cash flow statement for the year ended 31st December 2013

(Currency : Indian Rupee in lakh)

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
Cash flow from operating activities		
Net profit before tax	2,390.58	3,106.82
Adjustments for:		
Depreciation	4,422.83	5,062.73
Finance Cost	12,831.96	11,577.67
Interest income	(1,148.76)	(696.30)
Provision for doubtful debts	678.17	645.21
Provision for doubtful advances	49.56	105.30
Profit on sale of fixed assets (net)	(52.77)	(55.48)
Sundry balances written back	(819.47)	(108.29)
Prior years provision written back	(883.55)	-
Operating profit before working capital changes	**17,468.55**	**19,637.66**
Adjustment for change in working capital		
Decrease/(Increase) in Inventories	(348.45)	(11,181.22)
Decrease/(Increase) in Trade receivables	(4,451.68)	747.82
Decrease/(Increase) in Loans and advances	(3,053.19)	1,696.84
Increase/(Decrease) in Trade payables and other current liabilites	10,233.27	(8,585.11)
Cash generated from operations	19,848.50	2,315.99
Direct taxes (paid)/refunds received	(1,160.94)	(810.97)
Net cash generated from operating activities	**18,687.56**	**1,505.02**
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(5,829.42)	(4,506.18)
Proceeds from sale of fixed assets	198.47	379.26
Fixed Deposit with bank (maturity beyond three months)	(795.89)	(416.43)
Proceeds from fixed deposit with bank (maturity beyond three months)	406.71	176.23
Interest received	1,139.80	671.98
Net cash used in investing activities	**(4,880.33)**	**(3,695.14)**
Cash flow from financing activities		
Proceeds from short term borrowings (net of repayment)	5,581.13	4,520.89
Proceeds from long term borrowings	1,020.56	9,699.09
Repayment of long term borrowings	(7,993.94)	(931.71)
Interest paid	(13,023.57)	(11,173.58)
Dividend paid	(228.98)	(228.71)
Tax on distributed profits	(39.14)	(37.36)
Net cash (used in)/generated from financing activities	**(14,683.94)**	**1,848.62**
Net decrease in cash and cash equivalents	**(876.71)**	**(341.50)**
Cash and cash equivalents at the beginning of year	**3,272.64**	**3,614.14**
Cash and cash equivalents at the end of year	**2,395.93**	**3,272.64**
Componenets of cash and cash equivalents (Refer note 17)		
Cash in hand	164.56	241.42
Balance with scheduled banks		
- current accounts	1,930.43	1,266.52
- dividend bank accounts	6.94	5.60
- deposits with maturity not more than 3 months	294.00	1,759.10
	2,395.93	**3,272.64**

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 confirm 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.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

1 **NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

I. **Nature of Operations**

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.

II. **Significant Accounting Policies**

A. ***Basis of preparation and Principles of consolidation***

- *Basis of Preparation*

The consolidated financial statements have been are prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by the Securities and Exchange Board of India (SEBI). The 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.

All assets and liabilities have been classified as current or non- current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

- *Principles of Consolidation*

The consolidated financial statements relate to the Company, its subsidiary company, and its unincorporated Joint Ventures in the form of Jointly Controlled Entities (collectively referred to as the 'Group'). The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the company, 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 fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or unrealized cash losses in accordance with Accounting Standard (AS) - 21 "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006, (as amended).

ii. The Interests in Joint Ventures which are in the nature of 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 and intra-group transactions resulting in group unrealized profit or unrealized cash losses as per the Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006, (as amended).

iii. 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.

iv. 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.

v. 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 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 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.

C. ***Fixed assets and depreciation***

Fixed 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.

Depreciation is provided as per the written-down value method for assets acquired on or after April 1, 1993, and as per the straight-line method for assets acquired up to March 31, 1993. On additions and disposals, depreciation is provided for from/up to the date of addition/disposal. The rates of depreciation are determined on the basis of useful lives of the assets estimated by the management, which are at rates specified in Schedule XIV to the Companies Act, 1956.

Leasehold improvements are depreciated over the lease period of 5 years, which is lower of the period of the lease or their estimated useful lives as determined by management.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year they are put to use.

D. ***Impairment***

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.

E. ***Investments***

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

F. ***Inventories***

Construction materials are valued at cost. Identified direct materials remaining on completion of contract are valued at their estimated scrap value. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities).

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.

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

Unbilled work in progress: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognised as unbilled work-in-progress provided it is probable that they will be recovered. Unbilled work-in-progress is valued at net realisable value.

G. ***Revenue recognition***

- *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.

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 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.

- *On insurance claims*

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

- *Management Fee*

Management Fee income is recognized based on the contractual terms with the parties.

H. ***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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

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.

I. ***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 financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as a part of property, plant and equipment.

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.

J. ***Retirement and other 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 and the company has no further obligation beyond making the contributions. The Company has to meet the interest shortfall, if any. However, as at the year end, no shortfall remains provided for. 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 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 employees of the company are also entitled for Leave availment and/or Encashment as per the company's policy. The liability for Leave Entitlement is provided on the basis of valuation, as at Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

K. ***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.

L. ***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.

M. ***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.

N. ***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.

O. ***Cash and cash equivalents***

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013		As at 31st December 2012	
	Number	**Amount**	**Number**	**Amount**
2 **Share capital**				
Authorised Share Capital				
Equity shares of ₹ 10 each	15,000,000	1,500.00	15,000,000	1,500.00
Redeemable preference shares of ₹ 10 each	60,000,000	6,000.00	60,000,000	6,000.00
	75,000,000	**7,500.00**	**75,000,000**	**7,500.00**
Issued				
Equity shares of ₹ 10 each	11,518,316	1,151.83	11,518,316	1,151.83
	11,518,316	**1,151.83**	**11,518,316**	**1,151.83**
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	11,515,790	1,151.58	11,515,790	1,151.58
	11,515,790	**1,151.58**	**11,515,790**	**1,151.58**
a. **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**				
Balance at the beginning of the year	11,515,790	1,151.58	11,515,790	1,151.58
Add : Issued during the year	-	-	-	-
Balance at the end of the year	**11,515,790**	**1,151.58**	**11,515,790**	**1,151.58**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 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 by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

During the year, ₹ 1.00 (31st December 2012 : ₹ 2.00) per share dividend recognised as distributions to equity share holders.

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.

Particulars	As at 31st December 2013		As at 31st December 2012	
	Number	**Amount**	**Number**	**Amount**
c. **Shares held by holding Company**				
Equity shares of ₹ 10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	801.13	8,011,318	801.13
d. **Shareholders holding more than 5% of the equity shares in the Company as at 31st December 2013**				
Equity shares of ₹ 10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	69.57%	8,011,318	69.57%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. **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 31st December 2013**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceeding 31st December 2013.

f. **Out of the total issued capital, 2,526 (31st December 2012 : 2,526) equity shares of ₹ 10 each have been kept in abeyance pending final settlement of rights issues.**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013	As at 31st December 2012
3 **Reserves and surplus**		
Securities premium account	31,957.38	31,957.38
General reserve		
Balance at the beginning of the year	653.21	488.38
Add: Transferred from statement of profit and loss	23.27	164.83
Balance at the end of the year	**676.48**	**653.21**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	6,284.75	4,519.59
Add : Transferred from statement of profit and loss	930.91	2,197.66
Less : Transferred to general reserve	(23.27)	(164.83)
Less : Proposed dividend on equity shares	(115.16)	(230.32)
Less : Tax on proposed equity dividend	(19.57)	(37.36)
Less : Tax on equity dividend for earlier year	(1.78)	-
	7,055.88	**6,284.74**
	39,689.74	**38,895.33**

Particulars	As at 31st December 2013		As at 31st December 2012	
	Non-current	Current	Non-current	Current
4 **Long term borrowings**				
Secured				
Term loans				
- Bank	-	4,900.00	5,176.85	1,035.37
- Financial institution	463.34	57.57	-	-
Plant loan from financial institution	433.61	324.92	438.28	774.66
Vehicle loan from bank	72.23	19.23	2.57	2.50
Unsecured				
Term loans				
- Bank	-	-	-	5,000.00
- Financial institution	171.73	1,986.27	2,161.23	810.81
	1,140.91	**7,287.99**	**7,778.93**	**7,623.34**
Amount disclosed under "Other current liabilities" (Refer note 8)	-	(7,287.99)	-	(7,623.34)
	1,140.91	**-**	**7,778.93**	**-**

Term loan from bank (Secured)

Term loan obtained from Exim Bank carries interest rate of 12.25 percent per annum. This loan is repayable in quarterly installments commencing from December 2013.

Term loan from financial institution (Secured)

Loan obtained from Indiabulls Housing Finance Limited for purchase of office premise carries interest rate of 13.50 percent per annum and are repayble in 84 monthly installments commencing from April 2013. This loans are secured by hypothecation of office purchased out of this loan.

Plant loan from financial institution (Secured)

Loan obtained from Tata Capital Limited for purchase of construction equipment carries interest rate ranging between 12.75 to 13.75 percent per annum and are repayble in 36 to 60 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loan from bank (Secured)

Loan obtained from HDFC Bank and AXIS Bank for purchase of vehicles carries interest rate ranging between 10 to 12 percent per annum and are repayble in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Term loan - from bank (Unsecured)

Term loan obtained from Vijaya Bank carried interest rate of base rate plus 2.50 percent per annum. This loan has been repaid during the year.

Term loan - from financial institution (Unsecured)

Term loan obtained from SREI Equipment Finance Private Limited carries interest rate of 12 percent per annum. These loans are repayable in 29 monthly installments commencing from September 2012.

	Particulars	As at 31st December 2013	As at 31st December 2012
5	**Long term provision**		
	Provision for employee benefits		
	- Leave encashment (Refer note 30)	417.37	518.98
		417.37	**518.98**

	Particulars	As at 31st December 2013	As at 31st December 2012
6	**Short term borrowings**		
	Secured		
	Working capital loans from banks	63,411.58	53,286.93
	External commercial borrowings (Buyer's credit)	5,110.76	5,441.45
	Unsecured		
	Working capital loan from bank	-	4,212.83
		68,522.34	**62,941.21**

Working capital loan from banks (Secured) :

Working capital loans availed from consortium bankers carries various interest rates are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited. These facilities are repayable on demand.

External commercial borrowings (Buyer's credit) :

Buyer credit loans obtained from bankers carries interest of LIBOR plus 1.5 to 3.5 percent per annum (quarterly rests). These loans are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited.

	Particulars	As at 31st December 2013	As at 31st December 2012
7	**Trade payables (Refer note 35)**		
	Acceptances	1,517.69	4,336.04
	Other trade payables	28,129.11	24,969.01
		29,646.80	**29,305.05**

	Particulars	As at 31st December 2013	As at 31st December 2012
8	**Other current liabilities**		
	Current maturity of long term borrowing (Refer note 4)	7,287.99	7,623.34
	Creditors for capital expenses	62.77	939.08
	Interest accrued and due	143.86	20.90
	Interest accrued but not due	387.15	701.72
	Unclaimed dividend *	6.94	5.60
	Advances from customers	29,283.28	20,409.71
	Material received from customers	213.06	699.54
	Amount due to customers	2,177.52	2,206.78

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013	As at 31st December 2012
Employee related dues	2,299.32	2,322.86
Statutory dues payable	907.24	949.85
Liability for foreign exchange contracts	242.73	87.40
Others	1,293.21	1,493.59
	44,305.07	**37,460.37**

* Not due for credit to Investor Education & Protection Fund

Particulars	As at 31st December 2013	As at 31st December 2012
9 **Short term provisions**		
Provision for employee benefits		
- Gratuity (Refer note 30)	534.17	497.26
- Leave encashments (Refer note 30)	98.12	87.30
- Provident fund	145.96	150.24
Provision for taxation (net of advance tax)	253.91	-
Proposed dividend	115.16	230.32
Provision for tax on proposed dividend	19.57	37.36
	1,166.89	**1,002.48**

Particulars	Freehold land	Leasehold improvments	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
10. **Tangible assets**								
Gross block								
Balance as on 1st January 2012	15.32	341.13	221.94	37,147.14	6,416.83	1,682.91	292.32	46,117.59
Additions	-	300.06	-	4,558.50	479.79	125.83	19.92	5,484.10
Deletions	-	(309.77)	-	(1,131.35)	(166.05)	(1.63)	(1.09)	(1,609.89)
Balance as on 31st Dec., 2012	**15.32**	**331.42**	**221.94**	**40,574.29**	**6,730.57**	**1,807.11**	**311.15**	**49,991.80**
Additions	-	122.40	877.23	2,289.13	88.11	408.24	170.15	3,955.26
Disposals	-	-	-	(540.16)	(30.16)	(48.23)	(22.34)	(640.89)
Balance as on 31st Dec., 2013	**15.32**	**453.82**	**1,099.17**	**42,323.26**	**6,788.52**	**2,167.12**	**458.96**	**53,306.17**
Accumulated depreciation								
Balance as on 1st January 2012	-	297.67	105.75	16,788.48	4,484.05	1,378.40	191.05	23,245.40
Depreciation charge	-	51.84	5.20	4,175.37	684.96	118.99	26.37	5,062.73
Reversal on disposal of assets	-	(309.77)	-	(811.06)	(163.43)	(1.48)	(0.35)	(1,286.09)
As at 31st December 2012	**-**	**39.74**	**110.95**	**20,152.79**	**5,005.58**	**1,495.91**	**217.07**	**27,022.04**
Depreciation charge	-	85.69	44.89	3,570.68	525.45	146.66	49.46	4,422.83
Reversal on disposal of assets	-	-	-	(411.74)	(23.97)	(43.63)	(15.84)	(495.18)
As at 31st December 2013	**-**	**125.43**	**155.84**	**23,311.73**	**5,507.06**	**1,598.94**	**250.69**	**30,949.69**
Net block								
As at 31st December 2013	**15.32**	**328.39**	**943.33**	**19,011.53**	**1,281.46**	**568.18**	**208.27**	**22,356.48**
As at 31st December 2012	15.32	291.68	110.99	20,421.50	1,724.99	311.20	94.08	22,969.76

Particulars	As at 31st December 2013	As at 31st December 2012
11 **Deferred tax assets**		
Deferred tax asset arising on account of :		
Provision for doubtful debts	696.39	498.22
Provision for employee benefits	339.06	358.57
Disallowance u/s 43B as per Income Tax Act, 1961	305.65	93.84
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	728.95	747.08
Provision for doubtful advances	19.64	56.94
Others	32.19	18.78
Total deferred tax assets	**2,121.88**	**1,773.43**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013		As at 31st December 2012	
	Long term	Short term	Long term	Short term
12 **Loans and advances**				
(Unsecured, considered good unless otherwise stated)				
Capital advances	1,763.89	-	47.99	-
Security and other deposits				
- considered good	284.30	1,697.54	868.98	964.81
- considered doubtful		49.56	-	28.64
Receivable from Holding Company (Refer note 34)		1,651.46	-	2,082.58
Other loans and advances				
Advance recoverable in cash or kind				
- considered good	-	1,373.60	-	798.27
- considered doubtful	-	60.52	-	146.86
Prepaid expenses	-	1,439.56	-	1,146.92
Loans and advances to employees	-	18.80	-	13.78
Balances with statutory / government authorities	9,855.59	-	7,294.84	-
Advance income tax (net of provisions)	3,716.33	-	4,109.60	-
Receivable on foreign exchange contracts	-	-	-	147.04
	15,620.11	**6,291.04**	**12,321.41**	**5,328.90**
Less : Provision for doubtful advances / deposits	-	(110.08)	-	(175.50)
	15,620.11	**6,180.96**	**12,321.41**	**5,153.40**

Particulars	As at 31st December 2013	As at 31st December 2012
13 **Other non current assets**		
Non-current bank balances (Refer note 17)	22.00	22.00
	22.00	**22.00**

Particulars	As at 31st December 2013		As at 31st December 2012	
	No. of Shares	Book Value	No. of Shares	Book Value
14 **Current investments**				
(Valued at cost, fully paid up, unless stated otherwise)				
Investments in equity shares (unquoted)				
AVR Infra Private Limited (Face value of ₹ 10 each)	2600	0.26	2600	0.26
		0.26		**0.26**

Particulars	As at 31st December 2013	As at 31st December 2012
15 **Inventories**		
Construction materials	13,574.02	12,730.13
Tools and equipment	5,308.45	5,851.67
Machinery spares	1,474.04	1,983.46
Unbilled work in progress	75,326.08	74,768.88
	95,682.59	**95,334.14**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013	As at 31st December 2012
16 **Trade receivable**		
(unsecured, considered good unless otherwise stated)		
Trade receivables outstanding for more than six months		
- Considered good *	27,552.77	23,577.45
- Considered doubtful	2,213.75	1,535.58
	29,766.52	25,113.03
Less: Provision for doubtful debts	(2,213.75)	(1,535.58)
	27,552.77	23,577.45
Other debts **	12,605.68	12,807.49
	40,158.45	**36,384.94**
Notes :		
* Includes retention money	7,986.31	6,973.16
** Includes retention money	2,347.52	2,261.98

Particulars	As at 31st December 2013		As at 31st December 2012	
	Non-current	Current	Non-current	Current
17 **Cash and bank balances**				
Cash and cash equivalents				
Cash in hand	-	164.56	-	241.42
Balance with scheduled banks				
- current accounts	-	1,930.43	-	1,265.93
- cheques in hand		-		0.59
- dividend bank accounts	-	6.94	-	5.60
Bank deposits with maturity not more than 3 months		294.00		1,759.10
	-	**2,395.93**	**-**	**3,272.64**
Other bank balances				
Deposits with maturity of more than 3 months but less than 12 months **	-	795.89	-	406.71
Bank deposits with maturity of more than 12 months **	22.00	-	22.00	-
	22.00	**3,191.82**	**22.00**	**3,679.35**
Less : Amounts disclosed as Other non-current assets (Refer note 13)	(22.00)	-	(22.00)	-
	-	**3,191.82**	**-**	**3,679.35**

* Earmarked against bank guarantees taken by the Company

** Placed as earnest money deposit

Particulars	As at 31st December 2013	As at 31st December 2012
18 **Other current assets**		
Interest accrued but not due	33.28	24.32
	33.28	**24.32**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
19 **Other operating income**		
Management fees	-	441.17
Service income from unincorporated joint ventures	570.69	176.10
	570.69	**617.27**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
20 **Other Income**		
Profit on sale of fixed assets (net)	52.77	55.48
Sundry balances written back	819.47	108.29
Bad debts recovered	174.38	7.64
Interest		
- on bank deposits	221.10	129.56
- on income tax refund	304.46	496.70
- on sales tax refund	6.16	63.30
- from customer on settlement	614.26	-
- others	2.77	6.74
Excess provisions of prior year written back	883.56	-
Insurance claim	157.95	40.00
Miscellaneous income	159.24	93.89
	3,396.12	**1,001.60**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
21 **Employee benefits expense**		
Salaries and wages	17,501.79	17,106.78
Contribution to gratuity (Refer note 30)	111.91	244.23
Contribution to provident and other funds (Refer note 30)	1,270.48	1,189.12
Staff welfare expenses	341.22	402.40
	19,225.40	**18,942.53**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
22 **Finance costs**		
Interest expenses		
- Working capital loans	8,332.48	7,420.42
- Short term loan	-	706.44
- Long term loan	1,385.12	1,298.69
- Advances from customers	510.15	447.48
- External commercial borrowings	72.24	136.31
- Others	114.96	18.32
Exchange loss (attributable to finance cost)	522.40	371.06
Bank charges and guarantee commission	1,894.61	1,550.01
	12,831.96	**11,948.73**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
23 **Other expense**		
Plant hire expenses	6,069.05	7,694.66
Power and fuel	7,002.25	7,353.44
Sales tax on works contracts	4,402.06	4,040.42
Travelling expenses	854.67	845.09
Tools and equipment	1,416.43	710.00
Foreseeable loss	308.58	1,092.39
Site transport and conveyance	2,591.28	2,598.42
Repairs and maintenance:		
- Plant & machinery	478.28	625.30
- Others	182.78	232.18

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
Insurance	989.74	519.78
Professional fees	1,940.75	1,938.41
Rent (Refer note 38)	2,194.51	2,183.90
Spares consumed	1,630.21	1,401.68
Security charges	751.39	692.48
Temporary site installations	1,820.70	539.97
Postage, telephone and telegram	204.55	184.65
Auditor remuneration (Refer note 25)	70.40	65.55
Provision for doubtful debts (Refer note 26)	678.17	645.21
Provision for doubtful advance / deposits	49.56	105.30
Rates & taxes	246.72	225.65
Water charges	538.36	528.81
Printing and stationery	137.69	128.31
Fees and subscription	149.52	59.19
Infotech expenses	233.35	168.55
Service tax	1,570.41	1,766.66
Labour cess	845.38	507.45
Royalty expense	610.84	640.27
Commission to Directors other than Managing Director	4.00	6.00
Exchange loss (net)	52.22	96.76
Directors' sitting fees	1.65	1.50
Miscellaneous expenses	1,451.38	1,913.54
	39,476.88	**39,511.52**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
24 **Earnings per share**		
Weighted average number of equity shares outstanding during the year	11,515,790	11,515,790
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	11,515,790	11,515,790
Net Profit after tax attributable to equity shareholders	930.91	2,197.66
Earning per share :		
Basic and diluted	8.08	19.08

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
25 **Auditor remuneration (including service tax)**		
Audit fee	26.63	22.93
Tax audit fee	15.75	20.46
Limited review	22.45	19.30
Certification	4.26	1.41
Out-of-pocket expenses	1.31	1.45
	70.40	**65.55**

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
26 **Provision for doubtful debts**		
Bad debts written off during the year	-	450.16
Add: Provision for doubtful debts, end of year	2,213.75	1,535.58
Less: Provision for doubtful debts, beginning of year	1,535.58	1,340.53
	678.17	**645.21**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013

(Currency : Indian Rupee in lakh)

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
27 **Commitment**		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	**897.22**	730.93

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
28 **Contingent Liabilities**		
a. Guarantees/Letter of credits given by banks in respect of contracting commitments in the normal course of business	30,331.96	35,370.36
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.	12,244.58	21,044.14
c. Corporate Guarantee given to bank on behalf of Joint Ventures	51,000.00	44,800.00
d. Sales Tax matters pending in appeals	3,469.69	2,090.95
e. Income Tax matters pending in appeal	1,188.44	1,180.90
f. Excise matter pending in appeal	52.00	52.00
g. Entry tax matter pending in appeal	335.15	207.32

h. Subsequent to the year end, a Client of the Company has, pursuant to its contract with the Company for execution of work, invoked Bank Guarantees provided to the Client by the Company's banks. Banks have made payments to the Client aggregating to ₹ 9,200 lakh. The Company is currently in dialogue with the Client to resolve the matter amicably and the Company has reasons to believe that the matter will be favourably resolved.

29 **Particulars of unhedged foreign currency exposures at the balance sheet date**

Buyers credit. Trade payables & Acceptances	As at 31st December 2013			As at 31st December 2012		
	Foreign Currency	Exchange Rate	INR in lakh	Foreign Currency	Exchange Rate	INR in lakh
US Dollar Exposure	1,516	62.26	0.94	580,700	55.16	320.31
EURO Exposure	8,922	86.23	7.69	-	-	-
Total			**8.63**			**320.31**

30 **Employee benefits**

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.

	Gratuity	
	31st December 2013	31st December 2012
The amount recognised in the statement of profit & loss :		
Current Service Cost	189.38	171.53
Interest Cost	138.31	122.04
Expected return on Plan Assets	(108.71)	(95.87)
Net actuarial (gain) / loss for the period	(107.07)	46.54
Net benefit expense	**111.91**	**244.23**
The amount recognised in the balance sheet is as follows :		
Defined benefit obligation	1,759.84	1,714.10
Fair value of plan assets	1,225.67	1,216.84
Plan liability / (asset)	**534.17**	**497.26**

	Gratuity	
	31st December 2013	31st December 2012
Changes in the present value of the defined benefit obligations :		
Defined Benefit Obligation at beginning of the period	1,714.10	1,473.31
Current Service Cost	189.38	171.53
Interest Cost	138.31	122.04
Actuarial gain/(loss)	(189.33)	118.30
Benefit paid	(92.62)	(171.08)
Present value of Defined Benefit Obligation at end of period	**1,759.84**	**1,714.10**
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the period	1,216.84	1,081.14
Expected return on Plan Assets	108.72	95.87
Contributions by employer	74.99	136.01
Benefit Paid	(92.62)	(167.96)
Actuarial (loss)/gain on plan assets	(82.26)	71.78
Fair value of Plan Assets at end of the period	**1,225.67**	**1,216.84**

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:

	2013	2012	2011	2010	2009
Defined Benefit Obligation	1,759.84	1,714.10	1,473.32	1,266.02	1,029.29
Plan Assets	1,225.67	1,216.84	1,081.14	1,085.40	814.01
Deficit	(534.17)	(497.26)	(392.18)	(180.62)	(215.28)
Experience adjustments on plan assets	(82.26)	71.78	(108.93)	13.71	-
Experience adjustment on plan liabilities	189.33	(118.31)	(27.20)	(104.50)	-

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation and Birla Sunlife Insurance as at 31st December 2013 are ₹ 0.13 lakh (31st December 2012 - ₹ 0.13 lakh) and ₹ 1,225.54 lakh (31st December 2012 - ₹ 1,216.71 lakh) 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.

The principal assumptions used in determining the gratuity obligations :		
Discount rate	9.25%	8.30%
Expected rate of return on plan assets	9.00%	9.00%
Salary escalation rate	4.50%	5.50%
Withdrawal rates	Upto age 44 - 2%	Upto age 44 - 2%
	45 years & above - 1%	45 years & above - 1%

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.

The Guidance Note on implementing AS 15,"Employee Benefits", issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India states that Provident Fund set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be Defined Benefit Plan in accordance with the requirements of paragraph 26(b) of AS 15. Pursuant to the Guidance Note, the liability in respect of the shortfall of interest earnings of the fund is Nil as determined on the basis of an actuarial valuation carried out as at 31st December, 2013. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefit", detailed disclosures are not required.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

The Company's expense for the superannuation and provident fund aggregates ₹ 1,270.48 lakh during the year (31st December 2012 : ₹ 1,189.12 lakh)

The liability for leave entitlement and compensated absences as at year end is ₹ 515.49 lakh (31 December 2012 : ₹ 606.28 lakh).

31. **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.

32. **Subsidiaries**

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

Name of the Subsidiary	31st December 2013		31st December 2012	
	Proportion of Ownership Interest	Voting Power	Proportion of Ownership Interest	Voting Power
ITD Cementation Projects India Limited	100%	100%	100%	100%

33. **Jointly Controlled Entities**

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

Name of the Joint Venture	% of Participation as at 31st December 2013	% of Participation as at 31st December 2012
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%	-

All the above are unincorporated jointly controlled entities in India.

The proportionate share of assets, liabilities, income and expenditure of the Joint Ventures, consolidated in the accounts is tabulated hereunder:

Particulars	As at 31st December 2013		As at 31st December 2012	
Assets				
Net Block		3,186.62		3,658.56
Capital work-in-progress		-		31.22
Deferred tax assets		699.68		669.42
Current Assets :				
Inventories	18,510.23		16,226.30	
Trade receivables	6,681.37		4,919.87	
Cash and bank balances	2,075.98		2,458.48	
Loans and advances	3,629.90		3,572.26	
Total Current Assets (A)		**30,897.48**		**27,176.91**
Current Liabilities (B)		**15,172.89**		**10,072.43**
Net Current Assets (A-B)		**15,724.59**		**17,104.48**
Total Assets		**19,610.89**		**21,463.69**
Liabilities				
Loan Funds :				
Secured loans		7,451.20		9,643.78
Reserves & Surplus				
Opening balance of retained earnings	3,562.42		2,894.80	
Add : Profit for the period	2,429.71		648.82	
		5,992.13		3,543.62
Total Liabilities		**13,443.33**		**13,187.40**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

Particulars	As at 31st December 2013		As at 31st December 2012	
Revenue				
Turnover	35,360.86		35,326.84	
Other Income	1,525.53		196.84	
Total revenue		**36,886.39**		**35,523.68**
Less : Expenses				
Site and administration expenses	30,650.96		31,745.39	
Interest and finance expenses	1,275.80		1,237.10	
Depreciation	1,073.92		1,457.82	
Total expenses		**33,000.68**		**34,440.31**
Profit before tax		3,885.71		1,083.37
Provision for tax		1,485.62		598.38
Deferred tax credit		(29.62)		(163.83)
Profit after tax		**2,429.71**		**648.82**
Contingent liabilities		3,767.09		3,568.42

34 **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, etc.**
Fellow subsidiary
Aquathai Co., Ltd.

Key management personnel (KMP)
Mr. Adun Saraban – Managing Director
Mr. S. Ramnath – Chief Financial Officer
Mr. R. C. Daga - Company Secretary

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	107.95	-	-
	(494.95)	(-)	(-)
Royalty expense			
Italian-Thai Development Public Company Limited	610.84	-	-
	(640.27)	(-)	(-)
Dividend paid			
Italian-Thai Development Public Company Limited	160.23	-	-
	(160.23)	(-)	(-)
Engineering Services			
Aquathai Co., Ltd.	-	-	114.00
	(-)	(-)	(-)
Remuneration			
Mr. Adun Saraban	-	81.71	-
	(-)	(76.94)	(-)
Mr. S. Ramnath	-	48.91	-
	(-)	(43.80)	(-)
Mr. R. C. Daga	-	42.25	-
	(-)	(38.51)	(-)

(Figures in bracket represents previous year numbers)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

c. **Balances at the year end :**

Particulars	Holding Company	KMP	Fellow Subsidiary
Trade receivables			
Italian-Thai Development Public Company Limited	59.70	-	-
	(72.32)	(-)	(-)
Loan and Advances			
Italian-Thai Development Public Company Limited	1,651.46	-	-
	(2,082.58)	(-)	(-)
Corporate Guarantee issued on behalf of Company			
Italian-Thai Development Public Company Limited	-	-	-
	(3,000.00)	(-)	(-)

(Figures in bracket represents previous year numbers)

35. a. Trade receivables as at 31st December 2013 include variation claims recognised by the Company aggregating ₹ 2,769 lakh (31st December 2012 : ₹ 3,278 lakh) which are disputed by the customer. Out of this claims amounting to ₹ 2,258 lakh (31st December 2012: ₹ 2,346 lakh) are a subject matter of arbitration. The Company has received arbitration award in its favour in respect of the balance amount of ₹ 511 lakh (31st December 2012 - ₹ 932 lakh) which have since been challenged by the customer. Based on the legal opinion from Company's counsel in the matter, the management is reasonably confident of recovery of these amounts.

b. Trade receivables as at 31st December 2013 include ₹ 4,080 lakh (31st December 2012 : ₹ 3,384 lakh) representing interim work bills for work done which have not been certified by customers beyond normal periods of certification. The management is reasonably confident of the certification and recovery of the same progressively on these contracts based on past experience of the Company, assessment of work done and the fact that these amounts are not disputed by the customer and based on the legal opinion received on this matter.

c. Trade receivables as at 31st December 2013 include ₹ 1,140 lakh (31st December 2012 : ₹ 1,140 lakh) relating to price escalation claims which are disputed by the customer. The Company has received an arbitration award in its favour which has subsequently been upheld by the High Court. The customer has challenged this High Court order. However, based on the above arbitration award, High Court order and legal opinion, management is reasonably confident of recovery of these amounts.

d. Trade receivables as at 31st December 2013 include variation claims of ₹ 309 lakh (31st December 2012 : ₹ 309 lakh) 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.

e. Trade receivables and unbilled work-in-progress as at 31st December 2013 include ₹ 1,140 lakh (31st December 2012 - ₹ 616 lakh) and ₹ 2,756 lakh (31st December 2012 - ₹ 2,757 lakh) respectively, in respect of a contract which has been rescinded by the Company and trade receivable and unbilled work-in-progress as at 31st December 2013 include ₹ 689 lakh (31st December 2012 : Nil) and ₹ 5,922 lakh (31st December 2012 - ₹ 5,929 lakh) 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 ₹ 2,227 lakh (31st December 2012 - ₹ 2,227 lakh). 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 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.

f. Trade receivables and unbilled work in progress as at 31st December 2013 includes ₹ 972 lakh (31st December 2012 - ₹ 1,004 lakh) and ₹ 16,829 lakh (31st December 2012 - ₹ 17,222 lakh) respectively in respect of certain road contracts which are currently being executed by the Company. The customer has already granted two extensions of time and the Company's request for further extension is under consideration. The Company has made claims on the customer for recovery of these amounts. Based on the contract terms and legal opinion obtained, the management is reasonably confident of recovery of these amounts.

36 **Micro, Small and Medium Enterprises**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st December 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.

37. 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:

Particulars	Year ended 31st December 2013	Year ended 31st December 2012
a. Contract revenue recognised as revenue in the period Clause 38 (a)	157,836.53	164,472.38
b. Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	655,366.94	523,769.00
c. Advance received on Contract under progress Clause 39 (b)	29,283.28	20,409.71
d. Retention amounts on Contract under progress Clause 39 (c)	10,333.83	9,235.14
e. Gross amount due from customers for contract work as an asset Clause 41 (a)	75,326.08	74,768.88
f. Gross amount due to customers for contract work as an liability Clause 41 (b)	2,177.52	2,206.78

38 **Operating lease**

a. The Company has taken various residential/commercial premises and construction equipments on cancellable operating lease. These lease agreements are normally renewed on expiry. Rental expenses in the statement of profit and loss for the year includes lease payments towards premises ₹ 1,998.61 lakh (31st December 2012 - ₹ 2,054.81 lakh). Plant hire expense relates to the lease payment for construction equipments.

b. The Company, in addition to above, has taken construction equipments on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31st December 2013 are as follows:

Particulars	As at 31st December 2013	As at 31st December 2012
Minimum Lease Payments		
Payable not later than 1 year	470.40	435.11
Payable later than 1 year and not later than 5 years	1,338.00	1,786.00
Payable later than 5 years	-	-
Total	**1,808.40**	**2,221.11**

These leases have no escalation clauses.
Rental expenses in the statement of profit and loss for the year includes ₹ 195.90 lakh (31st December 2012 - ₹ 129.09 lakh) towards such non-cancellable leases.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31st December, 2013 (Currency : Indian Rupee in lakh)

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.

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

For **Walker, Chandiok & Co.**
Chartered Accountants

Amyn Jassani
Partner

Place : Mumbai
Date : 26th February 2014

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Place : Mumbai
Date : 26th February 2014

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS
P. Karnasuta, Chairman
P. Chakornbundit, Vice Chairman
A. Saraban, Managing Director
D. E. Udwadia
P. Hofvander
D. P. Roy

COMMITTEES OF DIRECTORS

Audit Committee
P. Hofvander
D. E. Udwadia
P. Chakornbundit
D. P. Roy

Shareholders/Investors' Grievance Committee
P. Chakornbundit
A. Saraban

Remuneration Committee
D.E. Udwadia
P. Karnasuta
P. Chakornbundit
P. Hofvander

CHIEF FINANCIAL OFFICER
S. Ramnath

COMPANY SECRETARY
R. C. Daga

AUDITORS
Walker, Chandiok & Co., Mumbai

LEGAL ADVISERS
Udwadia Udeshi & Argus Partners, Mumbai

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

BANKERS
Allahabad Bank
Axis Bank Limited
Bank of Baroda
Central Bank of India
IDBI Bank Limited
Bank of India
Punjab National Bank
Standard Chartered Bank
State Bank of India
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
Plot No. 17 to 24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.

ANNUAL GENERAL MEETING
Thursday, 08th May, 2014, 2.30 p.m.
Rama Watumull Auditorium, Mumbai - 400 020.

Cem

Commitment, Reliability & Quality

ITD Cementation India Limited

National Plastic Building,
A-Subhash Road, Paranjape B Scheme,
Vile Parle (East), Mumbai 400 057
Tel.: +91 - 22 - 6693 1600
Fax: +91 - 22 - 6693 1627 / 28
Email: admin@itdcem.co.in

www.itdcem.co.in

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