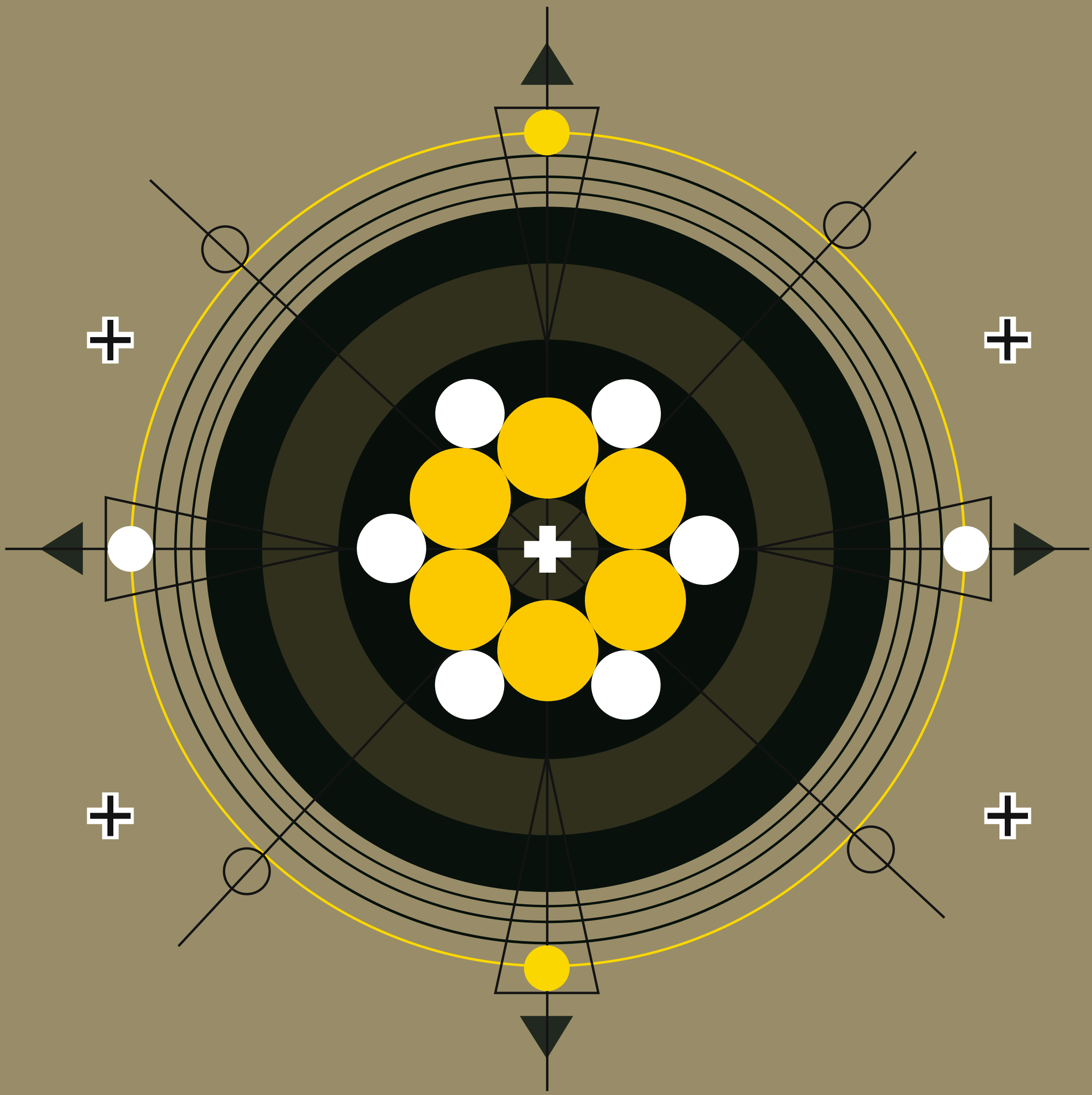


Strengthening the core

ITD Cementation India Limited

Annual Report, 2015

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of ITD Cementation India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of ITD Cementation India Limited Annual Report, 2015.

CONTENTS

There are three principal messages that we wish to send out to our stakeholders.

• One, our timely Qualified Institutional Placement (QIP) in 2014 helped mobilize ₹14,400 lakh.

• Two, our recovery of ₹18,306 lakh of NHAI receivables in 2015 and write-off of ₹12,397 lakh through a one-time settlement helped to settle long pending claims.

• Three, our customer accretion strategy helped generate ₹2,96,875 lakh of fresh orders in 2015, one of the highest in any single year.

Armed with a stronger financial foundation and improving core business momentum, ITD Cementation is positioned for a fresh growth upside.

ITD Cementation India Limited.

Preparing the foundation.

To capture niche and long-term opportunities.

Our vision

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

Our mission

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

Our core principles

• Customers come first

• Employees are our most important asset – working conditions and training must enable them to give their best

• Our quality health and safety standards will be second to none

• Timely commencement and completion of projects

• Good plant and machinery is our wealth. We ensure these are always well maintained and in good working order

• Well developed MIS systems and state-of the-art technology is our priority

• Environmental awareness and care for the world in which we live will be part of our business philosophy

• Our competitive edge is maintained through specialist skills and commitment to both – training and R&D

Legacy

Established in 1931 by The Cementation Company Limited (United Kingdom), ITD Cementation India Limited is a subsidiary of the Thailand-based Italian-Thai Development Public Company Limited (ITD).

Iconic projects

The Company's parent has been credited with the development of the following landmark projects:

• The 23.5 km elevated Bangkok Mass Transit System (Sky Train) with two routes and 25 elevated stations.

• The Bangkok Mass Transit System Extension Project (Sukhumvit Line Section 1); Design and construction of five elevated stations with a total length of 5.25 km.

• Bangkok's first underground Mass Rapid Transit system comprising 10.5 km of twin tunnels, nine underground stations as well as a park-and-ride facility for the Mass Rapid Transit Authority of Thailand (MRTA).

• The MRT Blue Line Extension Project; Design and construction of 5.21 km of Underground Structures from Hua Lamphong to Sanam Chai for the MRTA.

• Bangkok's Suvarnabhumi International Airport for Airports of Thailand PCL.

• State Railway of Thailand's track doubling projects at Hua Mark and Pachi Lopburi.

• Taiwan High Speed Rail Supporting Structures.

- Siriraj Toward Medical Excellence in Southeast Asia Hospital; 14 storey reinforced concrete building and three basement levels with a total service area of 217,360 sq.m.

- Bangkok Government Complex; Construction of a reinforced concrete 9 storey building with a total area of 440,730 sq.m.

Projects and order book

The Company had 57 live operational project sites across 14 Indian States (31 December 2015).

The Company's order book grew from ₹4,76,298 lakh as on 31 December 2014 to ₹5,20,434 lakh as on 31 December 2015.

SECTORAL ENGAGEMENT

Operational areas	Civil construction expertise
Maritime structures	• Construction of jetties, dolphins and service platforms • Construction of quays, berths on concrete and steel piles as well as solid gravity type wharf structures • Construction of ship lift, dry dock, wet basin and inclined berth • Building of jetties for handling liquid and solid cargo, wharfs, berths and quays for container handling • Dredging and reclamation works for ports
Hydro power projects, tunnels, dams and irrigation projects	• Construction of concrete, earth fill and rock fill dams and tunnels • Construction of hydroelectric power projects
Urban infrastructure projects/ mass rapid transit systems/ airports	• Construction of civil and building structures for mass rapid transit systems • Construction of airports
Highways, bridges and flyovers	• Construction of roads, bridges and flyovers
Industrial civil works	• Construction of civil structures for refineries, petrochemicals, power, steel and fertilizer plants
Water and waste water	• Design, construction, supply, installation and commissioning of civil engineering works for water and waste water projects by both conventional and trenchless technology
Specialist engineering	• Construction of piles and diaphragm walls, drilling grouting works, rock anchors and slope stabilization

Shareholder value

ITD Cementation emerged as a portfolio stock for 38 mutual funds and 16 FIIs who reposed their faith in us as on 31 December 2015 (owning around 28% of our share capital).

The Company's market capitalization – the barometer of stakeholder confidence – strengthened by 123 per cent in 2015.

476,298 (₹ / lakh)
The Company's order book, 31 December 2014.

520,434 (₹ / lakh)
The Company's order book, 31 December 2015.

76,501
Market capitalisation (₹ / lakh), 2015 year-start

170,363
Market capitalisation (₹ / lakh), 2015 year-end

Our customers (select list)

- Adani Ports & SEZ
- Airports Authority of India
- Bangalore Metro Rail Corporation
- CIDCO, Maharashtra
- Defence organisations
- Delhi Metro Rail Corporation
- Department of Irrigation and CAD, Andhra Pradesh
- D P World
- Gujarat Chemical Port Terminal
- Gujarat Pipavav Port
- Hindustan Zinc
- IFFCO
- IHI Corporation
- Indian Railways
- Jaipur Metro Rail Corporation
- JSW Port
- Kandla Port Trust
- Kolkata Metro Rail Corporation
- National Highways Authority of India (NHAI)
- NHPC
- NOIDA
- NTPC
- Port of Singapore Authority
- Port Trusts
- Public Works Department, Delhi
- Reliance Infra
- Reliance Industries
- SAIL
- Tata Power

Chairman’s message

Navigating challenging times

Through prudent project selection and focus on free cash flows, we hope to manage growth with lower debt, enhancing shareholder returns.

Dear Shareholders,

India is a bright spot in a depressed global landscape.

India’s GDP expanded to 7.4% in Q2 of 2015-16, making it the world’s fastest growing major economy. India’s economy accelerated in the July-September quarter of 2015-16 as well, thanks to improved public sentiment, quicker clearance of key infrastructure projects and the addressing of inflation by the RBI, which led to interest rate cuts in 2015.

The consequent increase in private consumption is likely to continue through 2016, making it possible for India to sustain its leading position as the largest fast-growing economy. The IMF expects India’s GDP to grow by 7.3% in 2015-16 and by 7.5% in 2016-17 and 2017-18.

As a result of several initiatives taken by the Government, like ‘Ease of Doing Business’, changes in arbitration law, fresh investments in the roads and railways sectors, planned initiating and revival of 50 airports and ‘Smart City’ development plans by the government and private sector, the country’s economy is likely to gain momentum.

Given this background, ITD Cementation, one of India’s frontline construction companies, is positioned to benefit extensively. Some of the forward-looking initiatives undertaken by the Company include the following:

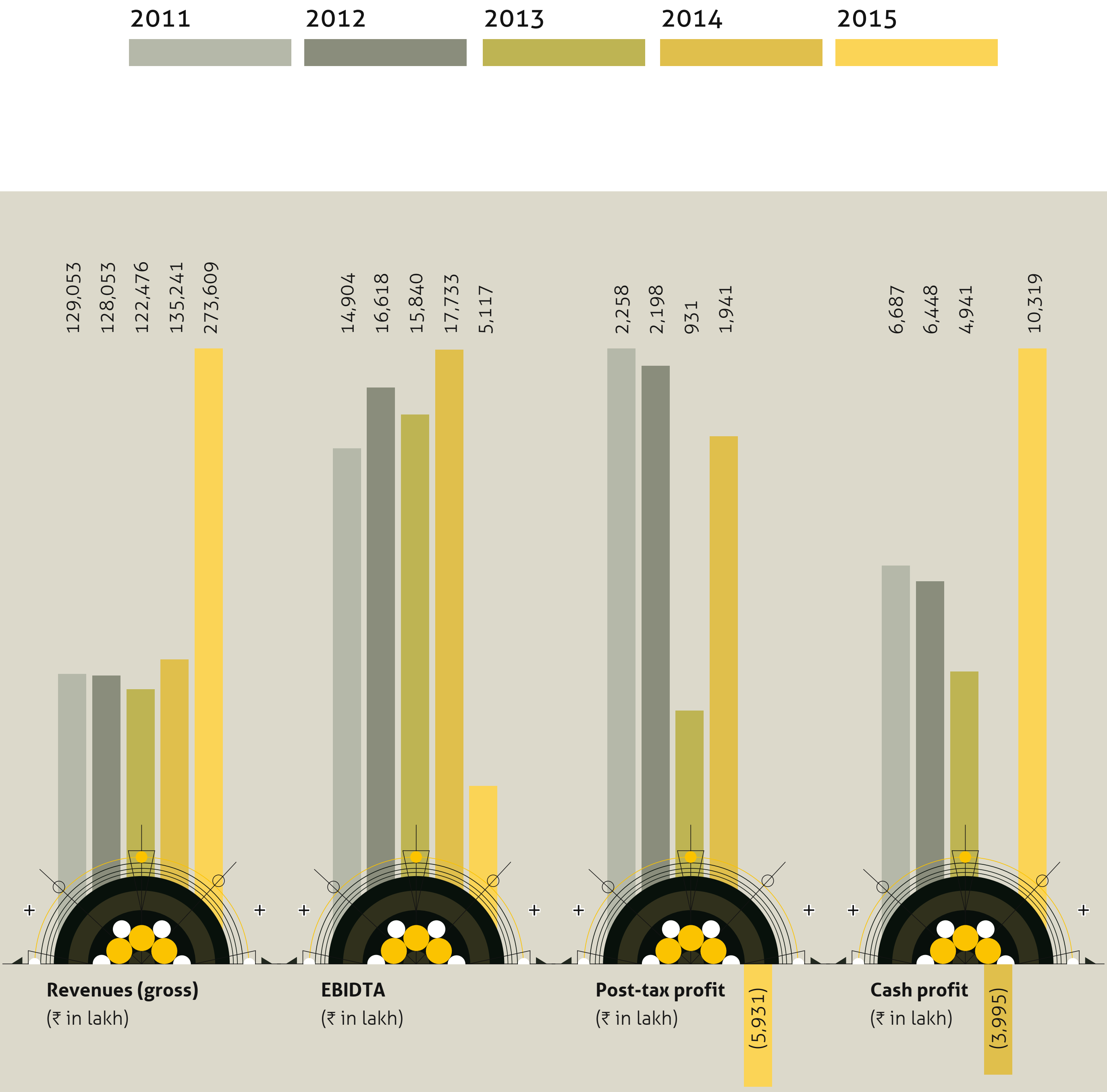
- One, we intend to grow our project sizes by targeting projects upwards of ₹50,000 lakh each.
- Two, we intend to adopt a consortium-driven approach that will not only pre-qualify us for large projects, but also enhance our bidding capacity and success rate.
- Three, through prudent project selection and focus on free cash flows, we hope to manage growth with lower debt, enhancing shareholder returns.
- Four, we continue to mitigate risks through bidding for projects in all sectors of the infrastructure/ construction industry.

Through these initiatives, we are confident of achieving a 10% order book growth in 2016 and we expect a profitable growth in the foreseeable future, assuming we don’t encounter unforeseen negative circumstances.

Sincerely,

Premchai Karnasuta, *Chairman*

An appraisal of our key financial metrics

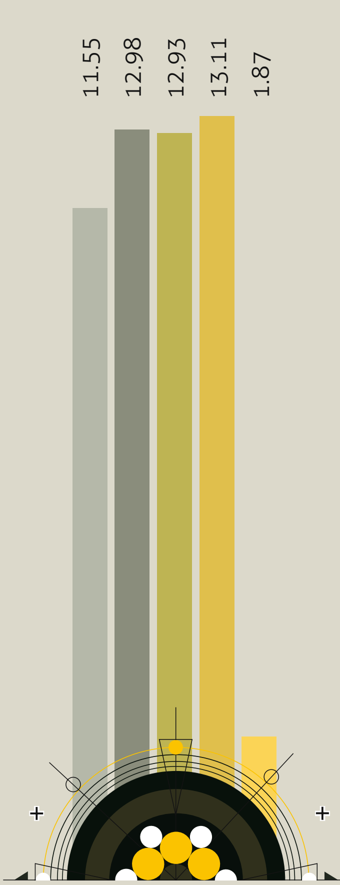


Order book composition (as on 31 December 2014)

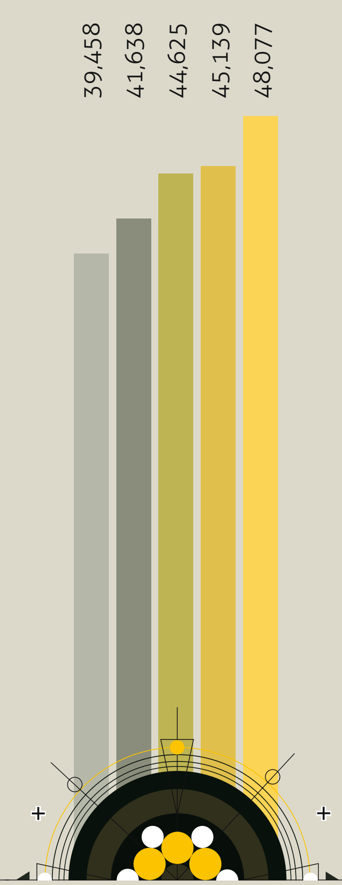
- 28.6% - Maritime structures
- 18.9% - Hydro projects, tunnels, dams and irrigation projects
- 17.5% - Urban infrastructure / MTRS
- 15.5% - Highways, bridges and flyovers
- 11.9% - Industrial structures and buildings
- 5.9% - Specialist engineering
- 1.7% - Water and waste water

Order book composition (as on 31 December 2015)

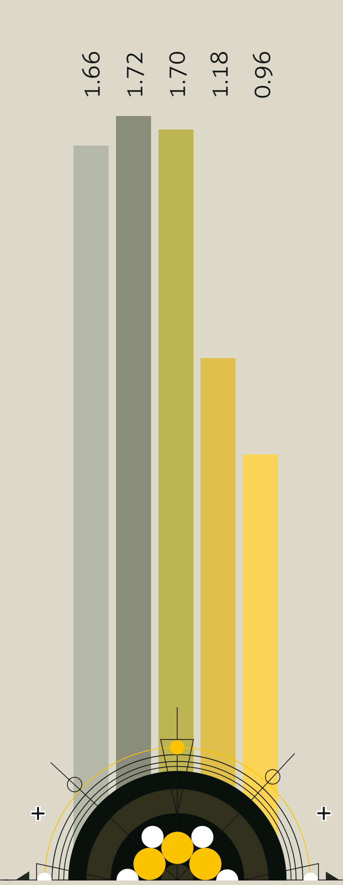
- 53.3% - Maritime structures
- 17.2% - Hydro projects, tunnels, dams and irrigation projects
- 9.1% - Urban infrastructure / MRTS
- 9.5% - Highways, bridges and flyovers
- 6.3% - Industrial structures & buildings
- 2.5% - Specialist engineering
- 2.1% - Water and waste water



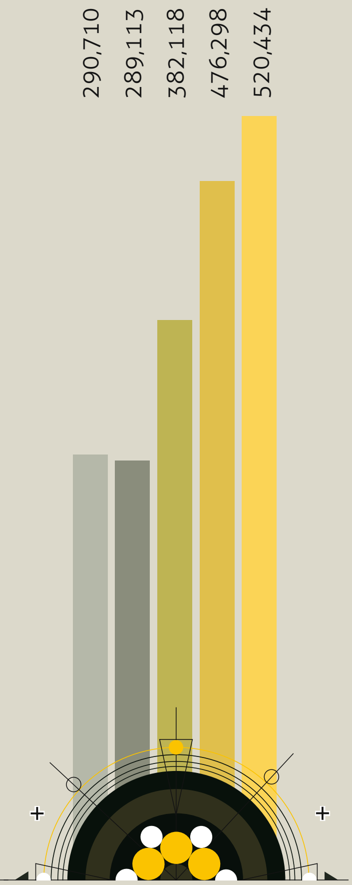
EBIDTA margin
(%)



Gross block
(₹ in lakh)



Debt-equity ratio



Order book
(₹ in lakh)

Q&A

session with the Managing Director

"We reported a healthy 9.3% order book growth to ₹520,434 lakh in 2015, one of our highest order book accretion in any year, providing a two-to- three year revenue visibility."

Mr. Adun Saraban

Q. What was the high point of 2015?

A. The high point comprised all the initiatives that we undertook to strengthen our core.

On the one hand, the ₹18,306 lakh we received from NHAI as a final settlement plus proceeds from the Qualified Institutional Placement (2014) helped reduce debt by 27% in 2015 and enrich working capital funds. The outcome is evident in our profit and loss statement: interest cost fell by 11% to ₹9,292 lakh; as a percentage of income (gross), interest cost moderated from 9% in 2014 to 4% during the year under report, strengthening our viability. Debt equity ratio improved from 1.8 in 2014 to 0.96 in 2015.

In an environment where most peers are carrying large debts, we have actually reported a debt decline in 2015. This achievement has not gone unnoticed: our market capitalization increased 123% in 2015, outperforming the broader market significantly. Besides, we received the 'Challenger of the Year' award from the prestigious *Construction World* magazine, which reflects our strong sectoral positioning and recognition.

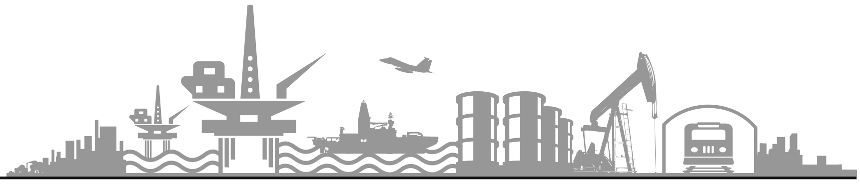
Q. Are you concerned about the exceptional item which resulted in a net loss for 2015?

A. What you see as an exceptional item of ₹12,397 lakh is actually a conscious settlement away from litigation and re-dedication to our core business. We have come clean of pending issues with NHAI even as we seek a strengthening in relations with this nodal body against the backdrop of the government intending to develop 20 km+ roads per day. If one were to remove this exceptional item, the Company would have reported a net profit at the operating level in 2015.

Q. What was the order book position at the close of 2015?

A. We need to appraise this in two ways.

One, we reported a order book growth of 9.3% to ₹520,434 lakh, which represented a net order accretion of ₹351,006 lakh in 2015, one of our highest order book accretion



It is heartening to note that we are L1 (lowest bidder) for almost ₹2,40,000 lakh worth of projects, which can potentially alter the complexion of our enterprise and graduate us into a high growth phase with normalized EBIDTA margins of 10-11% in coming years.

ever with about 2.5 years of revenue visibility.

Two, within this order book composition, one order was in excess of ₹2,000 crore (dredging and reclamation project awarded by Bharat Mumbai Container Terminals Pvt Ltd.), which indicates the successful validation of our bidding strategy to win projects harnessing the Company's opportunities.

As on 31 December 2015, we had a consolidated order book of ₹520,434 lakh; our focus on quicker project execution resulted in a 102% income growth to ₹273,609 lakh in 2015. It would be pertinent to indicate that we have a quality order book and most of these are progressing as per schedule.

Q. The inference then is that the Company reported higher revenue growth on declining debt.

A. Yes, that's absolutely true. While our income grew 102% during 2015, our debt came down by 27% during the same year. These point to our slow but steady progress in creating self-sustaining projects under which we are focusing on improving our cost structures per project and extracting better cash flows. Our aim, going forward, is to target higher revenue growth with lower debt.

Q. You indicated a bidding strategy as consortium partner.

A. We are looking at engaging in credible business partnerships while bidding for projects. We are targetting bigger sized projects marked by lower competitive intensity. We bid in JV/ consortium with global majors translating into effective risk management (financial and operational).

The result is a bidding success rate (26%) that is possibly one of the industry's highest, reflecting selective project appraisal backed by stringent bid evaluation.

Q. What is your blueprint?

A. We intend to strengthen our project management capability by creating a pool of qualified professionals and imparting them with the requisite training and expertise to enable them to undertake. project execution in line with customer specifications and timelines. Besides, growing our ticket size per project and generating higher margins will not only enrich our order book and revenues but margins and profits as well.

On the overall, it is heartening to note that we are L1 (lowest bidder) for almost ₹240,000 lakh worth of projects, which can potentially alter the complexion of our enterprise and graduate us into a high growth phase with normalized EBIDTA margins of 10-11% in the coming years.

Our core competencies

MNC parentage

ITD Cementation enjoys rich pedigree; its parent is one of the largest Thai construction companies. The parent's rich five-decade competence across diverse sectors - buildings, expressways, highways, railways, bridges, airports, industrial plants, dams, hydroelectric power and mass rapid transit systems – has enhanced access to cutting-edge construction technologies and bidding competence.

Leadership position

ITD Cementation's competence in foundation engineering projects has strengthened leadership in the maritime structures, MRTS and airport segments; the Company's rich understanding of water beds / soft soils has translated into maritime construction leadership.

Attractive revenue visibility

ITD Cementation's ₹520,434 lakh order book at 2015-end was 1.8x its order book position at 2012-end, primarily driven by the maritime structures vertical. This order book growth was the result of selective bidding, consortium-driven approach and robust cost management.

Diversified business model

ITD Cementation has progressively engaged in varied civil engineering projects (maritime structures, urban infrastructure/MRTS, hydro/dams/tunnels/irrigation, industrial structures, flyovers/bridges/highways as well as specialist and foundation engineering projects). This multi-vertical competence has progressively de-risked the company from a probable

decline in any one business segment while enhancing its ability to capitalise on wider opportunities.

Partnership-led growth

ITD Cementation has strengthened its credentials to qualify, bag and implement large projects through consortium-led and partnership-driven engagements. This approach has reinforced pre-qualification credentials (financial and operational) and moderated upfront equity investments, enhancing organizational sustainability.

Proprietary R&D

ITD Cementation's process competence has been driven by its proprietary Research & Development team. This team possesses attractive credentials: recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The ongoing research focuses on process optimization, high uptime and improved efficiency, reinforcing project viability.

Safety management systems

ITD Cementation prioritises an injury-free workplace, secured through process discipline. The Company was OHSAS 18001:2007-certified by DNV GL- Business Assurance; its occupational health and safety performance is periodically appraised. The management continuously trains on-site workers in comprehensive safety measures.

Key performance indicators

CONSOLIDATED FINANCIALS					(₹ crore)
Particulars	**2015**	**2014**	**2013**	**2012**	**2011**
Order book	5,204.3	4,763.0	3,821.0	2,891.1	2,907.0
Net revenue	3,070.9	1,718.9	1,584.1	1,650.9	1,712.2
PBT (before exceptional item)	39.4	(68.6)	23.9	31.1	28.2
PBT (after exceptional item)	(84.6)	26.9	23.9	31.1	28.2
EBITDA	89.8*	205.1*	196.5	201.2	176.2
EBITDA margin (%)	2.9	11.9	12.4	12.2	10.3
Net profit	(59.3)	19.4	9.3	22.0	22.6
Net profit margin (%)	(1.9)	1.1	0.6	1.3	1.3
Net worth	508.2	567.8	408.4	400.5	381.2
Total debt	600.7	765.3	769.5	783.4	651.7
Debt equity ratio	1.2	1.4	1.9	2.0	1.7
Book value per share (face value of ₹1 each)	32.8	36.6	35.5	34.8	33.1
Earnings per share (₹)	(3.8)	1.5	0.8	1.9	2.0
Return on capital employed (%)	4.8	12.2	12.9	12.7	13.0
Return on equity (%)	(11.7)	3.4	2.3	5.5	5.9

STANDALONE FINANCIALS					(₹ crore)
Particulars	**2015**	**2014**	**2013**	**2012**	**2011**
Order book	4,387.5	3,638.0	2,534.8	2,150.7	2,216.7
Net revenue	2,743.5	1,369.4	1,260.2	1,305.9	1,302.9
PBT (before exceptional item)	35.2	(67.6)	9.3	26.7	22.0
PBT (after exceptional item)	(88.8)	27.9	9.3	26.7	22.0
EBITDA	51.2*	177.3*	158.4	169.9	149.0
EBITDA margin (%)	1.9	13.0	12.6	13.0	11.4
Net profit	(59.3)	19.4	9.3	22.0	22.6
Net profit margin (%)	(2.2)	1.4	0.7	1.7	1.7
Net worth	508.2	567.8	408.4	400.5	381.2
Total debt	488.4	670.8	695.0	687.0	633.4
Debt equity ratio	0.9	1.2	1.7	1.7	1.7
Book value per share (face value of ₹1 each)	32.8	36.6	35.5	34.8	33.1
Earnings per share (₹)	(3.8)	1.5	0.8	1.9	2.0
Return on capital employed (%)	2.6	11.9	11.3	12.3	11.3
Return on equity (%)	(11.7)	3.4	2.3	5.5	5.9
Dividend per share (₹)	-	-	1.0	2.0	2.0

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

Business vertical review 1

Maritime structures

- Market status: **Leader in the segment**
- Status within the Company: **Largest**
- Ongoing projects as at 31 December 2015: **11**
- Completed projects in 2015: **3**
- Projects bagged in 2015: **5**
- Revenue, 2015: ₹**1,47,400 lakh**
- Revenue growth, 2015: **178%**
- Divisional contribution to consolidated revenues, 2015: **48%**
- Order book, 31 December 2015: ₹**2,77,268 lakh**

Overview

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

Our involvement

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

Strengths

- A multi-decade engagement in the Indian maritime construction sector
- Robust process-led execution competence enduring timely project completion
- Robust resource retention, ensuring rich skills and experience
- Rich terrain experience in working across India's 7500-km+ coastline
- Captive ownership of plant and machinery coupled with high utilization, optimizing working capital management
- Stable 30%-70% customer mix (private-public sector) marked by repeat orders leading to enduring client relationships

Financial snapshot (₹ in lakh)

	2012	2013	2014	2015
Order book status (as on 31 December)	52,126	1,07,318	1,36,391	2,77,268
Turnover	44,334	44,181	53,020	1,47,400

Key projects bagged in 2015

- Dredging and reclamation works for the development of the fourth container terminal at Jawaharlal Nehru Port (Phase-1)for Bharat Mumbai Container Terminals - ₹2,16,811 lakh
- Development of the West Quay North berth in the inner Visakhapatnam Port harbour for Visakhapatnam Port Trust - ₹24,323 lakh
- EPC contract for the container terminal 5 at Mundra Port for Adani Port and SEZ - ₹13,271 lakh

Key projects completed in 2015

- Construction of North Cargo Berth II at VOC Port, Tuticorin, Tamil Nadu
- Design and Construction of Wharf Structure at NhavaSheva Gateway Terminal at JNPT, Navi Mumbai

Outlook, 2016

- Diversify from jetty and berth construction into dredging and land reclamation, which are sectors marked by high margins and lower competition
- Focus on shiplift / ship repair projects, turnkey maritime jobs involving civil and mechanical cargo handling systems as well as large dredging, land reclamation and breakwater projects, supported by prominent global alliance partners
- Target specialized construction projects (including river bridges)
- Enhance process automation and moderate people costs
- Enter into partnerships with international majors for large maritime construction projects

Business vertical review 2

Urban infrastructure/ MRTS

- Ongoing projects, 31 December 2015: **10**
- Number of projects completed in 2015: **Nil**
- Projects bagged in 2015: **1**
- Revenue, 2015: ₹ **38,641 lakh**
- Revenue growth, 2015: **12%**
- Contribution to the total revenue in 2015: **13%**
- Order book, as on 31 December 2015: ₹ **58,047 lakh**

Overview

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

Our involvement

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

Strengths

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

Financial snapshot

(₹ in lakh)

	2012	2013	2014	2015
Order book status (as on 31 December)	76,133	84,231	91,200	58,047
Turnover	35,290	34,862	34,488	38,641

Key project bagged in 2015

- Construction of intake channel, pump house, approach bridge and allied works for Bhama Askhed Water Supply Scheme of Pune Municipal Corporation, the project worth ₹ 4,468 lakh

Outlook, 2016

- Pursuing MRTS opportunities in Mumbai, Lucknow, Ahmedabad and Nagpur
- Focusing on opportunities in airport development and expansion projects

Business vertical review 3

Hydro/dams/ tunnels/ irrigation projects

- Number of ongoing projects as at 31 December 2015: **8**
- Number of projects completed in 2015: **Nil**
- Number of projects bagged in 2015: **1**
- Revenue, 2015: ₹**16,776 lakh**
- Revenue growth, 2015: **76%**
- Contribution to the consolidated revenue, 2015: **5%**
- Order book, 31 December 2015: ₹**89,682 lakh**

Overview

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

Our involvement

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

Strengths

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

Financial snapshot (₹ in lakh)

	2012	2013	2014	2015
Order book status (as on 31 December)	84,302	74,687	90,026	89,682
Turnover	7,977	12,538	9,549	16,776

Key project bagged in 2015

- Micro tunneling work for Vadodara Mahanagar Seva Sadan, Gujarat - ₹12,105 lakh

Outlook, 2016

- Pursuing opportunities in micro-tunneling
- Pursuing several opportunities in dams and hydro power in Odisha, North-East and Jammu & Kashmir.

Business vertical review 4

Industrial structures and buildings

- Number of ongoing projects as at 31 December 2015: **5**
- Number of projects completed in 2015: **3**
- Number of projects bagged in 2015: **Nil**
- Revenue, 2015: ₹**25,375 lakh**
- Revenue growth, 2015: **202%**
- Contribution to the total consolidated revenue in 2015 **: 8%**
- Order book, as on 31 December 2015: ₹**32,986 lakh**

Overview

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

Our involvement

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

Strengths

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

Financial snapshot (₹ in lakh)

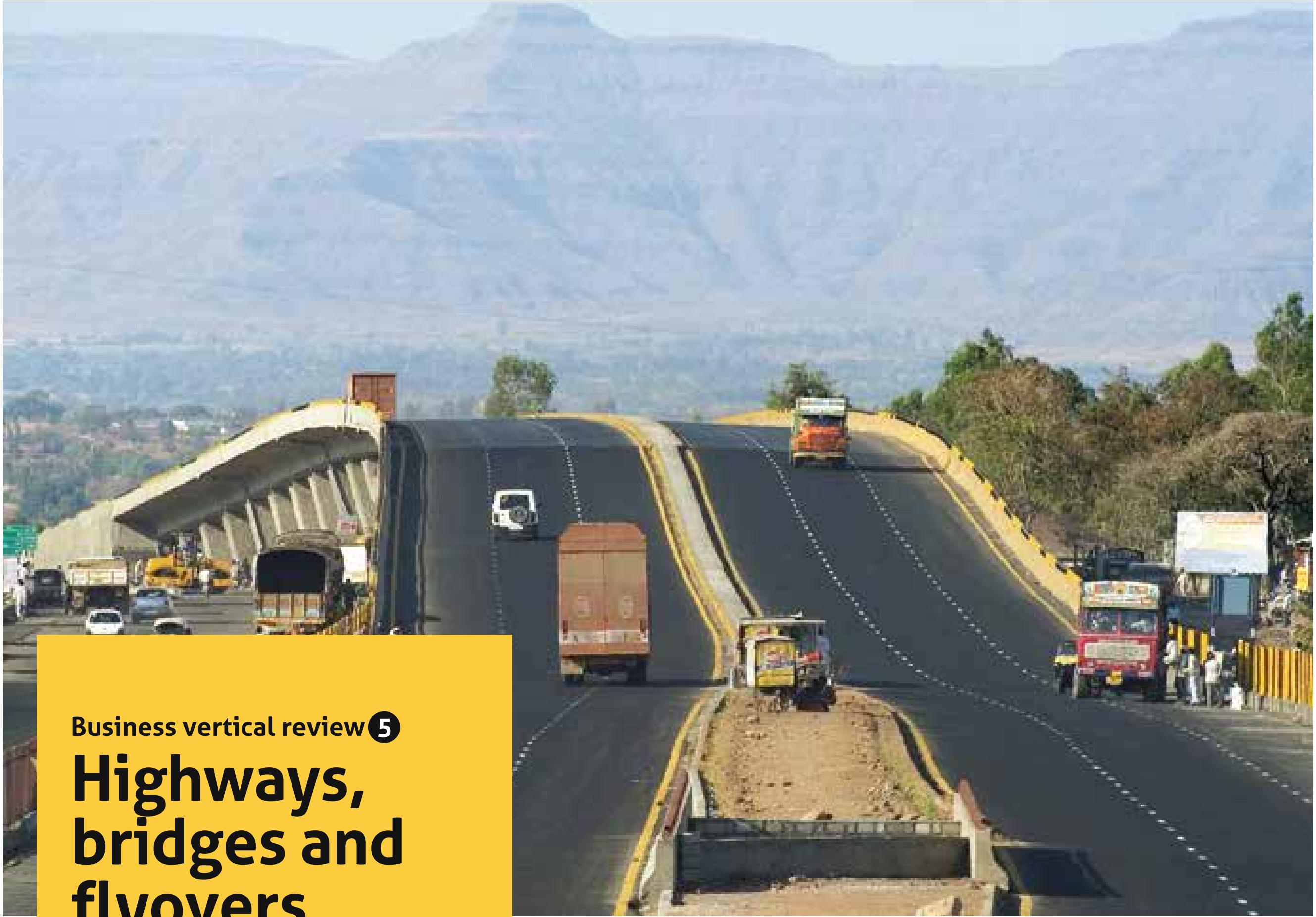
	2012	2013	2014	2015
Order book status (as on 31 December)	10,815	12,681	56,813	32,986
Turnover	9,094	12,860	8,389	25,375

Key project completed in 2015

- Haj Tower building in Kolkata

Outlook, 2016

- Pursuing various opportunities in the space of civil works for power plants, refineries, educational institutions and metro stations.



Business vertical review 5

Highways, bridges and flyovers

- Number of ongoing projects as at 31 December 2015: **5**
- Number of projects completed in 2015: **Nil**
- Number of projects bagged in 2015: **Nil**
- Revenue, 2015: ₹**46,650 lakh**
- Revenue growth, 2015: **42%**
- Contribution to the total consolidated revenue in 2015: **15%**
- Order book, as on 31 December 2015: ₹**49,337 lakh**

Overview

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

Strengths

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

Financial snapshot

(₹ in lakh)

	2012	2013	2014	2015
Order book status (as on 31 December)	35,222	69,188	73,617	49,337
Turnover	15,140	21,277	32,964	46,650

Outlook, 2016

- Targeting several bridges/flyover projects with long spans warranting specialised construction methods
- Appraising opportunities in hybrid-annuity model highway projects

Business vertical review 6

Specialist engineering

- Number of ongoing projects as at 31 December 2015: **15**
- Number of projects completed in 2015: **18**
- Number of projects bagged in 2015: **17**
- Revenue, 2015: ₹**32,028 lakh**
- Revenue growth, 2015: **(2%)**
- Contribution to the total revenue in 2015: **10%**
- Order book, as on 31 December 2015: ₹**13,115 lakh**

Overview

The Company was founded around a distinctive ground engineering expertise. Eight decades later, the company has sustained its niche leadership, offering modern comprehensive construction techniques in the construction of piles and diaphragm walls, ground improvement, drilling, grouting works, rock anchors, slope stabilization and rehabilitation.

Besides, the Company developed technologies related to pipe jacking and box jacking, eliminating problems that could otherwise occur when new roads and rail lines are constructed in busy cities and towns. The prudent use of this unique technology ensures normal traffic flow concurrent with construction activity. This technology incentivizes urban infrastructure renewal, enhancing public life quality.

Our involvement

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

Tube Heading & Box Pushing

Strengths

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

Financial snapshot

(₹ in lakh)

	2012	2013	2014	2015
Order book status (as on 31 December)	30,516	34,014	28,251	13,115
Turnover	51,546	32,119	32,832	32,028

Key projects bagged in 2015

- Piling of 15000 piles through the use of rotary rigs for 5-10 MTPA expansion project at JSW Steel (Dolvi) for ₹5,157.84 lakh.
- Installation of bored cast in-situ piles and driving precast spun piles for the Balance of Plant of cryogenic ethane storage tank at Dahej for ₹2,286.00 lakh.
- Piling for the polypropylene plant of Indian Oil Corporation (Paradip) for ₹3,965.00 lakh.

Key project completed in 2015

- Construction of various piling and civil works in a number of states.

Outlook, 2016

- Pursuing large infrastructure opportunities and World Bank-financed dam rehabilitation projects.
- Leveraging our competence in specialised projects.

Awards and recognitions

Board of Directors

Mr. Premchai Karnasuta

Chairman

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

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

Mr. Pathai Chakornbundit

Vice Chairman

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

Mr. Adun Saraban

Managing Director

Mr. Adun Saraban is a Director of the Company since 2009 and the Managing Director of the Company from 2010.

He holds a rich experience of more than three decades in Civil Engineering and Construction Project Management and also brings in vast exposure to global best modern construction methodologies. He holds a Bachelor's Degree in Civil Engineering from the King Mongkut's University of Technology, Thonburi, Thailand.

Mr. Darius Erach Udwadia

Independent Director

Mr. Darius Udwadia is the senior most Director of the Company, having been on the Board since 1983. He is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. He was a partner of Crawford Bayley & Co., Solicitors & Advocates, Mumbai for 21 years. He was a founder partner of M/s. Udwadia & Udeshi, Solicitors and Advocates, Mumbai, from July 1997. In 2012, the firm was enlarged and reconstituted as Udwadia Udeshi & Argus Partners where he was a Senior Partner. Mr. Udwadia set up a new firm "Udwadia & Co" in 2015 of which he is the Sole Proprietor. Mr. Udwadia has spent 51 years in active law practice and has significant experience and expertise in corporate law, joint ventures, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, project and infrastructure finance, intellectual property, telecommunications, international loans and finance - related transactions and instruments, mutual funds, real estate and conveyancing. His attendance at the Board and Audit Committee meetings of the Company has been 100%. He participates actively in the proceedings of the Board and Audit Committee meetings as an Independent Director. He holds an Hons. Degree in M.A. and LL.B from the University of Bombay.

Mr. Per Ebbe Hofvander

Independent Director

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

Mr. Deba Prasad Roy

Independent Director

Mr. D.P. Roy is a Director of the Company since 2007. He was the Ex-Chairman of SBI Capital Markets Limited and has rich and wide experience in Corporate, International and Investment Banking Sectors of over40 years. He held various senior executive and managerial posts in State Bank of India like Deputy Managing Director and Group Executive (International Banking), President and CEO New York and Country Manager USA, Deputy Managing Director and Group Executive (Associates and Subsidiaries), Manager in SBI London, etc. He is also a certified Associate of the Indian Institute of Bankers and Fellow of Indian Council of Arbitration and he is actively engaged in Arbitration in NSE, MCX and ICA and is also on the advisory committee of Central Bank of India. He attended all the Board and Audit Committee meetings of the Company except one. He participates actively in the proceedings of the Board and Audit Committee meetings as an Independent Director.He holds a Degree in M.Sc Chemistry from Jadavpur University, Calcutta.

Mrs. Ramola Mahajani

Independent Director

Mrs. Ramola Mahajani is a Director of the Company since 2014. She has considerable knowledge and experience in Human Resources Development and Management of over40 years. Her areas of expertise include application of the principles of occupational psychology in employee selection, training, management development and HR planning, excellent project management and leadership skills, ability to work in team environments and extensive experience interacting with internal as well as external customers. She attended all the Board meetings of the Company except one. She participates actively in the proceedings of the Board meetings as an Independent Director. She holds a Degree in M.Sc., M.A., Chartered Psychologist and Associate Fellowship of the British Psychological Society.

Mr. Piyachai Karnasuta

Mr. Piyachai Karnasuta is an Additional Director of the Company appointed in August 2015. He has experience and knowledge in Civil Engineering and Construction of over 13 years. He is an Executive Vice President of Italian-Thai Development Public Company Limited, Thailand, the promoter of the Company. He holds a Bachelor's Degree in Civil Engineering from Waseda University.

Management team

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

Mr. K. Rajan
Executive Vice President & CCO

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 & COO

Mr. Manas Ranjan Bhattacharya
Vice President

Mr. Bellary Ramachar Vijaykumar
Vice President – Corporate Affairs

BOARD'S REPORT

The Directors present herewith their Report and the Audited Financial Statements for the year ended 31st December, 2015.

FINANCIAL RESULTS

(₹ in Lakh)

	Year 2015	Year 2014
Total Income	276,037.00	137,671.70
Gross Profit / (Loss) before depreciation and provision for doubtful debts	7,374.64	(3,141.83)
Less: Depreciation on fixed assets	2,485.29	2,942.69
Profit / (Loss) before provision for doubtful debts	4,889.35	(6,084.52)
Less: Provision for doubtful debts	1,367.65	673.69
Profit/ (Loss) before Taxation and exceptional item	3,521.70	(6,758.21)
Add/ (Less): Exceptional Item (including share of loss in Joint Venture ₹907.09 lakh; previous year ₹ Nil)	(12,397.19)	9,553.25
Profit/ (Loss) before Taxation after exceptional item	(8,875.49)	2,795.04
Less: Provision for Taxation/(deferred Tax Credit)	(2,944.76)	853.66
Profit/ (Loss) after Taxation	(5,930.73)	1,941.38
Add : Surplus of previous year brought forward	8,997.65	7,056.27
Amount available for appropriation	3,066.92	8,997.65
Directors' recommendation for appropriation:		
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Adjustment on account of additional depreciation	29.61	-
Balance carried to Balance Sheet	3,037.31	8,997.65

DIVIDEND

The Board of Directors do not recommend any dividend for the year 31st December, 2015 in view of the loss incurred by the Company during the year.

TRANSFER TO RESERVE

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

REVIEW OF OPERATIONS

Revenue from standalone operations for the year at ₹273,609 Lakh has increased by ₹138,368 Lakh, from ₹135,241 Lakh in the year 2014, an increase of about 102% over the previous year. Consolidated revenue for the year at ₹306,870 Lakh has increased by ₹135,628 Lakh, from ₹171,242 Lakh in the year 2014, an increase of about 79% over the previous year.

During the year under report, the Company and National Highways Authority of India (NHAI) agreed on a one time final settlement (OTS) of all awards received, claims under consideration at various forums, pending disputes and amounts outstanding in the Company's and Joint Venture's (comprising of the Company and Italian-Thai Development

Public Company Limited) books of account under trade receivables and unbilled work-in-progress in respect of all the contracts executed by the Company and the Joint Venture. This settlement with NHAI has resulted in a loss of ₹12,397 Lakh, which has been written off as an exceptional item in the profit and loss account by the Company and the Joint Venture. (2014 – Nil).

The Company incurred a loss before tax but after exceptional item of ₹8,875 Lakh compared to a profit before tax of ₹2,795 Lakh (after write back of depreciation) for the year 2014.

The Consolidated loss before tax but after exceptional item was ₹8,459 Lakh compared to profit before tax of ₹2,689 Lakh (after write back of depreciation) for the year 2014.

On a review of the position of outstanding debts, there are no write off of bad debts during the year (2014- Nil) except as stated above.

Total value of new contracts secured during the year aggregated ₹296,875 Lakh (2014 – ₹254,061 Lakh). Major contracts include-

- Dredging and reclamation works for development of 4th container terminal in Jawaharlal Nehru Port (JNP)-Phase-1, Navi Mumbai.
- Engineering, Procurement & Construction (EPC) Contract For Container Terminal 5 at Mundra, Gujarat.
- Development of West Quay North (WQ 7 & WQ 8) Berth In Inner Harbour of Visakhapatnam Port (Left Over Works) for Visakhapatnam Port Trust.
- Providing and laying 1400mm dia / 1800mm dia. RCC NP4 class drainage gravity line on BPC Road , by micro-tunneling method for Vadodara Mahanagar Seva Sadan.
- Designing, Providing, Constructing, Erecting, Testing & Commissioning of Intake Channel, Jackwell & Pump House, Approach Bridge, Break Pressure Tank, Raw Water Pumping Machinery With Transformer Substation & Power Connection to Head Works for Bhama Askhed Water Supply Scheme for Pune Municipal Corporation.

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

- Total Civil Construction job for ION Exchange (India) Ltd. for India Bulls Project at Nasik, Maharashtra.
- Construction of North Cargo Berth II at VOC Port, Tuticorin, Tamil Nadu.
- Design and Construction of Wharf Structure at Nhava Sheva Gateway Terminal at JNP, Navi Mumbai.
- Various Piling and Civil Works in Gujarat, Maharashtra, Andhra Pradesh, Orissa, West Bengal, Madhya Pradesh, Haryana, Tamil Nadu, etc.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURES

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

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

(₹ in Lakh)

Name	Total income	Profit/ (Loss) for the year	% share	Share of profit/ (loss)
Subsidiary:				
• ITD Cementation Projects India Limited	0.27	(0.03)	100%	(0.03)
Joint Ventures:				
• ITD Cemindia JV	1,151.90	(1,110.63)	80%	(888.50)
• ITD-ITD Cem JV	64,935.35	588.35	49%	288.29
• ITD- ITD Cem JV (Consortium of ITD - ITD Cementation)	1,321.28	(52.60)	40%	(21.04)
• ITD Cem-Maytas Consortium	553.87	18.35	95%	17.43

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The 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. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith and marked Annexure 2.

STATUTORY AUDITORS

M/s Walker Chandiok & Co LLP, Chartered Accountants, Mumbai (Firm Regn. No. 001076N/ N500013) were appointed as the Statutory Auditors of the Company at the last Annual General Meeting held on 13th May, 2015 to hold office for a term of two years, i.e. till the conclusion of the 39th Annual General Meeting, subject to ratification of their appointment at the next following Annual General Meeting. As required under the provisions of Section 139(1) of the Act, the Company has received written consent from Walker Chandiok & Co LLP, Chartered Accountants, Mumbai, informing that their appointment, if made, would be in accordance with the provisions of the Act, read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they satisfy the criteria provided in Section 141 of the Act.

AUDITORS' REPORT

With regard to paragraph 8 of the Auditors' Report your Directors state that:

Trade receivables and Unbilled Work-in-progress as at 31st December, 2015 include amounts aggregating ₹3,033 Lakh and ₹479 Lakh respectively, which have been outstanding for a substantial period of time. The Company has been actively negotiating for recovery and also pursuing legal action of the balance receivables. In view thereof, the management is reasonably confident of their recovery.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Key Managerial Personnel (KMP)

In accordance with the provisions of Section 203 of the Act, the following persons have been designated as KMP of the Company:

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

None of the KMP has resigned during the year.

b) Directors

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

At a meeting of the Board of Directors held on 5th August, 2015, Mr. Piyachai Karnasuta was appointed as an Additional Director of the Company with effect from 5th August, 2015, liable to retire by rotation.

Mr. Piyachai Karnasuta holds office as Additional Director upto the date of this Annual General Meeting and, is eligible for appointment.

The Board of Directors at its meeting held on 5th November, 2015 has re-appointed Mr Adun Saraban as the Managing Director of the Company for a period of 3 years w.e.f. 1st January, 2016, subject to approval of the Members of the Company. The terms and conditions of his re-appointment and remuneration have been provided in the Notice convening the 38th Annual General Meeting.

c) Declarations by Independent Directors

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

d) Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), Section149(8) and Schedule IV of the Act, Clause 49 of the Listing Agreement and corresponding Listing Regulations, 2015, Annual Performance Evaluation of the Board, the

Directors as well as Committees of the Board has been carried out.

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

During the year the Independent Directors of the Company met on 5th November, 2015.

e) Number of Meetings of Board of Directors

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

REMUNERATION OF DIRECTORS AND KMPs

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

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

Directors	**Ratio to median remuneration**
Non-Executive Directors	
Mr. Premchai Karnasuta	-
Mr. Pathai Chakornbundit	-
Mr. D.E. Udwadia	-
Mr. Per Ebbe Hofvander	-
Mr. D.P. Roy	-
Mrs. Ramola Mahajani	-
Mr. Piyachai Karnasuta (w.e.f. 5th August, 2015)	-
Executive Director	
Mr. Adun Saraban	14.55

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

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	**Ratio to median remuneration**
Mr. Premchai Karnasuta	-
Mr. Pathai Chakornbundit	-
Mr. D.E. Udwadia	-
Mr. Per Ebbe Hofvander	-
Mr. D.P. Roy	-
Mrs. Ramola Mahajani	-
Mr. Piyachai Karnasuta (w.e.f. 5th August, 2015)	-
Mr. Adun Saraban , Managing Director	15%
Mr. S. Ramnath, Chief Financial Officer	11%
Mr. R.C. Daga, Company Secretary	8.29%

(c) The percentage increase in the median remuneration of employees in the financial year: 9.50%

(d) The number of permanent employees on the rolls of the Company: 1798

(e) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 9.80%. The individual increments varied from 6.66% to 16.27%, based on individual performance.

The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

(₹ in Lakh)

Aggregate remuneration of KMPs in FY15	191.52
Revenue	273,609
Remuneration of KMPs (as % of revenue)	0.07
Loss before Tax (LBT)	8,875
Remuneration of KMP (as % of PBT)	-

(g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

(₹ in Lakh)

Particulars	**31st December, 2015**	**31st December, 2014**
Market Capitalization	170,363	76,501
Price Earnings Ratio (per share)	-	32.65

The Initial Public offer was made by the Company in the year 1979 and the issue was for 3,02,000 Ordinary Shares of ₹10 each, at par. The shares of the Company were first listed on BSE Limited in the year 1980. The closing share price of the Company at BSE Limited on 31st December, 2015 was ₹109.80 per equity share of face value of ₹1 each indicating a Compounded Annual Growth Rate of 17.68%. This is after giving effect to the subdivision of face value of shares from ₹10 to ₹1 and benefit on account of shares issued by way of Bonus but excluding the dividend accrued.

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

Sr. No	Other Employees	Managerial	Remarks
1	9.80%	11.43%	Nil

(i) Comparison of remuneration of each of the key managerial personnel against the performance of the Company:

(₹ in Lakh)

Name	Adun Saraban	S. Ramnath	R.C. Daga
Remuneration in FY15	94.56	52.27	44.69
Revenue	273,609		
Remuneration as % of revenue	0.03	0.02	0.02
Loss before Tax (LBT)	8,875		
Remuneration (as % of LBT)	-	-	-

(j) The key parameters for any variable component of remuneration availed by the directors:

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended 31st December, 2015, the applicable accounting standards have been followed and there have been no material departures;
- they have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on an on- going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDIT COMMITTEE

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

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

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has formulated and published a Whistle Blowing and Prevention of Sexual Harassment Policy to deal with instances of harassment, victimization and discrimination, if any. This Policy has adequate safeguards against victimization of the whistle blower and ensures protection of the whistle blower's identity.

INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the transaction with related parties falls within the scope of Section 188(1) of the Act.

Pursuant to Clause 49 of the Listing Agreement and corresponding Regulation 23 of the Listing Regulations, 2015, all the related party transactions received the approval of the Audit Committee.

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

There were no material transactions with the related parties during the year. In view of this, disclosure in form AOC-2 is not required.

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

RISK MANAGEMENT

As required under Clause 49 of the Listing Agreement and corresponding Regulation 21 of the Listing Regulation, 2015, the Company has constituted a Risk Management Committee comprising Mr. Per Hofvander, Mr. Adun Saraban and Mr. B. K. Saha, Senior Executive Vice President of the Company. Mr. Per Hofvander is the Chairman of this Committee.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

In accordance with the CSR Policy, the Company had spent ₹19.74 Lakh on CSR activities for the year 2015 on 3 Projects.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are in Annexure 3 and forms part of this Report.

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

SECRETARIAL AUDIT REPORT

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

EXTRACT OF THE ANNUAL RETURN

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

DEPOSITS

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

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement and corresponding Listing Regulations, 2015, the Management Discussion and Analysis is attached hereto and marked Annexure 8 and forms part of this Report

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement and corresponding Listing Regulation, 2015, the Report on Corporate Governance alongwith a certificate of compliance from the Auditors are attached hereto and marked Annexure 9 and form part of this Report.

SUB DIVISION OF SHARES

With effect from 24th August, 2015 every equity share in the Company of face value of ₹10/- each was sub divided into ten equity shares of having a face value of ₹1/- each.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

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

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

REPORTING OF FRAUD

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

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

The Company has an established Integrated Management System comprising 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 DNV GL-Business Assurance (DNV GL- BA).

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

OUTLOOK

A number of factors are supporting the general feeling that an industrial recovery is not far ahead. Besides, the government's focus on 'Make in India' and improving the 'Ease of Doing Business', the signs of a revival in investment/consumption cycle coupled with a fall in inflation/interest rates are expected to drive the manufacturing sector growth. Moreover, various announcements made in the FY15 and FY16 budgets to address the structural issues plaguing the industrial and infrastructure sectors are gradually gaining traction on the ground.

The Wholesale Price Index (WPI) and Consumer Price Index (CPI)-based inflation to come in at 2.7% and 4.9%, respectively, in FY17, assuming a normal monsoon, a moderate hike in procurement prices, benign global commodity prices and some weakness in the rupee.

The recovery in the construction sector is expected to be gradual and would be linked with on-ground impact of the policy measures as well as availability of funding. With high leverage, ability to raise funds via stake sale in subsidiaries, monetization of assets, or dilution of equity will be key in improving liquidity and capital structure of construction companies that have been aggressive in the BOT space in the past.

The reversal in the interest rate cycle and lowering of interest rates will help ease the debt servicing burden. However, this alone will not be sufficient for improving credit metrics. Any significant improvement in liquidity profile and credit metrics of construction companies will take time and will be contingent on improvement in working capital cycle (by way of faster execution and release of stuck receivables/ retention money), improvement in pace of execution and ability to raise long term funds by way of stake sale or equity placements.

The Company has maintained its focus on project selection for bidding after due evaluation of risks, profitability and project cash flow and has been able to build a strong and diverse order book worth ₹520,434 lakh as on 31st December, 2015. The Company is also in the L1 status on a couple of large contracts amounting to over ₹240,000 lakh, which are likely to be converted into firm contracts. The Company is confident of improving its performance in the coming year, although executional challenges will continue to exert pressure on profit margins for the next couple of quarters.

PARENT COMPANY

Italian-Thai Development Public Company Limited (ITD) 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. ITD achieved an annual consolidated revenue for the year 2014 of approximately Baht 49,160 million (about ₹9,438 crore) which puts it in the lead position amongst contractors in Thailand. In 2014, ITD had a skilled work force of over 28,200 employees, including around 1,660 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 eleven major categories namely: buildings; expressways, highways, railways and bridges; airports; industrial plants; mining; pipelines and utility works; ports, jetties, river protection, dredging & reclamation and marine works; dams and hydroelectric power; mass rapid transit systems; steel fabrication; and telecommunications.

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 ie. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

FINANCIAL YEAR

Pursuant to Section 2(41) of the Act, the Company had submitted a petition to the Company Law Board for continuing its financial year January to December. Pursuant to the said petition, the Company Law Board, New Delhi granted permission to follow the financial year 1st January to 31st December.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Premchai Karnasuta
Chairman

24th February, 2016

ANNEXURE 1

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1	Name of the subsidiary	ITD Cementation Projects India Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Period of 12 months from 1st January, 2015 to 31st December, 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4	Share capital	5.00
5	Reserves & surplus	(0.38)
6	Total assets	4.76
7	Total Liabilities	4.76
8	Investments	NIL
9	Turnover	0.27
10	Profit before taxation	(0.03)
11	Provision for taxation	0.00
12	Profit after taxation	(0.03)
13	Proposed Dividend	NIL
14	% of shareholding	100%

Notes:

1. Names of subsidiaries which are yet to commence operations – None

2. Names of subsidiaries which have been liquidated or sold during the year – None

Part "B": Associates and Joint Ventures

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

(₹ in Lakh)

Name of associates/Joint Ventures		ITD-ITDCem JV(Consortium ITD-ITD Cementation)	ITDCem-Maytas Consortium	ITD-ITDCem JV	ITD Cemindia JV
1.	Latest audited Balance Sheet Date	31.12.2015	31.12.2015	31.12.2015	31.12.2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	NIL	NIL	NIL	NIL
	No.	NIL	NIL	NIL	NIL
	Amount of Investment in Associates/Joint Venture	1,012.36	388.63	5,123.92	77.51
	Extend of Holding%	40%	95%	49%	80%
3.	Description of how there is significant influence	Control	Control	Control	Control
4.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	2,086.35	69.46	15,735.37	610.22
6.	Profit/Loss for the year				
	i. Considered in Consolidation	(52.60)	18.35	588.35	(1,110.63)
	ii. Not Considered in Consolidation	NIL	NIL	NIL	NIL

1. Names of associates or joint ventures which are yet to commence operations – None

2. Names of associates or joint ventures which have been liquidated or sold during the year – None

Adun Saraban
Managing Director

Pathai Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R.C. Daga
Company Secretary

24th February, 2016

ANNEXURE 2

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

RESEARCH AND DEVELOPMENT

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The 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.

A) Conservation of Energy

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

1. **Monitoring of Pile driving with Hydraulic Hammer**

   Pile driving analysis by hammer requires assessment of actual energy applied on pile top, which is conventionally based on applying hammer efficiency factors to the empirical equations. A study was undertaken at a site using Energy meter which was connected to the hydraulic hammer to convey vital information of actual hammer energy when it strikes the precast pile. This device will eliminate empirical parameters, and result in factual analysis for pile driving, and result in optimal hammer drop with fuel saving.

2. **Real Time Monitoring of Diesel Generator Performance at Sites**

   Majority of fuel consumption at sites also emanate from running of Diesel Generators (DGs). Bearing this fact, a real time monitoring of DG sets is currently in progress using GEOHEMS software. This dedicated monitoring system is a part of all New CPCB II Compliance Generators and conveys information on useful diesel consumption, and targets wastage elimination. This monitoring is providing vital optimization information for DGs.

3. **Phasing out old Generator Sets**

   Old generators are being phase wise replaced with efficient generators in compliance with latest norms of Central Pollution Control Board (CPCB). Not only pollution control is stringent under CPCB II compliance, these generators also deliver higher fuel efficiency.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

1. **Phase wise Replacement of Energy Efficient Office Lighting System**

   At the Head Office, old fluorescent 36W tubes and bulbs are being replaced with LED tubes and bulbs. General working areas have been completely replaced with T8 22W LED tubes, while phase wise replacement in cabins and at Depot areas is currently in progress.

(iii) Capital investment on energy conservation equipments: Nil

B) Technology Absorption

(i) Efforts made towards Technology Absorption:

1. **Spun Pile Driving and Strength Gain Characterization**

   Spun piles have been introduced in India very recently, and over 1700 such piles had been driven by the Company at a site. These piles were 600mm diameter and driven in two segments, each of 12m length. To have assessment of strength gain in Spun piles, 50 piles were subjected to End of the Initial Driving (EOID) monitoring through Dynamic tests. This furnished pile capacity immediately after driving. Of these, about 14 piles were subjected to Re-strike test to determine capacity after a rest period of 14 and 21 days. With these tests, a Set-up factor was determined which confirmed that there is a strength gain in pile by at least 2.5 times after initial driving. The Set-up factor is to be a valuable tool for all future operations to determine long term pile capacity, since EOID tests are easier to conduct.

2. **Anchor Plates at JNPT Site**

   Ground improvement work is currently in progress at a site using Pre-fabricated Vertical Drains (PVDs). Conventional 2-piece spot welded MS anchor plates were initially used for anchoring PVDs, which comprised spot welded handle. This anchor used to rust and the handle broke frequently during field operations, thus inviting reworking through welding. This problem was alleviated by devising a slitted type anchor plate extruded from a single plate and prepared from tool die. With this measures, excess of 2 lakhs PVDs have been successfully installed without any problems. Apart from smooth operations, the price of this new product was less than 50.76% compared to its erstwhile counterpart.

3. **Stationery Slow Crane for Muck removal**

   An in-house stationery slow crane was fabricated and assembled using available winch and structural steel element for Muck Removal at Box Pushing Project with good success in saving cost and utilization of usable resources. This practice is being extended to other project as practicable.

4. **Innovative Corrosion Protection for Pre-stressed Cable Anchors**

   Permanent Steel cable anchors of 120MT capacity was desired for retaining structures at container terminal berth. Harsh saline environment made a mandatory requirement for reliable long term corrosion protection measure for the anchor cables which extended into the ground for a length of more than 59m. Anti-corrosive treatment comprised a coat of epoxy based adhesive over which graded sand was sprinkled. All the strands were separated by spacers and the whole assembly was housed within HDPE corrugated sheathing pipe. This new arrangement facilitated double grout protection to the strands, a unique measure, which ensured complete protection to strands. This measure has been applied to 132 cable anchors so far, and would be extended to all similar sites in the future.

5. **Cement Saving by using Primer Additives for Concrete Pumping Operation**

   A study is currently under progress for cost-effective replacement of cement based slurries during priming operations of Concrete pumps or Boom placer. Currently, proportions for preparing priming cement slurry is 300 Kg of cement + 700 Kg of Sand + 1100 lit of water. Studies are currently underway using anionic polymer additive as a cost-effective replacement of cement slurries from priming. Polymer slurries are known to create a thin lubricating film inside concrete pump, hoses and pipe lines and reduce friction while also preventing blockages. Outcome of this study is expected to save cement cost, particularly for projects where mass concrete volume is expected.

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

(a) Spun pile offer maximum benefits vis-a-vis material savings are concerned. Supply of such piles can be ensured from established vendors, and after determining Set-up factors, there can be reduction of Re-strike tests.

(b) Product development like slitted anchor plates can be deployed at sites involving PVDs for trouble free operations at more than half of the price of conventional plates.

(c) Corrosion resistant steel strands can impart a technological and competitive edge on all future Ground Rock anchoring works.

(d) Projects cost reduction is imminent by adopting in-house developments like the Stationary Slow Crane and with use of new material like polymer based priming agent.

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

(a) the details of technology imported: None

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

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

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

and

(iv) Expenditure incurred on Research and Development. Nil

C) Foreign Exchange Earning and Outgo

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

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

c. There were no earnings in foreign exchange from construction and related activities during the year under the report and the outgo on account of traveling, professional and consultancy fees, import of consumables, capital goods, tools and spare parts aggregated to ₹2,570 Lakh.

For and on behalf of the Board

Premchai Karnasuta
Chairman

24th February, 2016

ANNEXURE 3

Corporate Social Responsibility (CSR)

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

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

   CSR Policy aims at implementing its CSR activities in accordance with Section 135 of the Companies Act, 2013 and the notified Rules. The CSR Committee shall periodically review the implementation of the CSR Policy and the same has been uploaded on the Company's website.

2. The Composition of the CSR Committee:

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

3. Average net profit of the company for last three financial years (₹ In Lakh): (473.16)
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (₹ In Lakh) : (9.46)
5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year : ₹20.00 Lakh

   (b) Amount unspent, if any : ₹0.26 Lakh

   (c) Manner in which the amount spent during the financial year is detailed below.

(₹ in Lakh)

S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Construction of 6 Nos. Ladies Toilets	Sanitation	PROJECT -1 Karanja Project. Village Kasauli.	8.00	8.00 (Direct) Overheads-Nil	8.00	Directly
2	Construction of 4 Nos. Toilets & 1 No. Water Purification Plant for Women Empower Centre / Village Community	Providing Safe Drinking Water and Sanitation	PROJECT -2 Dhrub Village in Gandhidham District near Sea Water Intake Project at GLMRF, Mundra.	6.00	6.00 (Direct) Overheads-Nil	14.00	Directly
3	Construction of 4 Nos. Ladies Toilets	Sanitation	PROJECT -3 Karanja Para Project - 2.	6.00	5.74 (Direct) Overheads-Nil	19.74	Directly

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. – Yes

Adun Saraban
Managing Director

Per Hofvander
Chairman

24th February, 2016

ANNEXURE 4

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

1. The Nomination and Remuneration Committee is applicable to

• Directors (Executive and Non-Executive)

• Key Managerial Personnel

• Senior Management Personnel

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

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

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

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

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

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

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

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

3.1 Relating to the Company:

- The Committee to formulate and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- The Committee while formulating the above policy shall ensure that –

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

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

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

- Evaluate and approve the Company's remuneration plan, annual salary increase principles and budgets, policies and programs such as succession planning, employment agreements, severance agreements, and any other benefits.
- Review progress on the Company's leadership development programs, including for promotion to the board, employee engagement initiatives and employee surveys.
- Evaluate issues pertaining to the appointment of, and remuneration payable to, Senior Management Personnel.
- Evaluate terms and conditions relating to the Annual and Long Term Incentive Plans of the Company, including plan design, supervision and payouts.
- Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company.

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

- Establish key performance metrics to measure the performance of the Managing Director, Key

Management Personnel and Senior Management Personnel including the use of financial, non-financial and qualitative measures.

- Evaluate Senior Management Personnel team performance regularly to strengthen the cumulative annual assessment and to provide timely feedback to the assessed individuals.
- Review and recommend to the Board the remuneration and performance bonus or commission to the managing and Key Management Personnel.

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

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

4. Other Functions:

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

5. Nomination Duties:

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

6. Remuneration Duties:

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

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

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

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

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

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

ANNEXURE 6

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2015

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

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

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

Based on our verification of the ITD Cementation India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st December, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by ITD Cementation India Limited for the financial year ended on 31st December, 2015 according to the provisions of:

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

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

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

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

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

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

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

(vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say

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

- The Factories Act, 1948 and Rules made thereunder.

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

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01st December, 2015.

During the period under review and as per the explanations and clarifications given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

For **Parikh & Associates**
Company Secretaries

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

Place: Mumbai
Date : 24th February, 2016

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

'Annexure A'

To,
The Members
ITD Cementation India Limited

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

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

For **Parikh & Associates**
Company Secretaries

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

Place: Mumbai
Date : 24th February, 2016

ANNEXURE 7

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.12.2015

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

I REGISTRATION & OTHER DETAILS

i	CIN	L61000MH1978PLC020435
ii	Registration Date	24th June, 1978
iii	Name of the Company	ITD Cementation India Limited
iv	Category/Sub-category of the Company	Public Company limited by Shares
v	Address of the Registered Office & contact details	National Plastic Building, A- Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai – 400 057 Tel: +91 22 66931600/67680600 Fax: +91 22 66931628/67680841 Emails: rc.daga@itdcem.co.in investors.relation@itdcem.co.in Website: www.itdcem.co.in
vi	Whether listed Company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Tel: +91 40 67162222 Fax:+91 40 23420814 Emails: einward.ris@karvy.com raju.sv@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st January, 2015) (Face Value ₹10/- each)				No. of Shares held at the end of the year (As on 31st December, 2015) (On sub-division of shares from ₹10/- each to ₹1/- each)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (1)	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	8011318	0	8011318	51.63	80113180	0	80113180	51.63	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	8011318	0	8011318	51.63	80113180	0	80113180	51.63	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**8011318**	**0**	**8011318**	**51.63**	**80113180**	**0**	**80113180**	**51.63**	**0**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	3573454	100	3573554	23.03	37499511	1000	37500511	24.17	1.14
b) Banks/FI	200	130	330	0	50244	1300	51544	0.03	0.03
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	534387	0	534387	3.44	5832033	0	5832033	3.76	0.32
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
a) Foreign Bank	0	50	50	0	0	500	500	0	0
SUB TOTAL (B)(1)	4108041	280	4108321	26.47	43381788	2800	43384588	27.96	1.49
(2) Non Institutions									
a) Bodies Corp.	696404	3373	699777	4.51	5068014	32730	5100744	3.29	-1.22
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1669686	161081	1830767	11.8	16960678	1506370	18467048	11.9	0.10
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	801327	0	801327	5.17	7127910	0	7127910	4.59	-0.58
c) Others (specify)									

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st January, 2015) (Face Value ₹10/- each)				No. of Shares held at the end of the year (As on 31st December, 2015) (On sub-division of shares from ₹10/- each to ₹1/- each)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i) NRI	54972	550	55522	0.36	643535	5500	649035	0.42	0.06
(ii) Clearing Member	8758	0	8758	0.06	292955	0	292955	0.19	0.13
(iii) Trust					10000	0	10000	0.01	0.01
(iv) NBFC registered with RBI					12440	0	12440	0.01	0.01
SUB TOTAL (B)(2)	3231147	165004	3396151	21.9	30115532	1544600	31660132	20.41	-1.49
Total Public Shareholding (B)= (B)(1)+(B)(2)	7339188	165284	7504472	48.37	73497320	1547400	75044720	48.37	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**15350506**	**165284**	**15515790**	**100**	**153610500**	**1547400**	**155157900**	**100**	

(ii) Share Holding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01/01/2015)			Shareholding at the end of the year (As on 31/12/2015)			% change in share holding during the year
		No. of Shares (Face Value of ₹10/- each)	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares (Face Value of ₹1/- each)	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Italian Thai Development Public Company Limited	8011318	51.63%	-	80113180	51.63%	-	NIL
	Total	8011318	51.63%	-	80113180	51.63%	-	NIL

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

Sl No.		Shareholding at the beginning of the year (As on 01/01/2015)		Cumulative Shareholding during the year	
		No of shares (Face Value of ₹10/- each)	% of total shares of the Company	No of shares (Face Value of ₹1/- each)	% of total shares of the Company
1	At the beginning of the year	8011318	51.63		
2	Date wise increase / decrease in Promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) - Sub division*			80113180	51.63
3	At the end of the year (As on 31/12/2015)			80113180	51.63

* There is no change in Promoter's shareholding during the year except due to sub-division of equity shares from ₹10/- each to ₹1/- each w.e.f. 24/08/2015 resulting in increase in number of shares as given above.

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

Sl No.	Top 10 Shareholders	Shareholding at the beginning of the year (As on 01/01/2015)		Cumulative Shareholding at the end of the year (As on 31/12/2015)*	
		No. of shares (Face Value of ₹10/- each)	% of total shares of the Company	No. of shares (Face Value of ₹1/- each)	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED - HDFC INFRASTRUCTURE FUND	800361	5.16	8097610	5.21
2	HDFC TRUSTEE COMPANY LIMITED A/C HDFC GROWTH FUND	228000	1.47	1749000	1.13
3	ICICI PRUDENTIAL INFRASTRUCTURE FUND	324182	2.09	3400000	2.19
4	PARAM CAPITAL RESEARCH PRIVATE LIMITED	200000	1.29	2000000	1.29
5	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LIMITED	370879	2.39	4100000	2.64
6	HITESH RAMJI JAVERI	415000	2.67	4150000	2.67
7	UTI-MNC FUND	275400	1.78	3804782	2.45
8	UTI LEADERSHIP EQUITY FUND	220500	1.42	0	-
9	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	235000	1.51	1980700	1.27
10	SBI INFRASTRUCTURE FUND	543344	3.50	3028560	1.95

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

(v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name of Director / Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year (As on 01/01/2015)		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Premchai Karnasuta	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
2	Mr. Pathai Chakornbundit	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
3	Mr. D.E. Udwadia	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
4	Mr. Per Hofvander	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
5	Mr. D.P. Roy	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
6	Mrs. Ramola Mahajani	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0

Sl No.	Name of Director / Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year (As on 01/01/2015)		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Mr. Piyachai Karnasuta	05/08/2015	Appointed w.e.f. 05/08/2015	0	0	0	0
		31/12/2015	At the end of the year			0	0
8	Mr. Adun Saraban	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
9	Mr. S. Ramnath	01/01/2015	At the beginning of the year	0	0	0	0
		31/12/2015	At the end of the year			0	0
10	Mr. R.C. Daga	01/01/2015	At the beginning of the year	10	0		
		24/08/2015	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) - Sub division*			100	0
		31/12/2015	At the end of the year			100	0

* Sub-division of equity shares from ₹10/- each to ₹1/- each.

V INDEBTEDNESS

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

(₹ in Lakh)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	66,903.09	174.50	NIL	67,077.59
ii) Interest due but not paid	83.65	NIL	NIL	83.65
iii) Interest accrued but not due	122.98	NIL	NIL	122.98
Total (i+ii+iii)	**67,109.72**	**174.50**	**NIL**	**67,284.22**
Change in Indebtedness during the financial year				
Additions	5,533.65	20,001.70	NIL	25,535.35
Reduction	-41,100.80	-2,676.20	NIL	-43,777.00
Net Change	**-35,567.15**	**17,325.50**	**NIL**	**-18,241.65**
Indebtedness at the end of the financial year				
i) Principal Amount	31,335.94	17,500.00	NIL	48,835.94
ii) Interest due but not paid	48.46	NIL	NIL	48.46
iii) Interest accrued but not due	21.72	NIL	NIL	21.72
Total (i+ii+iii)	**31,406.12**	**17,500.00**	**NIL**	**48,906.12**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

Sl. No	Particulars of Remuneration	Name of the Managing Director Mr. Adun Saraban	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	73.32	73.32
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	14.03	14.03
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission		
	- as % of profit	NIL	NIL
	- others (specify)	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	**87.35**	**87.35**
	Ceiling as per the Act		*

* Due to loss or inadequacy of profits, Shareholders' approval was obtained by way of Special Resolution passed through Postal Ballot on 23rd November, 2015 for payment of Remuneration to the Managing Director.

B. Remuneration to other directors

(₹ in Lakh)

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Mr. D.E. Udwadia	Mr. D. P. Roy	Mrs. Ramola Mahajani	Mr. Per Hofvander	
	(a) Fee for attending board committee meetings	3.35	1.60	1.10	NIL	6.05
	(b) Commission	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	**3.35**	**1.60**	**1.10**	**NIL**	**6.05**
2	Other Non Executive Directors	Mr. Premchai Karnasuta		Mr. Pathai Chakornbundit	Mr. Piyachai Karnasuta	
	(a) Fee for attending board committee meetings	NIL		NIL	NIL	NIL
	(b) Commission	NIL		NIL	NIL	NIL
	(c) Others, please specify.	NIL		NIL	NIL	NIL
	Total (2)	**NIL**		**NIL**	**NIL**	**NIL**
	Total (B)=(1+2)	**3.35**	**1.60**	**1.10**	**NIL**	**6.05**
	Total Managerial Remuneration					**93.40**
	Overall Cieling as per the Act.					*

* No commission was paid to the Independent Directors and other Non Executive Directors.

* Due to loss or inadequacy of profits, Shareholders approval was obtained by way of Special Resolution passed through Postal Ballot on 23rd November, 2015 for payment of remuneration to the Managing Director.

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

(₹ in Lakh)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary (Mr. R.C. Daga)	CFO (Mr. S. Ramnath)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	37.43	40.75	78.18
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	4.10	5.79	9.89
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	**41.53**	**46.54**	**88.07**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

ANNEXURE 8

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

ITD Cementation India Limited is a leading player in the Engineering, Procurement and Construction (EPC) area of the construction industry. As a civil engineering enterprise, its main activities include construction of maritime structures, urban transportation, foundation and specialist engineering, hydroelectric power and tunneling, dams and irrigation, industrial structures, highways and bridges and airports.

ECONOMIC OVERVIEW

Global economy

The World Bank's Flagship Report "Global Economic Prospects - Spillovers Amid Weak Growth" published in January 2016 states that global growth yet again fell short of expectations in 2015, slowing to 2.4 percent from 2.6 percent in 2014. The disappointing performance was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade and capital flows. Going forward, the Bank forecasts global growth to edge up, albeit at a slower pace, than envisioned in its June 2015 forecast, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. The forecast is subject to substantial downside risks.

On the back of the marked slowdown in the Chinese economy, which grew at its weakest pace in a quarter of a century, the International Monetary Fund (IMF) in January 2016, cut its global growth forecasts for the third time in less than a year. To back its forecasts, IMF cited a sharp deceleration in China trade and weak commodity prices that are hammering Brazil and other emerging markets. The Fund has forecast that the world economy would grow at 3.4 percent in 2016 and 3.6 percent in 2017, both years down by 0.2 percentage points from the previous estimates made in October 2015.

Emerging market economies have been an engine of global growth during the 2000s, especially after the 2007-08 global financial crisis. However, times are changing. Growth rates in several emerging market economies have been declining since 2010. The global economy will need to adapt to a new period of more modest growth in large emerging markets, characterized by lower commodity prices and diminished flows of trade and capital.

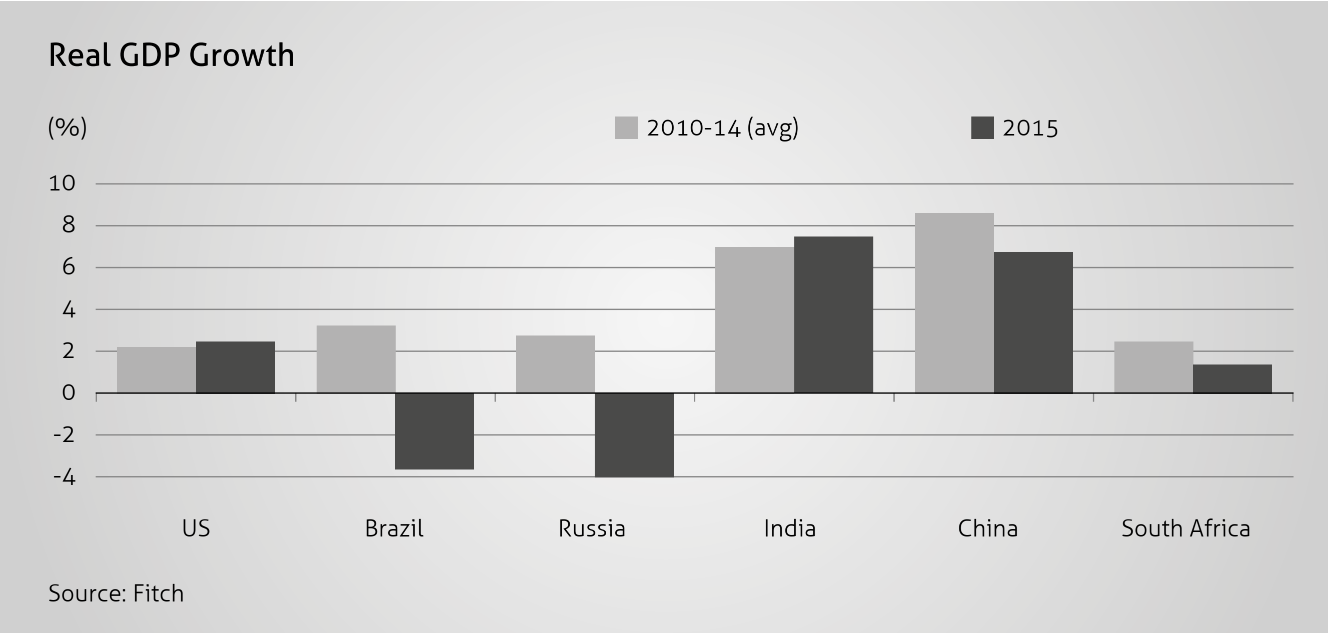
Going forward, global growth should pick up, although at an appreciably slower pace than previously projected, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. Global inflation is expected to increase moderately in 2016 as commodity prices level off, but will remain low by historical standards. A modest upturn in global activity in 2016 and beyond is predicated on a continued recovery in major high-income countries, a gradual slowdown and rebalancing in China, a stabilization of commodity prices and an increase in global interest rates that is gradual and stays well contained.

All of these projections, however, are subject to substantial downside risks. Although it is still a low-probability scenario, a faster-than-expected slowdown in China combined with a more protracted deceleration in other large emerging markets is a risk. Empirical estimates suggest that a sustained 1 percentage point decline in growth in the BRICS (Brazil, the Russian Federation, India, China and South Africa) would reduce growth in other emerging and developing economies by around 0.8 percentage points and global growth by 0.4 percentage points. This suggests a substantial risk of contagion through other emerging markets with potential adverse effects for some advanced economies as well.

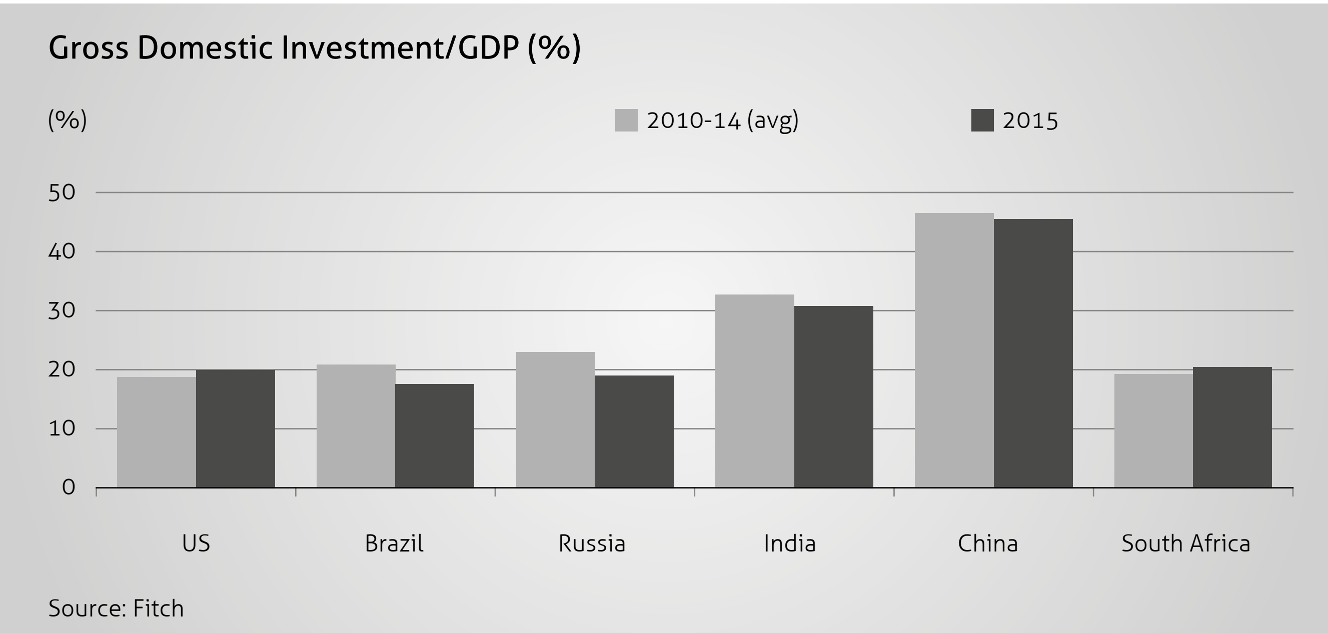
Policies can play an important role in mitigating risks and supporting growth. A combination of cyclical and structural policies could be mutually reinforcing. In the near term, policy actions need to be focused on building the ability to withstand financial market turbulence. Cyclical policies need to be supplemented with structural reform measures that boost investor confidence in the short term and enhance growth prospects in the long term.

Indian economy

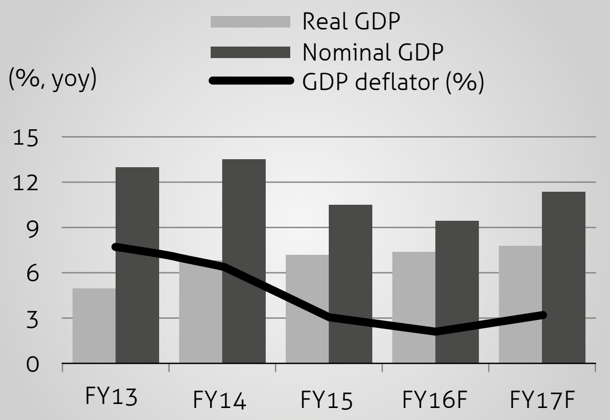
In its January 2016 update to the World Economic Outlook, the IMF has stated that India is a bright spot in an otherwise recessionary global landscape and has kept India's growth projections unchanged from its October 2015 forecast of 7.3% for 2015-16. Furthermore, it has forecast Gross Domestic Product (GDP) growth at 7.5% for 2016-17. However, this growth projection is significantly lower than the growth estimates made by the Government at 8-8.5% for the entire fiscal 2015-16. While it is still valid that India's GDP growth is largely domestic demand-led, recent global events triggered mainly by poor economic data emerging from China precipitating currency devaluation and market intervention by the Chinese government, continuing slide in commodity prices, alarming fall in crude oil prices and dollar outflows from emerging markets including from India, have put some doubt on the sustainability of India's GDP growth of 8% or more that has formed the basis for the Government's longer term fiscal consolidation plan.



The lower GDP growth rate in 2015-16 has also affected the Government's plan to contain the fiscal deficit at 3.9% of GDP and is expected to be higher at over 4.1% of GDP. Alarming levels of non-performing assets of banks, capital market volatility that has put a spanner in the public sector divestment plans of the Government, falling corporate profits and lower growth affecting tax collections (April to December 2015 tax mop-up has reached only 66% of the Budget target) are some of the major issues that the Government is grappling with, which has affected, inter alia, the infrastructure investment that was planned in the Budget for 2015-16.



GDP and Inflation



F: Forecast
Source: CSO and Ind-Ra

Going forward, it is expected that the Government's focus on "Make in India" and improving the "Ease of Doing Business" will contribute to an industrial recovery coming through further capital investments in manufacturing. Expectations of a normal monsoon, a softer interest rate regime brought about by low inflation rates and benign commodity prices that are expected to continue through much of FY 2017 should further improve the consumption cycle, thus improving growth prospects for FY 2017. However, the setback on the introduction of the Goods and Services Tax (GST) has been a dampener for several industries that were looking forward to this major reform more from the ease of the business standpoint than from any major tax benefit accruing to their businesses. On a longer term basis, accelerating the GDP growth to 8% and beyond will be a challenge on account of labour productivity and rate of growth in investment - both by the government and the private sector.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian construction sector

The construction sector is the second largest industry of the country after agriculture, accounting for 11 percent of India's GDP. The Indian construction industry employs 35 million and its total market size is estimated at over ₹830,000 crore (US$ 126 billion). Construction activities in India are largely fragmented with only about 250 firms employing more than 500 people.

A majority of the players in the construction and infrastructure sector continue to remain stressed through a combination of factors, some of which are internal to them like highly leveraged balance sheets and continued structural challenges across several fronts like delays in land acquisition and approvals, payment defaults, delays in claims redressal and settlement, elongated working capital cycle and risk aversion from lenders.

Engineering, procurement and construction (EPC) business

India's EPC market witnessed consistent changes over the last few years with solid growth in project size and complexity, increasing private clients and the entry of several foreign players. The concept of EPC has been evolving over the last few years and has emerged as a preferred form of contracting by clients along with PPP models. Specialized EPC sectors such as marine, tunnelling, hydro, industrial and oil and gas continued to prefer awarding projects in the EPC mode.

THREATS

The key challenges of the EPC sector include:

- The growth in revenues is not truly reflective in the bottom line. This is primarily due to significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few market players.
- With increasing working capital requirements and the resultant increase in leverage, the EPC players are left with limited opportunity to raise further capital to fuel growth in the current scenario.
- The recent turmoil in the financial sector, including the rupee depreciation, has increased the level of uncertainty in project execution. Therefore, the sector is reeling under significant liquidity constraints.

OPPORTUNITIES - KEY INFRASTRUCTURAL SECTORS

Roads

India possesses the second largest road network across the world at 4.7 million km. This road network transports more than 60% of all goods in the country and 85% of India's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. Sales of automobiles and movement of freight by road is growing at a rapid rate. Cognizant of the need to create an adequate road network to cater to the increased traffic and movement of goods, the Government of India has earmarked 20% of the investment of US$ 1 trillion reserved for infrastructure during the 12th Five-Year Plan (2012–17) to develop the country's roads.

Roads*
(Total length 4.87 million km)

State highways	National highways	District and rural roads
Total length: 1,46,100 kilometers	Total length: 97,135 kilometers	Total length: 46,26,500 kilometers
Share of 3% of the total roads in India	Share of 2% of the total roads in India	Share of 95% of the total roads in India

Source: Ministry of Road Transport and Highways (MoRTH), Techsci Research
Note: * As on July 2015

Some of the near term major road development initiatives include:

- The Government has unveiled investment plans totalling ₹10 trillion (US$ 150 billion) in the highways and shipping sector by 2019.
- A total of 599 highway projects covering around 12,903 km of national highways have been sanctioned, involving an expenditure of ₹108,000 crore (US$ 16.2 billion).
- The Government of India signed the agreement for the third and last tranches of US$ 273 million loan, out of total US$ 800 million loan agreement with The Asian Development Bank, for constructing 6,000 kms of all-weather rural roads in Assam, Chhattisgarh, Madhya Pradesh, Odisha and West Bengal by December 2017.
- In November 2015, among various areas of infrastructure spending by the government, the roads segment led in terms of tenders issued (59% of the total tenders) and contracts awarded, with an increasing shift to EPC-type of contracts for road projects.
- India and Japan are planning to enter into a partnership and launch an infrastructure finance Company which will provide soft loans for Indian road projects with a credit target of ₹2 lakh crore (US$ 30 billion).
- The Ministry for Road Transport and Highways (MoRTH) is planning a compensation policy for the roads sector developers for any delays related to clearance for road projects.
- With the objective of reviving private investments in the roads sector, MoRTH is now working on two more models for attracting capital. One model proposes allowing bidding of a road project on the basis of the least present value and the other envisages selling-off road projects that have been built using government funds.
- MoRTH showcased revival of 34 projects worth more than ₹26,000 crore (US$ 3.9 billion) spanning over 4,084 km that are being restructured or converted from public-private partnership to EPC mode to get them going. Of these, five projects have been handed over to the state governments concerned while another 18 will be awarded in the EPC mode.
- The Indian government plans to set up a finance corporation with an amount of ₹1 trillion (US$ 15 billion), in collaboration with Japanese investors, to fund projects in the roads segment.

The Company had executed about 10 national highway projects for NHAI between 2002 and 2012. Presently, the Company is executing a highway project at Pune-Satara section of NH 4 that connects Mumbai with Chennai.

Railways and MRTS

The Indian Railways contributes to India's economic development, accounting for about 1% of the GDP and representing the backbone of freight needs of the core sector. It accounts for 6% of the total employment in the organised sector directly and an additional 2.5% indirectly through its dependent organisations. It has invested significantly in health, education, housing and sanitation. With its vast network of schools and investments in training, the Indian Railways plays an important role in human resource development. The Indian Railways, with nearly 63,000 route kilometres, fulfills the country's transportation needs, particularly, in respect of long-distance passenger and goods traffic. Freight trains carry nearly 1.2 million tonnes of originating goods and 7,500 passenger trains carry nearly 12 million passengers every day.

India's rapid pace of urbanisation, linked to its drive for greater economic prosperity through growth, has brought with it the predictable problems of traffic congestion and pollution. Consequently, this has created the need to develop and operate more effective and efficient public transportation systems as part of the infrastructure development plan in numerous Indian cities.

Only 30% of the Indian population lives in urban areas. As per Government of India estimates, urbanization in India is expected to grow at an astonishing rate of 38%. Indian urban infrastructure and services, parts of which still bear markings of its British heritage, clearly isn't adequate to deal with such pressures.

In response to the growing challenges posed by urbanisation and raise the traditionally low investments in modern public transport systems, the Government has prepared ambitious plans to develop and operate rail-based mass rapid transit (MRT) systems across a large swathe of major Indian cities. This has been done through the Ministry of Urban Development, New Delhi, working closely with various state governments in Gujarat, Kerala, Karnataka, Maharashtra and Rajasthan. There are at least 40 metro projects in various stages of planning, execution and/or operation/expansion in the country.

Rail-based systems are superior to buses because they provide higher carrying capacity, faster, smoother and safer travel, occupy less space and are non-polluting and energy-efficient. To summarise, a rail-based system needs one-fifth energy per passenger km, compared with road-based system; causes no air pollution in the city; has lesser noise levels; occupies no road space if underground and only about 2 metres width of the road if elevated and carries the same volume of traffic as nine lanes of bus traffic or 33 lanes of private motor cars either way. If it is a heavy capacity system, it is more reliable, comfortable and safer than road-based system and reduces journey time by anything between 50% and 75%, depending on road conditions. Rail-based mass transport may be a medium or heavy capacity system, also referred to as mass rapid transit system (MRTS) or metro system. The medium capacity systems are usually provided on corridors on which PHPDT (peak hour peak direction traffic) does not exceed 20,000 to 45,000. For traffic densities ranging between 45,000 – 75,000 PHPDT, the provision of heavy capacity system becomes necessary. Since the number of commuters to be dealt with is relatively less in the medium capacity system, its trains consist of 3 to 4 coaches and other related infrastructure is also of smaller size. In the case of heavy capacity system, which is to deal with traffic densities ranging from 45,000 to 75,000 PHPDT, trains have 8 to 9 coaches and other related infrastructure is also of a larger size.

Across the world, the practice is once the population of a city reaches the one million-mark, they start planning for a rail-based MRTS so that by the time the population reaches two million, one or two metro rail lines are already in operation. Thereafter, the system is methodically expanded to serve the rising needs of the city. At present, 100 cities of the world have metro railways.

The main reasons for the slow take-off of metros in the Indian cities can be traced to the lack of clear-cut policy or lack of proper institutional arrangements. Lack of resources, legal framework and expertise are also the contributing factors.

Currently, no guidelines have been laid down by the Centre or any other authority indicating when planning for metro in a city has to begin and when it has to become operational. Nowhere has it been laid down as to what should be the level of traffic density and the population of a city to justify for the provision of a metro system.

Delhi Metro Rail Corporation Limited (DMRC) has now emerged as a dominant entity in India's metro rail sector and is heavily involved in the planning and execution of various other metro projects across the country either directly or in an advisory capacity. The Company, through its joint venture with the parent Company, has executed elevated and underground MRT projects in cities like Delhi, Bengaluru and Jaipur. Presently, it is executing elevated and underground metro projects for DMRC in Delhi and also an underground metro project for the Kolkata Metro Rail Corporation at Kolkata.

Airports

India's civil aviation industry is on a high-growth trajectory. The country aims to emerge as the third-largest aviation market by 2020 and the largest by 2030. Over the next five years, domestic and international passenger traffic are expected to increase at an annual average rate of 12% and 8% respectively, while domestic and international cargo are estimated to rise at an average annual rate of 12% and 10% respectively. The airlines operating in India are projected to record a collective operating profit of ₹8,100 crore (US$ 1.29 billion) in fiscal year 2016, according to Crisil.

Revising its earlier ambitious plan, announced in March 2014, to develop 200 low cost airports in 20 years, the government recently stated that 14 greenfield airports at a total project cost of ₹24,000 crore will be developed. All these projects will be undertaken by the Airport Authority of India (AAI), which is responsible for building, operating and maintaining aviation infrastructure in the country. According to the estimates, the highest investment is in the Navi Mumbai airport at ₹15,149 crore, followed by Mopa in Goa which is expected to cost ₹3,000 crore. Some of the other airports that will be coming up are in smaller towns like Kannur in Kerala, Bijapur and Shimoga in Karnataka, Pakyong in Sikkim and Kushinagar in Uttar Pradesh.

Expected outlay

State	Town	Investment required (₹ crore)
Goa	Mopa	3,000
Maharashtra	Navi Mumbai	15,149
	Sindhudurg	350
	Shirdi	320 (1st phase)
Karnataka	Bijapur	150
	Gulbarga	13.78 (1st phase)
	Hassan	793.95 (3 phase)
	Shimoga	38.91 (1st phase)
Kerala	Kannur	1,892
Madhya Pradesh	Dabra, Gwalior	200
Sikkim	Pakyong	605.69
Uttar Pradesh	Kushinagar	600.39
Pudducherry	Karaikal	280
West Bengal	Durgapur	700

Source: AAI

Through a joint venture with the parent, the Company completed the construction of the integrated passenger terminal building at NSCBI Airport, Kolkata.

Ports

'The Maritime Agenda 2010–2020' to develop the maritime sector includes forecasts for traffic and capacity additions at the ports up to 2020. The estimated capacity of the ports would be 3,130 million metric tonnes (MMT) by 2019-20. The Union Ministry of Shipping has chalked out a comprehensive plan to raise ₹100,000 crore (US$ 15 billion) to develop ports, build ships and improve inland waterways in the country.

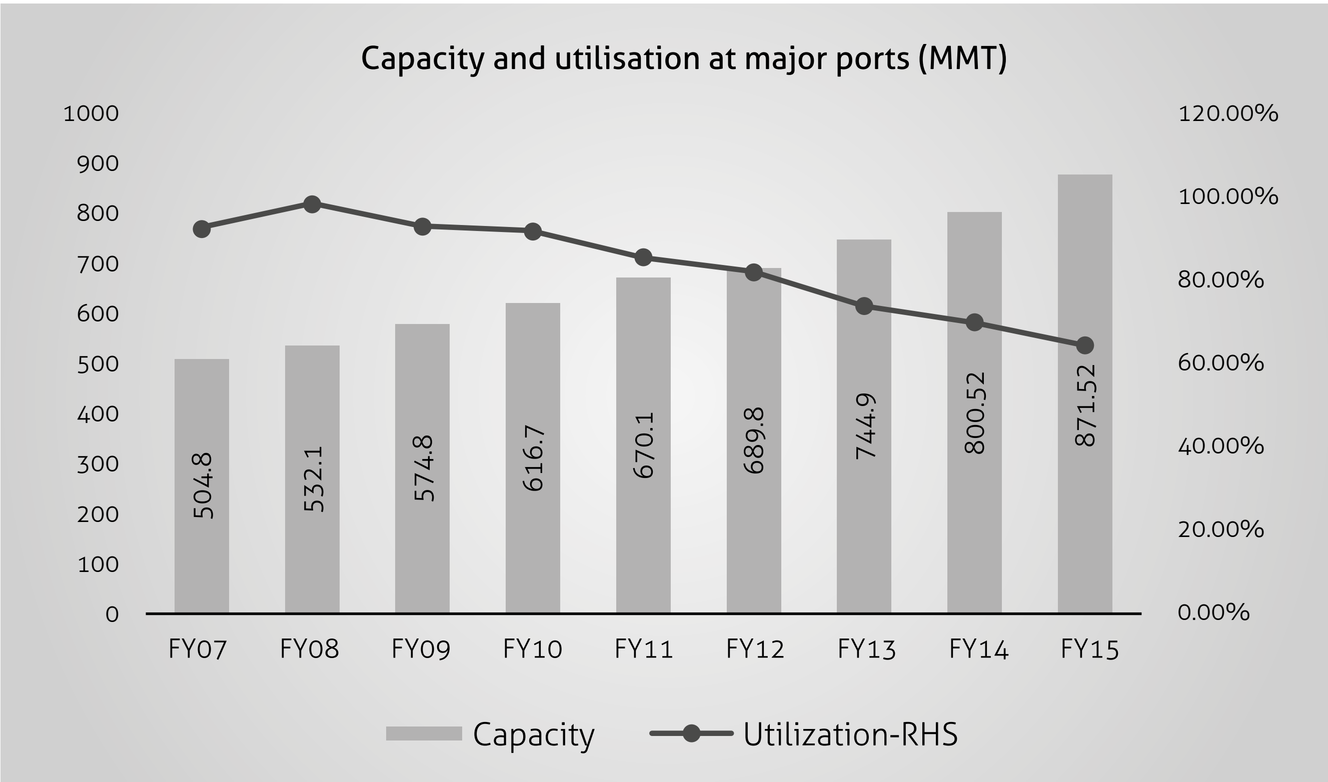
India has 13 major ports and 200 non-major ports. In FY15, major ports handled 581.3 MMT of cargo, while non-major ports handled 471.2 MMT. Since ports handle almost 95% of trade volumes in India, the rising trade has contributed significantly to the country's cargo traffic. To support the growing demand, cargo capacity in India is expected to increase to 2,493.1 MMT by 2017. Likewise, cargo traffic at major ports and non-major ports is also expected to increase to 943.1 MMT and 815.2 MMT by 2016-17. Given the positive outlook, proposed investments in major ports are expected to total US$ 18.6 billion by 2020, while those in non-major ports would be US$ 28.5 billion.

The Government of India has allowed foreign direct investment (FDI) of up to 100% under the automatic route for projects related to the construction and maintenance of ports and harbours. A 10-year tax holiday is extended to enterprises engaged in the business of developing, maintaining and operating ports, inland waterways and inland ports. The government has also initiated the National Maritime Development Programme (NMDP), an initiative to develop the maritime sector with a planned outlay of US$ 11.8 billion.

The Indian government plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala (string of ports) project. The zones would be converted into manufacturing hubs, supported by port modernisation projects and could span 300-500 km of the coastline. The government is also looking to develop the inland waterway sector as an alternative to road and rail routes to transport goods to the nation's ports and hopes to attract private investment in the sector.

Some of the near term major port development plans include:

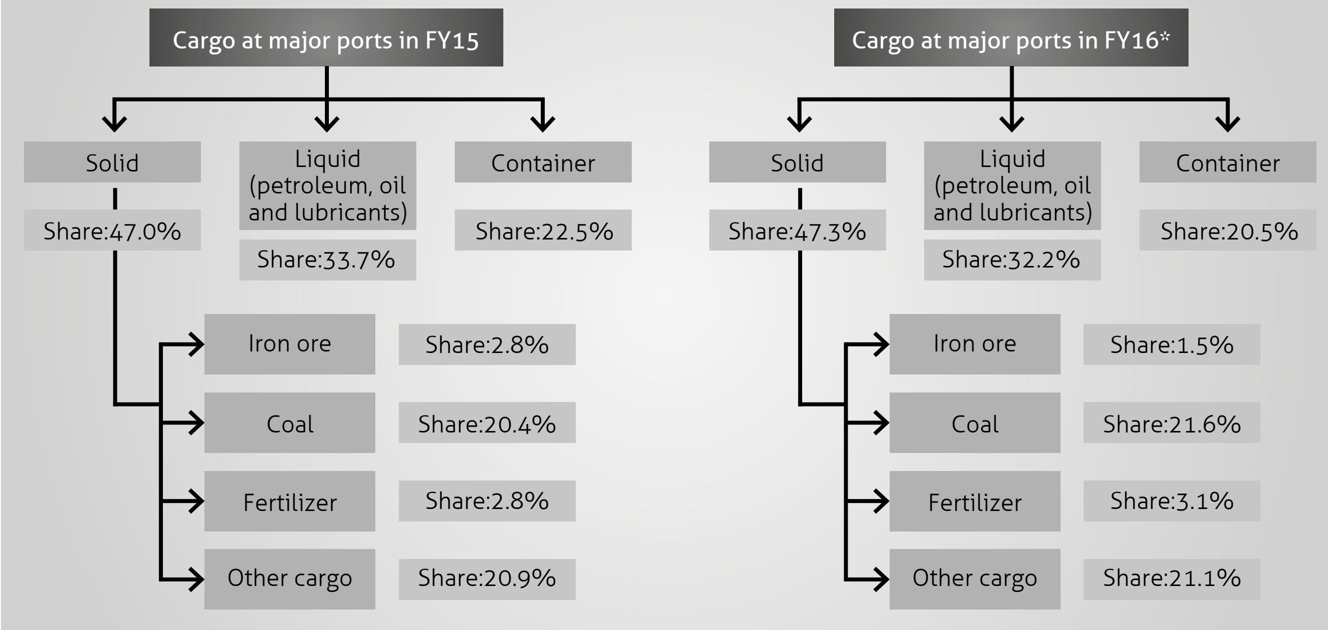
- The Government of India's plan to invest ₹70,000 crore (US$ 10.5 billion) in 12 major ports in the next five years under the Sagarmala initiative.
- The Government of India's plan to set up low-cost, non-major ports along coastlines under the Sagarmala project and its asking all the 12 major ports to accord priority berthing to such vessels and to encourage quicker movement of cargo.
- Jindal ITF plans to invest nearly ₹500 crore (US$ 75 million) to further transloading operations in Haldia. The Company, which already transports imported coal in barges to NTPC's power plants in Farakka and Kahalgaon from the Sandheads, plans to transload cargo at the deep-drafted location at Kanika Sands and transport it to Haldia.
- A memorandum of understanding (MoU) has been signed between the Inland Waterways Authority of India (IWAI) and Dedicated Freight Corridor Corporation of India (DFCCIL) to create logistics hubs with rail connectivity at Varanasi and other places on national waterways. The joint development of state-of-the-art logistics hubs at Varanasi and other areas would lead to the convergence of inland waterways with railways and roadways, thus providing a seamless, efficient and cost-effective cargo transportation solution.
- The Visakhapatnam Port Trust (VPT) has outlined a ₹3,000 crore (US$ 450 million) expansion-cum-modernisation plan aimed at enhancing the port's capacity by nearly 50%. The port is estimated to invest ₹800 crore (US$ 120 million), a fourth of the planned investment, while seeking private partners to invest the remainder by way of public-private partnerships (PPPs).
- Maharashtra's Jawaharlal Nehru Port Trust (JNPT) plans to build a satellite port at Wadhwan near Dahanu (bordering Gujarat), which is estimated to cost ₹10,000 crore (US$ 1.5 billion) to build and likely to ease the congestion of ships at JNPT.
- Plan to establish two new major ports, one at Sagar in West Bengal and the other at Dugarajapatnam in the Nellore district of Andhra Pradesh.



Source: India Port Association, Ministry of Shipping, TechSci Research

*FY 15 – Up to January 2015

Cargo profile at major ports in India



Source: Ministry of Shipping; TechSci Research;
FY16* April-October, 2015

The Company has a major presence in maritime works comprising construction of berths, quays, jetties, breakwater and other facilities for major and minor ports in both the public and private sectors. It is also engaged currently in executing reclamation and dredging works at JNP for a leading global port operator, apart from construction of berths, jetties and yards at many other ports in India.

Power

The Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for All' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances and manpower).

The Planning Commission's 12th Five-Year Plan estimates total domestic energy production to reach 669.6 million tonnes of oil equivalent (MTOE) by 2016-17 and 844 MTOE by 2021-22. By 2030-35, energy demand in India is projected to be the highest among all countries according to the 2014 Energy Outlook Report by British oil giant, BP.

As of November 2015, total thermal installed capacity stood at 196.2 gigawatt (GW), while hydro and renewable energy installed capacity totalled 42.6 GW and 37.4 GW respectively. At 5.8 GW, nuclear energy capacity remained broadly constant, compared with the previous year. India's rooftop solar capacity addition grew 66% from last year to reach 525 megawatts (MW) and has the potential to grow up to 6.5 GW. India's wind power capacity, installed in FY2016, is estimated to increase 20% over the last year to 2,800 MW, led by favourable policy support that has encouraged both independent power producers (IPP) and non-IPPs.

India's wind energy market is expected to attract investments totalling ₹100,000 crore (US$ 15 billion) by 2020 and wind power capacity is estimated to almost double by 2020 from over 23,000 MW in June 2015, with an addition of about 4,000 MW per annum in the next five years.

The Company is engaged in several civil engineering works for both private and public sector power generation and distribution companies and also for companies manufacturing power plant equipment in India.

OUTLOOK

A number of factors are supporting the general feeling that an industrial recovery is not far ahead. Besides, the government's focus on 'Make in India' and improving the 'Ease of Doing Business', the signs of a revival in investment/consumption cycle coupled with a fall in inflation/interest rates are expected to drive the manufacturing sector growth. Moreover, various announcements made in the FY15 and FY16 budgets to address the structural issues plaguing the industrial and infrastructure sectors are gradually gaining traction on the ground.

The Wholesale Price Index (WPI) and Consumer Price Index (CPI)-based inflation to come in at 2.7% and 4.9%, respectively, in FY17, assuming a normal monsoon, a moderate hike in procurement prices, benign global commodity prices and some weakness in the rupee.

The recovery in the construction sector is expected to be gradual and would be linked with on-ground impact of the policy measures as well as availability of funding. With high leverage, ability to raise funds via stake sale in subsidiaries, monetization of assets, or dilution of equity will be key in improving liquidity and capital structure of construction companies that have been aggressive in the BOT space in the past.

The reversal in the interest rate cycle and lowering of interest rates will help ease the debt servicing burden. However, this alone will not be sufficient for improving credit metrics. Any significant improvement in liquidity profile and credit metrics of construction companies will take time and will be contingent on improvement in working capital cycle (by way of faster execution and release of stuck receivables/ retention money), improvement in pace of execution and ability to raise long term funds by way of stake sale or equity placements.

The Company has maintained its focus on project selection for bidding after due evaluation of risks, profitability and project cash flow and has been able to build a strong and diverse order book worth ₹520,434 lakh as on 31st December, 2015. The Company is also in the L1 status on a couple of large contracts amounting to over ₹240,000 lakh, which are likely to be converted into firm contracts. The Company is confident of improving its performance in the coming year, although executional challenges will continue to exert pressure on profit margins for the next couple of quarters.

RISKS AND CONCERNS

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

Measures: The Indian economic scenario, over the next five years, is conducive to infrastructure investments. The year 2015 saw some steps being taken by the Government in according faster green clearances, addressing structural issues to de-bottleneck and revive stalled investment projects and introduce a new arbitration law, all of which are likely to favorably impact the construction sector. Besides, initiatives like the 'Make in India' campaign, the proposed 100 'Smart City' projects and several high-speed railway and road corridor projects are likely to sustain infrastructure opportunities. The Twelfth Plan has outlined investment of a staggering US$ 1 trillion in infrastructure construction, benefiting focused players.

Operational risk: Our operations are subject to risks arising out of operational inefficiencies, internal failures, lack of adequate regulatory approvals and several hazards (risk of equipment failure and work accidents that may cause injury and loss of life).

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

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

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

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

Measures: The Company is present in multiple sectors within the infrastructure industry, helping mitigate risks arising out of an excessive dependence on a few areas.

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

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

Measures: A net worth of about ₹50,822 lakh (31st December 2015) pre-qualifies the Company for most large government and private projects. Besides, the Company entered into joint ventures and consortium partnerships to pool capabilities and bid for large projects. The consortium model enabled the Company to deepen its civil engineering competence and graduate to higher margin projects with reduced competitive intensity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an internal control system commensurate with its size and nature of business. The Company has systems and operating procedures (SOP), documented through a manual that defines the processes to be followed and delegation of authority is exercised prudently across various managerial levels. An internal audit cell conducts audits to test the adequacy of internal systems and suggest continual improvements, round the year. These internal audit reports and adequacy of internal controls are reviewed by the Board's Audit Committee on a regular basis.

REVIEW OF FINANCIAL PERFORMANCE

Despite the difficult economic and operational environment prevailing in the economy and stresses and pressures that the construction industry was faced with, the Company, through a selective bidding strategy that was adopted and emphasis on execution was able to build a strong and diversified order book which stands at ₹520,434 lakh as on 31st December 2015.

On a standalone basis, the Company achieved revenue from operations of ₹273,609 lakh in 2015, an increase of over 102% over the revenues of ₹135,241 lakh reported in the last year. Before tax and exceptional item, the Company made a profit of ₹3,522 lakh in 2015, in comparison with a loss, before tax and exceptional item, of ₹6,758 lakh achieved in 2014. However, on account of an exceptional loss of ₹12,397 lakh incurred in March 2015 pursuant to the settlement entered with NHAI of all claims, dues and outstanding, the Company has incurred a loss after tax of ₹5,931 lakh for the year 2015. In 2014, the Company had taken credit for excess depreciation provided in the earlier years and reported a profit, after tax and exceptional item, of ₹1,941 lakh.

On a consolidated basis, the revenue from operations stood at ₹306,870 lakh during the year 2015, against a revenue of ₹171,242 lakh achieved in 2014, an increase of about 79%. The Company has made a profit before tax and exceptional item of ₹3,939 lakh in 2015, in comparison with a loss before tax and exceptional item of ₹6,864 lakh in 2014. As explained earlier, due to the exceptional loss incurred pursuant to the settlement with NHAI, the Company has reported a loss after tax of ₹5,931 lakh in 2015 against a profit after tax and exceptional item of ₹1,941 lakh in 2014.

The Company's consolidated order book (excluding L1 status bids) as at 31st December, 2015 stands at ₹520,434 lakh, representing a growth of 9.3% over the order book of ₹476,298 lakh as at 31st December, 2014. This provides good visibility for the business for the next 2-3 years.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company encourages a performance-oriented culture through transparent employee appraisal systems. The Company believes in creating a professional, congenial, safe and environment-friendly workplace and consequently has striven to make construction sites as injury-free as possible. As on 31st December, 2015, there were 1,798 employees on the Company's steady roster and 3,020 employees engaged on a project-to-project basis.

DISCLOSURE OF ACCOUNTING TREATMENT

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

ANNEXURE 9

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on 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 of Corporate Governance under Clause 49 of the Listing Agreement and the corresponding Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015) effective 1st December, 2015. Your Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

2. Board of Directors

(i) Composition

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement and the corresponding Listing Regulations, 2015. As on date the Company has eight (8) Directors with a Non-Executive Chairman. Of the eight (8) Directors, seven (7) are Non- Executive Directors out of which four (4) are Independent Directors.

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

Name of the Director	Category	No of Board Meetings held during the Year 2015		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	8	1	No	Nil	Nil
Mr Pathai Chakornbundit (Vice Chairman)	Non- Independent, Non– Executive	8	5	Yes	Nil	Nil
Mr D. E. Udwadia	Independent, Non– Executive	8	8	Yes	8	9 (includes 1 Chairmanship)
Mr Per Hofvander	Independent, Non– Executive	8	4	Yes	Nil	Nil
Mr D. P. Roy	Independent, Non– Executive	8	7	Yes	2	3
Mrs Ramola Mahajani	Independent, Non– Executive	8	7	Yes	3	3
Mr Piyachai Karnasuta[1]	Non- Independent, Non– Executive	8	2	No	Nil	Nil
Mr Adun Saraban (Managing Director)	Executive	8	8	Yes	1	Nil

1. Appointed as an Additional Director w.e.f. 5th August, 2015

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

Eight (8) meetings of the Board were held during the financial year ended 31st December, 2015. The dates on which the meetings were held are as follows: 2nd February, 24th February, 12th March, 30th April, 13th May, 5th August, 6th October and 5th November, 2015.

(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. As per Clause 49 of the Listing Agreement and the corresponding Listing Regulations, 2015 the same have been posted on the Company's website. 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 X to the Listing Agreement and the corresponding Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, 2015 had been placed before the Board and the Company has complied with the same.

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

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

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

3. Audit Committee

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

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

The Audit Committee comprises of 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, 2015 the Audit Committee held five (5) meetings on 24th February, 13th May, 5th August, 6th October and 5th November, 2015. Attendance of the Directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr Per Hofvander, Chairman	5	3
Mr D.E. Udwadia	5	5
Mr Pathai Chakornbundit	5	4
Mr D. P. Roy	5	4
Mrs Ramola Mahajani[1]	5	1

1. Mrs Ramola Mahajani was co-opted as a member of the Audit Committee Meeting held on 24th February, 2015.

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 the Audit Committee held during the year 2015.

(ii) Terms of reference, role and scope of the Audit Committee are in line with those prescribed by Clause 49 of the Listing Agreement and the corresponding Regulation 18(3) read with Part C of Schedule II of the Listing Regulations, 2015. The Company has also complied with the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder pertaining to the Audit Committee and its functioning.

Minutes of the Audit Committee meeting will be placed before the meeting of the Board of Directors following that of the Audit Committee meeting.

4. Nomination and Remuneration Committee

Remuneration Committee of Directors was constituted by the Company in March 1994 and the Company renamed the Remuneration Committee as Nomination and Remuneration Committee (NRC) on 8th May, 2014.

Terms of reference of the NRC were adopted on 6th August, 2014.

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

The NRC 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 five (5) meetings during the financial year ended 31st December, 2015 on 24th February, 13th May, 5th August, 6th October and 5th

November, 2015. Attendance of the Directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr D.E. Udwadia, Chairman	5	5
Mr Premchai Karnasuta	5	-
Mr Pathai Chakornbundit	5	4
Mr Per Hofvander	5	3
Mr D.P. Roy*	5	1

* Mr D.P.Roy was co-opted as a Member of the Nomination and Remuneration Committee Meeting held on 6th October, 2015.

Mr R.C. Daga, Company Secretary, attended the meetings of the NRC held during the year 2015.

(ii) Brief description of terms of reference

Terms of reference are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Minutes of the NRC meeting will be placed at the meeting of the Board of Directors following that of the NRC meeting.

(iii) The Board of Directors had evaluated performance of the Independent Directors based on the time spent and input and guidance given by the Independent Directors to the Board and Management of the Company.

5. Remuneration of Directors

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

b) Criteria of making payments to Non-Executive Directors:

Non-Executive Directors in India are paid remuneration by way of sitting fees for attending the meetings of the Board and Committees thereof. In addition to sitting fees, they are also compensated by way of commission based on input given and the number of Board / Committee Meetings attended by them.

Due to loss or inadequacy of profits, the Company did not pay any commission for the years 2014 and 2015 to the Non-Executive Directors in India.

The remuneration of the Non-Executive Directors by way of commission was determined by the Board in terms of the special resolution passed by the shareholders at the Annual General Meeting held on 4th May, 2012.

During the financial year 1st January, 2015 to 31st December, 2015, the Company paid as fees for professional services that were provided to the Company on specific legal matters that were entrusted by the Company from time to time to M/s Udwadia Udeshi & Argus Partners, ₹364,450/-, to M/s Udwadia & Udeshi, ₹833,060/-, where Mr Udwadia was Senior Partner and to the firm M/s Udwadia & Co., Solicitors & Advocates, Mumbai, ₹95,000/- where he is the Sole Proprietor. The Board does not consider the association of the above with the Company to be of a material nature so as to affect or impair the independence of judgement of Mr D. E. Udwadia as an Independent Director of the Company.

c) Disclosure with respect to remuneration:

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

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

The Company does not have any Stock Option Scheme.

Details of remuneration payable to Executive and Non - Executive Directors of the Company for the financial year ended 31st December, 2015 are given below:

Sr. No.	Name of the Director	Service Contract Years/ months	Salary	Commission	Perquisites and cost of providing furnished residential accommodation	Retirement Benefits (PF and Gratuity)*	Total sitting fees
			₹	₹	₹	₹	₹
(a)	Executive Director						
1.	Mr Adun Saraban	3 years 01.01.2013 to 31.12.2015	45,54,000	NIL	43,55,460	5,46,480	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	NIL	NIL	NIL	3,35,000
2.	Mr D. P. Roy	-	NIL	NIL	NIL	NIL	1,60,000
3.	Mrs Ramola Mahajani	-	NIL	NIL	NIL	NIL	1,10,000
	Total		45,54,000	NIL	43,55,460	5,46,480	6,05,000

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

6 A. Stakeholders Relationship Committee

Shareholders / Investors' Grievance Committee was constituted in March, 2001 and the Company renamed the Shareholders/ Investors Grievance Committee as Stakeholders Relationship Committee (SRC) on 8th May, 2014.

Terms of reference of the SRC were adopted on 6th August, 2014.

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

The SRC comprises of two (2) Directors and the Committee is headed by Mr Pathai Chakornbundit, a Non-Executive Director. The Committee held four (4) meetings during the financial year ended 31st December, 2015 on 24th February, 13th May, 5th August and 5th November, 2015. Attendance of the Directors was as under:

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

Mr R.C. Daga, Company Secretary, attended the meetings of the SRC held during the year 2015.

(ii) Brief description of terms of reference

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

Minutes of the SRC meeting will be placed at the meeting of the Board of Directors following that of the SRC meeting.

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

During the financial year ended 31st December, 2015, thirty six (36) complaint letters were received from the shareholders which were replied/resolved to the satisfaction of the shareholders. No complaints remained unresolved at the end of the year.

(iv) Name and designation of Compliance Officer

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

6 B. Share Transfer Committee

Share Transfer Committee was constituted in 1980. The terms of reference of Share Transfer Committee were last amended on 11th January, 2010. During the financial year ended 31st December, 2015, the Committee had thirty four (34) meetings.

Pursuant to Clause 49 (VIII) (E) of the Listing Agreement and corresponding Regulation 40 (2) of the Listing Regulations, 2015, Share Transfer Committee Meetings are regularly held at least once a fortnight.

(i) Terms of reference

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

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

(ii) Number of pending share transfers

As on 31st December, 2015, there was no pending request/letter involving transfer of shares.

(iii) Pursuant to Regulation 36 (3) of the Listing Regulations, 2015, the particulars of Directors who are proposed to be appointed / re-appointed at the 38th Annual General Meeting ('AGM') have been provided in the notice of the AGM.

7. Subsidiary Company

As on 31st December, 2015 the Company has one wholly owned, non- material and unlisted subsidiary, namely ITD Cementation Projects India Limited. The Financial Statements of the subsidiary are reviewed by the Audit Committee. All minutes of the meetings of the subsidiary are placed before the Company's Board regularly.

8. General Body Meetings

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

For Financial year ended	Date, Time and Location	Special Resolution passed	
		No.	Nature
31.12.2014	13th May, 2015 3.00 p.m. Rama Watumull Auditorium, Mumbai.	1	Adoption and alteration of Articles of Association under Section 61 and Section 14 of the Companies Act, 2013.
31.12.2013	8th May, 2014 2.30 p.m. Rama Watumull Auditorium, Mumbai.	None	
31.12.2012	10th May, 2013 3.00 p.m. Rama Watumull Auditorium, Mumbai.	None	

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

During the financial year ended 31st December, 2015, the Company sought approval from its members on one occasion for passing Special Resolution through Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Details of Special Resolution passed vide Postal Ballot Notice dated 6th October, 2015 under Section 110 of the Companies Act, 2013, pertaining to –

Resolution No. 1: To authorize payment of remuneration of Mr Adun Saraban (DIN: 01312769), Managing Director of the Company.

Electronic Voting (E:voting/Remote e-Voting) facility was also made available to the members. The Board of Directors of the Company appointed Mr P.N. Parikh of M/s. Parikh & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot voting process.

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

Particulars	Total Votes	Total Valid Votes Cast	Total Valid Votes cast in favour of the Resolution	Total Valid Votes cast against the Resolution
Resolution 1	10,70,95,842	10,70,83,692	10,70,71,082 (99.99%)	12,610 (0.01%)

9. Means of Communication

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

(ii) Codes of Ethical Conduct, Whistle Blower Policy, Corporate Social Responsibility Policy, Nomination and Remuneration Policy, Related Party Transactions Policy, Board Diversity Policy, Prevention of Insider Trading Policy, Preservation of Documents Policy, Policy on Determination and Materiality of an Event/ Information and Archival Policy are available on the Company's website www.itdcem.co.in.

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

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

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

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

10. General Shareholders' information

(i) Annual General Meeting

Date: 12th May, 2016

Time: 3.00 p.m.

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

(ii) Financial Year of the Company

1st January to 31st December.

(iii) Stock Exchanges

The equity shares of the Company are listed on:
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 023

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

The listing fees for the financial year 2015-2016 (upto 31.03.2016) of the above mentioned stock exchanges have been paid.

(iv) Stock Code

BSE Limited (BSE): 509496

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

(v) Market Price Data

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

High and Low prices of the Company's shares at BSE with corresponding BSE Sensex January to December 2015

Months	High (₹)		Low (₹)		Close (₹)	
	ITD Cem price	BSE Sensex	ITD Cem price	BSE Sensex	ITD Cem price	BSE Sensex
January	536.00	29844.15	475.00	26776.12	489.00	29182.95
February	698.00	29560.32	441.45	28044.49	649.00	29361.50
March	829.75	30024.74	651.00	27248.45	743.25	27957.49
April	853.00	29094.61	640.00	26897.54	691.25	27011.31
May	740.00	28071.16	600.00	26423.99	651.00	27828.44
June	699.50	27968.75	568.50	26307.07	646.50	27780.83
July	772.00	28578.33	655.00	27416.39	716.50	28114.56
August		28417.59		25298.42		26283.09
Up to 20th August, 2015	846.00		815.00		819.75	
21st August, 2015 onwards *	83.00		61.00		82.25	
September*	83.50	26471.82	66.60	24833.54	80.40	26154.83
October*	115.80	27618.14	76.25	26168.71	102.40	26656.83
November*	112.10	26824.30	95.50	25451.42	100.00	26145.67
December*	117.80	26201.27	94.50	26256.42	109.80	26117.54

*Upon Sub-Division of shares from ₹10 to ₹1 per share.

High and Low prices of the Company's shares at NSE with corresponding Nifty January to December 2015

Months	High (₹)		Low (₹)		Close (₹)	
	ITD Cem price	Nifty	ITD Cem price	Nifty	ITD Cem price	Nifty
January	540.00	8996.60	475.55	8065.45	493.15	8808.90
February	697.35	8941.10	446.10	8470.50	651.05	8901.85
March	829.75	9119.20	651.05	8269.15	746.50	8491.00
April	854.00	8844.80	637.00	8144.75	696.80	8181.50
May	740.00	8489.55	601.55	7997.15	653.00	8433.65
June	700.00	8467.15	570.00	7940.30	654.45	8368.50
July	772.00	8654.75	664.00	8315.40	720.65	8532.85
August		8621.55		7667.25		7971.30
Up to 20th August, 2015	847.85		812.00		817.90	
21st August, 2015 onwards *	86.00		72.30		83.15	
September*	84.00	7926.55	73.65	7539.50	80.90	7948.90
October*	115.90	8294.05	79.00	7930.65	102.75	8065.80
November*	111.90	8116.10	93.70	7714.15	100.15	7935.25
December*	117.90	7979.30	94.50	7551.05	109.40	7946.35

*Upon Sub-Division of shares from ₹10 to ₹1 per share.

(vi) Registrars and Share Transfer Agents

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

(vii) Share Transfer Systems

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

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

(viii) Shareholding Pattern as on 31st December, 2015

Particulars	No. of Shares Held	Percentage to total share capital
Promoter – Italian-Thai Development Public Company Limited	80113180	51.63
General Public	25604958	16.50
Financial Institutions/ Banks / NBFC	64484	0.04
Mutual Funds/ Insurance Company	37500511	24.17
Corporate Bodies	5100744	3.29
NRI/OCB/FII	6481068	4.18
Clearing Members	292955	0.19
Total	**155157900**	**100.00**

(ix) Distribution of Shareholding as on 31st December, 2015

Distribution of Shareholding as on 31/12/2015					
Sl no	Category (Shares)	No.of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	6635	51.26	1302633	0.84
2	501 - 1000	2524	19.50	2123410	1.37
3	1001 - 2000	1715	13.25	2767533	1.78
4	2001 - 3000	673	5.20	1748493	1.13
5	3001 - 4000	374	2.89	1343116	0.87
6	4001 - 5000	264	2.04	1251588	0.81
7	5001 - 10000	402	3.11	2933453	1.89
8	10001 and above	356	2.75	141687674	91.32
	Total	**12943**	**100.00**	**155157900**	**100.00**

(x) Dematerialisation of Shares

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

As on 31st December, 2015, out of the 12,943 shareholders, 11,047 shareholders have opted for dematerialisation of their shares aggregating to 153,610,500 shares i.e. around 99.00% of the total paid - up capital of the Company.

(xi) Dates of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 6th May, 2016 to Thursday, 12th May, 2016 (both days inclusive).

(xii) Registered Office

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

(xii) Investor correspondence

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

Registrars and Share Transfer Agents: Karvy Computershare Private Limited Unit: ITD Cementation India Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Tel: +91 40 67162222, Fax: +91 40 23420814 Emails: einward.ris@karvy.com raju.sv@karvy.com and / or **Branch Office at:** 24-B Raja Bahadur Mansion, Ground Floor, Ambalal Doshi Marg, Behind BSE, Fort, Mumbai – 400023 Tel: +91 22 66235454 Email: ircfort@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

11. Other Disclosures

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

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended 31st December, 2015.

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

(iii) Whistle Blower Policy

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

(iv) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and the corresponding Listing Regulations, 2015.

The Company has constituted a Risk Management Committee on 24th February, 2015.

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

(vi) CEO/CFO Certification

A Certificate from the CEO/CFO of the Company in terms of Regulation 17 (8) read with Part B of Schedule II of the Listing Regulations, 2015, was placed before the Board at its meeting held on 24th February, 2016 to approve the Audited Financial Statements for the financial year ended 31st December, 2015.

12. Discretionary Requirements

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

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

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

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
ITD Cementation India Limited

We have examined the compliance of conditions of Corporate Governance by ITD Cementation India Limited ("the Company"), as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges (for the eleven months period ended 30 November 2015) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations') (for the one month period ended 31 December 2015).

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 the above mentioned Listing Agreement and the SEBI Regulations.

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 LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No: 105782

Place: Mumbai
Date: 24 February, 2016

Independent Auditor's Report

To
The Members of
ITD Cementation India Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of ITD Cementation India Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

8. As stated in Note 37 to the standalone financial statements, the Company's trade receivables and unbilled work in progress as at 31 December 2015 include amounts aggregating ₹3,033 lakhs (31 December 2014: ₹2,655 lakhs) and ₹479 lakhs (31 December 2014: ₹1,584 lakhs) respectively, being considered as good and recoverable by the management. These amounts are presently under negotiation with the customers or subject matter of litigation. In the absence of external balance confirmations from the customers or other alternative audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these receivables, we are unable to comment on the extent to which these balances are recoverable and consequential impact, if any, on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 December 2014 was also qualified in respect of this matter.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 38 to the standalone financial statements which describes the uncertainty related to recoverability of long-term trade receivables and unbilled work in progress aggregating to ₹2,863 lakhs (31 December 2014: ₹2,863 lakhs) and ₹8,678 lakhs (31 December 2014: ₹8,678 lakhs) respectively, outstanding as at 31 December 2015, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of litigation, the Company has assessed the recoverability of these claims based on legal opinion from an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the standalone financial statements. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143(3) of the Act, we report that:
    a. we have sought and except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. the standalone financial statements dealt with by this report are in agreement with the books of account;
    d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
    e. the matters described in paragraph 8 and paragraph 10 under the Basis for Qualified Opinion and Emphasis of Matters paragraph respectively, in our opinion, may have an adverse effect on the functioning of the Company;
    f. on the basis of the written representations received from the directors as on 31 December 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2015 from being appointed as a director in terms of Section 164(2) of the Act;
    g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. as detailed in Note 30 (d) to (g), 37 and 38 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
        ii. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Company, as detailed in Note 37 to the standalone financial statements, has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 24 February 2016

Annexure to the Independent Auditor's Report of even date to the members of ITD Cementation India Limited, on the standalone financial statements for the year ended 31 December 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

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

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(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) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.

(iv) Owing to the nature of its business, the Company does not sell any goods. Accordingly, clause 3(iv) of the Order with respect to sale of goods is not applicable. 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 services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of wealth tax, service tax, duty of customs and cess that have not been deposited with the appropriate authorities on account of any dispute.

The dues outstanding in respect of income-tax, sales-tax, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount Paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	31.97	-	2004-05	Deputy Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	29.39	14.69	2003-04	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	45.29	9.06	2005-06	Taxation Appellate Tribunal, Patna
Sales Tax Act/Works Contract Tax Act	Sales Tax	3.95	-	2011-12	Assistant Commercial Tax Officer
Sales Tax Act/Works Contract Tax Act	Value Added Tax	129.60	19.91	2009-10	Joint Commissioner of Commercial Taxes, Rajkot
Sales Tax Act/Works Contract Tax Act	Sales Tax	149.45	15.00	2010-11	Deputy Commissioner(Commercial Taxes) Gandhidham
Sales Tax Act/Works Contract Tax Act	Value Added Tax	79.83	23.95	2006-07 & 2007-08	Assistant Commissioner (Appeals), Commercial Taxes, Ernakulam
Sales Tax Act/Works Contract Tax Act	Value Added Tax	10.38	2.70	2005-06	Maharashtra Sales Tax Tribunal, Mumbai
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.68	0.34	2003-04	Assisstant Commissioner of Sales Tax, Orissa
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.19	-	2005-06	Assisstant Commissioner, Rajasthan
Sales Tax Act/Works Contract Tax Act	Sales Tax	99.56	26.12	2006-07, 2007-08, 2008-09 & 2009-10	Appellate Deputy Commissioner of Commercial Taxes, Tamil Nadu
Sales Tax Act/Works Contract Tax Act	Sales Tax	4.29	-	1997-98 & 2007-08	Deputy Commissioner of Commercial Taxes, Uttar Pradesh
Sales Tax Act/Works Contract Tax Act	Sales Tax/ Entry Tax	168.71	-	2010-11 & 2011-12	Deputy Commissioner of Commercial Taxes, Allahabad
Sales Tax Act/Works Contract Tax Act	Sales Tax/ Value Added Tax	387.06	-	2004-05, 2006-07, 2007-08 & 2008-09	Appellate and Revisional board, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	105.80	-	2010-11	Commissioner, Commercial Taxes, Kolkata
Sales Tax Act/Works Contract Tax Act	Sales Tax	16.60	-	1994-95	Revision Board (Tribunal), Kolkata
Sales Tax Act/Works Contract Tax Act	Value Added Tax	265.81	-	2011-12	Joint Commissioner Sales Tax, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	478.17	70.00	2012-2013	The West Bengal Taxation Tribunal, Salt Lake Kolkata

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount Paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.15	-	1999-00	Joint Commissioner of Commercial Taxes, Bihar
Central Excise Act,1944	Excise Duty	51.70	-	May 1998 to January 1999	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	123.13	-	A.Y. 2010-11	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	0.63	-	A.Y.2010-11	Assessing Officer, Mumbai
Income Tax Act, 1961	Income Tax	137.85	-	A.Y.2011-12	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	386.20	-	A.Y. 2011-12, 2012-13 & 2013-14	Commissioner of Income Tax (Appeals)

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

(viii) 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.

(ix) 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.

(x) 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.

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

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

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 24 February 2016

Balance Sheet as at 31 December 2015

(Currency : Indian Rupee in lakhs)

	Notes	As at 31 December 2015	As at 31 December 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,551.58	1,551.58
Reserves and surplus	3	49,270.23	55,230.57
		50,821.81	**56,782.15**
Non-Current Liabilities			
Long-term borrowings	4	982.81	2,960.61
Long-term provisions	5	692.16	560.70
		1,674.97	**3,521.31**
Current Liabilities			
Short-term borrowings	6	45,168.90	59,742.46
Trade payables	7	71,678.03	36,288.59
Other current liabilities	8	47,047.99	34,584.65
Short-term provisions	9	1,597.52	1,078.16
		1,65,492.44	**1,31,693.86**
Total		**2,17,989.22**	**1,91,997.32**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	29,312.93	28,280.38
Capital work-in-progress		196.84	178.18
Non-current investments	11	6,607.42	5,914.11
Deferred tax assets, (net)	12	3,622.20	664.20
Long-term loans and advances	13	16,960.30	11,684.39
Long-term trade receivables	17	2,863.37	2,863.37
Other non-current assets	14	18.89	27.54
		59,581.95	**49,612.17**
Current Assets			
Current investment	15	0.26	0.26
Inventories	16	99,730.47	95,943.92
Trade receivables	17	26,116.29	33,457.82
Cash and bank balances	18	14,087.97	1,676.54
Short-term loans and advances	13	18,355.39	11,291.03
Other current assets	19	116.89	15.58
		1,58,407.27	**1,42,385.15**
Total		**2,17,989.22**	**1,91,997.32**
Significant accounting policies	1		

Notes 1 to 45 form an integral part of these standalone financial statements
This is the balance sheet referred to in our report of even date

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Statement of Profit and Loss for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
REVENUE			
Contract revenue		2,73,608.70	1,35,240.84
Other operating income	20	744.36	1,699.81
Other income	21	1,683.94	731.05
Total revenue		**2,76,037.00**	**1,37,671.70**
EXPENSES			
Cost of materials consumed		66,234.95	46,899.41
Sub-contract expense		1,24,255.07	34,639.10
Employees benefits expense	22	18,432.25	15,611.99
Finance costs	23	11,506.77	11,995.55
Depreciation expense	10	2,485.29	2,942.69
Other expenses	24	49,600.97	32,341.17
Total Expenses		**2,72,515.30**	**1,44,429.91**
Profit / (loss) before exceptional item and tax		**3,521.70**	**(6,758.21)**
Exceptional items	25	(12,397.19)	9,553.25
(Loss) / profit before tax		**(8,875.49)**	**2,795.04**
Tax expense			
Current tax		-	(720.23)
Less: Minimum alternative tax credit entitlement		-	720.23
Current tax for earlier years		-	(95.66)
Deferred tax credit / (charge)		2,944.76	(758.00)
Net (loss) / profit for the year		**(5,930.73)**	**1,941.38**
Earnings/(loss) per equity share of ₹1 (previous year ₹10) each	26		
Basic and diluted		(3.82)	1.51

Notes 1 to 45 form an integral part of these standalone financial statements
This is the statement of profit and loss referred to in our report of even date

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Cash Flow statement for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	(8,875.49)	2,795.04
Adjustments for:		
Depreciation	2,485.29	2,942.69
Finance cost	11,506.77	11,995.55
Interest income	(380.00)	(35.77)
Provision for doubtful debts	1,367.65	673.69
Depreciation written back	-	(9,553.25)
Bad debts written off on one settlement with NHAI	11,490.10	-
Provision for doubtful deposits	50.22	47.33
(Profit) / loss on sale of fixed assets (net)	(787.37)	52.00
Share of loss/ (profit) in Joint Ventures	603.83	(510.53)
Sundry balances written back	(98.17)	(132.12)
Provision for gratuity	724.65	358.44
Operating profit before working capital changes	**18,087.48**	**8,633.07**
Adjustment for change in working capital		
Increase in inventories	(3,786.55)	(18,771.56)
Increase in trade receivables	(5,516.22)	(3,517.80)
Increase in loans and advances	(11,278.46)	(1,195.80)
Increase in trade payables and other current liabilites	49,560.36	16,876.72
Cash generated from operations	47,066.61	2,024.63
Direct taxes (paid) / refund	(2,204.26)	1,339.17
Net cash generated from operating activities	**44,862.35**	**3,363.80**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from divestments in joint venture	-	593.56
Purchase of fixed assets (including capital work in progress)	(4,095.49)	(2,799.73)
Proceeds from sale of fixed assets	1,175.79	234.14
Fixed Deposit with bank (maturity beyond three months)	(6,241.65)	(222.87)
Proceeds from fixed deposit with bank (maturity beyond three months)	222.87	205.60
Interest received	277.34	30.51
Net cash used in investing activities	**(8,661.14)**	**(1,958.79)**

Cash Flow statement for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital - QIP (net of share issue expenses)	-	13,999.05
Proceeds from long-term borrowings	801.38	6,841.34
Repayment of long-term borrowings	(4,469.48)	(3,035.11)
Repayment of short-term borrowings (net)	(14,573.56)	(6,228.68)
Interest paid	(11,575.63)	(12,300.57)
Dividend paid	(1.27)	(114.66)
Tax on distributed profits	-	(19.57)
Net cash used in financing activities	**(29,818.56)**	**(858.20)**
Net increase in cash and cash equivalents	6,382.65	546.81
Cash and cash equivalents at the beginning of year	1,453.67	906.86
Cash and cash equivalents at the end of year	**7,836.32**	**1,453.67**
Components of cash and cash equivalents (Refer note 18)		
Cash in hand	134.99	174.77
Balance with scheduled banks		
- current accounts	3,395.16	1,271.46
- unpaid dividend bank accounts	6.17	7.44
- deposit with original maturity upto 3 months	4,300.00	-
	7,836.32	**1,453.67**

Notes :

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

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

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Company') was incorporated in 1978 and is engaged in construction of a wide variety of structures like maritime structures, mass rapid transport systems (MRTS), dams & tunnels, airports, highways, bridges & flyovers and other foundations and specialist engineering work. The activities of the Company comprise only one business segment viz Construction.

1. SIGNIFICANT ACCOUNTING POLICIES

A. **Basis of accounting and preparation of standalone financial statements**

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

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

B. **Accounting estimates**

The preparation of the standalone financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of standalone financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. **Fixed assets**

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

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

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

D. **Depreciation on tangible fixed assets**

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

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

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

E. **Impairment of assets**

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

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

F. Investments

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

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

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

G. Inventories

i. Construction materials are valued at cost. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities).

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

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

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

H. Revenue recognition

i) On contracts

Revenue from construction contracts is recognised on the basis of percentage completion method. The stage of completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of certification has been classified as "Unbilled work-in-progress" and certification in excess of contract revenue has been classified as "Other current liabilities" in the standalone financial statements.

Amounts recoverable in respect of the price and other escalation, bonus claims adjudication and variation in contract work required for performance of the contract to the extent that it is probable that they will result in revenue.

In addition, if it is expected that the contract will make a loss, the estimated loss is immediately provided for in the books of account.

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

ii) Accounting for Joint Venture Contracts

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

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

(iii) Service Income from Joint ventures

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(iv) **Insurance claims**

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

(v) **Interest Income and other income**

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

I. **Advances from customers, progress payments and retention**

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

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

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

J. **Foreign currency transactions**

i. **Initial Recognition**

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

ii. **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. **Exchange Differences**

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

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

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

K. **Employee benefits**

i. **Defined benefit plan**

In terms of the Guidance on implementing Accounting Standard (AS) 15 - Employee Benefits, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the Company is treated as a defined benefit plan. This is administered through trusts of the Company. The Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

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

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

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

ii. Defined contribution plan:

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

iii. Other employee benefits

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

L. Earnings Per Share

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

M. Taxation

Current tax

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

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

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the standalone financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each balance sheet date to reassess realization. Timing differences

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

originating and reversing during the tax holiday period are not considered for the purpose of computing deferred tax assets and liabilities.

N. **Leases**

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

O. **Provisions and Contingent Liabilities**

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

P. **Cash and cash equivalents**

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

2. Share capital

	As at 31 December 2015		As at 31 December 2014	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity shares of ₹1 (previous year: ₹10) each	30,00,00,000	3,000.00	3,00,00,000	3,000.00
Redeemable preference shares of ₹10 each	4,50,00,000	4,500.00	4,50,00,000	4,500.00
	34,50,00,000	**7,500.00**	**7,50,00,000**	**7,500.00**
Issued				
Equity shares of ₹1 (previous year: ₹10) each	15,51,83,160	1,551.83	1,55,18,316	1,551.83
	15,51,83,160	**1,551.83**	**1,55,18,316**	**1,551.83**
Subscribed and fully paid-up				
Equity shares of ₹1 (previous year: ₹10) each	15,51,57,900	1,551.58	1,55,15,790	1,551.58
	15,51,57,900	**1,551.58**	**1,55,15,790**	**1,551.58**

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

	As at 31 December 2015		As at 31 December 2014	
	Number	Amount	Number	Amount
At the beginning of the year	1,55,15,790	1,551.58	1,15,15,790	1,151.58
Add: Conversion on account of share split (Refer note below)	13,96,42,110	-	-	-
Add : Issued during the year	-	-	40,00,000	400.00
Balance at the end of the year	**15,51,57,900**	**1,551.58**	**1,55,15,790**	**1,551.58**

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

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

The Company has only one class of equity shares having a par value of ₹1 (previous year ₹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 if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares held by holding Company**

	As at 31 December 2015		As at 31 December 2014	
	Number	Amount	Number	Amount
Equity shares of ₹1 (previous year: ₹10) each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	801.13	80,11,318	801.13

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

2. Share capital (Contd..)

d) Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2015

	As at 31 December 2015		As at 31 December 2014	
	Number	% Holding	Number	% Holding
Equity shares of ₹1 (previous year: ₹10) each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	51.63%	80,11,318	51.63%
HDFC Trustee Company Limited	1,10,33,180	7.11%	10,28,361	6.63%

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 the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash and bought back any shares during five years immediately preceeding the reporting date.

f) Out of the total issued capital, 25,260 (Previous year : 2,526) equity shares of ₹1 (previous year ₹10) each have been kept in abeyance pending final settlement of rights issues.

3. Reserves and surplus

	As at 31 December 2015	As at 31 December 2014
Securities premium account		
Balance at the beginning of the year	45,556.44	31,957.38
Add: Additions during the year	-	14,000.00
Less: Share issue expenses	-	(400.94)
Balance at the end of the year	**45,556.44**	**45,556.44**
General reserve	**676.48**	**676.48**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	8,997.65	7,056.27
Add : Transferred from statement of profit and loss	(5,930.73)	1,941.38
Less : Adjustment on account of additional depreciation (Refer note 3.1 below)	(29.61)	-
	3,037.31	**8,997.65**
	49,270.23	**55,230.57**

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

4. Long-term borrowings

	As at 31 December 2015		As at 31 December 2014	
	Non-current	Current	Non-current	Current
Secured				
Rupee term loans				
- From bank	-	1,989.04	1,995.74	3,000.00
- From other parties	315.04	273.94	587.97	865.84
Plant loans				
- From bank	212.91	100.76	-	-
- From other party	364.77	281.04	242.89	297.00
Vehicle loans from bank	90.09	39.44	134.01	37.18
Unsecured				
Rupee term loan from other party	-	-	-	174.50
	982.81	**2,684.22**	**2,960.61**	**4,374.52**
Amount disclosed under "Other current liabilities"	-	(2,684.22)	-	(4,374.52)
(Refer note 8)				
	982.81	**-**	**2,960.61**	**-**

Rupee term loan - from bank (secured)
Term loan obtained from Vijaya Bank carries interest rate of 12.25 percent per annum and repayable in 3 monthly installments starting from November 2015. This loan is secured by hypothecation of Kolkata area depot land.

Rupee term loans from other parties (secured)
Loan obtained from Indiabulls Housing Finance Limited for purchase of office (Kolkata) carries an interest rate of 13.50 percent per annum and is repayable in 84 monthly installments commencing from April 2013. This loan is secured by hypothecation of the office purchased out of this loan.

Loan obtained from Tata Capital Financial Services Limited carries an interest rate of 13 percent per annum and is repayable in 24 monthly installments commencing from April 2014. This loan is secured by first and exclusive charge on specific equipments financed by the institution.

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

Plant loans from other party (secured)
Loans obtained from Tata Capital Limited for purchase of construction equipment carry interest rate ranging between 12.01 to 13.01 percent per annum and are repayable in 57 to 84 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loans from bank (secured)
Loan obtained from Axis Bank for purchase of vehicles carry interest rate ranging between 10 to 10.5 percent per annum and are repayble in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

5. Long-term provision

	As at 31 December 2015	As at 31 December 2014
Provision for employee benefits		
- Leave entitlement [Refer note 32 (iv)]	692.16	560.70
	692.16	**560.70**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

6. Short-term borrowings

	As at 31 December 2015	As at 31 December 2014
Secured		
Cash credit facilities	27,668.90	59,028.68
Buyer's credit	-	713.78
Unsecured		
Commercial paper	17,500.00	-
	45,168.90	**59,742.46**

Cash credit facilities (secured)

Cash credit facilities are availed from consortium bankers carries various interest rates ranging from 11.70 to 15.15 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited. These facilities are payable on demand.

Commercial Paper (unsecured)

Commercial Paper is issued to HDFC Trustee Company Limited and Deutsche Asset Management (India) Private Limited carries an interest rate of 11.50 percent.

7. Trade payables (Refer note 40)

	As at 31 December 2015	As at 31 December 2014
Acceptances	7,234.25	8,048.48
Other than acceptances	64,443.78	28,240.11
	71,678.03	**36,288.59**

8. Other current liabilities

	As at 31 December 2015	As at 31 December 2014
Current maturity of long-term borrowings (Refer note 4)	2,684.22	4,374.52
Creditors for capital expenses	179.39	102.18
Interest accrued and due	48.47	83.65
Interest accrued but not due	89.30	122.98
Unpaid dividend *	6.17	7.44
Advances from customers (Refer note 41)	37,269.90	25,158.53
Material received from clients	58.76	102.46
Amount due to customers (Refer note 41)	1,833.90	545.76
Payable to related parties (Refer note 36)	785.66	681.42
Employee related dues	2,541.04	1,799.03
Statutory dues payable	587.34	220.72
Amount due to parent company (Refer note 36)	-	361.40
Liability for foreign exchange contracts	-	5.64
Others	963.84	1,018.92
	47,047.99	**34,584.65**

* Not due for credit to Investor Education and Protection Fund

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

9. Short term provisions

	As at 31 December 2015	As at 31 December 2014
Provision for employee benefits		
- Gratuity (Refer note 32)	1,315.03	790.38
- Leave entitlement (Refer note 32)	100.38	109.45
- Provident fund	182.11	178.33
	1,597.52	**1,078.16**

10. Tangible assets

	Freehold land	Leasehold improve-ments	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
Gross block								
Balance as at 1 January 2014	**15.32**	**453.82**	**1,099.17**	**34,239.82**	**6,629.84**	**1,854.85**	**332.07**	**44,624.89**
Additions	-	-	-	2,456.87	139.31	57.43	132.49	2,786.10
Disposals	-	-	-	(1,768.95)	(165.11)	(324.90)	(12.74)	(2,271.70)
Balance as at 31 December 2014	**15.32**	**453.82**	**1,099.17**	**34,927.74**	**6,604.04**	**1,587.38**	**451.82**	**45,139.29**
Additions	533.39	-	-	2,481.70	793.64	131.31	9.07	3,949.11
Disposals	-	-	(34.51)	(870.55)	(84.81)	-	(21.38)	(1,011.25)
Balance as at 31 December 2015	**548.71**	**453.82**	**1,064.66**	**36,538.89**	**7,312.87**	**1,718.69**	**439.51**	**48,077.15**
Accumulated depreciation								
Balance as at 1 January 2014	**-**	**125.43**	**155.84**	**18,242.74**	**5,391.27**	**1,351.50**	**188.25**	**25,455.03**
Depreciation charge	-	69.80	39.45	2,215.73	454.36	115.10	48.25	2,942.69
Reversal on disposal of assets	-	-	-	(1,490.88)	(129.72)	(353.29)	(11.67)	(1,985.56)
Effect of change in accounting policy [Refer note 25 & 39(b)]	-	-	(96.34)	(8,263.09)	(1,149.72)	18.31	(62.41)	(9,553.25)
As at 31 December 2014	**-**	**195.23**	**98.95**	**10,704.50**	**4,566.19**	**1,131.62**	**162.42**	**16,858.91**
Depreciation charge		102.87	16.80	1,625.97	518.83	174.39	46.43	2,485.29
Reversal on disposal of assets	-	-	(13.73)	(518.96)	(76.50)	-	(13.64)	(622.83)
Transition Adjustments (Refer note 3.1)	-	-	-	0.11	-	40.61	2.13	42.85
As at 31 December 2015	**-**	**298.10**	**102.02**	**11,811.62**	**5,008.52**	**1,346.62**	**197.34**	**18,764.22**
Net block								
As at 31 December 2015	**548.71**	**155.72**	**962.64**	**24,727.27**	**2,304.35**	**372.07**	**242.17**	**29,312.93**
As at 31 December 2014	**15.32**	**258.59**	**1,000.22**	**24,223.24**	**2,037.85**	**455.76**	**289.40**	**28,280.38**

Note:

Buildings include ₹0.09 lakhs (31 December 2014 : ₹0.09 lakhs) being the cost of shares in co-operative housing societies.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

11. Non current investments

	As at 31 December 2015		As at 31 December 2014	
	No. of Shares	Book Value	No. of Shares	Book Value
(Valued at cost, fully paid up, unless stated otherwise)				
Trade investments				
Investments in equity shares of wholly owned subsidiary (unquoted)				
ITD Cementation Projects India Limited	50,000	5.00	50,000	5.00
[50,000 (Previous year : 50,000) equity shares of ₹10 each fully paid up]				
Investment in unincorporated joint ventures *				
ITD Cemindia JV	-	77.51	-	(331.13)
ITD - ITDCem JV	-	5,123.92	-	4,835.62
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	-	1,012.36	-	1,033.41
ITD Cem-Maytas Consortium	-	388.63	-	371.21
		6,607.42		**5,914.11**

* 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.

12. Deferred tax assets (net)

	As at 31 December 2015	As at 31 December 2014
Deferred tax asset arising on account of (A)		
Provision for doubtful debts	1,309.46	975.54
Provision for employee benefits	651.20	496.43
Disallowance u/s 43B as per Income Tax Act, 1961	330.56	318.33
Provision for doubtful deposits	30.14	16.09
Disallowance for forseeable loss as per Income Computation and Disclosure Standards (ICDS)	356.54	-
Unabsorbed depreciation	-	1,065.20
Unabsorbed business loss	4,211.56	984.04
Others	11.01	14.23
Total (A)	6,900.47	3,869.86
Deferred tax liability arising on account of (B)		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	3,278.27	3,205.66
Total (B)	3,278.27	3,205.66
Deferred tax assets (A-B)	**3,622.20**	**664.20**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

13. Loans and advances

	As at 31 December 2015		As at 31 December 2014	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, considered good unless otherwise stated)				
Capital advances	1,212.05	-	1,007.13	-
Security and other deposits				
- considered good	293.42	1,451.05	253.46	1,752.79
- considered doubtful	-	97.55	-	47.33
Balances with related parties (Refer note 36)	-	5,343.50	-	7,532.61
Other loans and advances				
Advance recoverable in cash or kind				
- considered good (Refer note 36)	-	9,420.70	-	993.32
Prepaid expenses	-	2,121.84	-	1,001.65
Loans and advances to employees	-	18.30	-	10.66
Balances with statutory / government authorities	11,369.90	-	8,543.13	-
Advance income tax (net of provisions for tax)	4,084.93	-	1,880.67	-
	16,960.30	**18,452.94**	**11,684.39**	**11,338.36**
Less : provision for doubtful deposits	-	(97.55)	-	(47.33)
	16,960.30	**18,355.39**	**11,684.39**	**11,291.03**

14. Other non-current assets

	As at 31 December 2015	As at 31 December 2014
Non-current bank balances (Refer note 18)	12.00	22.00
Interest accrued but not due	6.89	5.54
	18.89	**27.54**

15. Current investments

	As at 31 December 2015		As at 31 December 2014	
	No. of Shares	Book Value	No. of Shares	Book Value
(Non-trade, unquoted at lower of cost and fair value)				
Investments in equity shares				
AVR Infra Private Limited (Face value of ₹10 each)	2,600	0.26	2,600	0.26
		0.26		**0.26**

16. Inventories

	As at 31 December 2015	As at 31 December 2014
Construction materials	13,154.32	13,078.40
Tools and equipment	4,000.35	4,305.81
Machinery spares	1,366.73	1,158.55
Unbilled work in progress (Refer note 37 and 38)	81,209.07	77,401.16
	99,730.47	**95,943.92**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

17. Trade receivables (Refer notes 37 and 38)

	As at 31 December 2015		As at 31 December 2014	
	Long-term	Short-term	Long-term	Short-term
(unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for more than six months				
- Considered good *	2,863.37	15,946.71	2,863.37	19,104.46
- Considered doubtful	-	4,237.73	-	2,870.08
	2,863.37	20,184.44	2,863.37	21,974.54
Less: Provision for doubtful debts	-	(4,237.73)	-	(2,870.08)
	2,863.37	15,946.71	2,863.37	19,104.46
Other debts **	-	10,169.58	-	14,353.36
	2,863.37	**26,116.29**	**2,863.37**	**33,457.82**
Notes :				
* Includes retention money	571.41	8,802.62	571.41	5,520.97
** Includes retention money	-	3,925.51	-	3,190.19

18. Cash and bank balances

	As at 31 December 2015		As at 31 December 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash in hand	-	134.99	-	174.77
Balance with banks				
- current accounts	-	3,395.16	-	1,271.46
- unpaid dividend bank accounts	-	6.17	-	7.44
- in deposit account with original maturity upto 3 months		4,300.00	-	-
	-	**7,836.32**	**-**	**1,453.67**
Other bank balances				
Deposit with maturity of more than 3 months and less than 12 months *		6,251.65	-	222.87
Bank deposits with maturity of more than 12 months **	12.00	-	22.00	-
	12.00	**14,087.97**	**22.00**	**1,676.54**
Less: Amounts disclosed as Other non-current assets (Refer note 14)	(12.00)	-	(22.00)	-
	-	**14,087.97**	**-**	**1,676.54**

* Includes ₹241.65 lakhs (previous year ₹222.87 lakhs) earmarked against bank guarantees taken by the Company and ₹10 lakhs (previous year ₹ Nil) placed as earnest money deposit

** Placed as earnest money deposit

19. Other current assets

	As at 31 December 2015	As at 31 December 2014
Interest accrued but not due	116.89	15.58
	116.89	15.58

(Currency : Indian Rupee in lakhs)

20. Other operating income

	Year ended 31 December 2015	Year ended 31 December 2014
Service income from unincorporated joint ventures	441.10	1,189.28
Company's share in profit after tax of joint ventures* (Refer note 36)	303.26	510.53
	744.36	**1,699.81**

* Excludes ₹907.09 lakhs pertaining to share of loss from one time settlement with NHAI in respect of ITD Cemindia JV included in exceptional item (Refer note 25)

21. Other Income

	Year ended 31 December 2015	Year ended 31 December 2014
Interest income		
- on bank deposits	376.88	23.43
- on income tax refund	-	320.54
- from customer on settlement	81.01	222.88
- others	3.12	12.34
Other non operating income:		
- Profit on sale of fixed assets (net)	787.37	-
- Sundry balances written back	98.17	132.12
- Insurance claim	175.49	-
- Miscellaneous income	161.90	19.74
	1,683.94	**731.05**

22. Employee benefits expense

	Year ended 31 December 2015	Year ended 31 December 2014
Salaries and wages	16,491.75	14,142.19
Contribution to gratuity (Refer note 32)	724.65	358.44
Contribution to provident and other funds (Refer note 32)	1,162.70	1,070.51
Staff welfare expenses	53.15	40.85
	18,432.25	**15,611.99**

23. Finance costs

	Year ended 31 December 2015	Year ended 31 December 2014
Interest expenses		
- Cash credit facilities	5,405.22	8,322.59
- Long term loan	807.35	745.72
- Commercial papers	1,386.18	-
- Advances from customers	1,238.98	892.89
- Letter of credit	360.96	130.20
- Buyer's credit	5.15	17.84
- Others	32.81	101.75
Other borrowing costs		
- Applicable net loss on foreign currency transactions and transition	55.71	204.93
- Bank charges and guarantee commission	2,214.41	1,579.63
	11,506.77	**11,995.55**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

24. Other expense

	Year ended 31 December 2015	Year ended 31 December 2014
Plant hire expenses	5,128.66	4,626.53
Power and fuel	6,623.25	6,567.00
Sales tax on works contracts	7,015.51	4,342.09
Travelling expenses	832.04	790.16
Tools and equipment	1,479.07	973.02
Foreseeable loss	231.96	501.98
Site transport and conveyance	2,305.25	2,556.41
Repairs and maintenance:		
- Plant and machinery	516.53	415.01
- Others	300.17	177.03
Insurance	966.11	506.18
Professional fees	1,954.49	1,169.63
Rent (Refer note 42)	2,496.18	2,113.59
Consumption of spares	1,797.15	1,229.01
Security charges	900.40	712.76
Temporary site installations	755.40	406.62
Postage, telephone and telegram	188.94	177.17
Auditor remuneration (Refer note 27)	56.71	56.44
Provision for doubtful debts (Refer note 28)	1,367.65	673.69
Provision for doubtful deposits	50.22	47.33
Rates and taxes	86.14	135.76
Water charges	692.82	354.92
Printing and stationery	149.12	121.10
Infotech expenses	282.16	189.22
Service tax	9,772.41	1,275.52
Labour cess	1,529.54	541.52
Exchange loss (net)	-	83.91
Directors' sitting fees	6.05	2.75
CSR expenses	19.74	12.87
Loss on sale of fixed assets (net)	-	52.00
Miscellaneous expenses	2,097.30	1,529.95
	49,600.97	**32,341.17**

25. Exceptional items

	Year ended 31 December 2015	Year ended 31 December 2014
a) Loss on account of one time settlement with National Highway Authority of India [Refer note 39(a)]	(12,397.19)	-
b) Profit for effect of change in depreciation policy from WDV to SLM [Refer note 39(b)]	-	9,553.25
	(12,397.19)	**9,553.25**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

26. Earnings per share

	Year ended 31 December 2015	Year ended 31 December 2014
Weighted average number of equity shares outstanding during the year	15,51,57,900	12,81,99,000
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted earning/ (loss) per share	15,51,57,900	12,81,99,000
Net (loss) / profit after tax attributable to equity shareholders	(5,930.73)	1,941.38
Earning per share :		
Basic and diluted	(3.82)	1.51

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

27. Auditor remuneration (including service tax)

	Year ended 31 December 2015	Year ended 31 December 2014
Audit fee	25.76	25.04
Tax audit fee (including tax accounts)	11.50	10.28
Limited review	15.63	14.65
Certification	2.97	5.96
Out-of-pocket expenses	0.85	0.51
	56.71	**56.44**

28. Provision for doubtful debts

	Year ended 31 December 2015	Year ended 31 December 2014
Provision for doubtful debts at the end of year	4,237.73	2,870.08
Less: Provision for doubtful debts at the beginning of year	2,870.08	2,196.39
	1,367.65	**673.69**

29. Commitment*

	Year ended 31 December 2015	Year ended 31 December 2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	310.28	1,977.92

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

30. Contingent Liabilities*

		Year ended 31 December 2015	Year ended 31 December 2014
a)	Guarantees given by banks in respect of contracting commitments in the normal course of business		
	- for the Company	28,521.08	18,332.58
	- for Joint Ventures (Refer note 36)	6,555.36	5,170.84
b)	Letter of credit limit utilized by joint ventures (Refer note 36)	63.81	1,439.91
c)	Corporate Guarantee given to bank on behalf of Joint Ventures (Refer note 36)	48,651.00	51,000.00
d)	The Company has a number of claims on customers for price escalation and / or variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims. The Company has received legal advice that none of the counter-claims are legally tenable. Accordingly no provision is considered necessary in respect of these counter claims.	12,016.77	12,016.77
e)	Sales Tax matters pending in appeals	2,006.88	2,721.46
f)	Income Tax matters pending in appeal	1,319.08	1,165.44
g)	Excise matter pending in appeal	52.00	52.00

* It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

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

a) Derivative outstanding at the reporting date:

Buyers credit, Trade payables and Acceptances	As at 31 December 2015			As at 31 December 2014		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	-	-	-	9,45,307	63.80	603.11
EURO Exposure	-	-	-	2,83,381	77.84	220.58
Total			-			**823.69**

b) Unhedged foreign currency exposures at the reporting date:

Buyers credit, Trade payables and Acceptances	As at 31 December 2015			As at 31 December 2014		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	14,526	66.60	9.67	-	-	-
EURO Exposure	13,811	99.41	13.73	-	-	-
Total			**23.40**			-

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

32. **Employee benefits**

i) **Gratuity**

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

	31 December 2015	31 December 2014
The amount recognised in the statement of profit and loss :		
Current service cost	252.51	213.28
Interest cost	161.51	157.21
Expected return on plan assets	(119.56)	(109.59)
Net actuarial loss for the year	430.19	97.54
Net benefit expense	**724.65**	**358.44**
The amount recognised in the balance sheet :		
Defined benefit obligation	2,681.54	2,157.59
Fair value of plan assets	1,366.51	1,367.21
Plan liability	**1,315.03**	**790.38**
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the year	2,157.59	1,757.61
Current service cost	252.51	213.28
Interest cost	161.51	157.21
Actuarial loss	387.47	145.59
Benefit paid	(277.54)	(116.10)
Present value of defined benefit obligation at end of year	**2,681.54**	**2,157.59**
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the year	1,367.21	1,225.67
Expected return on plan assets	119.55	109.59
Contributions by employer	200.00	100.00
Benefit paid	(277.54)	(116.10)
Actuarial (loss) / gain on plan assets	(42.71)	48.05
Fair value of plan assets at end of the year	**1,366.51**	**1,367.21**

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:

	2015	2014	2013	2012	2011
Defined Benefit Obligation	**2,681.54**	2,157.59	1,757.61	1,709.82	1,467.43
Plan Assets	**1,366.51**	1,367.21	1,225.67	1,216.84	1,081.14
Deficit	**(1,315.03)**	(790.38)	(531.94)	(492.98)	(386.29)
Experience adjustments on plan assets	**(42.71)**	48.05	(82.26)	71.78	(108.93)
Experience adjustment on plan liabilities	**(387.47)**	(145.59)	186.50	(118.31)	(28.18)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation of India and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation of India and Birla Sunlife Insurance as at 31 December 2015 are ₹0.16 lakhs (31 December 2014 - ₹0.15 lakhs) and ₹1,366.35 lakhs (31 December 2014 - ₹1,367.06 lakhs) respectively. The management understands that the assets in these portfolios are well diversified and as such the long term return thereon is expected to be higher than the rate of return on Government Bonds.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

32. **Employee benefits** (Contd..)

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.

	31 December 2015	31 December 2014
The principal assumptions used in determining the gratuity obligations :		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Salary esclation rate	5.00%	4.50%
Withdrawal rates	Upto age 44 - 5% 45 years & above -2.5%	Upto age 44 - 2% 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.

ii) **Provident fund**

The Company's expense for the provident fund aggregates ₹774.51 lakhs during the year ended (31 December 2014 - ₹733.15 lakhs).

Provident fund for certain eligible employees is managed by the Company through trust "The Provident Fund of ITD Cementation India Limited", in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India for measurement of provident fund liabilities, the valuer has certified that there is no shortfall as at 31 December 2015 and 31 December 2014.

iii) **Superannuation**

The Company's expense for the superannuation, a defined contribution plan aggregates ₹388.19 lakhs during the year (31 December 2014 - ₹337.36 lakhs) .

iv) **Leave entitlement**

The liability for leave entitlement and compensated absences as at year end is ₹792.54 lakhs (31 December 2014 : ₹670.15 lakhs).

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

	Year ended 31 December 2015	Year ended 31 December 2014
a) **Expenditure in foreign currency:**		
Travelling expenses	8.45	8.07
Infotech expenses	24.58	-
Interest on buyers credit	5.15	17.84
Miscellaneous expenses	3.43	0.09
	41.61	**26.00**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

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

		Year ended 31 December 2015	Year ended 31 December 2014
b)	**Amount remitted in foreign currency for dividend:**		
	Number of non-resident shareholders	1	1
	Number of shares held of ₹1 (previous year: ₹10) each	8,01,13,180	80,11,318
	Dividend remitted	-	80.11
	Year to which dividend relates	-	2013
c)	**Value of imports on CIF basis:**		
	Spare parts	45.50	41.66
	Tools and equipments	8.62	-
	Construction materials	1,287.04	106.92
	Capital goods (including capital work-in-progress)	778.25	144.03
		2,119.41	**292.61**

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

	As at 31 December 2015		As at 31 December 2014	
	%	Value	%	Value
Spare parts				
Imported	2.53	45.50	3.39	41.66
Indigenous	97.47	1,751.65	96.61	1,187.35
	100.00	**1,797.15**	**100.00**	**1,229.01**
Tools and equipment				
Imported	0.58	8.62	-	-
Indigenous	99.42	1,470.45	100.00	973.02
	100.00	**1,479.07**	**100.00**	**973.02**
Construction material				
Imported	1.94	1,287.04	0.23	106.92
Indigenous	98.06	64,947.91	99.77	46,792.49
	100.00	**66,234.95**	**100.00**	**46,899.41**

34. **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.

35. **Joint Ventures disclosure**

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

Name of the Joint Venture	% of Participation as at		Nature of business	Description of interest
	31 December 2015	31 December 2014		
ITD Cemindia JV	80%	80%	Construction	Co-venturer
ITD - ITD Cem JV	49%	49%	Construction	Co-venturer
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%	Construction	Co-venturer
ITD Cem-Maytas Consortium	95%	95%	Construction	Co-venturer

All the above are unincorporated jointly controlled entities in India.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

35. **Joint Ventures disclosure** (Contd..)

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

Name of the Joint Venture	% of Participation as at		Nature of business	Description of interest
	31 December 2015	31 December 2014		
ITD Cementation India Limited JV	69%	-	Construction	Co-venturer

c) 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	1,255.44	31,936.85	1,051.50	2,148.41
	(5,154.40)	(27,270.02)	(768.96)	(2,533.23)
Share of Liabilities	1,177.93	26,812.93	39.13	1,759.78
	(5,485.53)	(22,434.40)	(-264.45)	(2,162.02)
Share of total revenue	921.52	31,818.32	528.51	526.18
	(386.71)	(33,553.87)	(843.96)	(2,376.93)
Share of total expenses including exceptional item and tax	1,810.02	31,530.03	549.55	508.75
	(389.78)	(33,467.23)	(559.52)	(2,234.41)
Share of Contingent Liabilities	1,305.72	796.41	239.73	-
	(1,640.88)	-	(878.40)	-

(Previous year figures are given in brackets)

36 **Related Party Disclosures :**

a) **Names of related parties and description of relationship**

A **Enterprise where control exists**

i) **Holding Company**

Italian-Thai Development Public Company Limited

ii) **Subsidiary Company**

ITD Cementation Projects India Limited

B **Other related parties with whom the Company had transactions**

i) **Joint Ventures (unincorporated)**

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

ii) **Key management personnel (KMP)**

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

iii) **Fellow subsidiary**

First Dhaka Elevated Expressway (FDEE) Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015 (Currency : Indian Rupee in lakhs)

36 **Related Party Disclosures :** (Contd..)

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

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow subsidiary
Contract Revenue				
Italian-Thai Development Public Company Limited	-	-	-	-
	(13.95)	(-)	(-)	(-)
Dividend paid				
Italian-Thai Development Public Company Limited	-	-	-	-
	(80.11)	(-)	(-)	(-)
Plant & tools hire income (net of expenses)				
ITD Cemindia JV	-	0.30	-	-
	(-)	(-16.13)	(-)	(-)
ITD-ITDCem JV	-	440.80	-	-
	(-)	(744.64)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(533.77)	(-)	(-)
Sale of Construction materials and spares				
ITD-ITDCem JV	-	-	-	-
	(-)	(42.91)	(-)	(-)
Purchases of Construction materials and spares				
ITD Cemindia JV	-	17.99	-	-
	(-)	(40.95)	(-)	(-)
ITD-ITDCem JV	-	14.10	-	-
	(-)	(449.76)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(68.19)	(-)	(-)
Purchase of fixed assets				
ITD-ITDCem JV	-	70.02	-	-
	(-)	(0.52)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	17.72	-	-
	(-)	(0.09)	(-)	(-)
Sale of fixed assets				
First Dhaka Elevated Expressway (FDEE) Company Limited	-	-	-	78.87
	(-)	(-)	(-)	(-)
Employee related expense				
ITD Cemindia JV	-	-	-	-
	(-)	(10.51)	(-)	(-)
Remuneration				
Mr. Adun Saraban	-	-	94.56	-
	(-)	(-)	(81.80)	(-)
Mr. S. Ramnath	-	-	52.27	-
	(-)	(-)	(48.36)	(-)

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

36 **Related Party Disclosures :** (Contd..)

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

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow subsidiary
Mr. R. C. Daga	-	-	44.69	-
	(-)	(-)	(42.07)	(-)
Corporate Guarantee issued				
ITD-ITDCem JV	-	15,151.00	-	-
	(-)	(-)	(-)	(-)
Corporate Guarantee withdrawn				
ITD-ITDCem JV	-	13,200.00	-	-
	(-)	(-)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	4,300.00	-	-
	(-)	(-)	(-)	(-)
Share of profit/(loss) after tax in joint ventures				
ITD Cemindia JV (including exceptional loss)	-	(888.50)	-	-
	(-)	(-3.07)	(-)	(-)
ITD-ITDCem JV	-	288.29	-	-
	(-)	(86.64)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	(21.04)	-	-
	(-)	(284.44)	(-)	(-)
ITD Cem Maytas Consortium	-	17.43	-	-
	(-)	(142.52)	(-)	(-)

(Figures in bracket represents previous year numbers)

c) Balances at the year end:

Particulars	Holding Company	Joint Venture	Fellow subsidiary
Trade receivables			
Italian-Thai Development Public Company Limited	25.89	-	-
	(28.91)	(-)	(-)
Other current liabilities			
Italian-Thai Development Public Company Limited	-	-	-
	(361.40)	(-)	(-)
Payable for capital goods			
ITD-ITDCem JV	-	70.02	-
	(-)	(-)	(-)
Advance receivable in cash or kind			
First Dhaka Elevated Expressway (FDEE) Company Limited	-	-	78.87
	(-)	(-)	(-)
Balances - receivable / (payable)			
ITD Cemindia JV	-	919.17	-
	(-)	(6,838.83)	(-)
ITD-ITDCem JV	-	4,424.33	-
	(-)	(693.78)	(-)

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

36 **Related Party Disclosures :** (Contd..)

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

Particulars	Holding Company	Joint Venture	Fellow subsidiary
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	(446.03)	-
	(-)	(-377.40)	(-)
ITD Cem Maytas Consortium		(339.63)	
	(-)	(-304.02)	(-)
Corporate guarantee issued on behalf of			
ITD-ITDCem JV	-	48,651.00	-
	(-)	(46,700.00)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-
	(-)	(4,300.00)	(-)
Letter of credit limit utilized			
ITD-ITDCem JV	-	63.81	-
	(-)	(1,439.91)	(-)
Bank guarantee issued on behalf of			
ITD Cemindia JV	-	1,027.57	-
	(-)	(-)	(-)
ITD-ITDCem JV	-	5,327.79	-
	(-)	(5,128.34)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	200.00	-
	(-)	(42.50)	(-)

(Figures in bracket represents previous year numbers)

37 Trade receivables and Unbilled Work-in-progress as at 31 December 2015 include amounts aggregating ₹3,033 lakhs (31 December 2014 - ₹2,655 lakhs) and ₹479 lakhs (31 December 2014 - ₹1,584 lakhs) respectively, which have been outstanding for a substantial period of time . The Company has been actively negotiating for recovery and also pursuing legal action of the balance receivables. In view thereof, management is reasonably confident of their recovery.

38 (a) Long-term trade receivables at 31 December 2015 include variation claims of ₹309 lakhs (31 December 2014 - ₹309 lakhs) for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.

(b) Long-term trade receivables and unbilled work-in-progress at 31 December 2015 include ₹1,140 lakhs (31 December 2014 - ₹1,140 lakhs) and ₹2,756 lakhs (31 December 2014 - ₹2,756 lakhs) respectively, in respect of a contract which has been rescinded by the Company and long-term trade receivables and unbilled work-in-progress as at 31 December 2015 includes ₹1,414 lakhs (31 December 2014 - ₹1,414 lakhs) and ₹5,922 lakhs (31 December 2014 - ₹5,922 lakhs) respectively, in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract for which the Company has also issued guarantees aggregating ₹1,497 lakhs (31 December 2014 - ₹1,497 lakhs). The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the standalone financial statements.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

39 (a) During the year ended 31 December 2015, the Company has signed a definitive agreement with the National Highways Authority of India (NHAI) under which both parties have agreed to settle all awards received, claims under consideration at various forums, pending disputes and amounts outstanding in the Company's and joint venture's books of account under trade receivables and unbilled work-in-progress in respect of all the contracts executed by the company and Joint Venture. Pursuant to this settlement the Company including its share in Joint Venture has accounted for the resultant loss on the settlement of ₹12,397 lakhs which has been disclosed as an exceptional item.

(b) During the year ended 31 December 2014, the Company had, with retrospective effect, changed its method of providing depreciation on fixed assets from the 'Written Down Value' method to the 'Straight Line' method effective 1 October 2014. The change in the above accounting policy has resulted in a surplus of ₹9,553 lakhs relating to the depreciation already charged upto the period ended 30 September 2014 which has been disclosed as an exceptional item in previous year.

40 Micro and Small Enterprises

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 December 2015. 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. There is no interest paid or pavable during the year.

41. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 'Construction Contracts' are as under:

		Year ended 31 December 2015	Year ended 31 December 2014
a)	Contract revenue recognised as revenue in the period Clause 38 (a)	2,73,608.70	1,35,240.84
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	7,61,162.29	4,25,604.24
c)	Advance received on Contract under progress Clause 39 (b)	37,269.90	25,158.53
d)	Retention amounts on Contract under progress Clause 39 (c)	13,299.54	9,282.57
e)	Gross amount due from customers for contract work as an asset Clause 41 (a)	81,209.07	77,401.16
f)	Gross amount due to customers for contract work as an asset Clause 41 (b)	1,833.90	545.76

42 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 ₹1,974.18 lakhs (31 December 2014 - ₹1,472.70 lakhs.

b) The Company, in addition to above, has taken commercial premises on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31 December 2015 are as follows:

	As at 31 December 2015	As at 31 December 2014
Minimum Lease Payments		
Payable not later than 1 year	552.00	522.00
Payable later than 1 year and not later than 5 years	230.00	782.00
Payable later than 5 years	-	-
Total	**782.00**	**1,304.00**

These leases have no escalation clauses.

Rental expenses in the statement of profit and loss for the year includes ₹522.00 lakhs (31 December 2014 - ₹640.89 lakhs) towards such non-cancellable leases.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

42 **Operating lease** (Contd..)

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.

43 Company has unabsorbed business loss during the year which is available for set off against future taxable income under the Income Tax Act. The Company has recognized deferred tax asset on such unabsorbed business loss amounting ₹13,630 lakhs on the basis of profitable binding contract in hand. Management believes that the profitable binding contract in hand satisfies the test of virtual certainty with convincing evidence as required by Accounting Standard (AS) - 22 on Accounting for taxes on income.

44 The tax year for the Company being the year ending 31 March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31 March 2015 and the provision based on the figures for the remaining nine months up to 31 December 2015, the ultimate tax liability of which will be determined on the basis of the figures for the period 1 April 2015 to 31 March 2016.

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

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Independent Auditor's Report

To
The Members of
ITD Cementation India Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of ITD Cementation India Limited, ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and unincorporated jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31 December 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and unincorporated jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiary included in the Group and unincorporated jointly controlled entities are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company, its subsidiary which is incorporated in India and unincorporated jointly controlled entities are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. As stated in Note 36 to the consolidated financial statements, the Company's trade receivables and unbilled work in progress as at 31 December 2015 include amounts aggregating ₹3,033 lakhs (31 December 2014: ₹2,655 lakhs) and ₹479 lakhs (31 December 2014: ₹1,584 lakhs) respectively, being considered as good and recoverable by the management. These amounts are presently under negotiation with the customers or subject matter of litigation. In the absence of external balance confirmations from the customers or other alternative audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these receivables, we are unable to comment on the extent to which these balances are recoverable and consequential impact, if any, on the accompanying consolidated financial statements. Our audit opinion on the consolidated financial statements for the year ended 31 December 2014 was also qualified in respect of this matter.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and unincorporated jointly controlled entities as at 31 December 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 37 to the consolidated financial statements which describes the uncertainty related to recoverability of long-term trade receivables and unbilled work in progress aggregating to ₹2,863 lakhs (31 December 2014: ₹2,863 lakhs) and ₹8,678 lakhs (31 December 2014: ₹8,678 lakhs) respectively, outstanding as at 31 December 2015, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of litigation, the Company has assessed the recoverability of these claims based on legal opinion from an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the consolidated financial statements. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's report of the Subsidiary Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies

12. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiary, we report, to the extent applicable, that:
    a) we have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
    b) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
    c) the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

e) the matters described in paragraph 8 and paragraph 10 under the Basis for Qualified Opinion and the Emphasis of Matters paragraph respectively, in our opinion, may have an adverse effect on the functioning of the Group and unincorporated jointly controlled entities;

f) on the basis of the written representations received from the directors of the Holding Company as on 31 December 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the group is disqualified as on 31 December 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   (i) except for the possible effect of the matters described above in paragraph 8 and paragraph 10 under the Basis for Qualified Opinion and the Emphasis of Matters paragraph respectively and Note 29 (c) to (g), the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and unincorporated jointly controlled entities;

   (ii) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, as detailed in note 36 to the consolidated financial statements, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts; and

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

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 24 February 2016

Annexure to the Independent Auditor's Report of even date to the members of ITD Cementation India Limited on the consolidated financial statements for the year ended 31 December 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding 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 Holding 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 of the Holding Company 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 Holding Company and the nature of its assets.

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

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

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

(iii) The Holding Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.

(iv) Owing to the nature of its business, the Holding Company does not sell any goods. Accordingly, clause 3(iv) of the Order with respect to sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Holding Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Holding Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Holding Company, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of wealth tax, service tax, duty of customs and cess that have not been deposited with the appropriate authorities on account of any dispute by the Holding Company.

The dues outstanding in respect of income-tax, sales-tax, duty of excise and value added tax on account of any dispute by the Holding Company, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount Paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	31.97	-	2004-05	Deputy Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	29.39	14.69	2003-04	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	45.29	9.06	2005-06	Taxation Appellate Tribunal, Patna
Sales Tax Act/Works Contract Tax Act	Sales Tax	3.95	-	2011-12	Assistant Commercial Tax Officer
Sales Tax Act/Works Contract Tax Act	Value Added Tax	129.60	19.91	2009-10	Joint Commissioner of Commercial Taxes, Rajkot
Sales Tax Act/Works Contract Tax Act	Sales Tax	149.45	15.00	2010-11	Deputy Commissioner (Commercial Taxes) Gandhidham
Sales Tax Act/Works Contract Tax Act	Value Added Tax	79.83	23.95	2006-07 & 2007-08	Assistant Commissioner (Appeals), Commercial Taxes, Ernakulam
Sales Tax Act/Works Contract Tax Act	Value Added Tax	10.38	2.70	2005-06	Maharashtra Sales Tax Tribunal, Mumbai
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.68	0.34	2003-04	Assisstant Commissioner of Sales Tax, Orissa
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.19	-	2005-06	Assisstant Commissioner, Rajasthan
Sales Tax Act/Works Contract Tax Act	Sales Tax	99.56	26.12	2006-07, 2007-08, 2008-09 & 2009-10	Appellate Deputy Commissioner of Commercial Taxes, Tamil Nadu
Sales Tax Act/Works Contract Tax Act	Sales Tax	4.29	-	1997-98 & 2007-08	Deputy Commissioner of Commercial Taxes, Uttar Pradesh
Sales Tax Act/Works Contract Tax Act	Sales Tax/ Entry Tax	168.71	-	2010-11 & 2011-12	Deputy Commissioner of Commercial Taxes, Allahabad
Sales Tax Act/Works Contract Tax Act	Sales Tax/ Value Added Tax	387.06	-	2004-05, 2006-07, 2007-08 & 2008-09	Appellate and Revisional board, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	105.80	-	2010-11	Commissioner, Commercial Taxes, Kolkata
Sales Tax Act/Works Contract Tax Act	Sales Tax	16.60	-	1994-95	Revision Board (Tribunal), Kolkata
Sales Tax Act/Works Contract Tax Act	Value Added Tax	265.81	-	2011-12	Joint Commissioner Sales Tax, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	478.17	70.00	2012-2013	The West Bengal Taxation Tribunal, Salt Lake, Kolkata

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount Paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	0.15	-	1999-00	Joint Commissioner of Commercial Taxes, Bihar
Central Excise Act,1944	Excise Duty	51.70	-	May 1998 to January 1999	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	123.13	-	A.Y. 2010-11	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	0.63	-	A.Y.2010-11	Assessing Officer, Mumbai
Income Tax Act, 1961	Income Tax	137.85	-	A.Y.2011-12	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	386.20	-	A.Y. 2011-12, 2012-13 & 2013-14	Commissioner of Income Tax (Appeals)

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

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

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

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

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

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

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 24 February 2016

Consolidated Balance Sheet as at 31 December 2015

(Currency : Indian Rupee in lakhs)

	Notes	As at 31 December 2015	As at 31 December 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,551.58	1,551.58
Reserves and surplus	3	49,269.85	55,230.22
		50,821.43	**56,781.80**
Non-Current Liabilities			
Long-term borrowings	4	1,178.81	4,038.61
Long-term provisions	5	694.56	563.24
		1,873.37	**4,601.85**
Current Liabilities			
Short-term borrowings	6	56,211.69	68,119.53
Trade payables	7	75,429.28	41,719.51
Other current liabilities	8	58,521.83	47,150.32
Short-term provisions	9	1,621.57	1,110.97
		1,91,784.37	**1,58,100.33**
Total		**2,44,479.17**	**2,19,483.98**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	34,898.52	33,525.83
Capital work-in-progress		267.22	328.36
Deferred tax assets, (net)	11	4,423.39	1,485.13
Long-term loans and advances	12	22,167.51	16,595.77
Long-term trade receivables	16	2,863.37	2,863.37
Other non-current assets	13	23.79	27.54
		64,643.80	**54,826.00**
Current Assets			
Current investment	14	0.26	0.26
Inventories	15	1,17,538.07	1,13,125.22
Trade receivables	16	30,917.17	41,285.81
Cash and bank balances	17	14,760.26	2,718.20
Short-term loans and advances	12	16,500.51	7,512.74
Other current assets	18	119.10	15.75
		1,79,835.37	**1,64,657.98**
Total		**2,44,479.17**	**2,19,483.98**
Significant accounting policies	1		

Notes 1 to 43 form an integral part of these consolidated financial statements
This is the consolidated balance sheet referred to in our report of even date

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Consolidated Statement of Profit and Loss for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
REVENUE			
Contract revenue		3,06,870.03	1,71,242.31
Other operating income	19	224.87	652.29
Other income	20	2,217.41	1,849.47
Total revenue		**3,09,312.31**	**1,73,744.07**
EXPENSES			
Cost of materials consumed		80,945.83	64,392.02
Sub-contract expense		1,29,588.37	40,260.28
Employees benefits expense	21	22,240.69	19,363.89
Finance costs	22	13,771.36	13,550.37
Depreciation expense	10	3,665.05	4,270.88
Other expenses	23	55,162.40	38,770.92
Total Expenses		**3,05,373.70**	**1,80,608.36**
Profit / (loss) before exceptional item and tax		**3,938.61**	**(6,864.29)**
Exceptional items	24	(12,397.19)	9,553.25
(Loss) / profit before tax		**(8,458.58)**	**2,688.96**
Tax expense			
Current tax		(265.37)	(964.52)
Less: Minimum alternative tax credit entitlement		-	720.23
Short provision for tax for earlier years		(131.83)	132.69
Deferred tax credit / (charge)		2,925.02	(635.93)
Net (loss) / profit for the year		**(5,930.76)**	**1,941.43**
Earnings/(loss) per equity share of ₹1 (previous year ₹10) each	25		
Basic and diluted		(3.82)	1.51

Notes 1 to 43 form an integral part of these consolidated financial statements
This is the consolidated statement of profit and loss referred to in our report of even date

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Consolidated Cash Flow Statement for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	(8,458.58)	2,688.96
Adjustments for:		
Depreciation	3,665.05	4,270.88
Finance Cost	13,771.36	13,550.37
Interest income	(449.58)	(149.70)
Provision for doubtful debts	1,367.65	673.69
Provision for doubtful deposits	50.22	47.33
Depreciation written back	-	(9,553.25)
Bad debts written off on one settlement with NHAI	12,397.19	-
(Profit) / loss on sale of fixed assets (net)	(815.02)	20.03
Sundry balances written back	(235.81)	(132.13)
Prior years provision written back	-	(176.95)
Provision for gratuity	725.28	359.44
Operating profit before working capital changes	**22,017.76**	**11,598.67**
Adjustment for change in working capital		
Increase in Inventories	(4,412.85)	(17,442.63)
Increase in trade receivables	(3,396.19)	(4,664.43)
Increase in loans and advances	(12,266.25)	(4,051.90)
Increase in trade payables and other current liabilites	47,066.74	18,302.73
Cash generated from operations	49,009.21	3,742.44
Direct taxes (paid) / refund	(2,503.69)	621.16
Net cash generated from operating activities	**46,505.52**	**4,363.60**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(5,862.62)	(4,912.77)
Proceeds from sale of fixed assets	1,258.21	342.37
Fixed Deposit with bank (maturity beyond three months)	(6,372.42)	(222.87)
Proceeds from fixed deposit with bank (maturity beyond three months)	222.87	795.89
Interest received	344.88	161.69
Net cash used in investing activities	**(10,409.08)**	**(3,835.69)**

Consolidated Cash Flow Statement for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital - QIP (net of share issue expenses)	-	13,999.05
Proceeds from long-term borrowings	997.38	6,841.34
Repayment of long-term borrowings	(5,547.48)	(6,857.11)
Repayment of short-term borrowings (net)	(11,907.84)	(402.81)
Interest paid	(13,749.82)	(13,874.75)
Dividend paid	(1.27)	(114.66)
Tax on distributed profits	-	(19.57)
Net cash used in financing activities	**(30,209.03)**	**(428.51)**
Net increase in cash and cash equivalents	5,887.41	99.40
Cash and cash equivalents at the beginning of year	2,495.33	2,395.93
Cash and cash equivalents at the end of year	**8,382.74**	**2,495.33**
Components of cash and cash equivalents (Refer note 17)		
Cash in hand	157.51	194.75
Balance with scheduled banks		
- current accounts	3,600.56	1,924.98
- unpaid dividend bank accounts	6.17	7.44
- deposits with original maturity not more than 3 months	4,618.50	368.16
	8,382.74	**2,495.33**

Notes :

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

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

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Company') was incorporated in 1978 and is engaged in construction of a wide variety of structures like maritime structures, mass rapid transport systems (MRTS), dams & tunnels, airports, highways, bridges & flyovers and other foundations and specialist engineering work. The activities of the Company comprise only one business segment viz Construction.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation and Principles of Consolidation

(i) Basis of Preparation of Consolidated Financial Statements

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

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

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

(ii) Principles of Consolidation

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

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

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

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

d. Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statement. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statement has not been disclosed in the consolidated financial statements.

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

B. Accounting estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of consolidated financial statements and the results of operation during the reported year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the year in which they are determined.

C. **Fixed assets**

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

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

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

D. **Depreciation on tangible fixed assets**

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

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

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

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

E. **Impairment of assets**

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

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

F. **Investments**

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

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

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

G. **Inventories**

i. Construction materials are valued at cost. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities).

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

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

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

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

H. Revenue recognition

i) On contracts

Revenue from construction contracts is recognised on the basis of percentage completion method. The stage of completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of certification has been classified as "Unbilled work-in-progress" and certification in excess of contract revenue has been classified as "Other current liabilities" in the consolidated financial statements.

Amounts recoverable in respect of the price and other escalation, bonus claims adjudication and variation in contract work required for performance of the contract to the extent that it is probable that they will result in revenue.

In addition, if it is expected that the contract will make a loss, the estimated loss is immediately provided for in the books of account.

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

ii) Accounting for Joint Venture Contracts

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

(iii) Service Income

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

(iv) Insurance claims

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

(v) Interest Income and other income

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

I. Advances from customers, progress payments and retention

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

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

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

J. Foreign currency transactions

i. Initial Recognition

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

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

iii. Exchange Differences

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

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

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

K. **Employee benefits**

i. **Defined benefit plan**

In terms of the Guidance on implementing Accounting Standard (AS) 15 - Employee Benefits, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the Company is treated as a defined benefit plan. This is administered through trusts of the Company. The Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

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

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

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

ii. **Defined contribution plan:**

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

iii. **Other employee benefits**

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

L. **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential equity shares.

M. Taxation

Current tax

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

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

Deferred tax

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

N. Leases

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

O. Provisions and Contingent Liabilities

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

P. Cash and cash equivalents

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

2. Share capital

	As at 31 December 2015		As at 31 December 2014	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity shares of ₹1 (previous year: ₹10) each	30,00,00,000	3,000.00	3,00,00,000	3,000.00
Redeemable preference shares of ₹10 each	4,50,00,000	4,500.00	4,50,00,000	4,500.00
	34,50,00,000	**7,500.00**	**7,50,00,000**	**7,500.00**
Issued				
Equity shares of ₹1 (previous year: ₹10) each	15,51,83,160	1,551.83	1,55,18,316	1,551.83
	15,51,83,160	**1,551.83**	**1,55,18,316**	**1,551.83**
Subscribed and fully paid-up				
Equity shares of ₹1 (previous year: ₹10) each	15,51,57,900	1,551.58	1,55,15,790	1,551.58
	15,51,57,900	**1,551.58**	**1,55,15,790**	**1,551.58**

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

	As at 31 December 2015		As at 31 December 2014	
	Number	Amount	Number	Amount
At the beginning of the year	1,55,15,790	1,551.58	1,15,15,790	1,151.58
Add: Conversion on account of share split (Refer note below)	13,96,42,110	-	-	-
Add : Issued during the year	-	-	40,00,000	400.00
Balance at the end of the year	**15,51,57,900**	**1,551.58**	**1,55,15,790**	**1,551.58**

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

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

The Company has only one class of equity shares having a par value of ₹1 (previous year ₹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 if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares held by holding Company**

	As at 31 December 2015		As at 31 December 2014	
	Number	Amount	Number	Amount
Equity shares of ₹1 (previous year: ₹10) each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	801.13	80,11,318	801.13

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

2. Share capital (Contd..)

d) **Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2015**

	As at 31 December 2015		As at 31 December 2014	
	Number	% Holding	Number	% Holding
Equity shares of ₹1 (previous year: ₹10) each				
Italian-Thai Development Public Company Limited, Thailand	8,01,13,180	51.63%	80,11,318	51.63%
HDFC Trustee Company Limited	1,10,33,180	7.11%	10,28,361	6.63%

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

f) Out of the total issued capital, 25,260 (31 December 2014 : 2,526) equity shares of ₹1 (previous year ₹10) each have been kept in abeyance pending final settlement of rights issues.

3. Reserves and surplus

	As at 31 December 2015	As at 31 December 2014
Securities premium account		
Balance at the beginning of the year	45,556.44	31,957.38
Add: Additions during the year	-	14,000.00
Less: Share issue expenses	-	(400.94)
Balance at the end of the year	**45,556.44**	**45,556.44**
General reserve	**676.48**	**676.48**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	8,997.30	7,055.87
Add : Transferred from statement of profit and loss	(5,930.76)	1,941.43
Less : Adjustment on account of additional depreciation (Refer note 3.1 below)	(29.61)	-
	3,036.93	**8,997.30**
	49,269.85	**55,230.22**

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

4. Long-term borrowings

	As at 31 December 2015		As at 31 December 2014	
	Non-current	Current	Non-current	Current
Secured				
Rupee term loans				
- From bank	196.00	1,989.04	3,073.74	3,000.00
- From other parties	315.04	273.94	587.97	865.84
Plant loans				
- From bank	212.91	100.76	-	-
- From other party	364.77	281.04	242.89	297.00
Vehicle loans from bank	90.09	39.44	134.01	37.18
Unsecured				
Rupee term loan from other party	-	-	-	174.50
	1,178.81	**2,684.22**	**4,038.61**	**4,374.52**
Amount disclosed under "Other current liabilities" (Refer note 8)	-	(2,684.22)	-	(4,374.52)
	1,178.81	**-**	**4,038.61**	**-**

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

Term loan obtained from Vijaya Bank carries interest rate of 12.25 percent per annum and repayable in 3 monthly installments starting from November 2015. This loan is secured by hypothecation of Kolkata area depot land.

Rupee term loans from others (secured)
Loan obtained from Indiabulls Housing Finance Limited for purchase of office (Kolkata) which carries an interest rate of 13.50 percent per annum and is repayable in 84 monthly installments commencing from April 2013. This loan is secured by hypothecation of the office purchased out of this loan.

Loan obtained from Tata Capital Financial Services Limited carries an interest rate of 13 percent per annum and is repayable in 24 monthly installments commencing from April 2014. This loan is secured by first and exclusive charge on specific equipments financed by the institution.

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

Plant loans from other party (secured)
Loans obtained from Tata Capital Limited for purchase of construction equipment carry interest rate ranging between 12.01 to 13.01 percent per annum and are repayable in 57 to 84 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loans from bank (secured)
Loan obtained from Axis Bank for purchase of vehicles carry interest rate ranging between 10 to 10.5 percent per annum and are repayble in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

5. Long-term provision

	As at 31 December 2015	As at 31 December 2014
Provision for employee benefits		
- Leave entitlement (Refer note 31)	694.56	563.24
	694.56	**563.24**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

6. Short-term borrowings

	As at 31 December 2015	As at 31 December 2014
Secured		
Cash credit facilities	38,711.69	67,405.75
Buyer's credit	-	713.78
Unsecured		
Commercial paper	17,500.00	-
	56,211.69	**68,119.53**

Cash credit facilities (secured)

Cash credit facilities are availed from consortium bankers carries various interest rates ranging from 11.70 to 15.15 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited. These facilities are payable on demand.

Commercial Paper (unsecured)

Commercial Paper is issued to HDFC Trustee Company Limited and Deutsche Asset Management (India) Private Limited carries an interest rate of 11.50 percent.

7. Trade payables (Refer note 39)

	As at 31 December 2015	As at 31 December 2014
Acceptances	7,265.52	8,048.48
Other trade payables	68,163.76	33,671.03
	75,429.28	**41,719.51**

8. Other current liabilities

	As at 31 December 2015	As at 31 December 2014
Current maturity of long term debt (Refer note 4)	2,684.22	4,374.52
Creditors for capital expenses	145.08	303.35
Interest accrued and due	138.87	83.65
Interest accrued but not due	89.30	122.98
Unpaid dividend *	6.17	7.44
Advances from customers (Refer note 40)	46,411.63	35,514.07
Material received from customers	58.76	102.46
Amount due to customers (Refer note 40)	2,292.94	951.30
Payable to Co-venturer	16.98	15.20
Employee related dues	3,030.12	2,384.98
Statutory dues payable	653.51	924.09
Liability for foreign exchange contracts	-	5.64
Others	2,994.25	2,360.64
	58,521.83	**47,150.32**

* Not due for credit to Investor Education and Protection Fund

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

9. Short term provisions

	As at 31 December 2015	As at 31 December 2014
Provision for employee benefits		
- Gratuity (Refer note 31)	1,317.93	793.62
- Leave entitlement (Refer note 31)	100.42	113.19
- Provident fund	182.11	178.33
Provision for taxation (net of advance tax)	21.11	25.83
	1,621.57	**1,110.97**

10. Tangible assets

	Freehold land	Leasehold improve-ments	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
Gross block								
Balance as at 1 January 2014	**15.32**	**453.82**	**1,099.17**	**42,323.26**	**6,788.52**	**2,167.12**	**458.96**	**53,306.17**
Additions	-	-	-	5,899.83	147.46	65.90	136.18	6,249.37
Deletions	-	-	-	(2,041.53)	(159.32)	(330.53)	(12.74)	(2,544.12)
Balance as at 31 December 2014	**15.32**	**453.82**	**1,099.17**	**46,181.56**	**6,776.66**	**1,902.49**	**582.40**	**57,011.42**
Additions	533.39	-	-	4,022.09	793.64	145.57	29.08	5,523.77
Disposals	-	-	(34.51)	(1,472.10)	(157.37)	(121.91)	(26.85)	(1,812.74)
Balance as at 31 December 2015	**548.71**	**453.82**	**1,064.66**	**48,731.55**	**7,412.93**	**1,926.15**	**584.63**	**60,722.45**
Accumulated depreciation								
Balance as at 1 January 2014	**-**	**125.43**	**155.84**	**23,311.73**	**5,507.06**	**1,598.94**	**250.69**	**30,949.69**
Depreciation charge	-	69.80	39.45	3,497.64	461.69	143.28	59.02	4,270.88
Reversal on disposal of assets	-	-	-	(1,688.02)	(124.83)	(357.21)	(11.67)	(2,181.73)
Effect of change in accounting policy [Refer note 24 & 38(b)]	-	-	(96.34)	(8,263.09)	(1,149.72)	18.31	(62.41)	(9,553.25)
As at 31 December 2014	**-**	**195.23**	**98.95**	**16,858.26**	**4,694.20**	**1,403.32**	**235.63**	**23,485.59**
Depreciation charge	-	102.87	16.80	2,773.62	521.86	192.85	57.05	3,665.05
Reversal on disposal of assets	-	-	(13.73)	(1,082.95)	(132.89)	(123.46)	(16.53)	(1,369.56)
Transition Adjustments (Refer note 3.1)	-	-	-	0.11	-	40.61	2.13	42.85
As at 31 December 2015	**-**	**298.10**	**102.02**	**18,549.04**	**5,083.17**	**1,513.32**	**278.28**	**25,823.93**
Net block								
As at 31 December 2015	**548.71**	**155.72**	**962.64**	**30,182.51**	**2,329.76**	**412.83**	**306.35**	**34,898.52**
As at 31 December 2014	**15.32**	**258.59**	**1,000.22**	**29,323.30**	**2,082.46**	**499.17**	**346.77**	**33,525.83**

Note:

Buildings include ₹0.09 lakhs (31 December 2014 : ₹0.09 lakhs) being the cost of shares in co-operative housing societies.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

11. Deferred tax assets (net)

	As at 31 December 2015	As at 31 December 2014
Deferred tax asset arising on account of (A)		
Provision for doubtful debts	1,309.46	975.54
Provision for employee benefits	651.20	496.43
Disallowance u/s 43B as per Income Tax Act, 1961	419.86	318.33
Provision for doubtful deposits	30.14	16.09
Disallowance for forseeable loss as per Income Computation and Disclosure Standards (ICDS)	356.54	-
Unabsorbed depreciation	-	1,065.19
Unabsorbed business loss	4,211.56	984.04
Others	11.01	368.78
Total (A)	6,989.77	4,224.40
Deferred tax liability arising on account of (B)		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	2,566.38	2,739.27
Total (B)	2,566.38	2,739.27
Deferred tax assets (A-B)	**4,423.39**	**1,485.13**

12. Loans and advances

	As at 31 December 2015		As at 31 December 2014	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, considered good unless otherwise stated)				
Capital advances	1,254.11	-	1,012.39	-
Security and other deposits			-	-
- considered good	293.41	1,526.07	253.46	1,975.47
- considered doubtful	-	97.55	-	47.33
Receivable from Holding Company (Refer note 35)	-	2,081.27	-	1,172.88
Other loans and advances				
Advance recoverable in cash or kind				
- considered good	-	10,504.79	-	2,820.91
Prepaid expenses	-	2,368.23	-	1,526.53
Loans and advances to employees	-	20.15	-	16.95
Balances with statutory / government authorities	15,762.74	-	12,574.43	-
Advance income tax (net of provisions for tax)	4,857.25	-	2,755.49	-
	22,167.51	**16,598.06**	**16,595.77**	**7,560.07**
Less : Provision for doubtful deposits	-	(97.55)	-	(47.33)
	22,167.51	**16,500.51**	**16,595.77**	**7,512.74**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

13. Other non-current assets

	As at 31 December 2015	As at 31 December 2014
Non-current bank balances (refer note 17)	16.90	22.00
Interest accrued but not due	6.89	5.54
	23.79	**27.54**

14. Current investments

	As at 31 December 2015		As at 31 December 2014	
	No. of Shares	Book Value	No. of Shares	Book Value
(Non-trade, unquoted at lower of cost and fair value)				
Investments in equity shares				
AVR Infra Private Limited (Face value of ₹10 each)	2,600	0.26	2,600	0.26
		0.26		**0.26**

15. Inventories

	As at 31 December 2015	As at 31 December 2014
Construction materials	15,242.35	15,920.72
Tools and equipment	5,653.67	5,152.54
Machinery spares	1,826.66	1,817.74
Unbilled work in progress (Refer note 36 and 37)	94,815.39	90,234.22
	1,17,538.07	**1,13,125.22**

16. Trade receivables (Refer notes 36 and 37)

	As at 31 December 2015		As at 31 December 2014	
	Long-term	Short-term	Long-term	Short-term
(unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for more than six months				
- Considered good *	2,863.37	19,330.29	2,863.37	24,565.38
- Considered doubtful	-	4,237.73	-	2,870.08
	2,863.37	23,568.02	2,863.37	27,435.46
Less: Provision for doubtful debts	-	(4,237.73)	-	(2,870.08)
	2,863.37	19,330.29	2,863.37	24,565.38
Other debts **	-	11,586.88	-	16,720.43
	2,863.37	**30,917.17**	**2,863.37**	**41,285.81**
Notes :				
* Includes retention money	571.41	11,040.01	571.41	8,095.83
** Includes retention money	-	4,033.27	-	3,410.04

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

17. Cash and bank balances

	As at 31 December 2015		As at 31 December 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash in hand	-	157.51	-	194.75
Balance with banks				-
- current accounts	-	3,600.56	-	1,924.98
- unpaid dividend bank accounts	-	6.17	-	7.44
Bank deposits with original maturity not more than 3 months		4,618.50		368.16
	-	**8,382.74**	**-**	**2,495.33**
Other bank balances				
Deposits with maturity of more than 3 months but less than 12 months *	-	6,377.52	-	222.87
Bank deposits with maturity of more than 12 months **	16.90	-	22.00	-
	16.90	**14,760.26**	**22.00**	**2,718.20**
Less : Amounts disclosed as Other non-current assets (Refer note 13)	(16.90)	-	(22.00)	-
	-	**14,760.26**	**-**	**2,718.20**

* Includes ₹241.65 lakhs (previous year ₹222.87 lakhs) earmarked against bank guarantees taken by the Company and ₹10 lakhs (previous year ₹ Nil) placed as earnest money deposit

** Placed as earnest money deposit

18. Other current assets

	As at 31 December 2015	As at 31 December 2014
Interest accrued but not due	119.10	15.75
	119.10	15.75

19. Other operating income

	Year ended 31 December 2015	Year ended 31 December 2014
Service income from unincorporated joint ventures	224.87	652.29
	224.87	**652.29**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015 (Currency : Indian Rupee in lakhs)

20. Other Income

	Year ended 31 December 2015	Year ended 31 December 2014
Interest		
- on bank deposits	408.15	131.40
- on income tax refund	52.55	320.88
- from customer on settlement	81.01	222.89
- others	41.43	18.30
Other non operating income:		
- Profit on sale of fixed assets (net)	815.02	-
- Exchange gain (net)	20.62	-
- Sundry balances written back	235.81	132.13
- Excess provisions of prior year written back	-	176.95
- Insurance claim	175.49	-
- Miscellaneous income	387.33	846.92
	2,217.41	**1,849.47**

21. Employee benefits expense

	Year ended 31 December 2015	Year ended 31 December 2014
Salaries and wages	19,993.94	17,648.07
Contribution to gratuity (Refer note 31)	725.28	359.44
Contribution to provident and other funds (Refer note 31)	1,386.83	1,278.92
Staff welfare expenses	134.64	77.46
	22,240.69	**19,363.89**

22. Finance costs

	Year ended 31 December 2015	Year ended 31 December 2014
Interest expenses		
- Cash credit facilities	6,411.07	9,069.73
- Long term loan	1,000.77	1,149.08
- Commercial papers	1,386.18	-
- Advances from customers	1,814.37	940.89
- Letter of credit	378.44	155.07
- Buyer's credit	5.15	17.84
- Others	123.09	118.13
Other borrowing costs		
- Applicable net loss on foreign currency transactions and transition	55.71	204.93
- Bank charges and guarantee commission	2,596.58	1,894.70
	13,771.36	**13,550.37**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

23. Other expense

	Year ended 31 December 2015	Year ended 31 December 2014
Plant hire expenses	5,995.35	4,848.76
Power and fuel	7,097.04	7,057.98
Sales tax on works contracts	8,146.71	5,396.99
Travelling expenses	926.17	890.64
Tools and equipment	1,740.02	1,025.41
Foreseeable loss	231.96	1,329.73
Site transport and conveyance	2,559.47	2,856.71
Repairs and maintenance:		
- Plant and machinery	646.13	528.07
- Others	323.81	196.91
Insurance	1,323.74	849.59
Professional fees	2,501.78	2,356.09
Rent (Refer note 41)	2,759.49	2,709.79
Consumption of spares	1,821.82	1,287.58
Security charges	1,308.67	990.34
Temporary site installations	834.75	449.19
Postage, telephone and telegram	214.01	200.27
Auditor remuneration (Refer note 26)	84.40	75.46
Provision for doubtful debts (Refer note 27)	1,367.65	673.69
Provision for doubtful deposits	50.22	47.33
Rates and taxes	86.14	135.76
Water charges	704.61	370.22
Printing and stationery	161.50	137.01
Infotech expenses	294.52	200.66
Service tax	9,794.14	1,300.51
Labour cess	1,851.04	876.66
Exchange loss (net)	-	114.74
Directors' sitting fees	6.05	2.75
CSR expenses	19.74	12.87
Loss on sale of fixed assets (net)	-	20.03
Miscellaneous expenses	2,311.47	1,829.18
	55,162.40	**38,770.92**

24. Exceptional items

	Year ended 31 December 2015	Year ended 31 December 2014
a) Loss on account of one time settlement with National Highway Authority of India [Refer note 38(a)]	(12,397.19)	-
b) Profit for effect of change in depreciation policy from WDV to SLM [Refer note 38(b)]	-	9,553.25
	(12,397.19)	**9,553.25**

(Currency : Indian Rupee in lakhs)

25. Earnings per share

	Year ended 31 December 2015	Year ended 31 December 2014
Weighted average number of equity shares outstanding during the year	15,51,57,900	12,81,99,000
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted earning/ (loss) per share	15,51,57,900	12,81,99,000
Net (loss) / profit after tax attributable to equity shareholders	(5,930.76)	1,941.43
Earning per share :		
Basic and diluted	(3.82)	1.51

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

26. Auditor remuneration (including service tax)

	Year ended 31 December 2015	Year ended 31 December 2014
Audit fee	32.64	28.93
Tax audit fee	20.32	14.71
Limited review	27.48	24.73
Certification	2.97	5.96
Out-of-pocket expenses	0.99	1.13
	84.40	75.46

27. Provision for doubtful debts

	Year ended 31 December 2015	Year ended 31 December 2014
Bad debts written off during the year	-	17.36
Add: Provision for doubtful debts at the end of year	4,237.73	2,870.08
Less: Provision for doubtful debts at the beginning of year	2,870.08	2,213.75
	1,367.65	**673.69**

28. Commitment*

	Year ended 31 December 2015	Year ended 31 December 2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	417.32	1,977.92

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

29. Contingent Liabilities*

		Year ended 31 December 2015	Year ended 31 December 2014
a)	Guarantees/Letter of credits given by banks in respect of contracting commitments in the normal course of business	35,140.25	24,943.33
b)	Corporate Guarantee given to bank on behalf of Joint Ventures	48,651.00	51,000.00
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.	12,016.77	12,016.77
d)	Sales Tax matters pending in appeals	3,901.35	3,738.36
e)	Income Tax matters pending in appeal	1,607.91	1,454.27
f)	Excise matter pending in appeal	52.00	52.00
g)	Entry tax matter pending in appeal	-	335.15

* It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

30. Particulars of derivative instruments and unhedged foreign currency exposures at the reporting date:

a) Derivative outstanding at the reporting date:

Buyers credit, Trade payables and Acceptances	As at 31 December 2015			As at 31 December 2014		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	-	-	-	9,45,307	63.80	603.11
EURO Exposure	-	-	-	2,83,381	77.84	220.58
Total			**-**			**823.69**

b) Unhedged foreign currency exposures at the reporting date:

Buyers credit, Trade payables and Acceptances	As at 31 December 2015			As at 31 December 2014		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	14,526	66.60	9.67	-	-	-
EURO Exposure	13,811	99.41	13.73	-	-	-
Total			**23.40**			**-**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

31. Employee benefits

i) **Gratuity**

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

	31 December 2015	31 December 2014
The amount recognised in the statement of profit and loss :		
Current Service Cost	253.12	214.41
Interest Cost	161.75	157.43
Expected return on plan assets	(119.56)	(109.59)
Net actuarial loss for the year	429.97	97.19
Net benefit expense	**725.28**	**359.44**
The amount recognised in the balance sheet :		
Defined benefit obligation	2,684.44	2,160.83
Fair value of plan assets	1,366.51	1,367.21
Plan liability	**1,317.93**	**793.62**
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the year	2,160.83	1,759.84
Current service cost	253.12	214.41
Interest cost	161.75	157.43
Actuarial loss	387.26	145.25
Benefit paid	(278.52)	(116.10)
Present value of defined benefit obligation at end of year	**2,684.44**	**2,160.83**
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the period	1,367.21	1,225.67
Expected return on Plan Assets	119.55	109.59
Contributions by employer	200.00	100.00
Benefit Paid	(277.54)	(116.10)
Actuarial (loss)/gain on plan assets	(42.71)	48.05
Fair value of plan assets at end of the year	**1,366.51**	**1,367.21**

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:

	2015	2014	2013	2012	2011
Defined Benefit Obligation	2,684.44	2,160.83	1,759.84	1,714.10	1,473.32
Plan Assets	1,366.51	1,367.21	1,225.67	1,216.84	1,081.14
Deficit	(1,317.93)	(793.62)	(534.17)	(497.26)	(392.18)
Experience adjustments on plan assets	(42.71)	48.05	(82.26)	71.78	(108.93)
Experience adjustment on plan liabilities	(387.26)	(145.25)	189.33	(118.31)	(27.20)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation of India and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation of India and Birla Sunlife Insurance as at 31 December 2015 are ₹0.16 lakhs (31 December 2014 - ₹0.15 lakhs) and ₹1,366.35 lakhs (31 December 2014 - ₹1,367.06 lakhs) respectively. The management understands that the assets in these portfolios are well diversified and as such the long term return thereon is expected to be higher than the rate of return on Government Bonds.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

31. **Employee benefits** (Contd..)

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.

	31 December 2015	31 December 2014
The principal assumptions used in determining the gratuity obligations :		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Salary esclation rate	5.00%	4.50%
Withdrawal rates	Upto age 44 - 5% 45 years & above -2.5%	Upto age 44 - 2% 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.

ii) The Company's expense for the superannuation and provident fund aggregates ₹1,386.83 lakhs during the year (31 December 2014 - ₹1,278.92 lakhs)

'Provident fund for certain eligible employees is managed by the Company through trust " The Provident Fund of ITD Cementation India Limited", In line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India for measurement of provident fund liabilities, the valuer has certified that there is no shortfall as at 31 December 2015 and 31 December 2014.

iii) The liability for leave entitlement and compensated absences as at year end is ₹794.98 lakhs (31 December 2014 : ₹676.43 lakhs).

32. **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.

33. **Subsidiary**

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

Name of the Subsidiary	As at 31 December 2015		As at 31 December 2014	
	Proportion of Ownership Interest	Voting Power	Proportion of Ownership Interest	Voting Power
ITD Cementation Projects India Limited	100%	100%	100%	100%

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

34. **Unincorporated Jointly Controlled Entities**

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

Name of the Joint Venture	% of Participation as at 31 December 2015	% of Participation as at 31 December 2014
ITD Cemindia JV	80%	80%
ITD - ITD Cem JV	49%	49%
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%
ITD-Cem Maytas Consortium	95%	95%

All the above are unincorporated jointly controlled entities in India

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

Particulars	As at 31 December 2015		As at 31 December 2014	
Non-current assets				
Net Block		5,585.58		5,395.62
Capital work-in-progress		70.37		-
Deferred tax assets		801.19		820.93
Current Assets :				
Inventories	17,807.59		17,181.30	
Trade receivables	4,800.88		7,828.00	
Cash and bank balances	668.34		1,037.61	
Loans and advances	6,655.19		3,460.84	
Total Current Assets (A)		**29,932.00**		**29,507.75**
Current Liabilities (B)		**16,054.38**		**15,028.02**
Net Current Assets (A-B)		**13,877.62**		**14,479.73**
Total Assets		**20,334.76**		**20,696.28**
Liabilities				
Loan Funds :				
Secured loans		11,238.80		9,455.07
Reserves and surplus				
Opening balance of retained earnings	5,909.11		5,398.58	
Add : (Loss) / profit for the year	(603.83)		510.53	
Add : Share of brought forward loss and exceptional loss on one time settlement with NHAI adjusted against advances to joint venture	1,297.14		-	
		6,602.42		5,909.11
Total Liabilities		**17,841.22**		**15,364.18**
Revenue				
Contract revenue	33,261.33		36,001.47	
Other income	533.19		1,160.01	
Total revenue		33,794.52		37,161.48

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

34. Unincorporated Jointly Controlled Entities (Contd..)

Particulars	As at 31 December 2015		As at 31 December 2014	
Expenses:				
Site and administration expenses	29,629.98		33,874.09	
Finance costs	2,264.59		1,554.81	
Depreciation	1,179.75		1,328.18	
Total expenses		**33,074.32**		**36,757.08**
Profit before exceptional item and tax		**720.20**		**404.40**
Exceptional item		907.09		-
Profit after exceptional item and tax		**(186.89)**		**404.40**
Provision for tax		(397.20)		15.94
Deferred tax credit		(19.74)		(122.07)
(Loss) / profit after tax		**(603.83)**		**510.53**
Capital commitment		107.04		-
Contingent liabilities		2,341.86		2,519.28

35. Related Party Disclosures

A **Names of related parties and description of relationship**

Enterprise where control exists - Holding Company

Italian-Thai Development Public Company Limited

B **Other related parties with whom the Company had transactions**

i) **Key management personnel (KMP)**

Mr. Adun Saraban – Managing Director

Mr. S. Ramnath – Chief Financial Officer

Mr. R. C. Daga - Company Secretary

ii) **Fellow subsidiary**

First Dhaka Elevated Expressway (FDEE) Company Limited

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

Transaction during the year	Holding Company	KMP	Fellow subsidiary
Contract Revenue			
Italian-Thai Development Public Company Limited	-	-	-
	(13.95)	(-)	(-)
Dividend paid			
Italian-Thai Development Public Company Limited	-	-	-
	(80.11)	(-)	(-)
Sale of fixed assets			
First Dhaka Elevated Expressway (FDEE) Company Limited	-	-	78.87
	(-)	(-)	(-)
Remuneration			
Mr. Adun Saraban	-	94.56	-
	(-)	(81.80)	(-)
Mr. S. Ramnath	-	52.27	-
	(-)	(48.36)	(-)
Mr. R. C. Daga	-	44.69	-
	(-)	(42.07)	(-)

(Figures in bracket represents previous year numbers)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

35 **Related Party Disclosures** (Contd..)

c) Balances at the year end :

	Holding Company	Fellow subsidiary
Trade receivables		
Italian-Thai Development Public Company Limited	25.89	-
	(28.91)	(-)
Advance receivable in cash or kind		
First Dhaka Elevated Expressway (FDEE) Company Limited	-	78.87
	(-)	(-)
Loan and Advances		
Italian-Thai Development Public Company Limited	2,081.27	-
	(1,172.88)	(-)

(Figures in bracket represents previous year numbers)

36 Trade receivables and Unbilled Work-in-progress as at 31 December 2015 include amounts aggregating ₹3,033 lakhs (31 December 2014 - ₹2,655 lakhs) and ₹479 lakhs (31 December 2014 - ₹1,584 lakhs) respectively, which have been outstanding for a substantial period of time . The Company has been actively negotiating for recovery and also pursuing legal action of the balance receivables. In view thereof, management is reasonably confident of their recovery.

37 (a) Long-term trade receivables at 31 December 2015 include variation claims of ₹309 lakhs (31 December 2014 - ₹309 lakhs) for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.

(b) Long-term trade receivables and unbilled work-in-progress at 31 December 2015 include ₹1,140 lakhs (31 December 2014 - ₹1,140 lakhs) and ₹2,756 lakhs (31 December 2014 - ₹2,756 lakhs) respectively, in respect of a contract which has been rescinded by the Company and long-term trade receivables and unbilled work-in-progress as at 31 December 2015 includes ₹1,414 lakhs (31 December 2014 - ₹1,414 lakhs) and ₹5,922 lakhs (31 December 2014 - ₹5,922 lakhs) respectively, in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract for which the Company has also issued guarantees aggregating ₹1,497 lakhs (31 December 2014 - ₹1,497 lakhs). The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the consolidated financial statements.

38 (a) During the year ended 31 December 2015, the Company has signed a definitive agreement with the National Highways Authority of India (NHAI) under which both parties have agreed to settle all awards received, claims under consideration at various forums, pending disputes and amounts outstanding in the Company's and joint venture's books of account under trade receivables and unbilled work-in-progress in respect of all the contracts executed by the company and Joint Venture. Pursuant to this settlement the Company including its share in Joint Venture has accounted for the resultant loss on the settlement of ₹12,397 lakhs which has been disclosed as an exceptional item.

(b) During the year ended 31 December 2014, the Company had, with retrospective effect, changed its method of providing depreciation on fixed assets from the 'Written Down Value' method to the 'Straight Line' method effective 1 October 2014. The change in the above accounting policy has resulted in a surplus of ₹9,553 lakhs relating to the depreciation already charged upto the period ended 30 September 2014 which has been disclosed as an exceptional item in previous year.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

39 Micro and Small Enterprises

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 December 2015. 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. There is no interest paid or pavable during the year.

40. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 'Construction Contracts' are as under:

		Year ended 31 December 2015	Year ended 31 December 2014
a)	Contract revenue recognised as revenue in the period Clause 38 (a)	3,06,870.03	1,71,242.31
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	9,74,089.03	6,00,087.93
c)	Advance received on Contract under progress Clause 39 (b)	46,411.63	35,514.07
d)	Retention amounts on Contract under progress Clause 39 (c)	15,644.69	12,077.28
e)	Gross amount due from customers for contract work as an asset Clause 41 (a)	94,815.39	90,234.22
f)	Gross amount due to customers for contract work as an liability Clause 41 (b)	2,292.94	951.30

41 Operating lease

a) The Company has taken various residential/commercial premises and construction equipment on cancellable operating lease. These lease agreements are normally renewed on expiry. Rental expenses in the statement of profit and loss for the year includes lease payments towards premises ₹2,237.49 lakhs (31 December 2014 - ₹2,068.90 lakhs).

b) The Company, in addition to above, has taken commercial premises on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31 December 2015 are as follows:

	As at 31 December 2015	As at 31 December 2014
Minimum Lease Payments		
Payable not later than 1 year	552.00	522.00
Payable later than 1 year and not later than 5 years	230.00	782.00
Payable later than 5 years	-	-
Total	**782.00**	**1,304.00**

These leases have no escalation clauses.

Rental expenses in the statement of profit and loss for the year includes ₹522.00 lakhs (31 December 2014 - ₹640.89 lakhs) towards such non-cancellable leases.

c) General descriptions of non-cancellable lease terms :

- Lease rentals are charged on the basis of agreed terms.
- Assets are taken on lease over a period of 3-5 years.
- The Company did not sublease any of its assets and hence did not receive any sub lease payments during the current or previous year.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2015

(Currency : Indian Rupee in lakhs)

42 The tax year for the Company being the year ending 31 March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31 March 2015 and the provision based on the figures for the remaining nine months up to 31 December 2015, the ultimate tax liability of which will be determined on the basis of the figures for the period 1 April 2015 to 31 March 2016.

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

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

Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date: 24 February 2016

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN No.01312769

P. Chakornbundit
Director
DIN No.00254312

S. Ramnath
Chief Financial Officer
FCA No. 030663

R. C. Daga
Company Secretary
ACS No.576

Place : Mumbai
Date: 24 February 2016

Notes

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS
P. Karnasuta, *Chairman*
P. Chakornbundit, *Vice Chairman*
A. Saraban, *Managing Director*
D. E. Udwadia
Per Hofvander
D.P. Roy
Ramola Mahajani
Piyachai Karnasuta (Appointed w.e.f. 5-8-2015)

COMMITTEES OF DIRECTORS
Audit Committee
Per Hofvander
D. E. Udwadia
P. Chakornbundit
D.P. Roy

Stakeholders Relationship Committee
P. Chakornbundit
A. Saraban

Nomination and Remuneration Committee
D.E. Udwadia
P. Karnasuta
P. Chakornbundit
Per Hofvander

Corporate Social Responsibility Committee
Per Hofvander
P. Chakornbundit
A. Saraban

CHIEF FINANCIAL OFFICER
S. Ramnath

COMPANY SECRETARY
R.C. Daga

AUDITORS
Walker Chandiok & Co LLP, Mumbai

LEGAL ADVISERS
Udwadia & Co., Mumbai

REGISTERED OFFICE
National Plastic Building,
A-Subhash Road, Paranjape B Scheme,
Vile Parle (East), Mumbai - 400 057.
Phone No: 022-66931600. Fax No.022-66931627
E-mail: investors.relation@itdcem.co.in
Website: www.itdcem.co.in

BANKERS
Allahabad Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Central Bank of India
Export-Import Bank of India
IDBI Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank
The Federal Bank Limited
Union Bank of India

AREA OFFICES
Mumbai, Kolkata, Delhi, Chennai

R & D LOCATION
Kolkata

REGISTRARS AND SHARE TRANSFER AGENTS
Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 008.

ANNUAL GENERAL MEETING
Thursday, 12th May, 2016, 3.00 p.m
Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K.M. Kundnani Chowk, 124, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.

Cem

Commitment, Reliability & Quality

ITD Cementation India Limited
CIN: L61000MH1978PLC020435

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