



Commitment, Reliability & Quality



**DIVERSIFIED
DISCIPLINED
DETERMINED**

ITD Cementation India Limited

Annual Report
2020-21

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Disclaimer: This document contains statements about expected future events and financials of ITD Cementation India Limited (or the Company), 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 may 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 this Annual Report.



Diversified Disciplined Determined

WHAT DEFINES US:

Our Diversified Product Portfolio

WHAT DIRECTS US:

Our Disciplined Project Execution

WHAT DRIVES US:

Our Determination to Excel

Our robust execution capabilities, strong pre-qualification credentials, and the drive to excel enable us to build complex structures that are testaments of pride in nation building.

Our decades of experience and support from our parent, Italian-Thai Development Public Company Limited, has been our strong backbone upholding us to develop reliable credentials as one of the major players in India's infrastructure sector.

We continue to increase our business diversity with a varied range of infrastructure projects, client base, and geographies in our proud roster. We deliver quality infrastructure and deliver best solutions to create long-term value for our stakeholders.

At a Glance

ITD Cementation India Limited ('ITD Cem' or 'the Company' or 'We') is a well diversified infrastructure Company with rich experience and capability in executing technically complex projects. Our diversified portfolio, robust presence & scalability and streamlined business model have together established us as one of the leading names in the construction of off-shore Maritime structures, Mass Rapid Transit Systems including Elevated corridors, Underground metro stations, buildings and Tunnels, Industrial structures including Airport terminal buildings and technological buildings, Hydro electric power plants with Dams, Irrigation projects and Micro Tunneling works within the cities, Foundation and Specialist Engineering with reclamation and ground improvement.

90 YEARS
OF RICH EXPERIENCE

Major EPC Player

IN INDIAN INFRASTRUCTURE
OPPORTUNITIES

Our business strategies are aimed at consistent performance of delivering complex infrastructure projects. We have a reputation of creating high-quality infrastructure assets. We are determined to constantly improve our operational efficiencies, continuously strengthen our balance sheet, unfailingly empower our workforce and dependably create value for our stakeholders.



VISION

Our aim is a satisfied client, a strong and proactive workforce and quality product finished on time maintaining highest safety standard and to budget.

MISSION

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

CORE PRINCIPLES

- › Our safety, health and quality standards are second to none.
- › We are Customer's delight.
- › Employees are our most important asset and working conditions and training must enable them to give their best.
- › We strive to ensure timely commencement and completion of projects.
- › Plant and machinery are our wealth. We ensure their proper maintenance to prolong productivity.

- › We prioritise state-of-the-art technology and an excellent MIS system.
- › Environmental awareness and care for our surroundings in which we live is a part of our business philosophy.
- › Our competitive edge is maintained through specialist skills and commitment to both training and R&D.



Chairman's Message



“

We have demonstrated and nurtured our robust execution capabilities over the years. Our proven expertise and time-tested capabilities provide us with significant control over our projects' execution and quality, even in the most challenging situations which drive our performance. Our constant endeavour is to keep on achieving our growth plans to create sustainable long-term value for our stakeholders.

”

Dear Shareholders,

We are now entering into our 90th year of journey in India. We have been executing complex infrastructure projects of national importance which are contributing in our historic lineage.

FY 2020-21 was a volatile year for everyone. The sudden outbreak of the pandemic and its continuance brought together unexpected disruptions across the globe. In these challenging times, I extend my sympathies to people who have suffered and continue being impacted by the pandemic. I would also like to express my heartfelt gratitude towards the front-line healthcare workers who have selflessly and tirelessly served the people and nation in these trying times.

Industrial Landscape

Even before the pandemic struck at the fag end of the FY 2019-20, the Indian economy was already going through a lean patch. Overall, there was widespread volatility, reflected through a lowering of GDP growth rate, moderating since the beginning of Q4 FY 2018-19. This could be

attributed to lower demand on account of global slowdown, stressed Centre and State-level finances, and inflationary pressures, among other reasons. The infrastructure sector was no different. For long, it has been considered the sunshine sector in India and instrumental in propelling the country's overall development. As a result, it continues to receive focussed attention from the Government, thereby ensuring creation of world-class infrastructure in the country.

The sector witnessed a slowdown in Q1 FY 2020-21 due to the widespread effects of the pandemic primarily led by the lockdowns imposed to contain the spread of the deadly virus. The lockdowns further had a cascading effect on the sector due to mass labour migration. Further, the unavailability of raw material, logistics constraints, decline in steel and cement production also affected project executions. However, construction activities started to gain momentum post Q1 FY 2020-21 with gradual easing of lockdown relaxations, availability of raw materials and labour force resuming work. While keeping

the safety of our workers as a top priority, we continue to work as per the directives of Central and State Government.

In order to overcome these challenges, the magnitude and cohesion of policy response by Government was proactive and was backed by pro-growth fiscal measures, monetary stimulus and technological alignments that have actually triggered a reflation like situation in the global economy.

The Indian economy which showed signs of recovery was further impacted by the second wave of the pandemic. However, the second wave had a short term setback and limited disruptions unlike the first wave of the pandemic. This is also supported by improvement in global macroeconomic situation and speeding up of economies.

The Government's fast track initiatives in providing adequate health infrastructure and faster availability of vaccines has already kick started the Indian economy. Also, the recently announced budget placed special emphasis on increased allocation for the sector, ease of doing business,

increase in FDI investments, loans at concessional rates and encouraging more private sector participation which shall provide further impetus to the economy and the sector.

The Government has already announced investment in infrastructure to the tune of over ₹ 111 Lakh Crore from FY 2020-2025. The Union Budget for 2021-22 also propelled the infrastructure sector as the Government expanded the National Infrastructure Pipeline to ~7,400 projects. The Government also announced a long-term investment plan of ₹ 6 Lakh Crore for the ports sector. The metro projects also gained share in the budget with targeted investments worth ₹ 18,998 Crore.

In addition, there was allocation of ₹ 20,000 Crore towards setting up a Development Financial Institution (DFI) that shall act as a provider, enabler and catalyst for infrastructure financing. A lending portfolio worth ₹ 5 Lakh Crore will also be created under the proposed DFI over a three-year time frame. The Budget did enough to boost the industry's confidence while providing it with enough opportunities to flourish.

Performance in FY 2020-21

At ITD Cementation India Limited, we have demonstrated and nurtured our robust execution capabilities over the years. Our proven expertise and time-tested capabilities provide us with significant control over our projects' execution and quality, even in the most challenging situations which drive our performance. We have invested in modern plants and machinery throughout our journey and have built a large equipment bank, which augments our execution capabilities.

Undoubtedly the H1 FY 2020-21 was significantly impacted on account of COVID-19 which was a test of character and strength for both the industry and our Company. The year indeed testified and showcased that adversity can well be utilised to build strengths and test our innate power and resilience against such challenges. Our Company bouncing back well from the troughs of the first two quarters of FY 2020-21 reflects the same.

Despite looming headwinds of the pandemic and lockdown,

our Company showcased a good performance for FY 2020-21, with a diversified order book of ₹ 11,732 Crore having pan India and international presence, thereby providing strong revenue visibility over next 3 years. The Company has an established presence in Marine Structures, Mass Rapid Transit Systems, Airports, Hydro-Electric Power, Tunnels, Dams & Irrigation, Bridges & Flyovers, Industrial Buildings and Structures and Foundation & Specialist Engineering. With a healthy order book and focus on high margin projects, we continue to evolve as an organisation.

We are currently executing some of the complex projects like construction of Udangudi Supercritical Thermal Power project in Tamil Nadu, Myanmar container terminal in Yangaon, modernisation of Trichy and Pune airports, underground tunnelling and stations for Mumbai, Bengaluru & Kolkata, elevated metro projects for Nagpur, Bengaluru & Kolkata, Inland waterways facilities at Haldia port in West Bengal, etc.

During the year, we have completed tunnelling work for Mumbai underground Metro and Kolkata underground Metro

project which are significant achievements.

The Company has shown strong resilience to the changing industry dynamics supported by renewed reforms & policies and has been on the right track of sustained resurgence for enhancing value for all our stakeholders.

We are confident that we will continue navigating the external challenges from our operating environment through our leadership and the diversified business model. Our constant endeavour is to keep on achieving our growth plans to create sustainable long-term value for our stakeholders.

Standing tall in tough times

Being a socially responsible company, we have always placed the highest priority on the health and well-being of our people, their families, and other stakeholders through awareness sessions, training and communications. With the gradual resumption of our construction sites, we have constantly been adhering to the guidelines issued by various authorities and maintaining appropriate protocols.

We have undertaken various safety measures initiatives which include regular sanitisation, creating infrastructure at project sites, safe distance work practices, health check-ups, provision of shelter, nutritious food and other motivational requirements to suit the need of our employees and workers. We have provided a 'Work from Home' facility to our employees working from their homes while adhering to all the rules and practices.

As part of our management priority and initiative, the Company has organised vaccination camps across various project sites / offices for our employees, workers and their dependants for their safety and well-being.

Vote of Thanks

We believe that the challenging environment has brought out the best in everyone, be it the employees, suppliers, vendors, sub-contractors or the financial institutions with whom we are closely associated.

I want to express my sincere gratitude to all our stakeholders for their trust and support in our journey. I would also like to thank our esteemed Board of Directors for their valuable guidance in

achieving the vision and mission of the organisation. I would also like to appreciate untiring efforts of our dedicated employees for their continued passion in achieving organisation goals even during these tough times.

I would also like to thank our suppliers and vendors for their committed support during these trying times. Lastly, I want to extend my heartfelt thanks to our financial institutions and banks who have extended support and assistance during these challenging period.

We are optimistic that our robust business strategies will help us create value for our stakeholders

Warm Regards,
Piyachai Karnasuta
Chairman

In Conversation with Top Management



Mr. Santi Jongkongka

Executive Vice Chairman



Mr. Jayanta Basu

Managing Director

» **Your diversified order book, disciplined execution of projects and strong margins in H2 FY 2020-21 are much appreciable. In light of the same, can you please take us through this year's order book position and the break-up ?**

Owing to the turbulence and challenges that came in FY 2020-21, the performance of the Company in the first half of the fiscal was affected. The second half saw a turnaround performance as the economy started on its pursuit to revival and recovery.

The order book of the Company and operational margins witnessed a significant upturn with improved performances.

With inflow of orders over ₹ 2,800 Crore during FY 2020-21, the order book stood at an impressive ₹ 11,732 Crore as on March 31, 2021. The order book comprises of Maritime Structures (33.0%), Urban Infra, MRTS and Airports (32.6%), Hydro, Dams, Tunnels & Irrigation (18.5%) and Industrial Structures & Buildings (11.3%).

Our diversified order book and disciplined execution of projects backed by our experience and expertise give us the confidence to achieve our goals and at the same time to maintain our position as one of the major players in the Heavy Civil, Infrastructure and EPC business.

» Which are the major ongoing projects that the Company is executing?

We are currently executing some complex marquee projects such as the construction of Marine facilities for Supercritical Thermal Power project at Udangudi in Tamil Nadu, Container terminal in Yangon, Myanmar, Marine infrastructure project in Karwar, Breakwater at Vizhinjam port in Kerala, Modernisation of Trichy and Pune airports, Underground tunnelling and stations for Metros in Mumbai, Bengaluru & Kolkata, Elevated metro projects for Nagpur, Bengaluru and Kolkata, construction of tunnels on Sivok (West Bengal) to Rangpo (Sikkim) for Railways, High court building in Jalpaiguri, West Bengal and Redevelopment of residential colony for CPWD Delhi.

» How are you de-risking through diversification?

We have always focussed on adopting a diversified approach, while capitalising on the opportunities from sectors that can enhance shareholder value and returns. We are also, at the same time, cognizant of the need to carefully review our overall margins vis-à-vis the risks involved in selecting the projects that we should bid for.

With the diversified nature of projects that we have secured, the Company has the ability to sustain and grow despite a slowdown in any one particular sector.

To illustrate our de-risking strategy, we have expanded our scope of work from piling, foundation, specialist engineering, jetty and road construction to now executing complex EPC projects envisaging breakwater, dredging, material handling systems, land reclamation in some of our marine activities at Udangudi, Myanmar, Haldia and Andaman. Also, from construction of single buildings to construction of a cluster of industrial buildings. As part of our diversification, we are now also focusing on bidding for liquid cargo facilities such as LNG and LPG, including pipeline.

In the airport sector, we had earlier constructed airport terminal buildings in JV with our parent Company Italian-Thai Development Public Company Limited (ITD, Bangkok) and now we have acquired the qualification and experience to successfully secure two airport modernisation projects at Pune and Trichy. Similarly, in the underground metro opportunities, we have secured construction of tunnelling and underground stations for

Bengaluru metro with help from our previous expertise in underground tunnelling and station buildings in Delhi, Kolkata metros in JV with our parent company ITD, Bangkok.

In construction of complex and special bridges, we are currently executing a steel bridge over the Ganga river in Allahabad and are now focussing on large projects such as cable-stayed bridges in the upcoming opportunities.

We also undertake risk-analysis and evaluation of the project, location, geography, client's financial strength, etc. before bidding for a project.

» What are the kinds of projects the Company is bidding for? What is the broader mindset?

Over a period of time, we have established excellent working relationships with our customers, who have been placing repeat orders. This is testimony to our ability to deliver projects to the satisfaction of our esteemed customers.

Our prime focus will continue to be for bidding in complex heavy civil EPC projects in the area of maritime sector, tunnelling, airports, water and waste management, industrial parks, specialist buildings from these varied sectors.



The Company has a strong execution track record of 9 decades and has been consistently recognised by clients for its professional management skills, quality deliverables, safety standards, and established systems.



Another important aspect is to participate in projects with limited competition, yet with a decent threshold size. Strategically, it helps us concentrate on fewer projects to optimise our operational resources and ensure robust project management and control.

» **What are the opportunities waiting for the Company on a broader landscape?**

In the Union Budget FY 2020-21, the infrastructure sector was allocated over ₹ 2 Lakh Crore to enhance the infrastructure of the country. The Government expanded the National Infrastructure Pipeline (NIP) to 7,400 projects.

New metros are under construction in 20+ Indian cities. Chennai, Delhi, Kolkata, Bengaluru are some of the cities where we see opportunities for us in the Metro space. Besides, metros are likely to come up in Tier-I and Tier-II cities such as Patna, Vizag, Nashik, Guwahati, Surat, Ahmedabad and Kanpur, which could benefit the sector overall. Further, opportunities in the field of maritime, industrial buildings, airports, water and wastewater including micro-tunnelling, irrigation, hydro power and defence have been identified.

The Indian Government is also engaging with neighbouring countries such as Bangladesh,

Maldives, Sri Lanka and Mauritius through EXIM Bank line of credit for providing them with stimulus for infrastructure development. Backed by help and guidance from the Government of India, we are exploring the opportunities outside India as well. We hope to grow our overseas business based on our expertise and developed advanced technological know-how with the support from our parent ITD, Bangkok.

» **Can you throw some light on the financial performance of the Company ?**

Despite the pandemic, we would like to highlight that our financial performance during the year witnessed almost a V-shaped recovery. In spite of various challenges, we managed to deliver strong top line growth of ~43% in Q3 FY 2020-21 and 24% in Q4 FY 2020-21, a healthy EBITDA margin of ~13%, and total PAT stood at ₹ 55 Crore in Q4 FY 2020-21, which demonstrates our operational efficiencies.

With our continuous endeavour to reduce our debt levels, we managed to reduce our debt by ₹ 100 Crore in FY 2020-21. Despite being in a working-capital-intensive industry, our Debt-to-Equity ratio stands at a very healthy 0.4x, which is amongst the lowest in the industry.

We will continue to focus on our cash conversion and reduced financial leverage so as to maximise returns.

» What COVID-19 measures did the Company take ?

We continue to stand with the nation during this challenging phase of COVID-19. The pandemic tested us in unprecedented ways. It tested the resilience of our business, character of our people, agility of our operations and the depth of our financial strength. It is because of our people we have evolved consistently over the years to emerge as one of the leading EPC companies. During COVID-19, the well-being of our human capital emerged as a key priority. We strictly adhered to the safety and standard operating procedures of the Government at our project sites, thereby containing the spread of the virus as much as possible. The workforce suffered from a two-folded setback: Migration and the psychological anxiety. To fully mitigate this, we provided our workforce with safe, well-equipped and hygienic facilities which included sanitisations, vaccine awareness, health check-ups, provisions of shelter, training drives on the impact of the pandemic and precautions to be taken, arranging consultations with local hospitals, nutritional

food and other motivational requirements of the workers.

The pandemic had a much wider ramification in CY 2021 compared to CY 2020. We conducted special vaccination drives for our staff, employees, and their dependants across a number of our project sites / offices.

» What are your biggest capabilities to help you remain among the top EPC companies in India ?

The Company has a strong execution track record of 9 decades and has been consistently recognised by clients for its professional management skills, quality deliverables, safety standards and established systems.

To facilitate an extensive range of infrastructure development demands, we have the latest construction equipment bank which helps us to effectively optimise our costs and deliver projects with good value engineering practices.

Since 2004, with the support from our parent company, we have been consistently scaling up our order book in several well-diversified sectors of national importance.

We focus on prudent capital management systems by leveraging technology and

digitalisation that help us to achieve operational efficiency, which effectively leads to sustainable earnings for our esteemed stakeholders.

» Where do you see your Company 3 to 5 years from now ?

The Company is a major player in the infrastructure space of India with an MNC parent lineage. We have a positive outlook on the performance of the Company, given the diversified order book, which provides revenue visibility for next 2-3 years and healthy bid pipelines, disciplined and strong execution capabilities, a lean balance sheet, strong support of advanced technology, skilled labour and parent company support. Over the next 3 to 5 years, we hope to double our topline and order book with improved margins supported by healthy cash flows.

We are committed to pursuing profitable growth opportunities both nationally and internationally, so as to create long-term value for all our esteemed stakeholders.

Board of Directors



MR. PIYACHAI KARNASUTA
Chairman

Mr. Piyachai Karnasuta is a Director of the Company since 2015. He has been appointed as the Non-Executive Chairman of the Company with effect from 1 April 2019. He has experience and knowledge in Civil Engineering and Construction of over 18 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 Washington University, USA and a Masters in Business Administration from Waseda University, Japan.



MR. SANTI JONGKONGKA
Executive Vice Chairman

Mr. Santi Jongkongka has been appointed as the Director of the Company in May 2019 and is currently the Executive Vice Chairman of the Company. He is a Bachelor of Engineering (Production Engineering), King Mongkut University of Technology, Thonburi, Thailand and has also been through the training courses like Director Accreditation Program (DAP) and Director Certification Program (DCP). He has experience of over 31 years in Civil Engineering and Construction Project Management. He holds a vast experience of working in India and is well acquainted with Indian culture and ethos. In fact, he was one of the pioneer members representing Italian-Thai Development Public Company Limited (ITD) in India for ITD - SDB JV in the year 2001-2003. After a brief hiatus, he was back in India from the year 2005 to 2012 and was associated with the Company in various capacities like Coordination & Monitoring Executive assisting to Managing Director. During his association with the Company, he had monitored and coordinated execution of work such as Airport Terminal, Tunnel, Port, Barrage, Spillway, Highway, Mass Transit System, Diaphragm Wall, Box/Pipe Pushing Micro tunnelling, Bored/Precast Pile and foundation. Mr. Jongkongka was last associated with Bangkok Steel Wire Company Limited, Thailand holding the position of Managing Director.



MR. JAYANTA BASU
Managing Director

Mr. Jayanta Basu assumed the position of Managing Director of the Company on 23rd April, 2019. A graduate in Civil Engineering from the Indian Institute of Science and Technology (formerly Bengal Engineering College), Calcutta University, he has over 35 years of hands on experience in Engineering, Construction, Project Management and Contracts Management of Heavy Civil Infrastructure Projects across the Country. He started his career with the Company as a Graduate Engineer Trainee in 1986 and rose through the ranks to take over the mantle of Chief Operating Officer of ITD Cementation in the year 2017. Mr. Basu being amongst the few domain expert in the area of Engineering and Construction of Marine Structures in India, has been instrumental in creation and growth of this vertical in the Company. His core competencies are in the area of Project Management, Contracts Management, Advancement of Tendering & Estimation models on assigned benchmarks and Business Development. He has a proven track record as an operation strategist to meet growth objectives and in leading multiple improvement initiatives within the Company by way of providing strategic direction, diverse perspectives and a positive leadership. He has successfully contributed and also led the Company to its growth trajectory. He is also a National Council member on the Construction Federation of India (CFI) for the year 2021-2023, which is an apex representative body of the leading infrastructure construction firms of the country.



MR. D.P. ROY
Independent Director

Mr. D.P. Roy is a Director of the Company since 2007. He was the former Executive Chairman of SBI Capital Markets Limited and has a rich and wide experience in Corporate, International, and Investment Banking Sectors with over 43 years. He held various senior executive and managerial posts in State Bank of India, such as Deputy Managing Director and Group Executive (International Banking), President and CEO New York office 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 is actively engaged in Arbitration in NSE, BSE, MCX, NCDEX and ICA and is also on the advisory committee of Central Bank of India and Exim Bank of India. He is an Independent Director on other boards. He participates actively in the proceedings of the Board and Committee Meetings as an Independent Director. He holds a Degree in M.Sc Chemistry from Jadavpur University, Calcutta.



MS. RAMOLA MAHAJANI
Independent Director

Ms. Ramola Mahajani is a Director of the Company since 2014. She is a Human Resources Development and Management professional with 45 years of experience in The Indian Hotels Company Ltd. and extended experience in Consulting as Managing Director of SHL, South Asia. She has her own Consulting firm. She holds two Masters' Degrees in advanced Applied Psychology and is a Chartered Occupational Psychologist as also an Associate Fellow of the British Psychological Society. Her areas of expertise include application of the principles of Occupational Psychology in Employee Selection, Training, Management Development and HR Planning. She is a winner of British Council Award (UK); Qimpro Silver Standard Award, Indira Group of Institutes' Super Achiever Award, Lifetime Achievement Award at World HRD Congress; Nominee of the Government of Maharashtra: World Trade Centre Management Council; Convener - Human Resources Sub Committee: Bombay Gymkhana Limited; Member - Ladies Wing, Vision Foundation of India; Past President: Rotary Club of Bombay Seaface. She is a Key Associate with "insightGURU", a technology driven people Assessment Company. She serves as a Non-Executive Independent Director on the boards of several listed companies. She participates actively in the proceedings of the Board and Committee Meetings as an Independent Director.



MR. SUNIL SHAH SINGH
Independent Director

Mr. Sunil Shah Singh has been appointed as an Independent Director of the Company in the year 2018. He has served as the Managing Director of ITD Cementation India Limited from June 2000 to December 2009 and thereafter as its Corporate Advisor from January 2010 to December 2013. Mr. Singh has been the President of Kirloskar Pneumatic Company Limited, Pune and Tetra Pak Processing and also served as Country head of Energy Works India. He has over 53 years of experience in Industry with Engineered product manufacturing and construction companies covering varied fields. He has served on a number of national level industry bodies and on government panels including for 'Standards' setting and 'Industry development' and has been a National Council Member of Construction Federation of India, Construction Industry Development Council and on the Governing Body of National Institute of Construction Management and Research.

He was on the development panel of Director General of Trade and Development for pumps and currently serves on the boards of several companies in the position of Chairman/Director. He is a B.Tech. from Indian Institute of Technology, Delhi.



MR. PANKAJ I. C. JAIN
Independent Director

Mr. Pankaj I. C. Jain has been appointed as an Independent Director of the Company in the year 2018. He is the Managing Partner at Khandelwal Jain & Company - Chartered Accountants. He has wide knowledge of Tax Litigation, Tax Advisory & Audits of large Corporates, Stock Exchanges, Government Corporations, Financial Institutions, Banks & Insurance Companies. He was a Council Member of the Institute of Chartered Accountants of India from 2001 to 2016. He is holding Directorship in several Companies and has been a Member in many committees constituted by SEBI, RBI, ICAI etc. He is a B. Com. Graduate and an F.C.A.

Management Team



Mr. Prasad Patwardhan

Senior Executive Vice President
& Chief Financial Officer



Mr. Rupak Sarkar

Executive Vice President &
Chief Operating Officer



Mr. Gautam Basuroy

Executive Vice President &
Chief Operating Officer



Mr. Ashwin Parmar

Executive Vice President &
Chief Business Officer



Mr. Sunder L. Chanchlani

Executive Vice President &
Chief Commercial Officer



Mr. Manish Kumar

Executive Vice President &
Chief Technical Officer



Mr. Shivanagouda N. Patil

Joint Executive Vice President



Mr. Kaushik Nandi

Senior Vice President



Mr. Schon Sarkar

Senior Vice President



Mr. Rahul Neogi

Vice President &
Company Secretary

Key Performance Indicators

Standalone Financials

(₹ in Crore unless specified)

| Particulars | December 2016 | December 2017 | March 2019 (15 Months) | March 2020 | March 2021 |
|--|---------------|---------------|------------------------|------------|------------|
| Order book as at year end | 4,329 | 3,472 | 6,167 | 9,147 | 9,850 |
| Revenue from operations | 2,872 | 1,873 | 2,283 | 2,142 | 2,208 |
| EBITDA (before exceptional item) | 216 | 287 | 282 | 265 | 213 |
| EBITDA (%) | 7.5 | 15.3 | 12.3 | 12.4 | 9.7 |
| PBT (before exceptional item) | 94 | 146 | 134 | 94 | 19 |
| PBT (after exceptional item) | 94 | 124 | 134 | 53 | 19 |
| PAT | 48 | 71 | 81 | 40 | 18 |
| PAT (%) | 1.7 | 3.8 | 3.6 | 1.9 | 0.8 |
| Net worth | 551 | 617 | 1,021 | 1,053 | 1,066 |
| Total debt | 356 | 489 | 220 | 293 | 368 |
| Debt Equity ratio | 0.6 | 0.8 | 0.2 | 0.3 | 0.3 |
| Book value (₹ per share) (Face value of ₹1 each) | 35.5 | 39.8 | 59.4 | 61.3 | 62.0 |
| Earnings per share (₹) | 3.1 | 4.7 | 4.8 | 2.5 | 0.9 |
| Return on capital employed (%) | 14.4 | 15.5 | 13.5 | 10.2 | 9.3 |
| Return on equity (%) | 9.1 | 12.1 | 9.9 | 3.9 | 1.7 |

Consolidated Financials

(₹ in Crore unless specified)

| Particulars | December 2016 | December 2017 | March 2019 (15 Months) | March 2020 | March 2021 |
|--|---------------|---------------|------------------------|------------|------------|
| Order book as at year end | 6,584 | 7,513 | 9,993 | 11,743 | 11,732 |
| Revenue from operations | 3,090 | 2,061 | 3,165 | 2,861 | 2,728 |
| EBITDA (before exceptional item) | 235 | 293 | 341 | 328 | 258 |
| EBITDA (%) | 7.6 | 14.2 | 10.8 | 11.5 | 9.5 |
| PBT (before exceptional item) | 74 | 148 | 135 | 101 | 20 |
| PBT (after exceptional item) | 74 | 126 | 135 | 60 | 20 |
| PAT | 48 | 71 | 82 | 41 | 18 |
| PAT (%) | 1.6 | 3.4 | 2.6 | 1.4 | 0.7 |
| Net worth | 551 | 618 | 1,023 | 1,055 | 1,069 |
| Total debt | 463 | 489 | 532 | 474 | 380 |
| Debt Equity ratio | 0.8 | 0.8 | 0.5 | 0.4 | 0.4 |
| Book value (₹ per share) (Face value of ₹1 each) | 35.5 | 39.8 | 59.6 | 61.4 | 62.2 |
| Earnings per share (₹) | 3.1 | 4.7 | 4.8 | 2.5 | 0.9 |
| Return on capital employed (%) | 15.5 | 15.7 | 15.5 | 11.1 | 10.5 |
| Return on equity (%) | 9.1 | 12.1 | 10.0 | 3.9 | 1.7 |

Diversified: THE FULCRUM OF GROWTH

Diversification is a proud virtue at ITD Cem, which is evident from the Company's diversified portfolio mix:

Maritime Structures

Urban Infrastructure, Mass Rapid Transit System and Airports

Hydro-Electric Power, Tunnels, Dams and Irrigation

Industrial Structures and Buildings

Highways, Bridges and Flyovers

Water and Wastewater

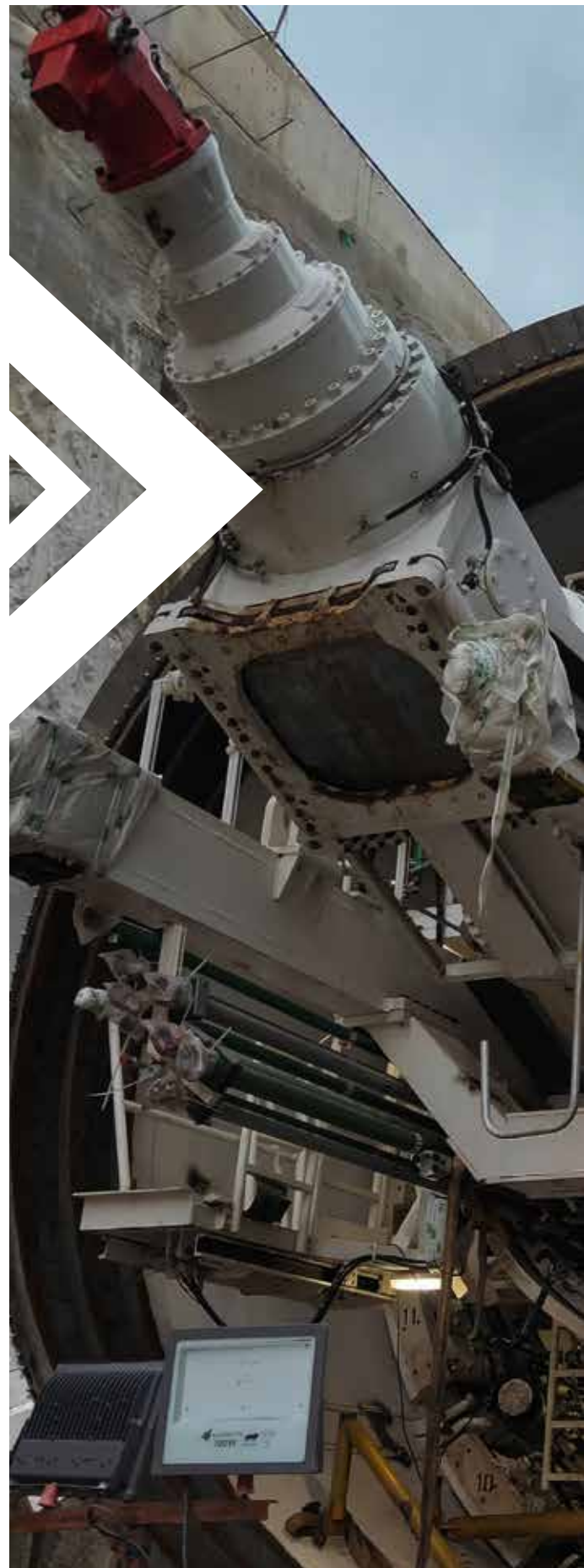
Foundation and Specialist Engineering

Over the years, we have diversified into core infrastructure areas articulating sound project management skills, superior execution capabilities backed by strong order book.



For nine decades, ITD Cem has continued to strengthen its business across various verticals with proven expertise and excellent track record of delivering integrated services in design, engineering, procurement and construction.

In our mission to become the country's leading construction company, we are constantly expanding our footprints with highest standards of professionalism, good governance, engineering and construction methodology with emphasis on commitment reliability and quality.





Disciplined: THE FUEL FOR EXCELLENCE

Leveraging our core strengths, we, at ITD Cem, possess the capabilities needed to harness the huge opportunities that lie ahead of us. The Government of India's ambitious National Infrastructure Pipeline would aid the acceleration of country's economic development. The Company relies on its competitive strength with technological prowess, state-of-the-art machineries, skilled manpower and accreditation by international agencies that combines together to drive us into a state of excellence and accomplishments.



Technology Adoption and Latest Engineering Innovative Practices

Technology adoption is a continuous process, needed to achieve excellence in business operations. From augmenting execution capabilities to connecting businesses, technology is deeply embedded in projects and their execution. As a result, we are able to generate higher efficiency and better performance. We strive to leverage technology to stay ahead of the competition.

State-of-the-art Plant and Machinery

Our advanced and modern construction equipment propels us to deliver world-class projects. Over the years, the Company has made considerable investments in plant and machinery to improve our project execution capabilities and meet client requirements. This has enabled us to gain competitive advantage and facilitate strong recall among clients.

Experienced Workforce

Our workforce plays a vital role in strengthening the foothold of the Company. With the combined capabilities of our skilled and dedicated team, we constantly upgrade our performance and efficiency to execute and deliver projects. Through constant endeavour and progress, our energetic and competent team handles complex challenges to deliver desired results. Our experienced and qualified engineers, with support and experience from ITD, Bangkok bring uncompromised quality adding to our customer's delight.

Accreditation by International Agencies

We ensure adherence to stringent quality checks and standards throughout our value chain. With an untiring commitment to quality and environment, safety and health (ESH) principles, we are amongst the few construction companies in India to have been accredited with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificates by TUV-Nord.



Determined: TO EXCEL

The Company has developed business models that enable us to invest in the right and appropriate opportunities of growth to create value for our clients and stakeholders.

We are focussed on expanding our presence in complex infrastructure projects through independent as well as collaborative ventures with reputed companies, wherein both parties can leverage each other's complimentary skills.

Our expertise in providing diverse infrastructure solutions comprising design, engineering, procurement and construction caters to various business vertical making us a preferred contractor.

In the Company's run so far, discipline and an eye for excellence have kept us on top of the growth curve. Our three-way approach of being Diversified, Disciplined and Determined has enabled us to execute many iconic projects across the nation.












Diversified Presence and Disciplined Performance

In our endeavour to create long lasting infrastructure, our Parent Company, Italian - Thai Development Public Company Limited, Thailand (ITD, Bangkok) has played an important role in providing engineering excellence, advanced technology and execution skills which enabled us to deliver value resulting in strong brand recall among clients.

Reflection of Our Determination: Strong Order Book of Past Five Years

(₹ in Crore)

| Order Book and Sector Break-up as at | December 2016 | December 2017 | March 2019 | March 2020 | March 2021 |
|---|---------------|---------------|--------------|---------------|---------------|
|  Marine | 2,726 | 1,631 | 3,192 | 3,016 | 3,870 |
|  Urban Infrastructure/MRTS/Airports | 2,300 | 4,547 | 5,087 | 4,917 | 3,826 |
|  Hydro/Dams/Tunnels/Irrigation | 770 | 1,052 | 1,391 | 2,423 | 2,176 |
|  Industrial Structures & Buildings | 251 | 79 | 24 | 1,003 | 1,331 |
|  Highways, Bridges & Flyovers | 239 | 46 | 88 | 9 | 184 |
|  Water & Wastewater | 146 | 75 | 38 | 248 | 186 |
|  Foundation & Specialist Engineering | 152 | 83 | 173 | 127 | 159 |
| Total | 6,584 | 7,513 | 9,993 | 11,743 | 11,732 |



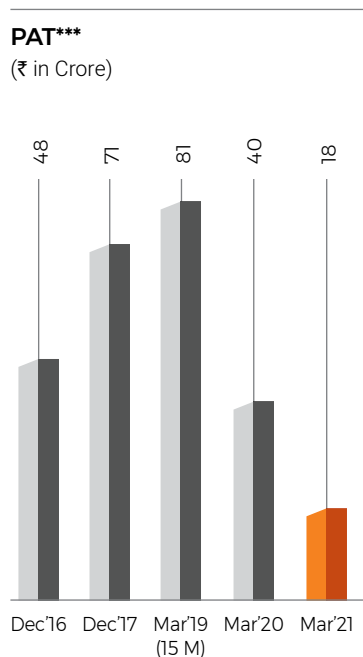
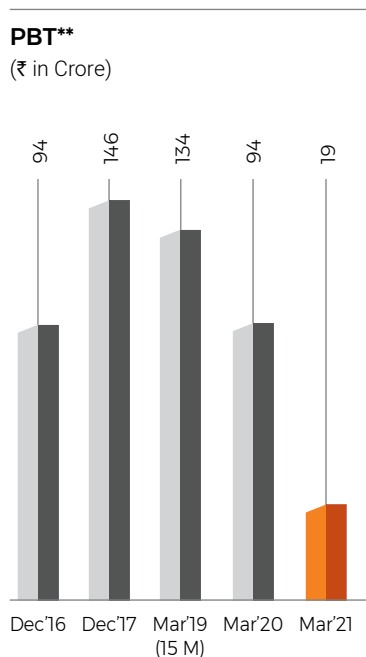
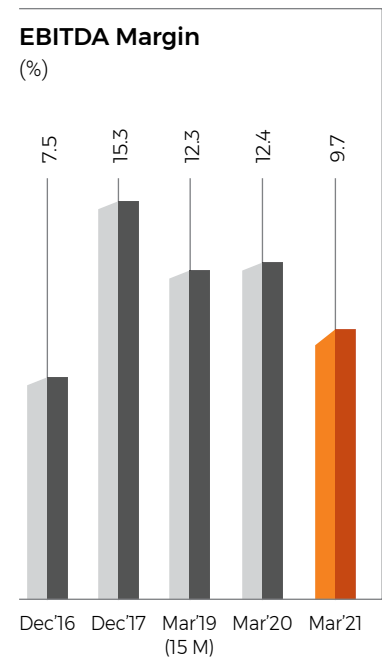
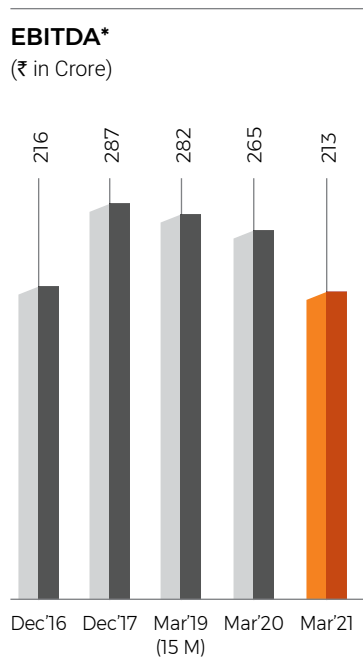
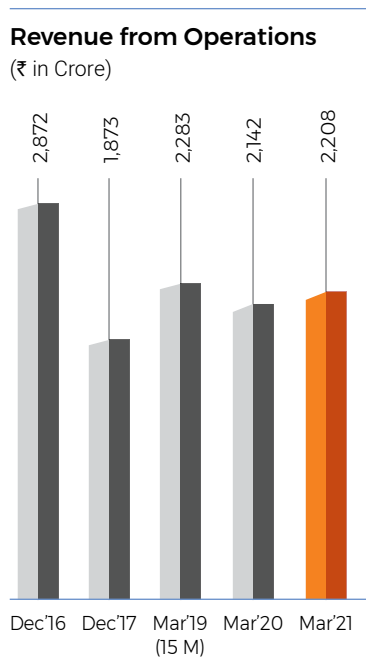


Determination:

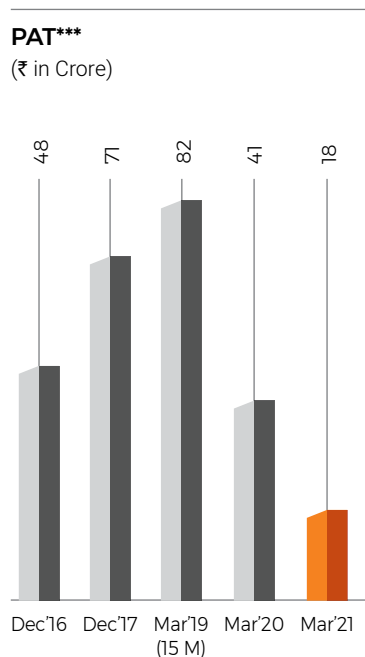
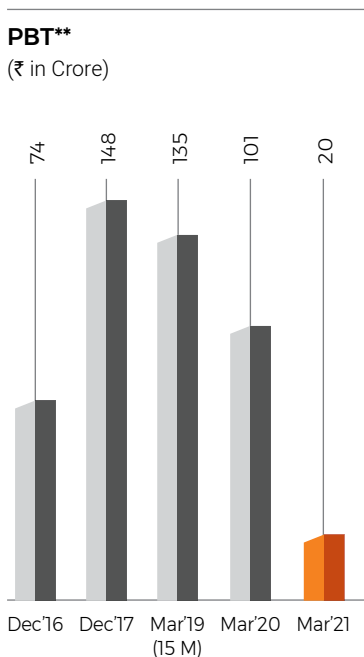
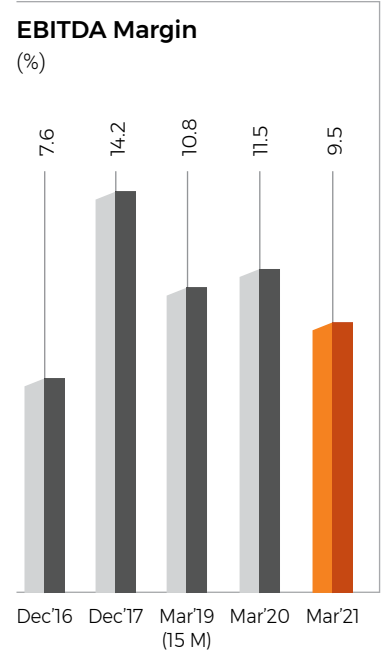
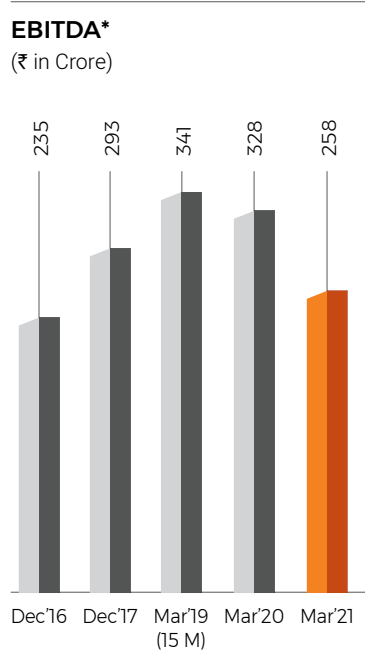
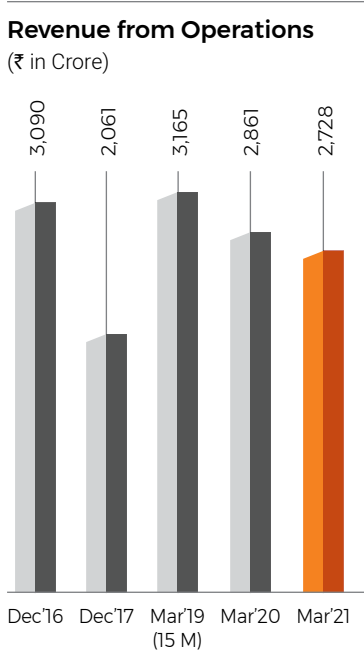
PERFORMANCE BUILD-UP

Our drive to create value for our customers and deliver the best possible infrastructure solutions with superior quality have led to a long-term value creation.

STANDALONE FINANCIAL PERFORMANCE



CONSOLIDATED FINANCIAL PERFORMANCE



*EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortisation

**PBT: Profit Before Tax

***PAT: Profit After Tax

Determined to Deliver:

PROJECT HIGHLIGHTS

The Company has diversified across several infrastructure areas. We have a unique strength of being able to easily shift between the key verticals of infrastructure growth between urban infrastructure, maritime structures, hydro, dams, tunnels, irrigation, industrial structures & buildings which insulate us from the cyclic fluctuations. Our ability both in terms of client diversity, geographic/resource diversity, including extending our footprint overseas provides us with stable and sustainable growth opportunities.

MARINE

The Company is one of the leading names in the construction of Maritime Structures and we have worked in most of the major and minor ports of the country. We have the experience, capability and equipment to provide quality workmanship on a variety of complex Maritime Structures including Engineering, Procurement and Construction Services. We are executing several complex projects, which help us to grow in a sustainable manner and maintain significant position.

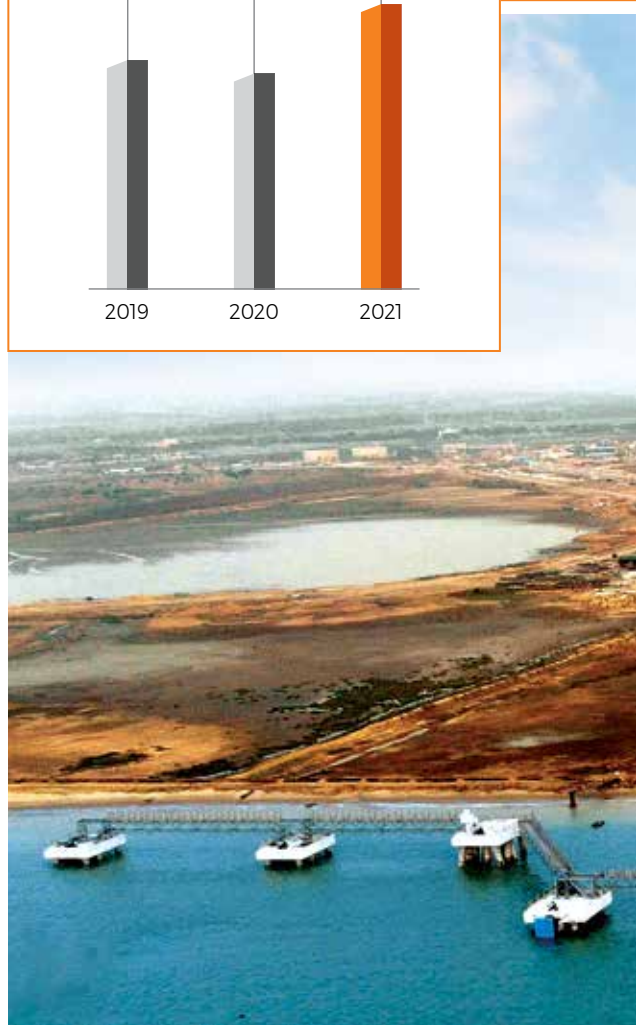
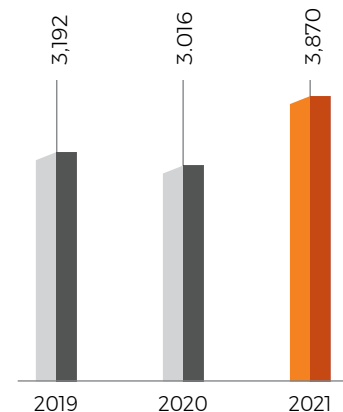
ITD CEM IS PROVIDING THE FOLLOWING SERVICES IN THIS AREA:

- Jetties, dolphins and service platforms
- Quay, berths on concrete and steel piles as well as solid gravity type wharf structures
- Ship lift, dry dock, wet basin and inclined berth
- Breakwater and piled approach trestles
- Steel piles (vertical and raker) and bored cast in situ concrete pile foundations
- Undersea ground improvement
- Dredging and Land reclamation
- Coastal erosion protection and rock bund
- Cargo & material handling equipment and associated entire MEP Systems
- Port-related onshore infrastructures
- Port connectivity works



OUR ORDER BOOK

(₹ in Crore)



MAJOR PROJECTS UNDER EXECUTION

- › Coal jetty, breakwater and conveyor system for Udangudi Supercritical Thermal Power Project in Tamil Nadu
- › Multi-modal IWT at Haldia in West Bengal
- › Capacity utilisation for Visakhapatnam Port Trust in Andhra Pradesh
- › Refit jetty and allied facilities in Port Blair, Andaman
- › Breakwater at Vizhinjam Port in Kerala
- › Liquid cargo jetty at JNPT in Maharashtra
- › Bulk berth & approach trestle at Chhara Port in Gujarat
- › Piers, landside tunnels, and buildings in Karwar, Karnataka

International

- › Development of container terminal in Yangon, Myanmar

KEY CLIENTS

- › Dubai Ports World
- › Port of Singapore Authority
- › Adani Yangon International Terminal Limited
- › Indian Navy
- › Visakhapatnam Port Trust
- › Inland Waterways Authority of India
- › Tamil Nadu Generation and Distribution Corporation Limited
- › Shapoorji Pallonji Infrastructure Capital Company Private Limited
- › Jawaharlal Nehru Port Trust
- › Nhava Sheva Gateway Terminal Limited
- › Mumbai Port Trust
- › Andaman & Lakshadweep Harbour Works



Determined to Deliver:

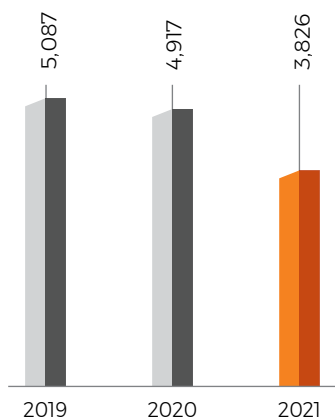
PROJECT HIGHLIGHTS

URBAN INFRASTRUCTURE, MRTS AND AIRPORT

The Government of India is focussed towards the construction and expansion of new Metro lines in the country. The Airports are also being modernised and many new Greenfield airport projects are under construction. This provides us with a major opportunity for taking up large complex projects with our credentials, experience and expertise. The Company is providing construction services of civil and station buildings structures for Mass Rapid Transit Systems, Tunnels, Elevated and Underground railway stations and installation of tracks, modernisation and construction of integrated passenger terminals at airports and allied EPC services.

OUR ORDER BOOK

(₹ in Crore)



MAJOR PROJECTS UNDER EXECUTION

- › Underground tunnelling and metro stations in Mumbai, Bengaluru and Kolkata
- › Elevated metro viaducts in Nagpur, Bengaluru and Kolkata
- › Upgraded passenger terminal new building in Trichy
- › Integrated terminal building and reconstruction of old terminal building in Pune, Maharashtra
- › Ballast-less track work for Mumbai Metro Line 7 in Maharashtra

KEY CLIENTS

- › Kolkata Metro Rail Corporation Limited
- › Mumbai Metropolitan Region Development Authority
- › Bangalore Metro Rail Corporation Limited
- › Maharashtra Metro Rail Corporation Limited
- › Mumbai Metro Rail Corporation Ltd
- › Rail Vikas Nigam Limited
- › Airports Authority of India

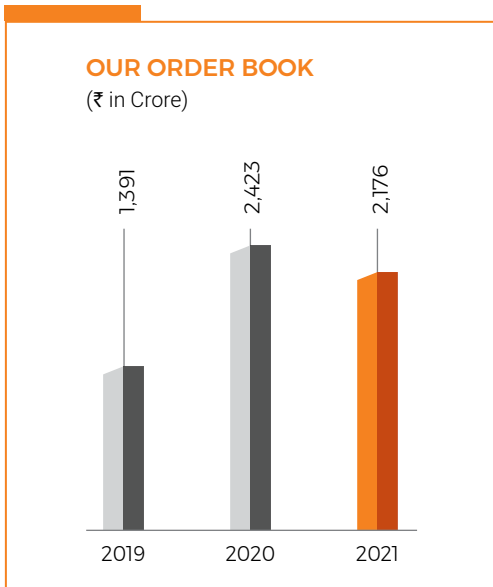


Determined to Deliver:

PROJECT HIGHLIGHTS

HYDRO, DAMS, TUNNELS AND IRRIGATION

The Company has contributed substantially to nation building with expertise in construction of earth fill, rock fill, concrete & masonry dams, irrigation, hydro tunnels, micro-tunneling, hydroelectric power stations, irrigation canal structures and tunnels for railways.



MAJOR PROJECTS UNDER EXECUTION

- › Construction of railway tunnels in West Bengal and Sikkim
- › Development of water conveyor system of lined gravity canal/tunnels in Telangana
- › Laying of trunk by micro-tunnelling method in West Bengal
- › Finalisation of sewage trunk main by micro-tunnelling method in Gujarat
- › Construction of tunnels New Single Broad Gauge Rail Link between Rishikesh and Karanprayag in Uttarakhand

KEY CLIENTS

- › Government of Telangana
- › Rail Vikas Nigam Limited
- › Ircon International Limited
- › Ahmedabad Municipal Corporation
- › Tata Power Limited



Determined to Deliver:

PROJECT HIGHLIGHTS

INDUSTRIAL STRUCTURES & BUILDINGS

The Company has a presence in construction of civil and industrial structures for refineries, petrochemicals, academic institutions, complexes, museums, etc. We are equipped with advanced technology to construct complex industrial structures and buildings.

MAJOR PROJECTS UNDER EXECUTION

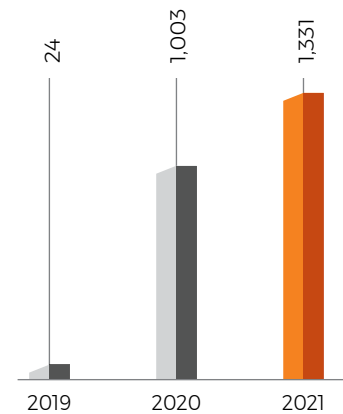
- > Redevelopment of General Pool Residential colony at Kasturba Nagar in New Delhi
- > Construction of Circuit bench of Calcutta High Court in West Bengal

KEY CLIENTS

- > Central Public Works Department
- > RITES Limited
- > Indian Oil Corporation Limited

OUR ORDER BOOK

(₹ in Crore)



WATER AND WASTEWATER

The Company has diversified into construction of water and wastewater treatment plants, as urbanisation and industrialisation are growing at a rapid pace. Over the next few years, water supply and sanitation projects are expected to witness significant outlays under the Jal Shakti mission.

MAJOR PROJECTS UNDER EXECUTION

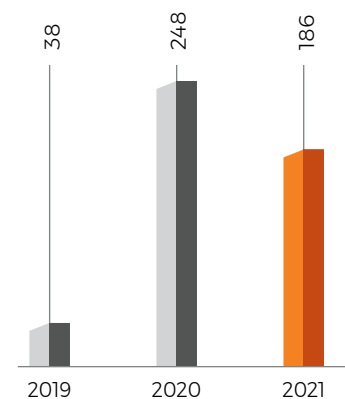
- Rehabilitation & refurbishment of water works, Palta and Garden Reach in West Bengal
- Designing, erecting & commissioning of intake channel for Bhama Askhed Water Supply Scheme in Pune, Maharashtra
- Development and distribution of water and wastewater system for Agartala Municipal Area in Tripura
- Sewer tunnel and allied works by Segmental Tunneling Method in Mumbai, Maharashtra

KEY CLIENTS

- Municipal Corporation of Greater Mumbai
- Irrigation Department Pune Bhama Dam, Maharashtra
- Kolkata Environmental Improvement Investment Programme
- Ahmedabad Municipal Corporation
- Government of Tripura

OUR ORDER BOOK

(₹ in Crore)



Determined to Deliver:

PROJECT HIGHLIGHTS

FOUNDATION & SPECIALIST ENGINEERING

The Company offers the latest and comprehensive range of techniques for the construction of piles, secant piles, diaphragm walls, ground improvement, drilling grouting works, rock anchors, slope stabilisation and rehabilitation work.



MAJOR PROJECTS UNDER EXECUTION

- › Underpass in Noida, Uttar Pradesh
- › Drilling & grouting work at Shirawta in Maharashtra
- › Civil foundation steel plant at Dolvi in Maharashtra
- › Piling works for 1,000 MW thermal power project in Unchahar, Uttar Pradesh

KEY CLIENTS

- › Indian Oil Corporation Limited
- › Tata Power Limited
- › NTPC Limited
- › General Electric Power India Limited
- › Dam Rehabilitation Projects, Government of Karnataka
- › Sabarmati Riverfront Development Corporation Limited
- › JSW Steel Limited



Our Marquee Projects:

CONTRIBUTING TO NATION BUILDING

MUMBAI METRO: THREE UNDERGROUND STATIONS



The Company, in joint venture, is executing the designing and construction of the underground tunnel and stations for the Mumbai Metro Rail underground project. We have completed entire tunneling work of ~11 kms under the most challenging conditions despite the presence of many old buildings and narrow lanes which was in close proximity to sea lines, active road traffic and popular religious places in Dadar, Mumbai. This effort will provide connectivity that will ease commuting woes of Mumbaikars.


UDANGUDI SUPERCRITICAL THERMAL POWER PROJECT: COAL JETTY, BREAKWATER, AND CONVEYOR SYSTEM


The Company is executing project for establishment of captive port with unloading facilities and pipe conveyor for 2 x 660 MW Udangudi Super Critical Thermal Power Project in Tamil Nadu for Tamil Nadu Generation and Distribution Corporation Limited. It is one of the largest marine projects for the Company in recent times.

PROJECT HIGHLIGHTS

- › A total of 8km-length of approach trestle, connecting jetty from shore
- › Island breakwater of 915m to protect the coal jetty at a depth of 18m below sea level
- › Offshore jetty of 550m length to be constructed in the deep-water level of (-)18m
- › Coal-handling system consists of two pipe conveyors of 3,000 Tonnes Per Hour
- › Associated building and services such as firefighting, electrical, instrumentation and control among others

MILESTONES ACHIEVED

- › A total of 5.7-km-length of approach trestle piles completed by various offshore piling fronts and especially by 34m Cantilever Piling Gantry and by Jack Up
- › Around 3-km-length of Deck slab completed
- › Around 11.2 lakhs MT of boulders placed and forming the island breakwater
- › Coal-handling system in progress

PROJECT BAGGED TWO ACCOLADES

'International Distinction Safety Award -2020' from the British Safety Council

Bronze trophy from the **National Safety Council, 2020**

Our Marquee Projects:

CONTRIBUTING TO NATION BUILDING

KARWAR MARINE PROJECT: PIERS, LANDSIDE TUNNELS, AND BUILDINGS

The Company is executing a prestigious project in Karwar, developing marine infrastructure for landside tunnels, buildings and construction of piers. The project has recently commenced its construction activities. Some of the major highlights of the project are its heavy marine-civil, mechanical and electrical works.

PROJECT HIGHLIGHTS

- Construction of double-deck Piers
- Construction of Wharf
- Supply and installation of cranes (rail & truck mounted mobile harbour, electric overhead travelling cranes)
- Construction of landside tunnels, roads, and utilities buildings
- Supply and installation of utilities such as electrical services, potable water system
- Fire protection & detection system, cooling tower system, chilled water system, sewage collection & disposal system, ventilation system and complete MEP systems

SIVOK RANGPO RAILWAY TUNNELS: TUNNELS BETWEEN WEST BENGAL AND SIKKIM

Indian Railways has envisioned an ambitious project to connect West Bengal with Sikkim. The Sivok Rangpo Rail link would not only ease movement between the two states, but will also boost tourism in this sector and will therefore contribute towards nation building efforts.

PROJECT HIGHLIGHTS

- Tunnels of length ~45 kms, covering 19 bridges and 14 tunnels
- Running from Siliguri city to Rangpo city (border of West Bengal and Sikkim)
- An extremely important project from regional as well as a national perspective passing through mountains and valleys to connect Sikkim to the Indian railway network.



**TRICHY AIRPORT: UPGRADING PASSENGER TERMINAL NEW BUILDING**

The Company is executing the construction of terminal building of Trichy Airport awarded by Airports Authority of India. This airport will be modernised alongwith 48 check-in counters and 10 boarding bridges. The terminal will be an energy efficient building. With an area of 75,000 sqmt, the new terminal building is dynamic and dramatic with a majestic roof that gives the structure an iconic look.

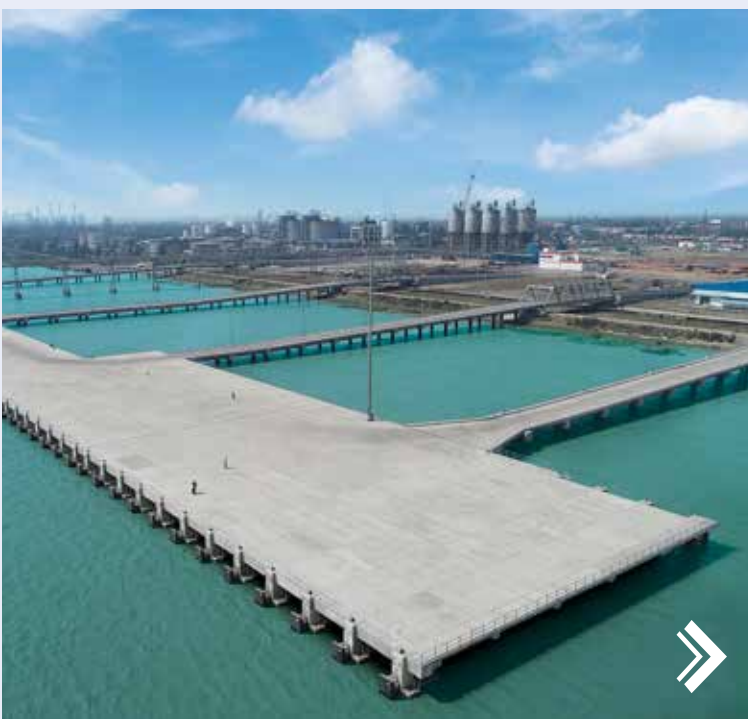
**PUNE AIRPORT: TERMINAL BUILDING AND ALLIED SERVICES**

The Company is executing the construction of a new integrated terminal building awarded by Airports Authority of India at Pune Airport with a built-up area of more than 500,000 sq.ft. This new modernised airport consists of swanky new terminal building, which will be able to handle 2,300 passengers (1,700 domestic and 600 international) during peak hours. The airport will be equipped with five boarding bridges, 34 check-in counters and in-line baggage handling system. The terminal will be an energy-efficient building with 4-Star GRIHA Rating.

Our Marquee Projects:

CONTRIBUTING TO NATION BUILDING

HALDIA : MULTI-MODAL TERMINAL



The Company is constructing a state-of-the-art multi-modal terminal at Haldia, West Bengal, which will be used for transporting coal, fly ash, chemicals, petroleum and gas, construction materials, fertilizers and edible items. The Haldia multi-modal terminal is spread across 61 acres of land at the Haldia Dock Complex, which will have facilities of berthing space for four vessels, stockyard for storing, belt conveyor systems with fixed hoppers, barge loader, shore protection works, roads, ramps and parking area and other terminal buildings. This is one of the Company's heavy civil EPC projects, which is a part of three multi-modal terminals under the Jal Marg Vikas Project of Inland Waterways Authority of India.

BANGALORE METRO: UNDERGROUND STRUCTURES



The Company based on its standalone credentials has secured project to construct underground tunnels and four metro stations from Bangalore Metro Rail Corporation. The project involves design and construction of underground structures (tunnels & stations) on ~4.591km stretch. The stretch will cover South of Tannery Road station to North Ramp including allied works and four underground metro stations in line 6 of Bangalore Metro Rail Project, Phase 2


YANGON, MYANMAR: MARINE WORKS FOR CONTAINER TERMINAL


The Company is executing its first major overseas project in Yangon, Myanmar for Adani Yangon International Terminal Company Limited (AYITC) which is developing container terminal at Yangon. The project involves construction of container berth on spun pile foundation and development of backup yard including container stacking yard, cross over, utility works, buildings, civil works for firefighting system and allied marine facilities.


PAMBAN BRIDGE: CIVIL WORKS, INCLUDING FOUNDATIONS


The Company is constructing Special Foundations and Substructure of new bridge parallel to the existing bridge between Mandapam and Pamban stations in Madurai division of Southern Railway in the state of Tamil Nadu. Pamban Bridge is a railway bridge which connects the town of Mandapam in mainland India with Pamban Island and Rameswaram which is unique and iconic having a sea overview. The new bridge will be the country's first vertical lift railway sea bridge that is being developed parallel to 100-year old existing Pamban bridge having historic link.

Determined to Serve the Community

The Company has undertaken Corporate Social Responsibility (CSR) activities whereby we integrate social and environmental concerns in our business operations fostering a better world around us. We have proactively worked towards the development of underprivileged communities over the years. We have consistently participated in social initiatives that have improved livelihoods, healthcare and sanitation facilities, besides providing educational access to the communities, where we operate for a more holistic inclusive development.

DISASTER RELIEF

The Company extended support to disaster-struck underserved communities and contributed to the West Bengal State Disaster Management Authority.



COVID-19 RELIEF

In the wake of pandemic and its reeling effects, the Company provided support to the fisherman communities by providing essential food items in Manappadu, Alanthalai and Kallamozhi villages in Tamil Nadu, who were in indigent condition due to loss of livelihood.



EDUCATION

The Company undertook six projects in West Bengal, Pune, Bangalore, Mumbai and Thane. These projects were aimed at improving the quality of education through digital enablement and benefitting the youth from socially and economically underserved sections with mentorship opportunities. We also renovated schools and donated benches, tables and chairs to provide a disciplined environment and further the capacity building of the institutions. ITD Cem assisted in creating technology-incubator infrastructure located within the academic institution for shared/ co-working spaces including providing seating desks and tables, meeting rooms and cabins.



HEALTHCARE AND SANITATION

We made contribution to the Cancer Hospital in Nagpur for cancer diagnosis.

The Company also constructed toilets for the students of Zilla Parishad School at Gorhe village in Pune.



Diverse and Disciplined Human Capital:

OUR STRENGTH AND PILLARS OF GROWTH

HUMAN CAPITAL

Our employees are our greatest assets and are important to the success of our business. Our talent management strategy focuses on sustaining our position as one of India's most valuable organisations to deliver great customer service, competitive superiority, performance driven and future ready. Our HR practices continuously focuses on skill development of professionals within the organisations as we believe our highly motivated workforce are pillars for the future growth of the Company. We provide our people with a conducive work environment characterised by collaborative and inclusive culture that provides all deserving employees with the opportunity to succeed and grow with the organisation. In order to sustain its growth, the Company is actively investing in the talent with skill-sets suited to the expanding and changing needs of the business either through external search or promoting talent within the Company with requisite capability.

DIVERSE AND SKILLFUL

We have a skillful and diversified workforce, which is capable of executing complex construction projects. Our robust training system helps in improving and honing the skill set required to our workforce to deliver big projects with great efficiency and to clients satisfaction.

TRAINING AND DEVELOPMENT INITIATIVES AND POLICIES

The Company provides effective training methodologies and innovation to meet the highest standards needed for our workforce safety and and enhance productivity. We understand that to sustain the success, we need to nurture and groom our workforce. At ITD Cem, we emphasise on making our training programmes more effective to further grow the leaders of tomorrow. We have built several training and development modules to uplift our human assets, while preparing them to grow personally and professionally

SUPPORTIVE ENVIRONMENT

We are committed to providing a safe and conducive work environment for all our employees. In our Company responsibility and accountability go hand in hand with equal authority to make right decisions. In this challenging times , the Company continues to stay focused on the health and well-being of its personnel and families by providing the requisite infrastructure at sites, vaccination initiatives, health check-ups, provision of shelter, nutritious food and other motivational requirements to suit the needs of its employees. We encourage employees to share their ideas, views and observations with the management on our projects, which help the Company in implementing better ideas and in executing projects more efficiently.

2,051

PERMANENT EMPLOYEES

3,699

CONTRACTUAL EMPLOYEES



Awards & Recognition



BOARD'S REPORT

The Directors present herewith their Report and the Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

| Particulars | Standalone | | Consolidated | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Financial Year ended March 31, 2021 | Financial Year ended March 31, 2020 | Financial Year ended March 31, 2021 | Financial Year ended March 31, 2020 |
| Revenue from Operations | 220,831.88 | 214,199.87 | 272,773.11 | 286,071.38 |
| Profit before Finance costs, Depreciation, Exceptional item and share of profit/ (loss) from joint ventures | 21,343.66 | 26,489.48 | 22,531.19 | 30,016.57 |
| Finance costs | 11,133.68 | 9,198.42 | 13,819.52 | 13,049.61 |
| Depreciation and amortisation expense | 8,284.07 | 7,887.92 | 10,015.09 | 9,648.45 |
| Exceptional item | - | 4,093.36 | - | 4,093.36 |
| Share of profit/ (loss) from joint ventures | - | - | 3,303.80 | 2,784.09 |
| Profit before Tax | 1,925.91 | 5,309.78 | 2,000.38 | 6,009.24 |
| Less: Tax Expense | 349.98 | 993.18 | 405.15 | 1,633.28 |
| Profit after Tax | 1,575.93 | 4,316.60 | 1,595.23 | 4,375.96 |
| Add: Other Comprehensive Income | 249.54 | (315.49) | 249.54 | (315.49) |
| Total Comprehensive income for the financial year carried to Other Equity | 1,825.47 | 4,001.11 | 1,844.77 | 4,060.47 |

DIVIDEND

In view of the performance of the Company during the financial year under consideration, the Directors are pleased to recommend a dividend of ₹ 0.12 per equity share on 171,787,584 equity shares of Re. 1/- each fully paid up. The above dividend amounting to ₹ 206.15 Lakh, if approved at the ensuing Annual General Meeting (AGM) of the Company, will represent 13.08% of distributable profits of ₹ 1,575.93 Lakh for the financial year.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has formulated and adopted a Dividend Distribution Policy. It is available on the Company's website and can be accessed at https://www.itdcem.co.in/wpcontent/uploads/Dividend_Distribution_Policy

TRANSFER TO RESERVE

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

REVIEW OF OPERATIONS

Performance of the Company in the wake of outbreak of COVID-19

The surge in COVID-19 in the FY 2020-21, forced the Central Government to impose certain restrictions resulting in slowdown in all activities at the Company's projects/sites in order to contain the spread of the disease. While adhering to the various guidelines/ directives issued by the Government

authorities from time to time, the Company took proactive measures to safeguard the health, safety and well being of the Company's employees and workers at all its locations including maintaining social distancing and recommenced its operations ensuring minimum disruption of services to all its customers. Owing to commencement of work in a restricted manner, migration of work force and disruptive supply chain, the progress and financial performance got affected in the first two quarters of FY 2020-21, i.e. quarters ended June and September 2020, which has been reflected in the results of the said quarters. However, the Company bounced back well during the third and fourth quarters of FY 2020-21 with improved operational and financial performance.

Standalone performance

Revenue from operations for the financial year ended March 31, 2021 is ₹ 220,832 lakh (₹ 214,200 lakh in FY 2019-20), an increase of about 3.1% over the previous year.

The Company has made profit before finance costs, depreciation, exceptional item and share of profit/ (loss) from joint ventures of ₹ 21,344 Lakh, which is 9.7% of revenue from operations. The Company has made a profit before tax of ₹ 1,926 Lakh and profit after tax of ₹ 1,576 Lakh in FY 2020-21.

Consolidated performance

Revenue from operations for the financial year ended March 31, 2021 is ₹ 272,773 lakh (₹ 286,071 lakh in FY 2019-20), a decrease of about 4.6% over the previous year. The Company

has made profit before finance costs, depreciation, exceptional item and share of profit/ (loss) from joint ventures of ₹ 22,531 Lakh which is 8.3% of revenue from operations. The Company has made a profit before tax of ₹ 2,000 lakh and profit after tax of ₹ 1,595 lakh in FY 2020-21.

After a review of the position of outstanding debts, your Directors have decided to write off bad debts during the financial year amounting to ₹ Nil (FY 2019-20 ₹ 5,684.31 Lakh).

Total value of new contracts including the Company's share in Joint Ventures secured during the financial year aggregated ₹ 281,200 Lakh (FY 2019-20 ₹ 564,300 Lakh).

Major contracts secured during the FY 2020-21 having a value of ₹15,000 Lakh and above were as under:-

- Construction of Rubble Mound Breakwater for Development of Port terminal, Vizhinjam for HOWE
- Construction of Piers, Landside Tunnels and Buildings including Cranes and (MEP) services and other Associated Works, Karwar
- Construction of 7 stations including all related works of New Garia-Airport Metro Project, Kolkata for RVNL
- Construction of Substructure for Pamban bridge, Tamil Nadu for RVNL

- Construction of Circuit Bench of Calcutta High Court, Jalpaiguri for PWD

During the financial year, your Company in Joint Venture with The Braithwaite Burn and Jessop Construction Company Limited, a Govt. of India Enterprise, received a contract for construction of a bridge over river Ganga between Jhusi and Daraganj Station, Allahabad for RVNL for a value of ₹ 49,503 lakh

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

- Piling works, Jhajjar for GE Power
- Extension of Jetty, Kattupalli for L&T Hydrocarbon Engineering Limited

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURES

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred to as 'Listing Regulations') 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 summarised herein below:

₹ in lakh

| Name | Total income | Profit/ (Loss) for the financial year | % share | Share of Profit/ (Loss) |
|---|--------------|---------------------------------------|---------|-------------------------|
| Subsidiary: | | | | |
| • ITD Cementation Projects India Limited | 0.12 | (0.29) | 100% | (0.29) |
| Joint Ventures: | | | | |
| • ITD Cemindia JV | 49,764.35 | (2,871.22) | 80% | *(2,871.12) |
| • ITD-ITD Cem JV | 17,793.95 | 1,424.42 | 49% | 697.96 |
| • ITD- ITD Cem JV (Consortium of ITD - ITD Cementation) | - | (114.29) | 40% | (45.71) |
| • ITD Cem-Maytas Consortium | 7,144.91 | 394.17 | 95% | 374.46 |
| • CEC-ITD Cem-TPL JV | 47,267.78 | 4,419.25 | 60% | 2,651.55 |
| • ITD Cem-BBJ JV | 997.32 | Nil | 51% | Nil |

* Share of profit/ loss recognised based on control exercised by the Company.

Pursuant to the provisions of Section 129(3) of the Act, 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 as amended, is provided in Form AOC-1 marked as Annexure 1 and forms part of the Consolidated Financial Statements.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of Subsidiary, are available on the website of the Company <https://www.itdcem.co.in/investors>.

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 primary focus of this effort is to continually refine the frequently used systems at the Company's project sites to derive optimisation, reduction in the breakdowns, improve effectiveness and efficiency of use and hence provide a competitive edge for any project. Information on Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith and marked as Annexure 2.

STATUTORY AUDITORS

Messrs Walker Chandiok & Co LLP, Chartered Accountants, Mumbai, having Firm Registration No. 001076N/N500013 were re-appointed as the Auditors of the Company at the 39th Annual General Meeting (AGM) held on May 11, 2017 for a period of five years from the conclusion of the 39th AGM until the conclusion of the 44th AGM pursuant to the provisions of Section 139 of the Act, subject to ratification of their appointment by Members at every AGM, if so required under the Act. As informed in the past, the requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution has been proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Key Managerial Personnel (KMP)

In accordance with the provisions of Section 203 of the Act, the following persons were designated as KMP of the Company as at March 31, 2021:

| Name of the KMP | Designation |
|-----------------------|-------------------------|
| Mr. Santi Jongkongka | Executive Vice Chairman |
| Mr. Jayanta Basu | Managing Director |
| Mr. Prasad Patwardhan | Chief Financial Officer |
| Mr. Rahul Neogi | Company Secretary |

b) Directors

Appointment /Re-appointment

Mr. Santi Jongkongka (DIN 08441312) retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The disclosures made in this regard are available at <http://www.itdcem.co.in/about-us/board-of-directors-and-committees-of-directors/>

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 and Regulation 25 (8) of the Listing Regulations confirming that they meet with the criteria of independence as laid down in Section 149(6) of the Act as well as Regulation 16(1)(b) of the Listing Regulations.

There has been no change in the circumstances affecting their status as independent directors of the Company.

d) Pecuniary Relationship of Non-Executive Directors

During the financial year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than being in receipt of sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of Board of the Company.

e) Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), Section 149 (8) and Schedule IV of the Act and applicable Listing Regulations, Annual Evaluation of Performance of the Board, the individual Directors as well as Committees of the Board had been carried out. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board, based on the inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate Meeting of Independent Directors held on February 10, 2021 performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company were evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of meaningful contribution made by the individual Director while participating in the Board and Committee meetings, etc.

Based on the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and Individual Directors was also deliberated upon at the Board Meeting. Performance Evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

f) Number of Meetings of Board of Directors

Five meetings of Board of Directors were held during the year under report. For details pertaining to the composition and number of 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 is given below:

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

| Directors | Ratio to median remuneration* |
|----------------------------------|-------------------------------|
| Non - Executive Directors | |
| - Mr. Piyachai Karnasuta | 0.65:1 |
| - Mr. D.P. Roy | 0.65:1 |
| - Ms. Ramola Mahajani | 0.65:1 |
| - Mr. Sunil Shah Singh | 0.65:1 |
| - Mr. Pankaj I. C. Jain | 0.65:1 |
| Executive Directors | |
| - Mr. Santi Jongkongka | 20.33:1 |
| - Mr. Jayanta Basu | 14.11:1 |

* Non - Executive Directors were paid sitting fees as given in the Report on Corporate Governance. 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 during the financial year:

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | |
|---|----|
| Mr. Piyachai Karnasuta | - |
| Mr. D.P. Roy | - |
| Ms. Ramola Mahajani | - |
| Mr. Sunil Shah Singh | - |
| Mr. Pankaj I.C. Jain | - |
| Mr. Santi Jongkongka, Executive Vice Chairman | 0% |
| Mr. Jayanta Basu, Managing Director | 0% |
| Mr. Prasad Patwardhan, Chief Financial Officer | 0% |
| Mr. Rahul Neogi, Company Secretary | 0% |

- (c) The percentage increase in the median remuneration of employees in the financial year: 5.28%.
- (d) The number of permanent employees on the rolls of the Company: 2051 (As on March 31, 2021).
- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

| Sr. No | Other Employees | Managerial | Remarks |
|--------|-----------------|------------|---------|
| 1 | 7.69 % | 0% | NIL |

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and there have been no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- the Directors 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;

- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- the Directors 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, terms of reference and number of meetings 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 Whistle Blower Policy. This Policy has adequate safeguards against victimisation of the whistle blower and ensures protection of the whistle blower's identity. Whistle Blower or Complainant, as the case may be under the said Policy, shall be entitled to direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. In case of any Whistle Blowing Disclosure, the Managing Director shall constitute a Committee from amongst Senior Management Team members as stipulated in the said Policy. This Policy is available on the website of the Company at www.itdcem.co.in.

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, Internal Audit monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations. Periodical reports on the same are also presented to the Audit Committee.

During the financial year under report, the internal controls were tested and found effective, as a part of the Management's

control testing initiative. Accordingly, the Board, with the concurrence of the Audit Committee and the Auditors is of the opinion that the Company's Internal Financial Controls were adequate and operating effectively for the financial year ended March 31, 2021.

COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended, the Company is required to prepare and maintain cost records and also have the same audited by a Cost Accountant.

The Board, based on the recommendation of the Audit Committee, has re-appointed Mr. Suresh D. Shenoy, Cost Accountant, as Cost Auditors of the Company for conducting cost audit for the year 2021-22. The Cost Audit Report and the Compliance Report of the Company for the year ended March 31, 2020 was filed with the Ministry of Corporate Affairs by Mr Suresh D. Shenoy, Cost Accountants, before the due date as prescribed under Companies (Cost Records And Audit) Rules, 2014 as amended. Further, the cost accounts and records as required to be maintained under Section 148 of the Act are duly made and maintained by the Company.

The Company has received consent from Mr. Shenoy for his re-appointment. He has also provided confirmation that he is free from any disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act. He has further confirmed his independent status and an arm's length relationship with the Company.

The consent of the members is being sought at the ensuing Annual General Meeting for ratification of the remuneration payable to the Cost Auditor for the financial year 2021-22.

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 disclosed in the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with related parties falls under Section 188(1) of the Act and Rules framed thereunder. All contracts or arrangements with related parties, entered during the year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into with prior approval of the Audit Committee.

In terms of Section 134(3) and (4) read with Section 188(2) of the Act, no material contract or arrangement with any related party was entered into by your Company during the year under report. Therefore, there is no requirement to report

any transaction in Form No. AOC-2 in terms of Section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014.

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

A Policy governing the related party transactions has been adopted and the same has been uploaded on the Company's website at www.itdcem.co.in.

RISK MANAGEMENT

The Board of Directors of the Company has constituted Risk Management Committee to implement and monitor the risk management plan for the Company. The Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. These risks are further broken down into various subcategories of risks and monitored by respective divisional/ functional heads.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has a CSR Committee in place comprising Mr. Piyachai Karnasuta, Mr. D. P. Roy, Mr. Santi Jongkongka and Mr. Jayanta Basu as members of the Committee. Mr. Piyachai Karnasuta is the Chairman of this Committee.

The Company has framed and adopted the CSR Policy and the same has been uploaded on the Company's website www.itdcem.co.in. Your Company strives to adopt a balanced approach to overall community development through CSR activities in and around the areas where it operates touching upon various aspects of society such as education, health, disaster management, environment and empowerment of economically weaker sections of the society.

Based on average net profit earned by the Company in the three immediately preceding financial years as computed in accordance with the CSR Rules, the Company was required to spend an amount of ₹ 190.18 lakh on CSR activities, for the financial year ended March 31, 2021. The Company also spent an amount of ₹ 25 lakh during the financial year ended March 31, 2021, being the unspent amount pertaining to the financial year ended March 31, 2020.

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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The details pertaining to the composition, terms of reference and number of the meetings held for the NRC are included in the Report on Corporate Governance, which forms part of this Report.

During the year under review, the Company has revised the Nomination and Remuneration policy to bring the same in alignment with the provisions of the Act and Listing Regulations and relevant extracts of the the said Policy are given in Annexure 4 and form part of this Report.

The Company has adopted the Nomination and Remuneration Policy and the same has been uploaded on the Company's website at www.itdcem.co.in.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

SECRETARIAL AUDIT REPORT

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

The Secretarial Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

ANNUAL RETURN

Pursuant to Section 92(3) of the Act, Annual Return of the Company is uploaded on the website link <https://www.itdcem.co.in/investors/financial/annual-returns/>.

DEPOSITS

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

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Listing Regulations, 2015, the Management Discussion and Analysis is attached hereto and forms part of this Annual Report and marked as Annexure 7 to this Report.

CORPORATE GOVERNANCE

Pursuant to Listing Regulation, 2015, the Report on Corporate Governance alongwith a certificate of compliance from the Auditors is attached hereto and marked as Annexure 8 to this Report.

BUSINESS RESPONSIBILITY REPORT

As required under Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

During the financial 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.

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

During the financial 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.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

REPORTING OF FRAUD BY AUDITORS

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

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

The Company has an established Integrated Management System comprising Quality Management System (QMS) conforming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and

Occupational Health and Safety Management System conforming to ISO 45001:2018 at all offices, project sites and depots. During the financial year, the Company's Management System has been audited and compliance to the requirements of the International Standards has been confirmed by TUV-Nord.

The Company is amongst the few construction companies who have established an Integrated Management System (IMS). The system is effectively implemented and maintained to ensure customer satisfaction, continual improvement and compliance to the applicable legal and other non-regulatory requirements as per the Standards.

OUTLOOK

FY 2020-21 was impacted severely by the outbreak and continuance of Covid-19. The subsequent lockdowns and migration of labour affected project execution in Q1 and Q2. The Government of India and the RBI moved swiftly to provide fiscal and other incentives to industry. With the return of labour from the end of Q2 and easing of the lockdown restrictions, economic activity including construction work saw an uptick. This was also aided by the pick-up in pent up demand during the festive season.

The Company demonstrated resilience through the tough times through improved project execution on one hand and robust order booking on the other. The increased thrust from the Government towards the infrastructure industry, through an increase in the capital budget allocation in the current Budget for the year 2021-22, is likely to help with further order inflows for the Company. While India is currently facing the 2nd wave of COVID, we believe it is but a matter of time before we overcome this situation and with the Government focus on infrastructure development, we remain positive and bullish about the long term outlook for the Company.

PARENT COMPANY

Italian-Thai Development Public Company Limited (ITD), founded in 1958, is a leading civil engineering & infrastructure construction and development company in Thailand. With a well-diversified presence across the construction space that includes MRT, airports, buildings, hydro-electric dams, power plants, tunnels, pipelines, jetties, deep-sea ports & marine works, highways, expressways & bridges, industrial works, mining, and telecommunications, ITD is listed in Nikkei Asia 300; a list of Asia's biggest and fastest growing companies among 11 economies in the continent.

ITD has been a leader in infrastructure construction in Thailand for more than 62 years and has since then expanded its operations across several other countries in South East and South Asia.

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

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

One of the landmark projects which ITD has been proudly associated with is the construction of the Suvarnabhumi International Airport, approximately 25 km east of Bangkok, which ITD successfully completed in 2006. This was the eleventh busiest airport in Asia for the year 2018.

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

In 2020, ITD posted revenues of around 54 billion Thai Baht (about ₹ 1,320,000 Lakh).

DEPOSITORY SYSTEM

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

FINANCIAL YEAR

The financial year of the Company is 1st April to 31st March.

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

Piyachai Karnasuta
(DIN: 07247974)
Chairman

May 28, 2021

Form AOC-1

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

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

Part "A": Subsidiaries

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

| Sl. No. | Particulars | Details |
|---------|---|--|
| 1 | Name of the subsidiary | ITD Cementation Projects India Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1st April 2020 to 31st March 2021 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | ₹ |
| 4 | Share capital | 5.00 |
| 5 | Reserves & surplus | (1.56) |
| 6 | Total assets | 38.67 |
| 7 | Total liabilities | 38.67 |
| 8 | Investments | - |
| 9 | Turnover | 0.12 |
| 10 | Profit / (Loss) before taxation | (0.29) |
| 11 | Provision for taxation | - |
| 12 | Profit / (Loss) after taxation | (0.29) |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 100% |

Notes:

Names of subsidiaries which are yet to commence operations - None

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 | CEC-ITDCem-TPL JV | ITD Cem-BBJ JV |
|--|--|--------------------------|---------------|-----------------|-------------------|----------------|
| 1. Latest audited Balance Sheet Date | 31-Mar-21 | 31-Mar-21 | 31-Mar-21 | 31-Mar-21 | 31-Mar-21 | 31-Mar-21 |
| 2. Shares of Associate/ Joint Ventures held by the company on the year end | | | | | | |
| No. | Nil | Nil | Nil | Nil | Nil | Nil |
| Amount of Investment in Associates/Joint Venture | 524.32 | 52.28 | 18,390.74 | 21,631.23 | 393.71 | 0.05 |

| Name of associates/Joint Ventures | ITD-ITDCem JV (Consortium ITD-ITD Cementation) | ITDCem-Maytas Consortium | ITD-ITDCem JV | ITD Cemindia JV | CEC-ITDCem-TPL JV | ITD Cem-BBJ JV |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Extent of Holding % | 40% | 95% | 49% | 80% | 60% | 51% |
| 3. Description of how there is significant influence | Joint Venture | Joint Venture | Joint Venture | Joint Venture | Joint Venture | Joint Venture |
| 4. Reason why the associate/joint venture is not consolidated | Consolidated equity method | Consolidated as Subsidiary | Consolidated equity method | Consolidated as Subsidiary | Consolidated equity method | Consolidated equity method |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | 1,263.84 | 120.20 | 22,384.17 | 21,516.18 | 554.42 | 0.10 |
| 6. Profit/(Loss) for the year | (114.29) | 394.17 | 1,424.42 | (2,871.22) | 4,419.25 | - |
| i. Considered in Consolidation | (45.71) | 374.46 | 697.96 | (2,871.12) | 2,651.55 | - |
| ii. Not Considered in Consolidation | (68.58) | 19.71 | 726.46 | (0.10) | 1,767.70 | - |

Names of associates or joint ventures which are yet to commence operations: None

Names of associates or joint ventures which have been liquidated or sold during the year: None

Names of associates or joint ventures not consolidated: None

Santi Jongkongka

Executive Vice Chairman

Jayanta Basu

Managing Director

Prasad Patwardhan

Chief Financial Officer

Rahul Neogi

Company Secretary

Date : May 28, 2021

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Research and Development

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

A) Conservation of Energy

(i) The steps taken or impact on conservation of energy:

The Company continues to increase use of Fly ash / Slag (GGBS) as a part replacement of ordinary portland cement (OPC) for concrete mixes (monitored through corporate objective to increase percentage replacement year by year) being used at project sites as a significant measure towards energy conservation by reducing the embodied energy in concrete. Such replacement also improves properties of concrete in terms of durability and finish and contributes towards cost savings compared with conventional concrete mixes with OPC only.

The Company has adapted use of Polycarboxylate Ether (PCE) based high range water reducers in concrete in lieu of Naptha based water reducers which substantially reduces mixing water requirement. Also reduces cement content and optimizes need for vibrational energy due to highly workable nature of mix with greater retention properties.

The Company continues using Translucent Polycarbonate sheets at all project site stores in place of conventional roofing materials allowing daylight (natural light), thereby saving on electricity.

Use of sensor based Lightings that automatically turn on after detection of motion. It is currently under installation at areas such as Toilet Blocks,

office workstation etc. on trial basis at one of the Project Sites.

Optimizing the usage of centralised HVAC system and office lightings on account of less occupancy in Offices due to pandemic situation has also led to savings in Energy consumption.

By organizing meetings, annual certification audits as well as internal audits virtually through advanced IT systems, the Company has avoided carbon emissions due to travel. Online Trainings were conducted around the year in place of classroom trainings.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Solar lights are being installed at various marine crafts (barges), mooring buoys, long piled approaches for general lighting resulting in savings in diesel.

(iii) The capital investment on energy conservation equipment:

None

B) Technology absorption

(i) The efforts made towards technology absorption:

For one project, a deep excavation and NATM tunnels were envisaged. The maximum depth of excavation and invert level of tunnels ranged between 18 and 20 metres below existing Ground level. The work site is located in the heart of a thickly populated Mega City. Ground water table was at only 2 metres depth. For any excavation to happen, the water table issue had to be addressed.

After studying effectiveness and feasibility of various options, it was decided to grout the soils with chemicals such as micro-fined cement and sodium silicate in combination with acrylate and Colloidal silica grouts being used selectively in a pre-decided grid pattern. Grouting with these materials was decided as the soils available were fine grained clayey silts and routine grouting materials would have been ineffective. The idea was to improve soil strength and reduce water permeability of the soils. Acrylate and colloidal

silica are special chemical grouts and their raw material concentrates get imported into India.

Instead of importing equipment for mixing and grouting, locally manufactured and available equipment was put together by the Company and used very effectively at a much reduced cost. The grouting pump, grout mixing arrangement, variable flow controls etc. were all developed utilising indigenously manufactured items. The grouting has been successfully completed and the desired results for doing excavation in relatively dry and stable soil formations have been achieved. The success of this chemical Grouting on this project has now provided the Indian Industry with an opportunity to utilize this technology with indigenous expertise.

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

Instead of importing Plant and equipment for compaction grouting and TAM grouting, the Company utilised locally available Plant and developed the system utilising its own skill to complete the two types of grouting successfully.

(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) The expenditure incurred on Research and Development-

Nil.

C) Foreign Exchange Earnings and Outgo

- a. The Company did not have any export during the year under report.
- b. The foreign exchange received during the year was ₹ 691.30 Lakh towards contract execution in India from a foreign client (FY 2019-20 ₹ Nil).
- c. The foreign exchange outgo on account of travelling, import of consumables, capital goods, tools and spare parts, dividend, salary, fees, royalty etc. aggregated ₹ 4,583.89 Lakh (FY 2019-20 ₹ 1,875.02 Lakh).

For and on behalf of the Board

Piyachai Karnasuta
Chairman

Date : May 28, 2021

THE ANNUAL REPORT ON CSR ACTIVITIES FORMING PART OF THE BOARD'S REPORT FOR FINANCIAL YEAR APRIL, 2020 TO MARCH, 2021

1. Brief outline on CSR Policy of the Company:

The Company intends to make a positive difference to Society and contribute its share towards the social cause of betterment of the Society and the area in which the Company operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the Society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and has titled it as the "Corporate Social Responsibility (CSR) Policy" ("CSR Policy") which is based on the relevant provisions of the Companies Act, 2013 and the rules framed thereunder and the same has been uploaded on the Company's website http://www.itdcem.co.in/wp-content/uploads/2017/06/CSR_Policy.pdf.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------|--|--|--|
| 1. | Mr. Piyachai Karnasuta | Chairman/ Non- Executive Non-Independent Director | 3 | 3 |
| 2. | Mr. D. P. Roy | Member/ Non-Executive Independent Director | 3 | 3 |
| 3. | Mr. Santi Jongkongka | Member /Executive Vice Chairman- Whole-time Director | 3 | 3 |
| 4. | Mr. Jayanta Basu | Member/Managing Director | 3 | 3 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.itdcem.co.in/investors/company-policies/>
<https://www.itdcem.co.in/about-us/csr/>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
| 1 | | NOT APPLICABLE | |

6. Average net profit of the Company as per section 135(5). ₹ 9,509.21 Lakh
7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 190.18 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 190.18 Lakh

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (₹ in Lakh) | Amount Unspent (₹ in Lakh) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 215.18 Lakh [§] | Nil | Not applicable | Not applicable | Nil | Not applicable |

[§] This expenditure includes an unspent amount of ₹ 25 Lakh pertaining to the FY 2019-20, which was spent in the FY 2020-21.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|---------------------|---|---------------------|-------------------------|----------|------------------|--|--|---|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (₹ in Lakh) | Amount spent in the current financial Year (₹ in Lakh) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| 1. | NOT APPLICABLE | | | | | | | | | | | |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|--|---|---------------------|-------------------------|----------|--|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (₹ in Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration number |
| 1. | Financial contributions to: (i) Samaritan Help Mission, Howrah School, and (ii) Parivaar Education Society, Kolkata, West Bengal. in respect of providing development opportunities to the poor and needy slum children with emphasis on young girls. | (ii) | Yes | West Bengal | Howrah | 12.00 | Yes | N.A. | N.A. |
| | | | | West Bengal | Kolkata | 13.00 | Yes | N.A. | N.A. |
| 2. | Financial contribution to Rashtra Sant Tukdoji Charitable Cancer Hospital and Research Center towards construction of upcoming Cancer Hospital near Nagpur Metro Project Site, Nagpur. | (i) | Yes | Maharashtra | Nagpur | 25.00 | Yes | N.A. | N.A. |
| 3. | Financial contribution to West Bengal State Disaster Management Authority towards Disaster of Amphan Cyclone impact & CSR support, West Bengal. | (xii) | Yes | West Bengal | Kolkata | 75.00 | Yes | N.A. | N.A. |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------------|--|---|---------------------|-------------------------|-----------|--|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (₹ in Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration number |
| 4. | Construction of toilets for girl & boy students of Zilla Parishad School in Village Gorhe, Khadakwasla, Pune. | (ii) | Yes | Maharashtra | Pune | 5.00 | Yes | N.A. | N.A. |
| 5. | Providing laptops, projectors and printer cum xerox machines for online education and other educational exposures through internet and digital learning, amounting to ₹ 5 Lakh each to the following schools near the Company's Bangalore Metro Project site, viz. (i) Sri Yoginarayana Educational Society, Bangalore; (ii) New Brilliant School, Bangalore; (iii) Madonna School, Bangalore, and (iv) Lowry Memorial Higher Secondary School, Bangalore. | (ii) | Yes | Karnataka | Bangalore | 20.00 | Yes | N.A. | N.A. |
| 6. | Providing computers, digital aided tools and learning to Shashank Prathmik Madhyamik Vidyalaya, Aadharvadi Kalyan, Vadeghar Road, Samor Taluka, Thane. | (ii) | Yes | Maharashtra | Thane | 20.18 | Yes | N.A. | N.A. |
| 7. | Financial contribution to Veermata Jijabai Technological Institute -Technology Incubator for the purpose of creating Technology incubator infrastructure located within academic institution. | (ix) | Yes | Maharashtra | Mumbai | 20.00 | Yes | N.A. | N.A. |
| 8. | Providing the fishermen communities in the villages of Manappadu, Alanthalai and Kallamozhi, Tamil Nadu, who are in indigent condition and whose livelihood have completely stopped due to outbreak of COVID-19 pandemic, with essentials required for their day to day livelihood (out of unspent amount of FY 2019-20) | (xii) | Yes | Tamil Nadu | Tuticorin | 25.00 [§] | Yes | N.A. | N.A. |
| TOTAL | | | | | | 215.18 [§] | Yes | N.A. | N.A. |

[§] This expenditure includes an unspent amount of ₹ 25 Lakh pertaining to the FY 2019-20, which was spent in the FY 2020-21

- (d) Amount spent in Administrative Overheads Nil
- (e) Amount spent on Impact Assessment, if applicable Nil
- (f) Total amount spent for the Financial Year ₹ 215.18 Lakh
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (₹ in Lakh) |
|---------|---|---------------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 190.18 |
| (ii) | Total amount spent for the Financial Year | 215.18 [§] |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

[§] This expenditure includes an unspent amount of ₹ 25 Lakh pertaining to the FY 2019-20, which was spent in the FY 2020-21

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Lakh) | Amount spent in the reporting Financial Year (₹ in Lakh) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding Financial Years (₹ in Lakh) |
|--------------|--------------------------|---|--|---|--------------------|------------------|--|
| | | | | Name of the Fund | Amount (₹ in Lakh) | Date of transfer | |
| 1. | 2019-20 | Not applicable | 25.00 | Not applicable | | | Nil |
| 2. | 2018-19* | Not applicable | Not applicable | | | | Nil |
| 3. | 2017 | Not applicable | Not applicable | | | | Nil |
| TOTAL | | | | | | | |

* (15 month period ended)

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|----------------|---------------------|---|------------------|--|---|--|--|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (₹ in Lakh) | Amount spent on the project in the reporting Financial Year (₹ in Lakh) | Cumulative amount spent at the end of reporting Financial Year (₹ in Lakh) | Status of the project - Completed /Ongoing |
| 1. | NOT APPLICABLE | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **None**

- (a) Date of creation or acquisition of the capital asset(s): **Not Applicable**
 - (b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

Jayanta Basu
Managing Director

Piyachai Karnasuta
Chairman of CSR Committee

Date: May 28, 2021

Annexure 4

Extract from Nomination and Remuneration Policy

In terms of Nomination and Remuneration Policy of the Company, present members of Nomination and Remuneration Committee are comprised of Ms. Ramola Mahajani (Chairperson), Mr. Sunil Shah Singh and Mr. Piyachai Karnasuta.

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 specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance;
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 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;
- f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- g) recommend to the Board, all remuneration, in whatever form, payable to senior management;
- h) devising a policy on diversity of Board of Directors.

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 Senior Management.
- 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 Executive Vice Chairman, Managing Director, Executive/ Whole time Directors, Key Managerial Personnel and Senior Management Personnel:

- Establish key performance metrics to measure the performance of the Executive Vice Chairman, Managing Director, Executive/ Whole time Directors, Key Managerial Personnel and Senior Management Personnel including the use of financial, non-financial and qualitative measures.
- Evaluate Senior Management Personnel team performance regularly to strengthen the cumulative annual assessment and to provide timely feedback to the assessed individuals.
- Review and recommend to the Board the remuneration and performance bonus or commission of the Executive Vice Chairman, the Managing Director, Executive/ Whole time Directors, Key Managerial Personnel and Senior 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 consider any other matters as may be requested by the Board;
- d) professional indemnity and liability insurance for Directors and Senior Management.

Annexure 6

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,
The Members,

ITD Cementation India Limited

National Plastic Building, A- Subhash Road,
Paranjape B Scheme, Vile Parle (East),
Mumbai - 400057

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> (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; | <ul style="list-style-type: none"> (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') <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period) (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period) (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period) (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period) (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and |
|---|---|

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
- 1) The Contract Labour (R&A) Act, 1970 and Rules made thereunder
 - 2) The Building & Other Construction (RE&CS) Act, 1996 and Rules made thereunder
 - 3) The Inter-state Migrant Workmen Act, 1976 and Rules made thereunder
 - 4) The Explosive Act 1884 and Rules made thereunder
 - 5) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
 - 6) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
 - 7) The Maharashtra Municipal, Councils, Nagar Panchayats and Industrial Townships Act
 - 8) The Factories Act, 1948 and Rules made thereunder

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

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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

Decisions at the Board Meetings were taken unanimously.

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

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

For **Parikh & Associates**
Company Secretaries

P. N. Parikh
Partner

FCS No: 327 CP No: 1228
UDIN: F000327C000387527

Place: Mumbai
Date: May 28, 2021

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

'Annexure A'

To,
The Members

ITD Cementation India Limited

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

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

For **Parikh & Associates**
Company Secretaries

P. N. Parikh
Partner

FCS No: 327 CP No: 1228
UDIN: F000327C000387527

Place: Mumbai
Date: May 28, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure 7

COMPANY OVERVIEW

ITD Cementation India Limited is a leading Engineering, Procurement and Construction (EPC) player in the Heavy Civil Engineering and Infrastructure industry. It has been adding value to these core segments for nearly nine decades in India. ITD Cementation India Limited has made qualitative and distinctive contribution in areas of design, engineering and construction of large-scale projects. Throughout its long journey, the Company has drawn inspiration from its holding parent companies in Europe and South East Asia. It has imbibed their best practices in areas such as technology, plant & machinery, work methods and industrial expertise within its operational domain.

The Company for years, has executed several large infrastructure construction projects across the nation. It has delivered high-quality projects across all domains comprising of Maritime structures, Mass Rapid Transit Systems including Elevated corridors, Underground metro stations, buildings and tunnels, Industrial structures including Airport terminal buildings and technological buildings, Hydro electric power plants with Dams, Irrigation projects and Micro Tunneling works within the cities, Foundation and Specialist Engineering works with reclamation and ground improvement. Today, the Company is one of the most dependable engineering and construction companies with offices across India and an overseas office in Myanmar. Its commitment, reliability and quality in delivering projects that ITD Cementation India Limited is playing a crucial role in nation building.

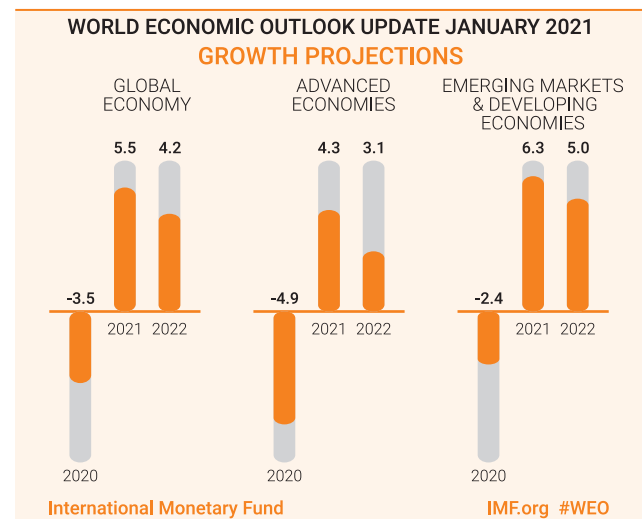
GLOBAL ECONOMY

The very mention of the year 2020 conjures up terms like 'challenges, crises and crunch'. But then, it also brings up responses like 'resilience, resolve and reflect' to the mind. As the Covid-19 pandemic swept the world, precautionary measures led to closure of borders. This led to a standstill in international trade and capital flows dried up. The global economy had to endure recessionary pressures. Industries such as aviation, shipping, tourism and retail were those amongst the severely impacted. Similarly, oil & gas, automotive, commodities and infrastructure industries were also significantly affected. However, considering India's vision to change the infrastructure landscape of the nation, the Government's intent of reviving the industry remains high on priority. Today, factors like low interest rates, reopening of economies, stronger commodity demand along with higher FDIs pumped into the emerging economies, among others, makes the picture ahead substantially more optimistic. This optimism is despite the unlikeliness of international travel rebounding anytime soon. The flow of goods, capital and information have largely stabilised, recovered or even grown over the last year. It was the combined effort by the central banks, Governments, frontline workers, pharmaceutical,

healthcare companies among others who diligently aided in controlling an imminent financial and health crisis. However, the result of these actions has been uneven, with K-shaped recoveries emerging within and across countries. Going forward, the growing hope, associated with vaccine rollouts will underpin the business confidence while paving way for growth in economy.

(Source: <https://bit.ly/2S1VNjY>)

GDP Projections (%)



(Source: <https://bit.ly/3vnOLEE>)

INDIAN ECONOMY

The Indian Government had envisioned making our economy worth \$5 trillion by 2024-25. However, the outbreak of Covid-19 early last year has only pushed this ambitious target to 2030. (Source: <https://bit.ly/3u0itiB>). The Government-imposed lockdowns in the Q1 FY 2020-21 brought production and consumption to a standstill and according to CMIE, the average household income fell by 12%. Lockdowns, however, helped keep a check on the rise in cases initially in the world's second-most populated country.

(Source: <https://www.cmie.com/kommon/bin.sr.php?kall=warticle&dt=2021-03-29%2015:17:23&msec=263>)

The economy's re-opening along with the Government's relief package and the Reserve Bank of India's (RBI) accommodative monetary policy stance, helped the country get through a depressing Q1 FY 2020-21. During this period, almost all sectors barring agriculture witnessed contraction. During these tough times owing to the pandemic, the Government initially announced a special economic relief package of ₹ 20 Lakh Crore under Aatmanirbhar Bharat campaign. This set the momentum for corporate India to source locally, produce within the borders and increase exports. It also encouraged users to consume 'Made in India' products. The Q2 FY 2020-21 showed signs of recovery from record falls as Business

Assessment Index, released by the RBI in October 2020, increased from 55.3 in Q1 FY 2020-21 to 96.2 in Q2 FY 2020-21. The recovery continued in Q3 FY 2020-21 and in Q4 FY 2020-21 and almost all sectors witnessed growth led by the festive season. After two consecutive quarters of contraction, India's GDP growth turned positive to 0.3%. In Q4 FY 2020-21, important indicators such as employment rate improved from 9.06% in December 2020 to 6.5% in March 2021 (Source: <https://unemploymentinindia.cmie.com/>). GST collections crossed ₹ 1 Lakh Crore mark for the sixth consecutive month in March 2021 (Source: <http://gstcouncil.gov.in/gst-revenue>). Manufacturing PMI expanded for the seventh consecutive month to 57.5 in February 2021. While, in March 2021 the PMI contracted to 55.4 because of sudden spike in COVID cases. Forex reserves witnessed an increase to \$582 billion during the month of March 2021 (Source: <https://bit.ly/3dYWTWf>). This further presented a scope for the RBI to freely frame the monetary policies. On March 11, 2021, the Railways freight surpassed last year's cumulative level of 1145.61 mt (Source: <https://bit.ly/3nvASli>). All these recoveries happening across the broader spectrum of economic indices are likely to help India march ahead on its recovery charter. Currently, India is witnessing a V-shaped recovery and is likely to post a GDP growth rate of 9.5% in 2021-22 after contracting by 7.3% in FY 2020-21, as estimated by the Reserve Bank of India. The growth projections are likely to stand true on the back of India's rising mobility, privatisation and strong financial impetus of ₹ 5.54 Lakh Crore provided by the Government in the Union Budget 2021-22 (Source: <https://bit.ly/3aLMzie>). Other factors, such as opening up of the market and privatisation, is also likely to make India a better destination for investment. Despite the upcoming opportunities, there are some concerns owing to commodity cost inflation, rising crude oil prices or any resurgence in Covid-19 cases, which might delay the Indian economy's recovery in the near to medium term.

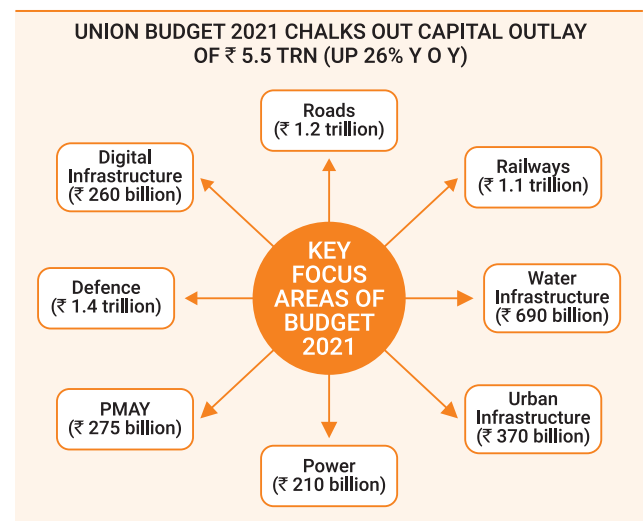
INDIAN CONSTRUCTION SECTOR

The Indian construction sector broadly comprises of urban infrastructure, ports, irrigation, civil aviation, roads (highways and bridges), railways, shipping, coastal waterways, oil and gas refineries, water transportation and other segments. This core sector contributes around 9% to India's GDP.

(Source: <https://www.investindia.gov.in/sector/construction>)

Earlier during the FY 2020-21, the sector was impacted by supply-side issues such as manpower mobilisation and raw material procurement owing to the Covid-19-induced lockdowns. As the situation improved, sectoral players ramped up the work, resulting in recovery and execution of the pending projects. This estimation is on the back of lower base, reasonable labour costs and more importantly, in sync with the overall pattern of Indian economic growth estimated for the next fiscal. With this, India is expected to become the third largest construction market by 2022 globally.

Outlay of ₹ 5.5 trillion in Union Budget 2021



(Source: Union Budget 2021)

National Infrastructure Pipeline (NIP)

The Government launched the National Infrastructure Pipeline (NIP) programme for 2019-2025 in December 2019. The programme was aimed at scaling up infrastructure investments in various sectors across the country. This placed significant thrust on monetisation of assets, to raise funds required for the projects. The Government has also set-up a 'Development Finance Institution (DFI)' for long-term financing. The NIP, which was initiated with 6,835 projects, has now expanded to over 7,600 projects (Source: <https://indiainvestmentgrid.gov.in/national-infrastructure-pipeline>). From the total of ₹ 111 Lakh Crore investment envisaged under NIP by the year 2024-25, ₹ 44 Lakh Crore projects are under implementation.

Capital Outlay under National Infrastructure Plan

| Ministry Department (₹ Crore) | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Energy | 233,607 | 441,522 | 442,372 | 468,134 | 497,768 | 466,821 |
| Roads | 332,559 | 383,283 | 356,966 | 252,780 | 240,761 | 332,659 |
| Railways | 133,387 | 262,465 | 308,800 | 273,831 | 221,209 | 167,870 |
| Ports | 13,357 | 18,104 | 20,649 | 15,863 | 7,724 | 10,002 |
| Airports | 18,667 | 21,655 | 24,820 | 21,334 | 25,386 | 5,141 |
| Urban infrastructure* | 298,174 | 462,208 | 404,134 | 234,858 | 217,164 | 159,862 |
| Irrigation | 114,463 | 200,615 | 175,669 | 137,358 | 115,281 | 70,474 |
| Rural infrastructure | 140,313 | 176,803 | 210,811 | 111,877 | 107,057 | 27,055 |
| Digital infrastructure | 78,356 | 61,847 | 54,538 | 38,719 | 38,119 | 38,093 |
| Agriculture & food processing infrastructure | 3,570 | 3,895 | 3,626 | 1,923 | 1,176 | 649 |
| Social infrastructure | 56,608 | 78,315 | 85,044 | 55,314 | 46,147 | 25,945 |
| Industrial infrastructure | 19,070 | 43,066 | 44,845 | 35,129 | 23,021 | 10,520 |
| Total (₹ Crore) | 1,442,131 | 2,153,779 | 2,132,274 | 1,647,122 | 1,540,813 | 1,315,091 |
| Capex as a % of Nominal GDP | 7.1% | 11.3% | 10.0% | 6.9% | 5.8% | 4.4% |

(Source: <https://bit.ly/3t2KEfA>)

Note: *AMRUT, SMART Cities, MRTS, affordable housing, Jal Jeevan Mission.

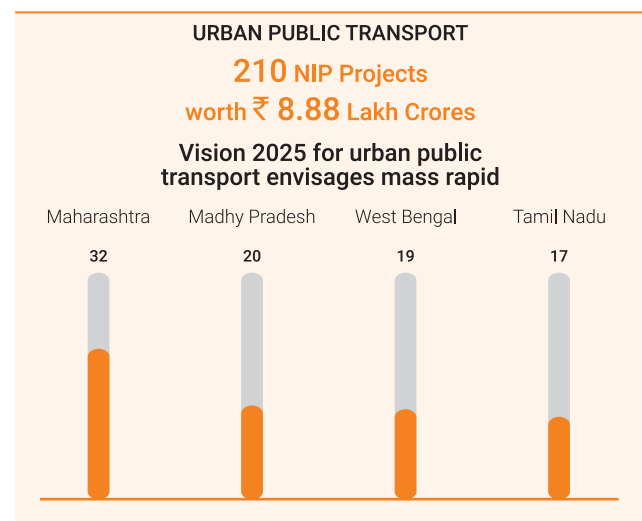
URBAN RAIL

Growing urban population and private vehicles remain a problem for the metropolitan cities, leading to traffic congestions. This builds a strong case in favour of multi-modal transport infrastructure for sustainable mobility. Among all, metro rail holds the potential to bring in vast changes, whether it is in terms of energy consumption, space occupancy or number of passengers transported. Acknowledging the varied advantages, the Government of India fast tracked the development and extension of metro rail network across the country. As per the recent Union Budget, an allocation of ₹ 18,998 Crore towards Mass Rapid Transportation Systems (MRTS) and metro rail projects was declared – constituting an increase of 17.5% for FY 2021-22 over FY 2020-21. (Source: <https://bit.ly/3v1h3Q0>)

As on March 31, 2021, a total of 3,017.4 km of metro has been planned, 752 km of metro is operational and another 739.3 km is under construction. (Source: <https://urbantransportnews.com/page/metro-rail-projects-in-india>). These projects span across India, majorly covering the metro cities and major towns owing to very high ridership and 'Per Hour Per Direction Traffic (PHPDT)'. Though conventional metros will remain dominant, lighter modes such as monorails will make their way to smaller cities. These alternatives are considered as effective options to conventional metro rail as they require minimal operating space, both horizontally and vertically.

As one of the highly efficient players in this space, ITD Cementation India Limited is working on urban infra projects, underground and elevated metros. At present, the Company is working with Mumbai Metro, Kolkata Metro, Bengaluru Metro and Nagpur Metro.

NIP Opportunities



(Source: <https://indiainvestmentgrid.gov.in/opportunities/nip-projects/transport>)

List of Approved Projects in India

Immediate opportunities for construction sector in India

| City & State | Network Length |
|---------------------------|----------------|
| Patna Metro | 30.91 km |
| Delhi Metro Phase 4 | 65.1 km |
| Chennai Metro Phase 2 | 118.9 km |
| Bangalore Metro Phase 2 | 73.921 km |
| Kolkata Metro | 16 Km |
| Lucknow Metro Phase 2 & 3 | 74 Km |
| Indore Three-line Metro | 33.5 Km |

List of Proposed Metro Projects in India

| City & State | Proposed Network Length |
|-------------------------------------|-------------------------|
| Coimbatore Metro, Tamil Nadu | 136 km |
| Guwahati Metro, Assam | 61.40 km |
| Jammu Metro, J & K UT | 43.5 km |
| Prayagraj Metro, Uttar Pradesh | 42 km |
| Raipur Metro, Chhattisgarh | 45 Km |
| Srinagar Metro, J & K UT | 25 km |
| Uttarakhand Metro, Uttarakhand | 58 km |
| Varanasi Metro, Uttar Pradesh | 29.235 km |
| Vijayawada Metro, Andhra Pradesh | 66.2 km |
| Visakhapatnam Metro, Andhra Pradesh | 77.91 km |
| Surat Metro Phase I | 40.35 Km |

(Source: <https://themetrorailguy.com/metro-rail-projects-in-india/>)

(<https://bit.ly/3tZOSWB>)

(<https://www.metrotrainnews.in/mpmrci-invites-bid-for-construction-of-9-metro-stations-on-line-3-of-indore-metro/>)

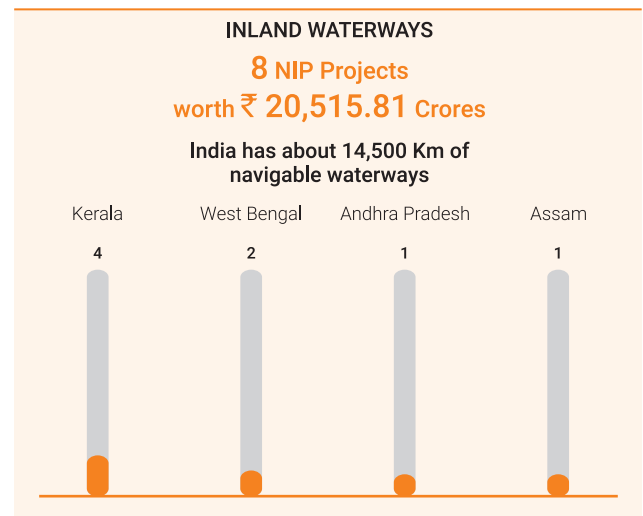
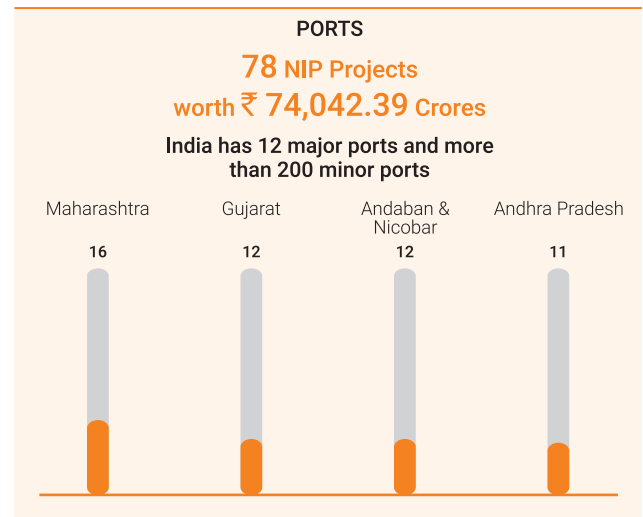
With its experience and expertise, ITD Cementation India Limited has already established itself as one of the leading companies in construction of urban metro rail and related space. The Company is well positioned to tap the forthcoming opportunities.

Ports and Marine

India forms the core of vital shipping routes covering a majority of the subcontinent. It is surrounded by water on 3 sides – flanked by the Bay of Bengal to the East, the Arabian Sea to the West and the Indian Ocean to the South. Today, it comprises of 12 major and 200+ non-major ports. Together, these ports cover a sprawling 7,500 km-long coastline – making India the world's 16th largest maritime country. (Source: <https://bit.ly/3sXsyeT>)

The major ports handle about 60% of the country's total cargo traffic. Capacity constraints at some of the key Indian ports have led to pressure from the associated stakeholders for opening up the sector and develop suitable infrastructure. Traffic handled on the Indian ports increased from 1,052 million tonnes in FY 2014-15 to 1,246 million tonnes in FY 2020-21. This growth in traffic has been led by the increasing demand for coal, fertilisers and POL (petroleum, oil and lubricant) products in the Country.

NIP opportunities



(Source: <https://indiainvestmentgrid.gov.in/opportunities/nip-projects/transport>)

India has undertaken a slew of measures in the last few years entailing the Production-Linked Incentive (PLI) scheme, Merchandise Exports from India Scheme (MEIS), Remission of Duties and Taxes on Exported Products (RoDTEP) to increase exports. These measures can help boost exports

and thereby lead to higher traffic at the ports. Besides, to avoid saturation of the existing ports, the Government has built a roadmap to increase the Indian port capacity from 1,550 MTPA currently, to 3,300 plus MTPA by 2025. However, all these schemes and plans must be backed by investment in ports and marine infrastructure. Therefore, the Government has identified as many as 574 projects, entailing a cost of ₹ 600,000 Crore, under its enterprising Sagarmala

Programme, to strengthen seaports (Source: <http://www.businessworld.in/article/PM-Says-82-Billion-Being-Invested-In-Ports/02-03-2021-382666/>). This programme will enhance the port connectivity to the hinterland, optimise cost and time of cargo movement through multi-modal logistics solutions. Similarly, in an effort to make India a preferred trade destination, the Government plans to invest in inland navigation with an aim of making 23 waterways operational by 2030.

SEA OF OPPORTUNITIES UNDER SAGARMALA PROGRAMME

| Theme | Total | | Completed | | Under Implementation | |
|-------------------------------|-----------------|------------------------|-----------------|------------------------|----------------------|------------------------|
| | No. of projects | Project cost (₹ Crore) | No. of projects | Project cost (₹ Crore) | No. of projects | Project cost (₹ Crore) |
| Port Modernisation | 236 | 118,352 | 68 | 22,551 | 70 | 36,998 |
| Port Connectivity | 235 | 235,528 | 35 | 5,803 | 94 | 119,360 |
| Port Led Industrialisation | 35 | 240,234 | 2 | 512 | 17 | 151,745 |
| Coastal Community Development | 68 | 7,369 | 16 | 1,362 | 20 | 945 |
| Total | 574 | 601,483 | 121 | 30,228 | 201 | 309,048 |

(Source: <http://sagarmala.gov.in/projects/projects-under-sagarmala>)

ITD Cementation India Limited is one of the leading companies for construction of jetties and service platforms, quays, berths on concrete and steel piles as well as solid gravity type wharf structures, ship lifts, dry docks, wet basins, inclined berths and breakwater among others. It builds jetties to handle liquid and solid cargo, wharfs, berths and quays for operating containers. The Company's capabilities, equipment resource and experience to construct a wide variety of high value and complex maritime structures, makes it stand out compared to its peers. Within this segment, the Company at present is executing major projects such as captive coal jetty, break water and conveyor system for Udangudi Super Thermal Power Project, Tamil Nadu; multi-modal inland water terminal in Haldia in West Bengal; Projects in Dhamra, Odisha; Vizhinjam Port, Kerala; Krishnapatnam, Andhra Pradesh, marine infrastructure projects in Karwar, Karnataka and Andaman and Nicobar Islands; and a container terminal at Yangon, Myanmar.

AVIATION

The Government owned Airports Authority of India (AAI) manages 137 airports. It encompasses 24 international airports (including 3 international civil enclaves), 10 customs airports (including 4 customs civil enclaves), 80 domestic airports and 23 domestic civil enclaves at defence airfields. Low-cost carriers, FDI in domestic airlines, advanced information technologies and airport modernisation plans

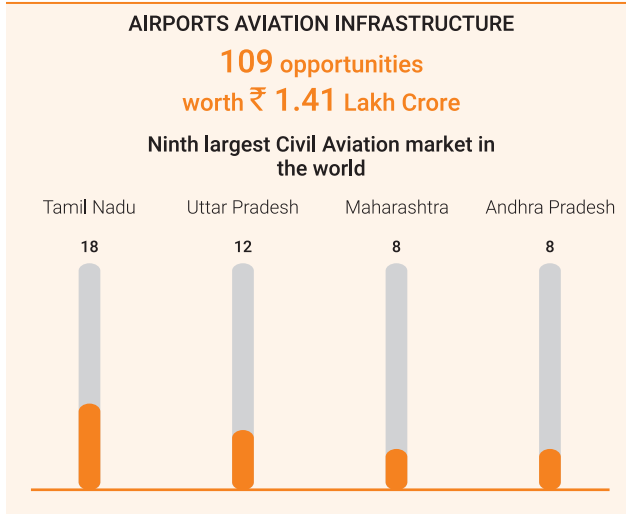
have led to the aviation infrastructure growth. Yet, there exists a significant scope for improvement and penetration of airports across India. (Source: <https://www.aai.aero/en/corporate/aai-today>).

Major airport infrastructure work comprises engineering and construction of runway pavements, terminal buildings and ATC towers. Under the Union Budget 2020-21, the Government announced an ambitious plan to monetise airports across the country's Tier-II and Tier-III cities. This is anticipated to help accelerate infrastructure development in underserved areas and further strengthen regional air connectivity.

Between FY 2015-16 and FY 2019-20, India's passenger traffic has registered a Compounded Annual Growth Rate (CAGR) of 11.13%. However, in the wake of COVID-19, the overall passenger traffic plunged by 66% in FY 2020-21. (Source: <https://www.thehindubusinessline.com/economy/logistics/overall-passenger-traffic-plunged-66-in-fy21-aai-data-show/article34551663.ece>). The freight traffic has clocked a CAGR of 5.32% during the same period. To cater to the rising air traffic, in early CY 2020, the Government announced its aim to develop 100 additional airports in the country by CY 2024. With the operations of domestic flights slowly and steadily reaching pre-Covid-19 levels, the airport development activities are expected to resume and progress.

(Source: <https://www.ibef.org/industry/indian-aviation.aspx>)

NIP Opportunities



(Source: <https://www.investindia.gov.in/sector/aviation>)

Opportunities in Airport Construction

1. Navi Mumbai International Airport (construction ongoing)
2. Jewar Noida International Airport (to be constructed)
3. Dholera Gujarat International Airport (to be constructed)

(Source: <https://centreforaviation.com/data/profiles/newairports/navi-mumbai-international-airport>
<https://www.signatureglobal.in/blog/jewar-airport-connected-delhi-mumbai-expressway-booster-realty/>
<https://www.nbmccw.com/news/gujarat-goes-for-20-000-cr-dholera-airport-project.html>)

As a part of modernisation programme and to enhance airport capacity and facilities at the existing airports, the Airports Authority of India (AAI) had awarded construction contract of the Integrated Passenger Terminal Building at Netaji Subhas Chandra Bose International (NSCBI) Airport in Kolkata to ITD – ITD Cem JV, a consortium of Italian Thai Development Public Company Limited and ITD Cementation India Limited.

In addition, ITD Cementation India Limited is currently upgrading the new passenger terminal buildings at Trichy Airport, Tamil Nadu and at Pune, Maharashtra. The Company's well-established credentials and experience, makes it a major player in bidding of the projects, while contributing to the country's aviation growth story.

ROAD TRANSPORT

Recognising the sector's potential, the Government provided a much needed financial thrust by allocating about 18% capital expenditure for road sector, under the ₹ 111 Lakh Crore National Infrastructure Pipeline (NIP). The recent budgetary outlay of ₹ 5.54 Lakh Crore towards infrastructure in 2021-22, places a great prospect for the road sector development.

National Highways Authority of India has sponsored InvIT that will attract international and domestic institutional investors. Five operational roads with an estimated enterprise value of ₹ 5,000 Crore are being transferred to the NHAI InvIT.

ITD Cementation India Limited has the necessary expertise to take up construction of complex bridges and tunnels. It has been constructing flyovers, underpasses and complex bridges such as the six-laning of the Pune-Satara Road (NH 4) and the elevated road at Noida.

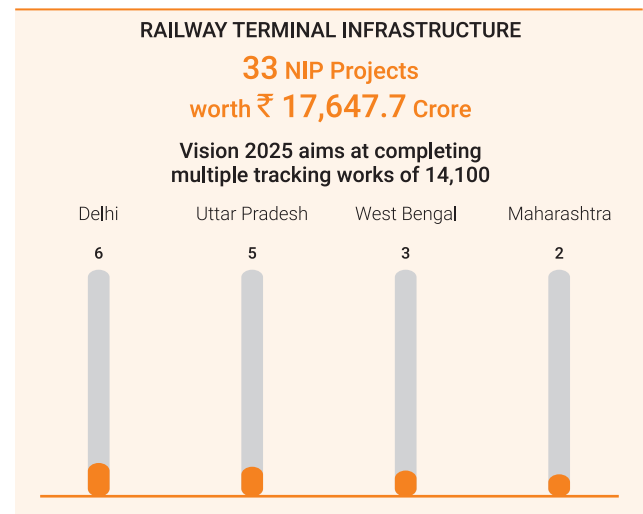
(Source: http://www.aftes.asso.fr/doc_gd_public/actu_document/Conference_Tunnel%20Construction%20in%20India.pdf)

RAIL TRANSPORT

The Indian Railways network, spread across 126,366 track km over a 67,415 km route, is the fourth largest in the world. It runs 13,452 passenger trains and 9,141 freight trains plying over 230 Lakh passengers and transporting 3 million tonnes (MT) of freight on an average daily respectively, from about 7,349 stations. This remarkable scale makes the Indian Railways one of the major contributors to jobs, GDP and mobility. (Source: <https://bit.ly/3eGGJjq>).

During the pandemic induced lockdowns, travel restrictions allowed the Indian Railways to undertake several station redevelopment and improvement projects. Benefitting from lesser traffic blocks, the Indian Railways completed over 350 critical and long pending major bridge and track work. Some of these had been long pending for several years owing to high traffic density. With an aim to further boost the rail infrastructure, the Indian Railways plans to complete 56 key existing projects over the 26-months period, starting February 2021. (Source: <https://bit.ly/3xw0ItT>).

NIP Opportunities



(Source: <https://www.investindia.gov.in/sector/aviation>)

After CY 2014, the capital expenditure in railways scaled up vastly to overcome any infrastructure deficiency in the railways. Even in the Union Budget FY 2021-22, the Government allocated ₹ 1.1 trillion for the Indian Railways. Out of this, a sum of ₹ 1.07 trillion, has been allocated towards the expansion of the Indian rail infrastructure. Besides, the Indian Railways is working intensely to create a dedicated freight corridor. This will help the Government increase modal share of its freight business from the current 33% to 40%. Moreover, other contributing factors such as rising urbanisation, growing industrialisation and private sector participation also augur well for the railway infrastructure. Other opportunities arising from the segment include the high-speed railway such as the Mumbai-Ahmedabad Bullet Train project.

National High Speed Rail Corporation Limited (NHRS) has already sanctioned the feasibility studies for seven more high-speed rail corridors which include Delhi-Ahmedabad, Delhi-Amritsar, Varanasi-Howrah, Delhi-Varanasi, Mumbai-Hyderabad, Mumbai-Nagpur and Chennai-Mysore. Going forward, these projects will be available for bidding for the construction of elevated and underground structures, terminal building and complex bridges. Considering the complexity involved in the construction of bridges and tunnels, there is great opportunity for infrastructure companies possessing the know-how to take-up such projects.

(Source: <https://bit.ly/3dX4Lre>)

ITD Cementation India Limited is well positioned to participate in the future growth of this segment. The Company has the necessary expertise to build complex bridges and tunnels. It is currently involved in several tunnel packages of construction on the Sivok (West Bengal) to Rangpo (Sikkim), new single-line BG Railway Line Project, construction of steel bridge over river Ganga in Allahabad between Jhusi and Daraganj stations. It is further pursuing opportunities in the northern and north-eastern states of India, as several opportunities are coming up in railway projects.

HYDROELECTRIC POWER

India has potential to generate 150,000 MW of hydropower. The country's total installed base now stands at over 50 Gigawatt (GW). (Source: <https://bit.ly/3t09Xz4>). Additionally, over a thousand large dams in India will roughly turn 50 years old in 2025. This includes the ones with hydropower as primary function – entailing a great opportunity for the sector.

The Company is involved in activities related to construction of hydroelectric projects. It is also engaged in drilling and grouting of dams. It has undertaken many small and medium-sized hydroelectric projects successfully. Further, the Company is looking at hydro projects opportunities in the north-eastern and Himalayan regions.

IRRIGATION

Irrigation is vital for India as it helps maintain landscapes and rejuvenate disturbed soils in dry areas and during periods of less than average rainfall.

Considering its importance, the Government has allocated ₹ 10,000 Crore towards irrigation projects in the Union Budget of 2021-22. ITD Cementation India Limited has to its credit, several irrigation projects including dams, tunnels and other associated civil structures. Currently, the Company is executing water-conveyor system consisting of lined gravity canal/tunnels for the Telangana Government.

(Source: https://www.indiabudget.gov.in/doc/Budget_Speech.pdf)

WATER & WASTE WATER

The Indian Government had launched a campaign for water conservation and water security named Jal Shakti Abhiyan in 2019. The campaign is focussed towards water-stressed districts. The campaign entails water conservation and rainwater harvesting, renovation of traditional and other water bodies/tanks, reuse and recharge structures. In the recent Union Budget, the Government has allocated ₹ 69,053 Crore. ITD Cementation India Limited has experience in executing water projects and is engaged in several projects, including laying of trunk sewer along James Long Sarani in Kolkata by micro-tunnelling method; laying sewage trunk main by micro-tunnelling method for Ahmedabad Municipal Corporation, development of S & D Network in Churial Extension Canal sub-basin, among others.

(Source: <https://prindia.org/budgets/parliament/demand-for-grants-2021-22-analysis-jal-shakti>)

INDUSTRIAL CIVIL WORKS

Industrial civil works involve the design, construction and maintenance of the critical healthcare, school infrastructure, manufacturing capacities and administrative buildings. The success in this space can be measured using the Index of Industrial Production (IIP) as an indicator. The IIP declined by 8.6% between April 2020 and March 2021 period, as compared to the previous year. (Source: <http://mospi.nic.in/sites/default/files/iip/iipmar21.pdf>). It turned positive in September with declining Covid-19 cases in India and the Government's easing of lockdown. The Government's high allocation of funds for critical infrastructure will open the gates for fresh projects and replace the ageing ones.

ITD Cementation India Limited is actively contributing to industrial infrastructure constructions, including civil works for refineries, petrochemicals, power plants, steel and fertiliser plants, institutional buildings such as IITs, research centres,

high court buildings, among others. It is constructing the General Pool Residential colony at Kasturba Nagar (Phase-I), New Delhi. The immediate opportunities in this segment includes metro depots, CPWD hospitals, warehouses, development of data centres and healthcare infrastructure.

RISK MANAGEMENT AND MITIGATION

ITD Cementation India Limited undertakes continuous monitoring of the operating environment to understand, evaluate and manage potential risks and threats that could affect the Company's operations.

| Type of Risk | Impact | Mitigation |
|--|--|--|
| Business Disruption due to COVID 19 | The operations of the Company were impacted by the COVID 19 pandemic and the subsequent lockdown. This also impacted the supply chain and resulted in extended timelines for project completion. This could lead to reduced margins and could impact the overall scale of operations and growth | Drawing up of contingency plans and reviewing them as per the changing circumstances. Continued engagement with customers, lenders, investors, vendors and suppliers. Focus on cash flow management and improving efficiency of working capital. |
| Cyber Security | The COVID pandemic has resulted in a shift towards increased digitisation and building up the required infrastructure for working from home/remote locations. This exposes the Company to the risk of cyber attacks, loss/theft of data which could impact the Company operations and financial losses. | The Company has in place systems and processes to ensure the safety and security of the digital assets and flow of information/data. We also assimilate new age technologies and solutions to mitigate the risk of cyber attacks. |
| Retention of Skilled Manpower | Availability of skilled and experienced workforce is a key requirement to ensure the success of any organisation. Inability to retain employees can significantly impact the Company's operations and profitability. | The Company has a robust employee retention and succession policy. The Company also has systems in place to motivate the employees to give their best to the Company and to provide a safe and congenial working environment at all our offices. |
| Impact of Economic Slowdown | Economic slowdown and changes in regulatory framework and policies could impact the Company operations | The Company has experience of many decades in successfully completing a variety of construction projects in India. We regularly review our order book, execution strategies, upcoming project opportunities and changes in the regulatory environment and accordingly carve out our strategies for growth. |
| Cost of Inputs Including Material, Labour and Services | The Company requires materials such as steel, cement and petroleum products etc, specialised design services, skilled labour and service providers to efficiently perform and execute its projects. The prices and availability of these materials and services depends on a number of domestic and international factors. The availability and pricing of these materials and services may vary resulting in our inability to obtain the desired supplies and services in time and at the budgeted cost thereby impacting the project completion timelines and profitability. | The Company has long term relationships with its key suppliers and service providers. We also enter into long-terms contracts with some vendors to ensure on-time delivery of the required materials and services. Our contracts with customers generally have escalation clauses which compensate us for any variation in the cost of inputs. |

| Type of Risk | Impact | Mitigation |
|--------------|---|---|
| Competition | There are numerous domestic and international players in the market leading to a potentially large number of bidders for projects, which can lead to reduced profit margins. | The Company enjoys a rich legacy of nine decades of experience with foreign parentage. As a result, our systems and processes are based on global best practices learnt from our overseas parent companies. We have also developed strong and healthy relationships with our clientele. The Company has a proficient team backed by skilled and experienced management, which enables us to stay ahead of our competition. |
| Capital Risk | The infrastructure industry in India is capital intensive and requires support from the banking system for working capital and bank guarantees and Letters of Credit for material procurement. Non-availability of banking support can impact the ability to win orders, future growth and profitability. | The Company enjoys a healthy credit rating for long-term and short-term banking facilities. The Company has a strong balance sheet, renowned foreign parent and is well regarded from a corporate governance perspective. The Company actively engages with all its lenders and enjoys cordial relations with all. |

Internal Control Systems and Their Adequacy

The Company's policies and procedures take into account the design, implementation and maintenance of adequate internal financial controls keeping in view the size and nature of business. The Company ensures strict adherence to processes documented in the manual, with well-defined systems and operating procedures (SOP). Based on the manual, authority is delegated across various managerial levels. The Company's internal controls are being audited by an external auditor.

The internal financial controls ensure the orderly and efficient conduct of its business. The Company keeps a close eye on business operations to ensure smooth functioning.

BUSINESS OUTLOOK

FY 2020-21 was impacted severely by the outbreak and continuance of Covid-19. The subsequent lockdowns and migration of labour affected project execution in Q1 and Q2. The Government of India and the RBI moved swiftly to provide fiscal and other incentives to industry. With the return of labour from Q2 and easing of the lockdown restrictions, economic activity including construction work saw an uptick. This was also aided by the pick-up in pent up demand during the festive season.

The Company demonstrated resilience through the tough times through improved project execution on one hand and robust order booking on the other. The increased thrust from the Government towards the infrastructure industry through

an increase in the capital budget allocation in the current budget for the year 2021-22, is likely to help with further order inflows for the Company. While India is currently facing the 2nd wave of COVID, we believe it is but a matter of time before we overcome this situation and with the Government focus on infrastructure development we remain positive and bullish about the long-term outlook for the Company.

₹ 11,732 Crore

Order book as of March 2021

The Company's order book has grown consistently over the last few years and in the current year with major order wins in its areas of experience and expertise.

Our order book as at March 31, 2021 stands at ₹ 11,732 Crore (including our share in JV projects). The Company secured orders worth ₹ 2,812 Crore in FY 2020-21.

The Company is executing its first overseas project in Myanmar and is evaluating similar projects in nearby geographies including Sri Lanka and Maldives. ITD Cementation India Limited is focussed on scaling up its business through opportunities in the overseas markets, with a plan to further expand operations in its core sectors.

With the requisite experience, qualification, technical know-how and resources at its disposal, the Company is well positioned to capitalise on these opportunities. The strategy to focus on high-performance work culture, technology, innovation and capex modernisation remains at the forefront to fulfil the expectations of all the stakeholders.

Financial Performance

| Particulars | Standalone | | Consolidated | |
|--|------------|---------|--------------|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Revenue from Operations (₹ in Lakh) | 220,832 | 214,200 | 272,773 | 286,071 |
| EBITDA (before exceptional item) (₹ in Lakh) | 21,344 | 26,489 | 25,835 | 32,801 |
| PAT (₹ in Lakh) | 1,825 | 4,001 | 1,845 | 4,060 |
| Return on Net Worth (%) | 1.7 | 3.9 | 1.7 | 3.9 |
| EPS (in ₹) | 0.9 | 2.5 | 0.9 | 2.5 |
| Debtors Turnover (days) | 78 | 68 | 75 | 65 |
| Interest Coverage Ratio | 1.2 | 2.0 | 1.1 | 1.8 |
| Current Ratio | 1.1 | 1.2 | 1.1 | 1.2 |
| Debt Equity Ratio | 0.3 | 0.3 | 0.4 | 0.4 |
| Operating Profit (%) | 5.9 | 8.7 | 5.8 | 8.1 |
| Net Profit (%) | 0.8 | 1.9 | 0.7 | 1.4 |

Human Resources Development and Industrial Relations

Human resources are vital to drive an organisation towards its goals. People form the bedrock of a business, they propel growth while keeping the fundamentals intact. At ITD Cementation India Limited, the team is the cornerstone of every milestone the Company has achieved. With strength of 2,051 permanent employees and 3,699 contractual employees, the Company depends on its team's skills and hard work to execute each project. It pays special attention and maintains the highest standards of health and safety. The Company upskills its team to tackle complex engineering and construction projects. It has built several training and skill development programmes to enhance their skill sets. The aim is to foster a culture of adaptability, encouraging employees to willingly learn and improve everything they do. Moreover, the Company continuously acquires new talent. It also undertakes various steps to retain the existing ones and provide benefits as per their talent and requirement. The Company HR system is designed to empower employees, while enabling innovation within the workplace.

Disclosure of Accounting Treatment

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

Disclaimer

Certain statements in the MD&A section, concerning future prospects, may be forward looking statements, which involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro environment, global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward looking statements represent only the Company's current intentions, beliefs or expectations, and any forward looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward looking statements, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE

Annexure 8

1. Company's Philosophy on Code of Governance:

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

Your Company has in place processes and systems whereby the Company complies with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"). Your Company is therefore committed towards setting

highest standards of Corporate Governance while fulfilling its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general, thereby benchmarking itself with the best in class practices and creating a strong legacy of ethical governance practices.

2. Board of Directors

(i) Composition

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations. As on March 31, 2021, the Company has seven (7) Directors with Chairman being a Non-Executive Director. Of the remaining six (6) Directors, four (4) are Non- Executive Independent Directors and two (2) are Executive 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 | | Whether Last AGM attended on September 23, 2020 | 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. Piyachai Karnasuta (Chairman) | Non- Independent, Non- Executive | 5 | 5 | Yes | Nil | Nil |
| Mr. Santi Jongkongka (Executive Vice Chairman) | Executive | 5 | 5 | Yes | 1 | Nil |
| Mr. Jayanta Basu (Managing Director) | Executive | 5 | 5 | Yes | 1 | Nil |
| Mr. D. P. Roy | Independent, Non- Executive | 5 | 5 | Yes | 1 | 1 |
| Ms. Ramola Mahajani | Independent, Non- Executive | 5 | 5 | Yes | 3 | 3 |
| Mr. Sunil Shah Singh | Independent, Non- Executive | 5 | 5 | Yes | 3 | 4 (includes 2 Chairmanship) |
| Mr. Pankaj I. C. Jain | Independent, Non- Executive | 5 | 5 | Yes | 1 | Nil |

The details of the directorship held by the Directors in other listed entities:

| SI No. | Name of Director | Name of the listed entities where directorship is held | Category of such directorship |
|--------|----------------------|--|-------------------------------------|
| 1 | Mr. D. P. Roy | - Avendus Finance Private Limited | Independent, Non-Executive Director |
| 2 | Ms. Ramola Mahajani | - Ravalgaon Sugar Farm Limited - Tulip Star Hotels Limited - Acrow India Limited | Independent, Non-Executive Director |
| 3 | Mr. Sunil Shah Singh | - Kirloskar Industries Limited - Kirloskar Pneumatic Company Limited - Kirloskar Oil Engines Limited | Independent, Non-Executive Director |

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

Five (5) meetings of the Board were held during the year ended March 31, 2021. The dates on which the meetings were held are as follows: June 17, 2020, September 15, 2020, November 10, 2020, January 22, 2021, and February 11, 2021.

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

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

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

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

a) The Board of the Company has identified the following skills, experience, competencies required for effective functioning of the Company's business that are actually available with the Board commensurate with the above mentioned business verticals and which are usually taken into consideration while nominating candidates on the Board of the Company:

| | |
|--|--|
| <p>1. Engineering & Construction encompassing:</p> <ul style="list-style-type: none"> • Business Development, Customer relationship & Marketing; • Tender & Proposal; • Engineering & Design; • Project Execution; • Engineering Procurement & Logistics; • Construction machinery & Technology; | <p>Design, construction and maintenance of infrastructure projects and systems involving the following:</p> <ul style="list-style-type: none"> • Maritime structures, Jetty, Wharfs, Breakwater, Dredging and Reclamation, Ship lift, Dry Docks, Wet Basin, Slipways • Hydroelectric Power projects, Dams and Irrigation projects • Urban infrastructure projects, Mass Rapid Transit Systems, Underground and Elevated Tunnelling by TBM, Tunnelling by NATM, Micro Tunnelling • Highways, Bridges, Flyovers and Box Pushing • Buildings, Airport Terminal and other industrial civil works • Water and Wastewater Treatment plant, Specialist ground improvement and foundation engineering. |
|--|--|

The Company regularly makes detailed presentation to the Board of the Company including Independent Directors, on the Company's various business operations and business plans to enable them to understand and contribute significantly to the growth of the Company's business.

(viii) List of core skills/ expertise/ competencies to be identified by the Board of Directors as required in the context of business(es) and sector(s) of the Company for it to function effectively:

The Company undertakes projects across verticals encompassing, covering, inter-alia, urban infrastructure projects, mass rapid transit systems, airports, maritime structures, hydroelectric power projects, tunnels, dams and irrigation projects, specialist ground improvement & foundation engineering, water and wastewater treatment, buildings & other industrial civil works, highways, bridges and flyovers.

| | |
|--|---|
| 2. Contract Management | Involves management of contracts with customers, vendors, partners or employees, requiring negotiation skills and managing contracts effectively. |
| 3. Financial / Accounting / Banking and Taxation | Management of finance functions involving complex financial matter through funding arrangements from Banks FIIs, Capital Markets, optimum utilisation of funds, maintenance of appropriate accounting system and taxation matters and financial reporting process. |
| 4. Human Resources | To evaluate policies on recruitment and retention of employees at all levels and provide guidance to the management towards creating a conducive and motivated working environment. |
| 5. Business leadership | Demonstrating strategic planning skills and experience in driving business success with an understanding of the complex environment in which the Company conducts its business, the prevalent regulatory environment, managing risks inherent to the business and underlying business opportunities available to the Company. |
| 6. Governance in business operations | Ensuring the highest standards of Corporate Governance through integrity and transparency of operations thereby serving the interests of all stakeholders. |

- b) In the below table, the specific area of skills / expertise / competence of the Directors of the Company have been highlighted. However, the absence of a mark against a Director's name does not necessarily mean the Director does not possess such skills / expertise/ competence etc.

| Name of the Director | Engineering encompassing as per point no. viii (a) (1) | Contract Management | Financial / Accounting / Banking | Human Resources | Business leadership | Governance in business operations |
|--|--|---------------------|----------------------------------|-----------------|---------------------|-----------------------------------|
| Mr. Piyachai Karnasuta (Chairman) | √ | √ | √ | - | √ | √ |
| Mr. Santi Jongkongka (Executive Vice Chairman) | √ | √ | √ | - | √ | √ |
| Mr. Jayanta Basu (Managing Director) | √ | √ | √ | √ | √ | √ |
| Mr. D. P. Roy, (Independent Director) | - | - | √ | √ | √ | √ |
| Ms. Ramola Mahajani (Independent Director) | - | - | - | √ | √ | √ |
| Mr. Sunil Shah Singh (Independent Director) | √ | √ | √ | - | √ | √ |
| Mr. Pankaj I. C. Jain (Independent Director) | - | - | √ | - | √ | √ |

- (ix) In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.
- (x) During the year, none of the Independent Directors resigned before completion of his/ her tenure.

3. AUDIT COMMITTEE

Audit Committee of the Directors was constituted by the Company in March 1994. The Audit Committee was last reconstituted on February 11, 2019 effective April 1, 2019.

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

During the financial year ended March 31 2021, the Audit Committee comprised four (4) Non-Executive Directors of which three (3), namely Mr. Sunil Shah Singh, Mr. D. P. Roy, Mr. Pankaj I. C. Jain were the Independent Directors and one (1), namely Mr. Piyachai Karnasuta, was the Non-Independent Non Executive Director on the Committee. The Audit Committee held four (4) meetings during the aforesaid year, i.e. on June 17, 2020, September 15, 2020,

November 10, 2020, and February 11, 2021. Attendance of the Directors was as under:

| Name of the Director | No. of Meetings held | No. of Meetings attended |
|-------------------------------|----------------------|--------------------------|
| Mr. Sunil Shah Singh-Chairman | 4 | 4 |
| Mr. D. P. Roy | 4 | 4 |
| Mr. Piyachai Karnasuta | 4 | 4 |
| Mr. Pankaj I. C. Jain | 4 | 4 |

Mr. Sunil Shah Singh, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 23, 2020 (AGM).

Mr. Rahul Neogi, Company Secretary, attended all the meetings of the Audit Committee held during the financial year ended March 31, 2021.

During the year, there were no recommendations of the Audit Committee which were not accepted by the Board.

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

The erstwhile Remuneration Committee of Directors was rechristened as the Nomination and Remuneration Committee (NRC) on May 8, 2014. The NRC was last reconstituted on February 11, 2019, effective April 1, 2019.

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

During the financial year ended March 31 2021, the NRC comprised three (3) Non-Executive Directors of which two (2), namely Ms. Ramola Mahajani and Mr. Sunil Shah Singh, were the Independent Directors and one (1) namely Mr. Piyachai Karnasuta, was the Non- Independent Non- Executive Director on the Committee. The

Committee held three (3) meetings during the aforesaid year, i.e. on June 16, 2020, September 15, 2020, and February 10, 2021. Attendance of the Directors was as under:

| Name of the Director | No. of Meetings held | No. of Meetings attended |
|---------------------------------|----------------------|--------------------------|
| Ms. Ramola Mahajani-Chairperson | 3 | 3 |
| Mr. Sunil Shah Singh | 3 | 3 |
| Mr. Piyachai Karnasuta | 3 | 3 |

Ms. Ramola Mahajani, Chairperson of the NRC, was present at the last AGM.

Mr Rahul Neogi, Company Secretary, attended all the meetings of the NRC held during the financial year ended March 31, 2021.

During the year, there were no recommendation of the NRC which were not accepted by the Board.

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

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

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

Further, one meeting of the Independent Directors of the Company was held on February 10, 2021 at which all the Independent Directors were present. The performance evaluation of the Chairman and Non – Independent Directors was carried out by them.

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

5. REMUNERATION OF DIRECTORS

- a) During the financial year ended March 31, 2021, 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 are paid sitting fees for attending the meetings of the Board and Committee(s) thereof. In addition to sitting fees, they are also entitled to commission not exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, subject to a maximum of ₹ 6,00,000/- (Rupees Six Lakh only) per annum to each such Director. The Members of the Company at their Annual General Meeting held on August 9, 2019, have approved payment

of commission to the non-executive directors for each financial year of the Company commencing on and from April 1, 2019, based on the number of Board / Committee Meetings attended and inputs given by them at the meetings.

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 three 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 year ended March 31, 2021 are given below:

(Amount in ₹)

| Sl. No. | Name of the Director | Service Contract Years/ months | Salary | Commission | Perquisites and cost of providing furnished residential accommodation | Retirement Benefits [§] | Total sitting fees |
|--------------------------------|---|---|------------|------------|---|----------------------------------|--------------------|
| (a) Executive Directors | | | | | | | |
| 1. | Mr. Santi Jongkongka, Executive Vice Chairman | 3 years from May 02, 2019 to May 01, 2022 | 14,086,800 | 2,900,000* | 1,041,810 | 1,619,982** | NIL |
| 2. | Mr. Jayanta Basu, Managing Director | 3 years from April 23, 2019 to April 22, 2022 | 10,844,184 | 2,500,000* | 1,111,392 | 1,302,765*** | NIL |

* Payable subject to Internal Policy of the Company

**Retirement benefits comprise Provident Fund.

*** Retirement benefits comprise Provident Fund and Superannuation.

§ 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. Piyachai Karnasuta | - | NIL | 600,000 | NIL | NIL | 860,000 |
| 2. | Mr. D. P. Roy | - | NIL | 600,000 | NIL | NIL | 770,000 |
| 3. | Ms. Ramola Mahajani | - | NIL | 600,000 | NIL | NIL | 650,000 |
| 4. | Mr. Sunil Shah Singh | - | NIL | 600,000 | NIL | NIL | 800,000 |
| 5. | Mr. Pankaj I. C. Jain | - | NIL | 600,000 | NIL | NIL | 660,000 |
| Total | | | 24,930,984 | 8,400,000 | 2,153,202 | 2,922,747 | 3,740,000 |

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee of the Directors was constituted by the Company on May 8, 2014. The CSR Committee was last reconstituted on August 9, 2019 effective September 1, 2019.

Composition, names of members and Chairman and attendance during the year

During the financial year ended March 31, 2021, the CSR Committee comprised four (4) Directors, of which one (1), namely Mr. D.P. Roy, was the Independent Director, one (1) namely Mr. Piyachai Karnasuta, was the Non-Independent Non-Executive Director and two (2) namely Mr. Santi Jongkongka and Mr. Jayanta Basu, were the Executive Directors. The CSR Committee held three (3) meetings during the aforesaid year, i.e. on June 16, 2020 and adjourned meeting on June 17, 2020, September 15, 2020, and February 10, 2021. Attendance of the Directors was as under:

| Name of the Director | No. of Meetings held | No. of Meetings attended |
|---------------------------------|----------------------|--------------------------|
| Mr. Piyachai Karnasuta-Chairman | 3 | 3 |
| Mr. D. P. Roy | 3 | 3 |
| Mr. Santi Jongkongka | 3 | 3 |
| Mr. Jayanta Basu | 3 | 3 |

Mr. Rahul Neogi, Company Secretary, attended all the meetings of the CSR Committee held during the year ended March 31, 2021.

Terms of reference, role and scope of the CSR Committee are in line with the provisions of Section 135 of the Companies Act, 2013, and the Rules framed thereunder pertaining to the CSR Committee and its functioning.

Minutes of the CSR Committee meetings are placed before the meeting of the Board of Directors following that of the CSR Committee meetings.

7 A. STAKEHOLDERS RELATIONSHIP COMMITTEE

The erstwhile Shareholders/Investors' Grievance Committee was rechristened as Stakeholders Relationship Committee (SRC) on May 8, 2014. The SRC was last reconstituted on August 9, 2019 effective September 1, 2019.

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

During the financial year ended March 31, 2021, the SRC comprised four (4) Directors viz. (1) Mr. D. P. Roy, Independent Director, (2) Mr. Piyachai Karnasuta, Non-Executive Non-Independent Director, (3) Mr. Santi Jongkongka, Executive Vice Chairman and (4) Mr. Jayanta Basu, Managing Director. The Committee held four (4) meetings during the aforesaid year, i.e. on June 16, 2020, September 15, 2020, November 10, 2020 and February 10, 2021. Attendance of the Directors was as under:

| Name of the Director | No. of Meetings held | No. of Meetings attended |
|-------------------------|----------------------|--------------------------|
| Mr. D. P. Roy –Chairman | 4 | 4 |
| Mr. Piyachai Karnasuta | 4 | 4 |
| Mr. Santi Jongkongka | 4 | 4 |
| Mr. Jayanta Basu | 4 | 4 |

Mr. D.P. Roy, Chairman of the SRC was present at the last AGM.

Mr. Rahul Neogi, Company Secretary, attended all the meetings of the SRC held during the year ended March 31, 2021.

During the year, there were no recommendation of the SRC which were not accepted by the Board.

(ii) The powers, role and terms of reference of the SRC are in accordance with Section 178 (5) of the Companies Act, 2013 and the Rules framed thereunder, read with Regulation 20, Part D of Schedule II of the Listing Regulations pertaining to the SRC and its functioning.

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

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

During the year ended March 31, 2021, 111 (one hundred eleven) complaint letters/emails were received from the shareholders which were replied / resolved to the satisfaction of the shareholders. No complaints remained unresolved at the end of the year.

(iv) Name and designation of Compliance Officer

Mr. Rahul Neogi is the Company Secretary and Compliance Officer.

the purpose of authorising issue of duplicate certificates shall be any three (3) members present at the meeting.

7 B SHARE TRANSFER COMMITTEE

Share Transfer Committee was constituted in 1980. It was last reconstituted on August 9, 2019 effective September 1, 2019 with amended terms of reference.

During the financial year ended March 31, 2021, the Committee held twenty (20) meetings.

(i) Terms of reference

- (a) The Committee is authorised to approve share transfers and transmissions, change and transposition of names, deletion of name, 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

(ii) Number of pending share transfers

As on March 31, 2021, there were no pending request/letter involving transfer of shares/transmissions of shares, change and transposition of names and deletion of name.

- (iii) Pursuant to Regulation 36 (3) of the Listing Regulations, the particulars of the Director who is proposed to be re-appointed at the 43rd Annual General Meeting ('43rd AGM') have been provided in the annexure to the Notice of the 43rd AGM.

8. SUBSIDIARY COMPANY

As on March 31, 2021, the Company has one wholly owned, non-material and unlisted subsidiary company, 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.

9. General Body Meetings

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

| For Financial year/ period ended | Date, Time and Location | Special Resolution passed | |
|-------------------------------------|--|---------------------------|--|
| | | No. | Nature |
| 31.03.2020 | September 23, 2020 (through Video conferencing/ other Audio-Visual Means facility) at the Registered office of the Company at National Plastic Building, A Subhash Road, Paranjape B Scheme, Vileparle (E), Mumbai(deemed venue) | - | - |
| 31.03.2019 | August 9, 2019 4.00 p.m. at Rama Watumull Auditorium, Mumbai. | 2 | <ol style="list-style-type: none"> 1. Appointment of Mr. Sunil Shah Singh as an Independent Director to hold office for a term of 5 (five) years from May 11, 2018 upto May 10, 2023. 2. Re-appointment of Ms. Ramola Mahajani as an Independent Director to hold office for a second term from November 6, 2019 to December 22, 2022. |
| 31.12.2017 | May 10, 2018 4.00 p.m. at Rama Watumull Auditorium, Mumbai | - | - |

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

During the year ended March 31, 2021, no Special Resolution was passed through Postal Ballot.

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

10. MEANS OF COMMUNICATION

- (i) The extracts of the quarterly Consolidated Unaudited Financial Results and Consolidated Audited Financial Results are published in prominent daily newspapers. During the year, such Financial Results were published in the Financial Express and Mumbai Lakshadeep. Quarterly Standalone and Consolidated Unaudited Financial Results and Annual Standalone and Consolidated Audited Financial Results are available on Company's website: www.itdcem.co.in under the heading "Investors".
- (ii) Code of Ethical Conduct for Directors and Senior Management Personnel of the Company; Whistle Blower Policy, Prevention of Sexual Harassment Policy for Women at Workplace; Corporate Social Responsibility Policy; Nomination and Remuneration Policy; Related Party Transactions Policy; Board Diversity Policy; Prevention of Insider Trading Policy; Preservation of Documents Policy; Policy on Determination and Materiality of an Event/ Information; Archival Policy and Dividend Distribution Policy are available on the Company's website www.itdcem.co.in.
- (iii) Presentations on Quarterly Business Operations Overview are disseminated to the Stock Exchanges and made available on the Company's website www.itdcem.co.in. These presentations are also shared with the Institutional Investors/Analysts.

11. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

The Company is conducting the 43rd Annual General Meeting through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility

in terms of MCA Circulars dated May 5, 2020 and January 13, 2021.

Date: September 22, 2021

Time: 3.00 p.m.

Venue: Registered office of the Company at Mumbai shall be deemed to be the venue of the Meeting.

(ii) Financial Year of the Company

The financial year of the Company is April 01 to March 31.

(iii) Dividend Payment dates

The dividend, if declared at the ensuing 43rd Annual General Meeting, will be paid on October 5, 2021.

(iv) Stock Exchanges

The equity shares of the Company are listed on:
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001
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 year 2021-2022 of the above mentioned stock exchanges have been paid.

(v) Stock Code

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

(vi) Market Price Data

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

**High and Low prices of the Company's shares at BSE with corresponding BSE Sensex
April 2020 to March 2021 (Figures in ₹)**

| Months | High | | Low | | Close | |
|-------------|---------|------------|---------|------------|---------|------------|
| | ITD Cem | BSE Sensex | ITD Cem | BSE Sensex | ITD Cem | BSE Sensex |
| April, 2020 | 45.70 | 33,887.25 | 29.00 | 27,500.79 | 37.60 | 33,717.62 |
| May, 2020 | 43.00 | 32,845.48 | 32.80 | 29,968.45 | 35.15 | 32,424.10 |
| June, 2020 | 58.80 | 35,706.55 | 36.05 | 32,348.10 | 49.60 | 34,915.80 |
| July, 2020 | 57.20 | 38,617.03 | 43.30 | 34,927.20 | 45.25 | 37,606.89 |
| Aug, 2020 | 60.70 | 40,010.17 | 42.00 | 36,911.23 | 53.70 | 38,628.29 |
| Sept, 2020 | 62.00 | 39,359.51 | 46.05 | 36,495.98 | 51.20 | 38,067.93 |
| Oct, 2020 | 53.00 | 41,048.05 | 47.50 | 38,410.20 | 48.90 | 39,614.07 |
| Nov, 2020 | 61.00 | 44,825.37 | 48.45 | 39,334.92 | 56.10 | 44,149.72 |
| Dec, 2020 | 68.10 | 47,896.97 | 51.00 | 44,118.10 | 66.50 | 47,751.33 |
| Jan, 2021 | 81.00 | 50,184.01 | 61.75 | 46,160.46 | 63.20 | 46,285.77 |
| Feb, 2021 | 82.35 | 52,516.76 | 62.25 | 46,433.65 | 77.20 | 49,099.99 |
| March, 2021 | 94.45 | 51,821.84 | 75.20 | 48,236.35 | 77.60 | 49,509.15 |

**High and Low prices of the Company's shares at NSE with corresponding Nifty
April 2020 to March 2021 (Figures in ₹)**

| Months | High | | Low | | Close | |
|-------------|---------|-----------|---------|-----------|---------|-----------|
| | ITD Cem | Nifty | ITD Cem | Nifty | ITD Cem | Nifty |
| April, 2020 | 46.00 | 9,889.05 | 28.95 | 8,055.80 | 37.55 | 9,859.90 |
| May, 2020 | 38.70 | 9,598.85 | 32.70 | 8,806.75 | 35.10 | 9,580.30 |
| June, 2020 | 58.90 | 10,553.15 | 35.50 | 9,544.35 | 49.50 | 10,302.10 |
| July, 2020 | 57.25 | 11,341.40 | 43.00 | 10,299.60 | 45.25 | 11,073.45 |
| Aug, 2020 | 60.75 | 11,794.25 | 41.85 | 10,882.25 | 53.55 | 11,387.50 |
| Sept, 2020 | 62.00 | 11,618.10 | 46.10 | 10,790.20 | 51.20 | 11,247.55 |
| Oct, 2020 | 53.00 | 12,025.45 | 48.00 | 11,347.05 | 49.00 | 11,642.40 |
| Nov, 2020 | 61.00 | 13,145.85 | 48.35 | 11,557.40 | 56.15 | 12,968.95 |
| Dec, 2020 | 68.30 | 14,024.85 | 50.60 | 12,962.80 | 66.60 | 13,981.75 |
| Jan, 2021 | 78.50 | 14,753.55 | 61.85 | 13,596.75 | 62.75 | 13,634.60 |
| Feb, 2021 | 82.35 | 15,431.75 | 62.70 | 13,661.75 | 77.30 | 14,529.15 |
| March, 2021 | 94.40 | 15,336.30 | 75.15 | 14,264.40 | 77.85 | 14,690.70 |

(vii) Registrar and Share Transfer Agents

M/s. KFin Technologies Private Limited, Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad- 500032, Toll Free No: 18003454001 email ID: einward.ris@kfintech.com are the Registrar and Share Transfer Agents (RTA) of the Company.

(viii) Share Transfer Systems

Shares lodged for transfers are registered and duly transferred Share Certificates in respect of requests relating to transmissions of shares, change and transposition of names, and deletion of name are

despatched to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order.

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

Pursuant to Circular issued by SEBI, transfer of securities held in physical mode had been discontinued with effect from April 1, 2019. This restriction was however not applicable to requests received for transmission or transposition of physical shares and re-lodgement for transfer of securities. Subsequently, SEBI, vide its

circular dated September 7, 2020 fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds. Further, the shares that are re-lodged for transfer (including those requests that are pending with the listed company / RTA) shall henceforth be issued only in demat mode.

(ix) Shareholding Pattern as on March 31, 2021

| SI No. | Particulars | No. of shares held | Percentage to total shares |
|--------|--|--------------------|----------------------------|
| (i) | Promoter – Italian-Thai Development Public Company Limited | 80,113,180 | 46.64 |
| (ii) | General Public | 33,315,662 | 19.37 |
| (iii) | Banks/IFI | 2500 | 0.00 |
| (iv) | Mutual Funds / Alternative Investment Fund | 35,468,908 | 20.65 |
| (v) | Bodies Corporate | 2,330,748 | 1.36 |
| (vi) | NRI/OCB/FII/FOREIGN BANK/FPB/FPI | 19,887,868 | 11.58 |
| (vii) | Clearing Members | 290,593 | 0.17 |
| (viii) | Trust | 8,726 | 0.01 |
| (ix) | IEPF | 369,399 | 0.22 |
| | Total | 171,787,584 | 100.00 |

(x) Distribution of Shareholding as on March 31, 2021

| Sl.no. | Category (Shares) | No. of Holders | % to Holders | No. of Shares | % to Equity |
|--------|-------------------|----------------|---------------|--------------------|---------------|
| 1 | 1-500 | 34283 | 76.03 | 5,629,760 | 3.28 |
| 2 | 501-1000 | 5738 | 12.73 | 4,442,851 | 2.59 |
| 3 | 1001-2000 | 2650 | 5.88 | 4,072,770 | 2.37 |
| 4 | 2001-3000 | 904 | 2.00 | 2,304,257 | 1.34 |
| 5 | 3001-4000 | 420 | 0.93 | 1,524,791 | 0.88 |
| 6 | 4001-5000 | 336 | 0.75 | 1,590,646 | 0.93 |
| 7 | 5001-10000 | 406 | 0.90 | 2,964,387 | 1.73 |
| 8 | 10001 & above | 351 | 0.78 | 149,258,122 | 86.88 |
| | TOTAL | 45088 | 100.00 | 171,787,584 | 100.00 |

(xi) Dematerialisation of Shares and liquidity

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

As on March 31, 2021, out of the 45,088 shareholders 44,323 shareholders have dematerialised their shares aggregating 171,099,309 shares i.e. about 99.60% of the total paid-up capital of the Company. The equity shares of the Company are frequently traded in dematerialised form on both the Stock Exchanges where the shares of the Company are listed.

(xii) Dates of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Thursday, September 16, 2021 to Wednesday, September 22, 2021 (both days inclusive).

(xiii) Plant locations

The Company does not have any plant as it is engaged in engineering/ construction business and has various project sites for carrying out its operations.

(xiv) Address for correspondence

All Investor related enquiries, clarifications and correspondence should be addressed to the RTA or at the Registered office of the Company at the following addresses:

| | |
|---|--|
| <p>Registrars and Share Transfer Agents: KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) Unit: ITD Cementation India Limited Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Toll Free No : 18003454001. Tel: +91 40 67162222, Emails: einward.ris@kfintech.com and / or</p> <p>Branch Office at: 24-B Raja Bahadur Mansion, Ground Floor, Ambalal Doshi Marg, Behind BSE, Fort, Mumbai – 400 023. Tel: +91 22 66235454 Email: ircfort@kfintech.com</p> | <p>Registered office 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 Email: investors.relation@itdcem.co.in</p> |
|---|--|

(xv) There was no instance of suspension of trading of securities of the Company during the year ended March 31, 2021.

The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

(xvi) List of credit ratings of the Company:

| Sl No. | Name of Credit rating agency | Credit rating obtained | Details of revision during the year |
|--------|--|-------------------------------------|--|
| 1. | ICRA Limited | ICRA A Outlook Stable | Reaffirmed the rating at ICRA A. However, the outlook revised to Negative from Stable. |
| 2. | CARE Ratings Limited | CARE A Outlook Stable | No revision during the year. |
| 3. | India Ratings and Research Private Limited | IND A+ (A plus) Outlook Negative | No revision during the year. |

12. Other Disclosures

(a) 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 year ended March 31, 2021.

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

(c) Whistle Blower Policy/ Vigil Mechanism:

The Company has in place a Whistle Blower Policy and has also established a vigil mechanism through the said Policy, to report genuine concerns and to provide for adequate safeguards against victimisation of persons who use such mechanism and to make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

It is affirmed that no personnel had been denied any access to the Audit Committee during the financial year ended March 31, 2021.

- (d) The Company has complied with all the mandatory requirements of the Listing Regulations.

As regards non-mandatory requirement, the Company has a Risk Management Committee (RMC) in place although it is not mandatory to constitute one as the Company does not fall within the top 500 listed entities determined on the basis of market capitalisation as on March 31, 2021. The Committee was constituted on February 22, 2015, and last reconstituted on February 11, 2021.

Powers and Role of the RMC are in accordance with Regulation 21(4) of the Listing Regulations.

The Committee held one (1) meeting during the year ended March 31, 2021 i.e. on February 10, 2021.

Minutes of the RMC meetings are placed before the meetings of the Board of Directors following that of the RMC meetings.

- (e) **Subsidiary Company-** As on March 31, 2021, the Company has one wholly owned, non-material and unlisted subsidiary company, namely ITD Cementation Projects India Limited. Hence, the Company has not opted any Policy for determining "Material" subsidiary.
- (f) Policy dealing with Related Party Transactions is available on the Company's website at www.itdcem.co.in.
- (g) The Company was not required to and has not undertaken any commodity price risks and commodity hedging activities.
- (h) **Details of utilisation of funds raised during the year**
During the financial year ended March 31, 2021, the Company did not raise any funds through preferential allotment or qualified institutions placement.
- (i) The Company has obtained a certificate from M/s Parikh & Associates, practicing Company Secretaries confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the financial year ended March 31, 2021.

- (j) During the financial year ended March 31, 2021, there were no instances where the Board had not accepted any recommendation of any Committee of the Board which was mandatorily required.

- (k) During the financial year ended March 31, 2021, total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, amounted to ₹ 125.86 Lakh.

- (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year ended March 31, 2021:

- number of complaints filed - Nil
- number of complaints disposed of - N.A.
- number of complaints pending as on end of the financial year - N.A.

There were no instances of non-compliance of any requirement of Corporate Governance report under sub-paras (2) to (10) of Para C of Schedule V to the Listing Regulations during the financial year ended March 31, 2021.

CEO/CFO Certification:

A Certificate from the CEO/CFO of the Company in terms of Regulation 17 (8) of Listing Regulations read with Part B of Schedule II was placed before the Board at its meeting held on May 28, 2021, to approve the Audited Financial Statements for the financial year ended March 31, 2021.

13. DISCRETIONARY REQUIREMENTS

- The Chairman of the Company is a Non-Executive Director.
- Shareholders' Rights:

The quarterly, half yearly and yearly financial results are published in the prominent newspapers and are also available on the website of the Company and that of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. The Company has not sent any half yearly declaration of financial performance including summary of

significant events in the last six months to any household of shareholders of the Company.

- (iii) Audit Qualifications: The Auditors opinion on the Financial Statements is unmodified.
- (iv) Internal Auditor reports directly to the Audit Committee.

- 14.** The Company has complied with the corporate governance requirements as specified in Regulations 17 to 27 of the Listing Regulations 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 pertaining to dissemination of certain information on the Company's website.

15. CODE OF CONDUCT

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

- 16.** There is no shareholder whose shares are lying in the suspense account and hence no disclosure is required to be made under Schedule V of Part F of Listing Regulations.
- 17.** Other Items which are not applicable to the Company have not been separately commented upon.

Independent Auditor's Certificate on Corporate Governance

To The Members of ITD Cementation India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated August 31, 2020.
2. We have examined the compliance of conditions of corporate governance by ITD Cementation India Limited ('the Company') for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special

Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2021.

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

RESTRICTION ON USE

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Membership No.: 109632

UDIN: 21109632AAAAFD8979

Place: Mumbai

Date: 28 May 2021

BUSINESS RESPONSIBILITY REPORT

(Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| 1. Corporate Identity (CIN) of the Company : | L61000MH1978PLC020435 |
| 2. Name of the Company: | ITD Cementation India Limited |
| 3. Registered address: | National Plastic Building, A - Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai- 400057 |
| 4. Website: | www.itdcem.co.in |
| 5. E-mail id: | investors.relation@itdcem.co.in |
| 6. Financial Year reported: | April 1, 2020 to March 31, 2021 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise): | Construction and Civil Engineering (4290). |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet): | (a) Maritime structures. (b) Urban infrastructure projects/ mass rapid transit systems/Buildings and Airports. (c) Tunnels. |
| 9. Total number of locations where business activity is under taken by the Company <ul style="list-style-type: none"> • Number of International Locations (provide details of major 5): • Number of national locations: | Number of International locations: 1 <ul style="list-style-type: none"> • Engineering, Procurement and Construction of Container Berth, Backup yard, Building, Utilities, civil works for FFS for development of Container Terminal in the Yangon Port, Myanmar. • 65 projects across 12 Indian states, 2 UT |
| 10. Markets served by the Company-Local/State/National/International: | At National and International level |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | |
|--|---|
| 1. Paid up capital (as at March 31, 2021): | ₹ 1,717.88 Lakh. |
| 2. Total turnover (for the year ended March 31, 2021 from standalone operations): | ₹ 220,832 Lakh. |
| 3. Total profit after taxes (for year ended March 31, 2021 on standalone basis): | ₹ 1,576 Lakh. |
| 4. Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%): | The Company spent total amount of ₹ 190.18 Lakh during the year FY 2020-21 which is 2% of the average net profit after taxes in the three immediately preceding financial years. In addition, the Company also spent an amount of ₹ 25.00 Lakh pertaining to the previous financial year ended March 31, 2020, being the carry forward amount in respect of a project, which could not be taken up on account of the coronavirus pandemic and had to be spent in the current financial year ended March 31, 2021. |

| | |
|--|---|
| 5. List of activities in which expenditure in 4 above has been incurred: | Promotion of education among children, promoting health care, contribution to incubators or research and development projects in the field of science. Disaster management including relief, rehabilitation and reconstruction activities, at various local areas in and around which the Company has its operations. |
|--|---|

SECTION C: OTHER DETAILS

| | |
|---|--|
| 1. Does the Company have any subsidiary Company/companies? : | Yes - ITD Cementation Projects India Limited |
| 2. Do the subsidiary Company/companies participate in the business responsibility initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s): | The subsidiary had no business operations during the year. |
| 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%-60%, More than 60%]: | Currently less than 30% of value chain entities participate in the Company's BR initiatives and there is a constant effort by the Company to extend the initiatives to a larger base. The suppliers and vendors are provided awareness on environmental and social issues. Vendor/sub-contractor meets are used as a platform to raise awareness on health, safety and environmental initiatives of the Company. |

SECTION D: BR INFORMATION

| | | |
|---|--|--|
| 1. Details of Director/Directors responsible for BR (a) Details of Director/Directors responsible for implementation of the BR policy/policies | 1. Director Identification Number 2. Name 3. Designation | 08291114 Mr. Jayanta Basu Managing Director |
| (b) Details of the BR Head | 1. Director Identification Number 2. Name 3. Designation 4. Telephone No. 5. e-mail id | Not Applicable Mr. Prasad Patwardhan Chief Financial Officer 022 67680600 prasad.patwardhan@itdcem.co.in |

2. Principle – wise (as per NVGs) BR policy/policies

(a) Details of compliance (Reply in Y/N)

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|---------|--|---|----|----|----|----|----|----|----|----|--|
| 1. | Do you have a policy/ policies for? | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 2. | Has the policy been formulated in consultation with the relevant stakeholders? | Yes. | | | | | | | | | |
| 3. | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Yes, all the policies conform to national standards. The Company has an established Integrated Management System comprising Quality Management System (QMS) conforming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and Occupational Health and Safety Management System conforming to ISO 45001:2018 at all offices, project sites and depots. | | | | | | | | | |

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|----|----|----|----|----|----|----|----|
| 4. | Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Some policies have been approved by the Board and these have been signed by the MD. Other policies have been adopted by the Company from time to time based on research conducted on the best practices developed and adopted by other Organisations and as per the Company's requirements. | | | | | | | | |
| 5. | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | The Company has in place a BRR Committee comprising the Managing Director and Chief Financial Officer to oversee the implementation of the Policy. | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online? | Whistle Blower Policy http://www.itdcem.co.in/upload/Whistle_Blower_Policy.pdf Prevention of Sexual Harassment Policy for Women at Workplace http://www.itdcem.co.in/wp-content/uploads/Policy-of-Prevention-of-Sexual-Harassment-for-Women-at-work-place.pdf Dividend Distribution Policy: http://www.itdcem.co.in/upload/Dividend_Distribution_Policy.pdf IMS Policy: http://www.itdcem.co.in/about-us/ims-policy/ Corporate Social Responsibility: http://www.itdcem.co.in/about-us/csr/ Code of Conduct: http://www.itdcem.co.in/upload/ITD_Code_of_Ethical_Conduct_Directors.pdf Responsible Public Advocacy Policy: https://www.itdcem.co.in/wp-content/uploads/2016/06/Responsible-Public-Advocacy.pdf | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes. Policies relevant to the internal and external stakeholders have been communicated accordingly. | | | | | | | | |
| 8. | Does the Company have in-house structure to implement the policy/ policies? | Yes. Policies themselves contain methodology of implementation of the policies. | | | | | | | | |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes, the Company has provided a mechanism for grievance redressal by setting up a Stakeholders Relationship Committee and by putting in place a Whistle Blower Policy. | | | | | | | | |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes. Some of the policies in place have been evaluated internally and some have been evaluated externally. | | | | | | | | |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|-----------------|----|----|----|----|----|----|----|----|
| 1. | The Company has not understood the Principles | Not applicable. | | | | | | | | |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | Not applicable. | | | | | | | | |

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|-----------------|----|----|----|----|----|----|----|----|
| 3. | The Company does not have financial or manpower resources available for the task | Not applicable. | | | | | | | | |
| 4. | It is planned to be done within next 6 months | Not applicable. | | | | | | | | |
| 5. | It is planned to be done within the next 1 year | Not applicable. | | | | | | | | |
| 6. | Any other reason (please specify) | Not applicable. | | | | | | | | |

3. Governance related to BR

| | |
|--|--|
| (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year : | Annually. |
| (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?: | Yes, the Company publishes a BR Report. The link for viewing the report is http://www.itdcem.co.in/investors/financial/annual-reports/ Annually. |

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

| | |
|---|--|
| Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others? : | Yes, it covers the Company and it also extends to Joint Ventures, Subsidiary, Suppliers and Contractors. |
| How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so: | The Company received 111 complaints during the year ended March 31, 2021 and all the complaints have been resolved satisfactorily. |

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

| | |
|---|--|
| 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities | The Company's services cover the following areas: (a) Maritime structures (b) Urban infrastructure projects/ mass rapid transit systems/ Buildings and airports (c) Tunnels The Company has in place an Integrated Management System Policy covering aspects on quality, environment, safety and health. |
| 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? : | Recycling of concrete – The Company has introduced Concrete Reclaimers at some of its major project sites to reprocess wet concrete and achieve usable coarse aggregates and sand out of the return concrete which is facilitating utilisation of recycled aggregates resulting in saving of energy and environmental degradation. |

| | |
|---|--|
| <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? :</p> | <p>As a part of conservation of energy, water, the Company continues to encourage use of fly ash and slag as a part replacement of Ordinary Portland Cement for its concrete mixes which are being used at its project sites and this helps the Company promote energy saving.</p> <p>The Company continued Real time monitoring of Diesel Generator performance at sites to optimise the use of captive energy.</p> <p>The Company switched over to using Hydraulic hammer for driving piles in place of less efficient diesel hammers thereby saving on energy.</p> |
| <p>3. Does the Company have procedures in place for sustainable sourcing (including transportation)?</p> <p>(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so :</p> | <p>Yes.</p> <p>The Company continually works with its vendors and suppliers to reduce the environmental impact of sourcing of its inputs.</p> |
| <p>4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? :</p> <p>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? :</p> | <p>Yes. The Company attaches importance to local sourcing and provides encouragement for the surrounding communities for small activities like hiring cars, manpower, job works, workshop works like machining and strives to make them an integral part of community for their economic prosperity. For certain imported items, the Company has worked with local Vendors and helped them develop suitable indigenous replacements and used them on projects.</p> <p>The Company provides support to local and small vendors by way of supply of machinery items including free issue of material thereby building the capacity and capability for their development.</p> |
| <p>5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5%-10%, >10%). Also, provide details thereof, in about 50 words or so :</p> | <p>Recycling the product is not applicable as the Company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions. Reusable Scrap and associated recyclable materials are disposed through authorised vendors for recycling and possible reuse.</p> |

Principle 3

Businesses should recognise that over consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

| | |
|---|---|
| <p>1. Please indicate the total number of employees :</p> | <p>5,750</p> |
| <p>2. Please indicate the total number of employees hired on temporary/ contractual/casual basis :</p> | <p>3,699</p> |
| <p>3. Please indicate the number of permanent women employees:</p> | <p>42</p> |
| <p>4. Please indicate the number of permanent employees with disabilities :</p> | <p>1</p> |
| <p>5. Do you have an employee association that is recognised by management:</p> | <p>Yes, the Company has two Employee associations i.e. Engineering Mazdoor Sabha, Mumbai and ITD Cementation India Workers' Union, Kolkata.</p> |
| <p>6. What percentage of your permanent employees is members of this recognised employee association?:</p> | <p>1.00%</p> |

| | | | | |
|---|---|---|--|---|
| 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: | No | Category | No of complaints filed during the financial year | No of complaints filed pending on end of the financial year |
| | | Child labour/forced labour/involuntary labour | Nil | Nil |
| | | Sexual harassment | Nil | Nil |
| | | Discriminatory employment | Nil | Nil |
| 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? | Yes. The Company's employees have been given safety related training & skill up-gradation training on periodical basis. | | | |
| (a) Permanent Employees | Safety Training | | Skill up-gradation Training | |
| (b) Permanent Women Employees | 97% | | 11% | |
| (c) Casual/Temporary/Contractual Employees | 78% | | 12% | |
| (d) Employees with Disabilities | 89% | | 0.5% | |
| | 100% | | Nil% | |

Principle 4

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

| | |
|---|--|
| 1. Has the Company mapped its internal and external stakeholders? Yes/No : | Yes. |
| 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders: | Yes, the Company has identified disadvantaged and vulnerable groups who are targeted for CSR initiatives. |
| 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so : | The Company's CSR Policy has been designed to cater to the physically challenged or differently abled, socially and economically backward groups in and around its area of operations. |

Principle 5

Businesses should respect and promote human rights.

| | |
|--|---|
| 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others? : | Yes, it covers the Company and also extends to Joint Ventures, Subsidiary, Suppliers and Contractors. |
| 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? : | The Company has not received any complaints in the area of human rights. |

Principle 6

Business should respect, protect and make efforts to restore the environment.

| | |
|--|-----------------------------|
| 1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others.: | Yes, it covers the Company. |
| 2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. : | No |

| | |
|---|---|
| 3. Does the Company identify and assess potential environmental risks? Y/N : | Yes |
| 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? : | No |
| 5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.: | <p>For Clean Technology initiative:</p> <ul style="list-style-type: none"> The Company is actively promoting cleaner and more efficient technologies such as Spun Concrete Piles, CFA piles, Chemical grouting, use of environment friendly polymer instead of bentonite etc. <p>For Energy efficiency initiative:</p> <ul style="list-style-type: none"> Usage of efficient LED lighting systems at most of project sites Real time monitoring of diesel generator performance at project sites to optimise the use of captive energy Use of variable frequency drives for gantries, cranes and other material handling equipment <p>For Renewal Energy initiative:</p> <ul style="list-style-type: none"> The Company has installed solar power panels at some of its projects sites on marine crafts and in mechanical workshop The Company promotes use of fly ash and slag to replace cement thereby promoting energy saving The Company gradually replaces old less efficient plant and equipment with more efficient ones in a continual process |
| 6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?: | Yes |
| 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year : | Nil |

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

| | |
|--|---|
| 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: | <p>Yes</p> <ul style="list-style-type: none"> Bombay Chamber of Commerce and Industry Construction Federation of India National Highway Builders' Association Builders' Association of India Deep Foundation Institute of India Engineers (DFII) |
| 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others) : | <p>Whenever Policy guidelines are issued, the Company has been providing its suggestions to the Government and to Apex Trade Bodies/Chamber association as mentioned above. The Company officials attend meetings/participates/interact for facilitating views on the policies.</p> |

Principle 8**Businesses should support inclusive growth and equitable development.**

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|---|--|
| <p>1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. :</p> | <p>Yes. The Company has a CSR policy and the activities laid down in the policy pertain to all the focal areas for its social development projects/activities.</p> |
| <p>2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organisation?:</p> | <p>Yes. The CSR programmes/ projects have been directly taken up by the Company through its in-house team formed for the said purposes from time to time and also by making contribution towards relief activities directly or through Disaster Management Authorities</p> |
| <p>3. Have you done any impact assessment of your initiative? :</p> | <p>Yes. Response from the community has been satisfactory and they have requested for such activities in the future for their betterment. The Company has been extending such initiatives & these are informal assessments.</p> |
| <p>4. What is your Company's direct contribution to community development projects- Amount in and the details of the projects undertaken :</p> | <p>Total amount spent ₹ 215.18 Lakh (including ₹ 25 Lakh for the FY 2019-20) on following projects:</p> <ol style="list-style-type: none"> 1. Financial contributions to (i) Samaritan Help Mission, Howrah School (₹ 12 Lakh), and (ii) Parivaar Education Society, Kolkata, West Bengal (₹ 13 Lakh) in respect of providing development opportunities to the poor and needy slum children with emphasis on young girls. (Amount spent ₹ 25.00 Lakh) 2. Financial contribution to Rashtra Sant Tukdoji Charitable Cancer Hospital and Research Center towards construction of upcoming Cancer Hospital near Nagpur Metro Project Site, Nagpur. (Amount spent ₹ 25.00 Lakh). 3. Financial contribution to West Bengal State Disaster Management Authority towards Disaster of Amphan Cyclone impact & CSR support, West Bengal. (Amount spent ₹ 75.00 Lakh). 4. Construction of toilets for girl & boy students of Zilla Parishad School in Village Gorhe, Khadakwasla, Pune. (Amount spent ₹ 5.00 Lakh). 5. Providing laptops, projectors and printer cum xerox machines for online education and other educational exposures through internet and digital learning, amounting to ₹ 5 lakh each to the schools near the Company's Bangalore Metro Project site viz. (i) Sri Yoginarayana Educational Society, Bangalore, (ii) New Brilliant School, Bangalore, (iii) Madonna School, Bangalore, and (iv) Lowry Memorial Higher Secondary School, Bangalore (Amount spent ₹ 20.00 Lakh). 6. Providing computers, digital aided tools and learning to Shashank Prathmik Madhyamik Vidyalaya, Aadharvadi Kalyan, Vadeghar Road, Samor Taluka, Dist. Thane (Amount spent ₹ 20.18 Lakh). |

| | |
|---|--|
| | <p>7. Financial contribution to Veermata Jijabai Technological Institute -Technology Incubator for the purpose of creating Technology incubator infrastructure located within academic institution. (Amount spent ₹ 20.00 Lakh).</p> <p>8. Providing the fishermen communities in the villages of Manappadu, Alanthalai and Kallamozhi, Tamil Nadu, who are in indigent condition and whose livelihood have completely stopped due to outbreak of COVID-19 pandemic, with essentials required for their day to day livelihood (Amount spent ₹ 25.00 Lakh- out of Unspent amount of FY 2019-20)</p> |
| <p>5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:</p> | <p>CSR activities have been pursued in line with the Company's policy and framework. The Company identifies communities that require the Company's direct intervention for community development in or near about the Company's project sites.</p> |

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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|---|--|
| <p>1. What percentage of customer complaints/consumer cases are pending as on the end of financial year :</p> | <p>Customer complaints are regularly addressed at project sites. Percentage of Customer complaints pending as at the end of the financial year (March 31, 2021): 19.3%</p> |
| <p>2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information) :</p> | <p>Not Applicable.</p> |
| <p>3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so :</p> | <p>Not to the Company's knowledge.</p> |
| <p>4. Did your Company carry out any consumer survey/ consumer satisfaction trends? :</p> | <p>Yes</p> |

INDEPENDENT AUDITOR'S REPORT

To the Members of ITD Cementation India Limited

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of **ITD Cementation India Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance

with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw attention to Note 2(iv)(a) to the accompanying standalone financial statements, with regard to management's evaluation of uncertainty arising due to continuing COVID-19 pandemic and its impact on the Company's operations and on accompanying standalone financial statements of the Company as at and for the year ended 31 March 2021. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT (Contd.)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Recognition of contract revenue, margin and contract costs (Refer Note 2(xvi)(a) of the standalone financial statements)</p> <p>The Company's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>The Company recognises revenue and the resultant profit/loss relying on the estimates in relation to forecast contract revenue and forecast contract costs on the basis of stage of completion which is determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The revenue on contracts may also include variable considerations which are recognised when the recovery of such consideration is highly probable.</p> <p>These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</p> <p>Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.</p> | <p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the Company's accounting policy for revenue recognition; • Obtaining an understanding of the Company's processes and evaluating the design and testing the effectiveness of key internal financial controls, including those related to review and approval of contract estimates; • For a sample of contracts, testing the appropriateness of amount recognised as revenue basis percentage of completion method by evaluating key management judgements inherent in determining forecasted contract revenue and costs to complete the contract, including: <ul style="list-style-type: none"> - verifying the underlying documents such as original contract and its amendments, if any, for reviewing the significant contract terms and conditions; - evaluating the identification of performance obligation of the contract; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of variable consideration with respect to the contractual terms and inspecting the related correspondences with customers; and - reviewing legal and contracting experts' reports received on certain contentious matters; • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates; • Performing analytical procedures for reasonableness of revenue recognised; and • Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in accordance with the applicable accounting standards. |

INDEPENDENT AUDITOR'S REPORT (Contd.)

Recoverability of Trade receivables and contract assets (Refer Notes 9 and 12 of the standalone financial statements)

As at 31 March 2021, the Company has Trade Receivables and Contract assets (work-in-progress) amounting to ₹ 48,132.51 Lakh and ₹ 66,710.15 Lakh, respectively.

The trade receivables and unbilled work-in-progress (other current assets) as at 31 March 2021 referred above include amounts aggregating ₹ 1,617.76 Lakh and ₹ 2,615.11 Lakh, respectively, representing receivables/ claims for which Company is at various stages of negotiations/ discussions/ arbitration/ litigation with the clients.

In assessing the recoverability of the aforesaid balances including impairment allowance, management's judgement involves consideration of ageing status, the likelihood of collection based on the terms of the contract and evaluation of litigations including relying on the legal opinion obtained from independent legal counsel.

We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.

Our audit procedures to address this key audit matter included, but were not limited to the following:

- Obtaining an understanding of the Company's processes, evaluating the design and testing the effectiveness of key internal financial controls over the recoverability of the trade receivables and contract assets;
- Circulating and obtaining confirmations for trade receivables, on sample basis, with respect to outstanding balances;
- Performing additional procedures, in respect of material trade receivables and contract assets such as testing subsequent payments / certifications from customers, obtaining correspondence with customers;
- Reviewing the legal opinion obtained by the management from independent legal counsel in respect of certain contentious matters under litigations;
- Performing inquiry procedures with senior management of the Company regarding the status of collectability of these receivables;
- Verifying contractual arrangements to support management's position on the tenability and recoverability of these receivables;
- Assessing the allowance for impairment made by the management. Further for material balances, discussing the basis for allowance for impairment with the audit committee; and
- Evaluating the appropriateness and adequacy of the disclosures related to trade receivables and contract assets in the financial statements in accordance with the applicable accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these

INDEPENDENT AUDITOR'S REPORT (Contd.)

standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

INDEPENDENT AUDITOR'S REPORT (Contd.)

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) the matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 May 2021 as per Annexure II expressed an unmodified opinion; and
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Notes 31A(iv) to (viii) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company, as detailed in Note 22.1 to the standalone financial statements, has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Place: Mumbai

Membership No: 109632

Date : 28 May 2021

UDIN: 21109632AAAAFB5949

INDEPENDENT AUDITOR'S REPORT (Contd.)

Annexure I to the Independent Auditor's Report of even date to the members of ITD Cementation India Limited on the standalone financial statements for the year ended 31 March 2021.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted an interest free unsecured loan to a Company covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loan is not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
 - (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans and guarantee. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of duty of customs and goods and service tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service tax, duty of excise and value added tax on account of any dispute, are as follows:

INDEPENDENT AUDITOR'S REPORT (Contd.)

Statement of Disputed Dues

| Name of statute | Nature of dues | Amount (₹ in Lakh) | Amount paid under protest (₹ in Lakh) | Period to which the amount relates | Forum where dispute is pending |
|---|--|-----------------------|---|---|--|
| Sales Tax Act/ Works Contract Tax Act/ Value Added Tax | Central Sales Tax and Local Sales Tax (Including Value Added Tax) | 1,409.25 | 171.41 | FY 2008-09, FY 2011-12, FY 2012-2013, FY 2013-14 and FY 2015-16 | Taxation Tribunal |
| | | 1,129.04 | 214.02 | FY 2008-09 to FY 2015-16 | Deputy/ Joint/ Assistant Commissioner of Commercial Taxes |
| | | 16.60 | - | FY 1994-95 | Revision Board (Tribunal) |
| | | 83.20 | 82.96 | FY 2006-07 to FY 2008-09 | Madras High Court |
| | | 448.28 | - | FY 2004-05, FY 2006-07, FY 2007-08 and FY 2010-11 | Appellate and Revisional Board |
| The Finance Act, 1994 | Service Tax | 3,743.91 | - | Various years/ periods from October 1, 2004 to June 30, 2017 | Commissioner of Central Goods & Service Tax and Central Excise |
| Central Excise Act, 1944 | Excise Duty | 51.70 | - | May 1998 to January 1999 | Commissioner of Central Excise |
| Income Tax Act, 1961 | Income Tax | 210.75 | - | AY 2004- 05 | Bombay High Court |
| | | 137.85 | - | AY 2011-12 | Calcutta High Court |
| | | 149.00 | - | AY 2012-13 | Income Tax Appellate Tribunal |
| | | 154.27 | - | AY 2010-11 and AY 2013-14 | Commissioner of Income Tax (Appeals) |

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

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit, except an incidence as referred in Note 34 to the accompanying standalone financial statements, wherein a scrap vendor has allegedly defrauded the Company by manipulating the quantity of scrap purchased resulting in a loss estimated at ₹ 48 Lakh. Investigation in respect of this matter is presently in progress.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are

not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable Ind AS.

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

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Place: Mumbai

Date : 28 May 2021

Membership No: 109632

UDIN: 21109632AAAAFB5949

INDEPENDENT AUDITOR'S REPORT (Contd.)

Annexure II to the Independent Auditor's Report of even date to the members of ITD Cementation India Limited on the standalone financial statements for the year ended 31 March 2021.

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the standalone financial statements of ITD Cementation India Limited (the Company) as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Place: Mumbai

Membership No: 109632

Date : 28 May 2021

UDIN: 21109632AAAAFB5949

STANDALONE BALANCE SHEET as at March 31, 2021

(₹ in Lakh)

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3A | 49,006.73 | 46,568.70 |
| Right-of-use-asset | 3B | 4,301.44 | 6,045.55 |
| Capital work-in-progress | | 5,337.02 | 479.93 |
| Intangible assets | 3C | 593.49 | 782.39 |
| Investments in subsidiary and unincorporated entities | 5 | 40,084.46 | 44,678.64 |
| Financial assets | | | |
| Loans | 6 | 792.66 | 743.41 |
| Other financial assets | 7 | 1,883.76 | - |
| Deferred tax assets (net) | 8 | 513.84 | 436.72 |
| Income tax assets (net) | 8 | 5,004.68 | 1,946.78 |
| Other non-current assets | 9 | 5,569.48 | 10,003.72 |
| Total non-current assets | | 1,13,087.56 | 1,11,685.84 |
| Current assets | | | |
| Inventories | 10 | 27,128.14 | 19,675.59 |
| Financial assets | | | |
| Investments | 11 | - | - |
| Trade receivables | 12 | 48,132.51 | 46,061.39 |
| Cash and cash equivalents | 13 | 8,101.62 | 18,833.07 |
| Bank balances other than cash and cash equivalents | 14 | 6,743.95 | 4,451.55 |
| Loans | 6 | 1,725.21 | 1,905.66 |
| Other financial assets | 7 | 1,199.36 | 1,743.22 |
| Other current assets | 9 | 80,339.30 | 60,910.61 |
| Total current assets | | 1,73,370.09 | 1,53,581.09 |
| Total Assets | | 2,86,457.65 | 2,65,266.93 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 1,717.88 | 1,717.88 |
| Other equity | | 1,04,853.05 | 1,03,542.94 |
| Total equity | | 1,06,570.93 | 1,05,260.82 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | 8,696.01 | 1,664.23 |
| Lease liabilities | 17 | 2,924.60 | 4,467.21 |
| Provisions | 18 | 4,013.71 | 4,060.33 |
| Total non-current liabilities | | 15,634.32 | 10,191.77 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | 26,169.20 | 26,339.98 |
| Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 1,416.18 | 216.85 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 55,240.09 | 47,689.56 |
| Lease liabilities | 17 | 1,921.37 | 1,844.19 |
| Other financial liabilities | 21 | 8,549.13 | 7,777.07 |
| Other current liabilities | 22 | 69,906.99 | 64,919.93 |
| Provisions | 18 | 1,049.44 | 1,026.76 |
| Total current liabilities | | 1,64,252.40 | 1,49,814.34 |
| Total Equity and Liabilities | | 2,86,457.65 | 2,65,266.93 |

The accompanying notes form an integral part of the Standalone financial statements
This is the Standalone Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

For and on behalf of the Board of Directors

Santi Jongkongka
Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Jayanta Basu
Managing Director
DIN: 08291114

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : May 28, 2021

Place : Mumbai
Date : May 28, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in Lakh)

| Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|----------|------------------------------|------------------------------|
| INCOME : | | | |
| Revenue from operations | 23 | 2,20,831.88 | 2,14,199.87 |
| Other income | 24 | 856.68 | 423.67 |
| Total Income | | 2,21,688.56 | 2,14,623.54 |
| EXPENSES : | | | |
| Cost of construction materials consumed | 25 | 63,538.00 | 73,329.80 |
| Subcontracting expenses | | 59,269.58 | 47,031.58 |
| Employee benefits expense | 26 | 30,131.58 | 28,583.14 |
| Finance costs | 27 | 11,133.68 | 9,198.42 |
| Depreciation and amortisation expense | 4 | 8,284.07 | 7,887.92 |
| Other expenses | 28 | 47,405.74 | 39,189.54 |
| Total expenses | | 2,19,762.65 | 2,05,220.40 |
| Profit before exceptional items and tax | | 1,925.91 | 9,403.14 |
| Exceptional items | 29 | - | (4,093.36) |
| Profit before tax | | 1,925.91 | 5,309.78 |
| Tax expense | 8 | | |
| Current tax | | 477.41 | 865.80 |
| Deferred tax (credit)/charge | | (127.43) | 127.38 |
| | | 349.98 | 993.18 |
| Profit for the year (A) | | 1,575.93 | 4,316.60 |
| Other comprehensive income/ (loss) | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| - Gain/ (loss) on fair value of defined benefit plans as per actuarial valuation | | 199.89 | (421.60) |
| - Tax effect on above | | (50.31) | 106.11 |
| Items that will be reclassified subsequently to profit or loss | | | |
| - Exchange difference of foreign operations | | 99.96 | - |
| Other comprehensive income/ (loss) for the year, net of tax (B) | | 249.54 | (315.49) |
| Total comprehensive income for the year, net of tax (A+B) | | 1,825.47 | 4,001.11 |
| Earnings per equity share of nominal value ₹ 1 each | | | |
| Basic and diluted (in ₹) | 30 | 0.92 | 2.51 |

The accompanying notes form an integral part of the Standalone financial statements
This is the standalone statement of profit and loss referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

Place : Mumbai
Date : May 28, 2021

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

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Place : Mumbai
Date : May 28, 2021

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2021

(₹ in Lakh)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 1,925.91 | 5,309.78 |
| Adjustments for | | |
| Depreciation and amortisation expense | 8,284.07 | 7,887.92 |
| Finance costs | 11,133.68 | 9,198.42 |
| Interest income | (574.51) | (354.31) |
| Impairment allowance on financial / non-financial assets | 1,252.03 | 1,413.45 |
| Receivables from a customer written off as exceptional item | - | 4,093.36 |
| Share of profit from unincorporated entities (net) | (807.15) | (2,396.34) |
| (Profit) / Loss on disposal of property, plant and equipment (net) | (233.10) | 230.60 |
| Unrealised foreign exchange loss (net) | 1.69 | 8.01 |
| Provision no longer required written back | (848.21) | (761.00) |
| Operating profit before working capital changes | 20,134.41 | 24,629.89 |
| Adjustment for changes in working capital | | |
| Increase in Inventories | (7,452.55) | (4,241.96) |
| Increase in trade receivables | (2,902.36) | (15,454.44) |
| Increase in financial and other assets | (11,503.77) | (15,481.89) |
| Increase in trade payables | 9,148.14 | 5,298.04 |
| Increase in financial and other liabilities | 5,339.51 | 40,430.86 |
| Cash generated from operations | 12,763.38 | 35,180.50 |
| Direct taxes paid (net) | (3,516.92) | (3,324.94) |
| Net cash generated from operating activities | 9,246.46 | 31,855.56 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment (including intangible assets, capital work-in-progress, capital advances/payables) | (14,112.67) | (9,832.25) |
| Proceeds from disposal of property, plant and equipment | 1,333.36 | 465.05 |
| Net Investments in bank deposits | (4,175.76) | (2,937.12) |
| Proceed from unincorporated entity (Investment) | 7,790.39 | 2,957.44 |
| Investment in unincorporated entity | (5,369.38) | (6,701.65) |
| Interest received | 292.31 | 125.50 |
| Net cash used in investing activities | (14,241.75) | (15,923.03) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from non-current borrowings | 9,355.82 | 1,302.26 |
| Repayment of non-current borrowings | (1,748.58) | (1,115.87) |
| Proceeds from/ (repayment of) short term borrowings (net) | (170.78) | 7,101.81 |
| Repayment of lease obligation | (2,607.04) | (2,452.37) |
| Interest and other finance charges paid | (10,050.61) | (7,821.41) |
| Dividend paid (including dividend distribution tax) | (514.97) | (828.17) |
| Net cash used in financing activities | (5,736.16) | (3,813.75) |
| Net (decrease)/ increase in cash and cash equivalents (A + B + C) | (10,731.45) | 12,118.78 |
| Cash and cash equivalents at the beginning of year | 18,833.07 | 6,714.29 |
| Cash and cash equivalents at the end of year (Refer note 13) | 8,101.62 | 18,833.07 |

Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes form an integral part of the standalone financial statements
This is the Cash Flow statement referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

Place : Mumbai
Date : May 28, 2021

Place : Mumbai
Date : May 28, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

as at and for the year ended March 31, 2021

A) EQUITY SHARE CAPITAL

| Particulars | Number | ₹ Lakh |
|---|---------------------|-----------------|
| Equity shares of ₹ 1 each issued, subscribed and paid | | |
| As at April 1, 2019 | 17,17,87,584 | 1,717.88 |
| Issue of equity share | - | - |
| As at March 31, 2020 | 17,17,87,584 | 1,717.88 |
| Issue of equity share | - | - |
| As at March 31, 2021 | 17,17,87,584 | 1,717.88 |

B) OTHER EQUITY

(₹ in Lakh)

| Particulars | Reserves and surplus | | | Other comprehensive income | | Total equity attributable to equity holders |
|---|----------------------|-----------------|-------------------|--------------------------------------|---|---|
| | Securities premium | General reserve | Retained earnings | Foreign currency translation reserve | Equity instruments at fair value through other comprehensive income | |
| As at April 1, 2019 | 78,512.04 | 676.48 | 21,181.97 | - | (0.26) | 100,370.23 |
| Profit for the year | - | - | 4,316.60 | - | - | 4,316.60 |
| Payment of dividend (including dividend distribution tax) | - | - | (828.40) | - | - | (828.40) |
| Other comprehensive loss for the year | - | - | (315.49) | - | - | (315.49) |
| As at March 31, 2020 | 78,512.04 | 676.48 | 24,354.68 | - | (0.26) | 103,542.94 |
| Profit for the year | - | - | 1,575.93 | - | - | 1,575.93 |
| Payment of dividend (including dividend distribution tax) | - | - | (515.36) | - | - | (515.36) |
| Exchange difference of foreign operations | - | - | - | 99.96 | - | 99.96 |
| Other comprehensive income for the year | - | - | 149.58 | - | - | 149.58 |
| As at March 31, 2021 | 78,512.04 | 676.48 | 25,564.83 | 99.96 | (0.26) | 104,853.05 |

Nature and purpose of reserves

(i) Securities premium

Securities premium is used to record the premium received on issue of shares. This account is utilised in accordance with the provisions of the Companies Act 2013 ('the Act').

(ii) General Reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

(iii) Retained Earnings

Retained earnings represents the profits/losses that the Company has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

(iv) Foreign currency translation reserve

The Company has recognised exchange differences arising on translation of the foreign operations (i.e. Branch in Myanmar) in other comprehensive income and accumulated in 'Foreign Currency Translation Reserve' in Other Equity.

STANDALONE STATEMENT OF CHANGES IN EQUITY as at and for the year ended March 31, 2021

(v) Equity instruments at fair value through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within fair value through other comprehensive income ('FVTOCI') reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

The accompanying notes form an integral part of the Standalone financial statements

This is the Standalone Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Membership No: 109632

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman

DIN: 08441312

Prasad Patwardhan

Chief Financial Officer

ACA No.44453

Place : Mumbai

Date : May 28, 2021

Jayanta Basu

Managing Director

DIN: 08291114

Rahul Neogi

Company Secretary

ACS No.10653

Place : Mumbai

Date : May 28, 2021

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021

Note 1 CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Company') is a public company domiciled in India and was incorporated in 1978 under the provisions of the erstwhile Companies Act, 1956. The Company having CIN L61000MH1978PLC020435, is engaged in construction of a wide variety of structures like maritime structures, Mass Rapid Transport Systems (MRTS), dams & tunnels, airports, highways, bridges & flyovers and other foundations and specialised engineering work. Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at National Plastic Building, A - Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai 400 057, India.

The standalone financial statements ("the financial statements") of the Company for the year ended March 31, 2021, were authorised for issue in accordance with the resolution of the Board of Directors on May 28, 2021.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lakh (₹ 00,000), except when otherwise indicated.

The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

ii. Operating cycle for current and non-current classification:

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project / contract / service including the defect liability period, wherever applicable, and extends

upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

iii. Accounting Estimates

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

iv. Key accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

a. Estimation uncertainty related to the global health pandemic on COVID-19

The outbreak of COVID-19 had disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The operations of the Company have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. The management has taken into account the possible impacts of known events, upto the date of the approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at March 31, 2021. While the Company continues to closely monitor the impact of COVID-19 pandemic, there exists uncertainty in estimating

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

the future impact of COVID-19 pandemic on the Company and, accordingly, the actual impact in the future may be different from those presently estimated.

b. Contract revenue

Refer note 2(xvi)(a)

c. Valuation of investment in / loans to subsidiaries/ joint ventures

The Company has performed valuation for its investments in equity of certain subsidiaries and joint ventures for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

d. Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

e. Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company revises the lease term if there is a change in non-cancellable period of a lease.

g. Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

h. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

v. Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer note 36)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation

(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value.

Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 35, 38, 39 and 40).
- Financial instruments (including those carried at amortised cost) (notes 6, 7, 12, 13, 14, 16, 17, 19, 20 and 21).
- Quantitative disclosure of fair value measurement hierarchy (note 36).

vi. Property, Plant and Equipment (Tangible assets)

Property, Plant and Equipment is stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

vii. Capital work-in-progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure.

viii. Intangible Assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of

the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of license fees and implementation cost for software and other application software acquired for in-house use.

ix. Depreciation and amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis. Intangible assets are amortised from the date they are available for use, over their estimated useful lives. The estimated useful lives are as mentioned below:

| Asset category | Useful life (in years) | Basis of determination of useful lives [^] |
|---|----------------------------------|---|
| Buildings | 60 | Assessed to be in line with Schedule II to the Act. |
| Leasehold improvements | Lower of lease period or 5 years | Assessed to be in line with Schedule II to the Act. |
| Plant and equipment (including tools and equipment) | 3 to 21 | Based on technical evaluation by management's expert. |
| Vehicles | 8 | Assessed to be in line with Schedule II to the Act. |
| Office equipment | 5 | Assessed to be in line with Schedule II to the Act. |
| Furniture and fixtures | 10 | Assessed to be in line with Schedule II to the Act. |
| Computers | 3 to 6 | Assessed to be in line with Schedule II to the Act. |
| Intangible (Computer software) | 5 | Assessed to be in line with Schedule II to the Act. |

[^] Useful lives of asset classes determined by management estimate, which are generally higher than those prescribed under Schedule II to the Act and are supported by the internal technical assessment of useful lives.

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income and Other expenses.

x. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

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- Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

- Financial Assets Measured at Fair Value

Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

(iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it

recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) during the period is recognised as income/expense in the Statement of Profit and Loss.

(iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

(ii) Financial Liabilities

- Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below :

- Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

- Derivative financial instruments

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The Company uses hedging instruments that are governed by the policies of the Company.

Hedge Accounting

The Company uses foreign currency forward and options contracts to hedge

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its foreign currency risks which are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised in the Standalone Statement of Profit and Loss in the period when they arise.

- De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

xi. Employee Benefits

a. Defined Contribution Plan

Contributions to defined contribution schemes such as superannuation scheme, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b. Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by Central Government under Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall,

if any, shall be made good by the Company. The contribution paid or payable including the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. Accordingly the Provident Fund is treated as a defined benefit plan. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment.

c. Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d. Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

xii. Inventories

- a. Construction materials are valued at lower of cost and net realisable value. Cost is determined on a weighted average method and comprises the purchase price including duties and taxes

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(other than those subsequently recoverable by the Company from the taxing authorities). Net Realisable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

- b. Spares that are of regular use are charged to the statement of profit and loss as and when consumed.

xiii. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xiv. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xv. Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a. Initial Recognition

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

b. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of foreign currency monetary assets

and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

xvi. Revenue Recognition

a. Contract Revenue

The Company derives revenues primarily from providing construction services.

Effective 1 April 2019, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. On account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) has been considered as non-financial asset and accordingly classified under other current assets.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. The percentage-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. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party and is adjusted for variable considerations.

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress) while certification in excess of contract revenue are classified as

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contract liabilities (which we refer to as due to customer). Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred.

b. Share of profit and loss from unincorporated entities in the nature of Subsidiary, Joint Venture or Joint Operations

In case of Unincorporated Entities in the nature of subsidiary / joint venture, share of profit and loss are recognised in the Statement of Profit and Loss as and when the right to receive the profit share or obligation to settle the loss is established.

In case of Unincorporated Entities in the nature of a Joint Operation; the Company recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

xvii. Other Income

a. Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective Interest Rate (EIR).

b. Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

xviii. Income Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the period. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current Taxes

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid

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to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

xix. Leases

Effective April 1, 2019, the Company has adopted Ind AS 116, "Leases" using the modified retrospective approach, as a result of which the comparative information is not required to be restated.

The Company's lease asset classes primarily consist of leases for land, building and plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and

low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets and Lease liabilities have been separately presented in the Balance Sheet. Further, lease payments have been classified as financing cash flows.

xx. Impairment of non-financial assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

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- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xxi. Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxii. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic resources is probable.

xxiii. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be executed on capital account and not provided for.

xxiv. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

xxv. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company effective April 1, 2021.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 3 PROPERTY, PLANT AND EQUIPMENT

3A Tangible Assets

| | Freehold land | Buildings | Leasehold improvements | Plant and equipment | Furniture and fixtures | Office equipment | Computers | Vehicles | Total |
|--|---------------|-----------|------------------------|---------------------|------------------------|------------------|-----------|----------|------------|
| Gross carrying value (at deemed cost) | | | | | | | | | |
| As at April 1, 2019 | 549.92 | 2,284.89 | 511.01 | 52,069.58 | 71.98 | 239.30 | 887.75 | 377.76 | 56,992.19 |
| Additions | - | 235.79 | - | 10,077.39 | 11.96 | 24.65 | 82.71 | 10.00 | 10,442.50 |
| Disposals | - | - | - | (1,239.21) | - | (1.47) | (8.62) | (50.85) | (1,300.15) |
| As at March 31, 2020 | 549.92 | 2,520.68 | 511.01 | 60,907.76 | 83.94 | 262.48 | 961.84 | 336.91 | 66,134.54 |
| Additions | - | - | - | 9,198.08 | 29.16 | 33.72 | 94.02 | 44.28 | 9,399.26 |
| Disposals | - | - | - | (1,685.80) | - | - | - | (13.50) | (1,699.30) |
| As at March 31, 2021 | 549.92 | 2,520.68 | 511.01 | 68,420.04 | 113.10 | 296.20 | 1,055.86 | 367.69 | 73,834.50 |
| Accumulated depreciation | | | | | | | | | |
| As at April 1, 2019 | - | 100.52 | 135.13 | 13,726.07 | 20.80 | 150.48 | 257.94 | 183.71 | 14,574.65 |
| Depreciation charge | - | 43.13 | 49.97 | 5,238.94 | 7.24 | 23.83 | 172.77 | 59.71 | 5,595.59 |
| Accumulated depreciation on disposals | - | - | - | (556.13) | - | (1.22) | (8.19) | (38.86) | (604.40) |
| As at March 31, 2020 | - | 143.65 | 185.10 | 18,408.88 | 28.04 | 173.09 | 422.52 | 204.56 | 19,565.84 |
| Depreciation charge | - | 44.71 | 49.97 | 5,511.55 | 12.84 | 27.95 | 174.08 | 39.87 | 5,860.97 |
| Accumulated depreciation on disposals | - | - | - | (586.46) | - | - | - | (12.58) | (599.04) |
| As at March 31, 2021 | - | 188.36 | 235.07 | 23,333.97 | 40.88 | 201.04 | 596.60 | 231.85 | 24,827.77 |
| Net carrying value | | | | | | | | | |
| As at March 31, 2020 | 549.92 | 2,377.03 | 325.91 | 42,498.88 | 55.90 | 89.39 | 539.32 | 132.35 | 46,568.70 |
| As at March 31, 2021 | 549.92 | 2,332.32 | 275.94 | 45,086.07 | 72.22 | 95.16 | 459.26 | 135.84 | 49,006.73 |

Notes:

- Refer notes 16 and 19 for information of Property, plant and equipment pledged as security against borrowings of the Company.
- Refer note 31(B) for disclosure of contractual commitments for acquisition of Property, plant and equipment.
- Includes purchase of Property, Plant and Equipment aggregating ₹ 2,354.23 Lakh (March 31, 2020: ₹ 3,052.92 Lakh) from related parties [Refer note 37(b)]

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

3B Right-of-use-asset

(₹ in Lakh)

| | Land | Buildings | Plant and equipment | Total |
|--|---------------|-----------------|---------------------|-----------------|
| Gross carrying value | | | | |
| Impact of adoption of Ind AS 116 as at 1 April 2019 | 117.19 | 3,896.86 | 3,857.58 | 7,871.63 |
| Additions | - | 70.64 | 241.53 | 312.17 |
| Disposals | - | (36.63) | - | (36.63) |
| As at March 31, 2020 | 117.19 | 3,930.87 | 4,099.11 | 8,147.17 |
| Additions | 284.03 | 34.90 | 167.34 | 486.27 |
| Disposals | - | (12.99) | - | (12.99) |
| As at March 31, 2021 | 401.22 | 3,952.78 | 4,266.45 | 8,620.45 |
| Accumulated depreciation | | | | |
| As at April 1, 2019 | - | - | - | - |
| Depreciation charge | 57.10 | 624.99 | 1,431.12 | 2,113.21 |
| Accumulated depreciation on disposals | - | (11.59) | - | (11.59) |
| As at March 31, 2020 | 57.10 | 613.40 | 1,431.12 | 2,101.62 |
| Depreciation charge | 98.40 | 621.49 | 1,506.61 | 2,226.50 |
| Accumulated depreciation on disposals | - | (9.11) | - | (9.11) |
| As at March 31, 2021 | 155.50 | 1,225.78 | 2,937.73 | 4,319.01 |
| Net carrying value | | | | |
| As at March 31, 2020 | 60.09 | 3,317.47 | 2,667.99 | 6,045.55 |
| As at March 31, 2021 | 245.72 | 2,727.00 | 1,328.72 | 4,301.44 |

Note: Refer Note 40 for the disclosures related to Ind AS 116 - Leases.

3C Intangible assets - Computer software

(₹ in Lakh)

| | |
|---------------------------------|-----------------|
| Gross carrying value | |
| As at April 1, 2019 | 808.84 |
| Additions | 189.52 |
| Disposals | - |
| As at March 31, 2020 | 998.36 |
| Additions | 7.70 |
| Disposals | - |
| As at March 31, 2021 | 1,006.06 |
| Accumulated amortisation | |
| As at April 1, 2019 | 36.85 |
| Amortisation charge | 179.12 |
| Reversal on disposal of assets | - |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | |
|--------------------------------|---------------|
| As at March 31, 2020 | 215.97 |
| Amortisation charge | 196.60 |
| Reversal on disposal of assets | - |
| As at March 31, 2021 | 412.57 |
| Net carrying value | |
| As at March 31, 2020 | 782.39 |
| As at March 31, 2021 | 593.49 |

Note 4 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| a) Depreciation of tangible assets | 5,860.97 | 5,595.59 |
| b) Depreciation on right-of-use-asset | 2,226.50 | 2,113.21 |
| c) Amortisation of intangible assets | 196.60 | 179.12 |
| Total depreciation and amortisation expense | 8,284.07 | 7,887.92 |

Note 5 INVESTMENTS IN SUBSIDIARY AND UNINCORPORATED ENTITIES

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Non - current | | |
| (i) Investment in equity instruments of subsidiary at cost | 5.00 | 5.00 |
| (ii) Deemed investment in unincorporated entities | | |
| a) Unincorporated entities classified as subsidiaries | 21,631.23 | 19,132.97 |
| b) Unincorporated entities classified as joint ventures | 18,448.23 | 25,540.67 |
| Total non-current investments | 40,084.46 | 44,678.64 |

5.1 Detailed list of non-current investments

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (i) Investments in equity of subsidiary at cost, unquoted | | |
| ITD Cementation Projects India Limited | 5.00 | 5.00 |
| 50,000 (March 31, 2020: 50,000) equity shares of ₹ 10 each, fully paid up | | |
| | 5.00 | 5.00 |
| (ii) Deemed investments in unincorporated entities, unquoted | | |
| a) Unincorporated entities classified as subsidiaries * | | |
| ITD Cemindia JV ^ | 21,631.23 | 19,132.97 |
| ITD Cem-Maytas Consortium | - | - |
| | 21,631.23 | 19,132.97 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| b) Unincorporated entities classified as joint ventures * | | |
| ITD - ITDCem JV ^# | 18,448.23 | 25,540.67 |
| ITD - ITDCem JV (Consortium of ITD - ITD Cementation) | - | - |
| CEC-ITD Cem-TPL JV | - | - |
| | 18,448.23 | 25,540.67 |
| Total non-current investments | 40,084.46 | 44,678.64 |

* Being unincorporated entities, the Company does not require to have any investment in these entities as per the joint venture agreement.

^ Receivables from unincorporated entities represent Company's net investment in the entities. Accordingly they have been reclassified as deemed investment under Ind AS.

Includes ₹ 57.49 Lakh (March 31, 2020 : ₹ 57.49 Lakh) representing fair value of financial guarantee

Details:

Aggregate value of non-current investments is as follows:

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (i) Aggregate carrying value of unquoted investments | 40,084.46 | 44,678.64 |
| (ii) Aggregate value of quoted investments and market value thereof | - | - |
| (iii) Aggregate value of Impairment of investments | - | - |
| | 40,084.46 | 44,678.64 |
| (i) Investments carried at deemed cost | 40,084.46 | 44,678.64 |
| (ii) Investments carried at amortised cost | - | - |
| (iii) Investments carried at fair value through profit and loss | - | - |
| | 40,084.46 | 44,678.64 |

Note 6 LOANS

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Non-current | | |
| Security deposits | 792.66 | 743.41 |
| Total non-current loans | 792.66 | 743.41 |
| Current | | |
| Security deposits | 1,690.37 | 1,870.82 |
| Loan to subsidiary [Refer note 37(c)] | 34.84 | 34.84 |
| Total current loans | 1,725.21 | 1,905.66 |
| Total loans | 2,517.87 | 2,649.07 |
| Break-up of security details | | |
| Loans considered good - secured | - | - |
| Loans considered good - unsecured | 2,517.87 | 2,649.07 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | 172.57 | 63.79 |
| Total | 2,690.44 | 2,712.86 |
| Less: Impairment allowance | (172.57) | (63.79) |
| Total loans | 2,517.87 | 2,649.07 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 7 OTHER FINANCIAL ASSETS

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Bank deposits with maturity of more than 12 months [^] | 1,883.76 | - |
| Total non-current financial assets | 1,883.76 | - |
| [^] held as margin money or security against borrowings, guarantees and other commitments issued by banks on behalf of the Company | | |
| Current | | |
| Receivable from unincorporated entities [Refer note 37(c)] | 970.36 | 1,612.60 |
| Interest accrued on deposits | 171.21 | 95.81 |
| Employee advances | 57.79 | 23.98 |
| Foreign currency forward contract | - | 10.83 |
| Total current financial assets | 1,199.36 | 1,743.22 |
| Total other financial assets | 3,083.12 | 1,743.22 |

Note 8 INCOME TAX ASSETS (NET)

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| i. The following table provides the details of income tax assets and liabilities: | | |
| a) Income tax assets | 13,836.05 | 13,684.91 |
| b) Current income tax liabilities | (8,831.37) | (11,738.13) |
| Net income tax assets | 5,004.68 | 1,946.78 |
| ii. The gross movement in the current tax asset: | | |
| Net current income tax assets/ (liabilities) at the beginning | 1,946.78 | (601.68) |
| Interest on income tax refund | 18.39 | 89.32 |
| Income tax paid (net) | 3,516.92 | 3,324.94 |
| Current income tax expense | (477.41) | (865.80) |
| Net current income tax assets at the end | 5,004.68 | 1,946.78 |

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| iii. Income tax expense in the Statement of Profit and Loss comprises: | | |
| Current income taxes | 477.41 | 865.80 |
| Deferred income tax (credit) / charge | (127.43) | 127.38 |
| Income tax expenses in Statement of Profit and Loss (net) | 349.98 | 993.18 |
| Deferred income tax charge / (credit) in Other Comprehensive Income | 50.31 | (106.11) |
| Income tax expenses (net) | 400.29 | 887.07 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below: | | |
| Profit before income tax | 1,925.91 | 5,309.78 |
| Applicable income tax rate (Refer note 8.1 below) | 25.17% | 25.17% |
| Computed expected tax expense | 484.71 | 1,336.37 |
| Effect of expenses not allowed for tax purpose | 80.53 | 131.02 |
| Effect of income not considered for tax purpose | (224.03) | (346.08) |
| Effect of difference in tax rate in overseas branch | 8.77 | - |
| Effect of change in tax rate (Refer note 8.1 below) | - | (128.13) |
| Income tax expense charged to the Statement of Profit and Loss | 349.98 | 993.18 |

Note 8.1 : During the previous year ended March 31, 2020, the Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax basis the rate prescribed in the said section. The Company also remeasured their deferred tax assets basis the revised rate and the impact of this change has been recognised in the statement of profit and loss during the previous year.

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| v. Components of deferred income tax assets and liabilities arising on account of temporary differences are: | | |
| Deferred income tax asset | | |
| (a) Deferred tax assets | | |
| Impairment allowance of financial assets | 1,335.12 | 1,020.01 |
| Expenses allowable on payment basis | 1,520.35 | 1,579.38 |
| Other temporary differences | 140.93 | 126.35 |
| | 2,996.40 | 2,725.74 |
| (b) Deferred tax liability | | |
| Timing difference on depreciation and amortisation of tangible and intangible assets | 2,482.56 | 2,289.02 |
| | 2,482.56 | 2,289.02 |
| Deferred tax assets (net) [a-b] | 513.84 | 436.72 |

vi. Movement in deferred tax assets / (liabilities)

(₹ in Lakh)

| | Impairment allowance of financial assets | Expenses allowable on payment basis | Other temporary differences | Timing difference on depreciation and amortisation of tangible and intangible assets | Total |
|---------------------------------|--|-------------------------------------|-----------------------------|--|---------------|
| As at April 1, 2019 | 1,457.83 | 2,037.51 | 17.14 | (3,054.49) | 457.99 |
| (Charged) / credited | | | | | |
| - to profit or loss | (437.82) | (564.24) | 109.21 | 765.47 | (127.38) |
| - to other comprehensive income | - | 106.11 | - | - | 106.11 |
| As at March 31, 2020 | 1,020.01 | 1,579.38 | 126.35 | (2,289.02) | 436.72 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

vi. Movement in deferred tax assets / (liabilities) (Contd.)

(₹ in Lakh)

| | Impairment allowance of financial assets | Expenses allowable on payment basis | Other temporary differences | Timing difference on depreciation and amortisation of tangible and intangible assets | Total |
|---------------------------------|--|-------------------------------------|-----------------------------|--|---------------|
| (Charged) / credited | | | | | |
| - to profit or loss | 315.11 | (8.72) | 14.58 | (193.54) | 127.43 |
| - to other comprehensive income | - | (50.31) | - | - | (50.31) |
| As at March 31, 2021 | 1,335.12 | 1,520.35 | 140.93 | (2,482.56) | 513.84 |

Note 9 OTHER ASSETS

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Non-current | | |
| Capital advances | 1,311.64 | 1,310.45 |
| Balances with government authorities | 4,257.84 | 8,693.27 |
| Total other non-current assets | 5,569.48 | 10,003.72 |
| Current | | |
| Unbilled work-in-progress | 66,710.15 | 51,357.01 |
| Advance to suppliers and subcontractors | 3,535.65 | 3,003.66 |
| Balances with government authorities | 8,386.22 | 4,520.97 |
| Prepaid expenses | 2,766.24 | 2,775.92 |
| | 81,398.26 | 61,657.56 |
| Less: impairment allowance | (1,058.96) | (746.95) |
| Total other current assets | 80,339.30 | 60,910.61 |
| Total other assets | 85,908.78 | 70,914.33 |

Note 10 INVENTORIES

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|----------------------|----------------------|
| Construction materials | 24,583.41 | 17,640.54 |
| Spares | 2,544.73 | 2,035.05 |
| Total inventories | 27,128.14 | 19,675.59 |

Note 11 CURRENT INVESTMENTS

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Investments in equity instruments at fair value through other comprehensive income | | |
| AVR Infra Private Limited | 0.26 | 0.26 |
| 2,600 (March 31, 2020: 2,600) equity shares of ₹ 10 each, fully paid. | | |
| Less: impairment allowance | (0.26) | (0.26) |
| Total current investments | - | - |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 12 TRADE RECEIVABLES

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Current trade receivables [Including retention ₹ 24,637.85 Lakh (March 31, 2020 : ₹ 18,518.44 Lakh)] | 48,132.51 | 46,061.39 |
| Total current trade receivables | 48,132.51 | 46,061.39 |
| Break-up of security details | | |
| Trade receivables considered good - secured | - | - |
| Trade receivables considered good - unsecured | 48,132.51 | 46,061.39 |
| Trade receivables which have significant increase in credit risk (Refer note 38) | - | - |
| Trade receivables - credit impaired | 4,073.32 | 3,242.08 |
| Total | 52,205.83 | 49,303.47 |
| Less: impairment allowance | (4,073.32) | (3,242.08) |
| Total trade receivables | 48,132.51 | 46,061.39 |

Notes:

- (i) Includes ₹ 1,040.97 Lakh (March 31, 2020 : ₹ 210.44 Lakh) receivables from related parties [Refer note 37(c)]
- (ii) There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.
- (iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days, except retention deposit which are due after completion of defect liability period of the respective projects.

Note 13 CASH AND CASH EQUIVALENTS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Balance with banks in current accounts | 8,055.33 | 18,757.70 |
| Cash on hand | 46.29 | 75.37 |
| Total cash and cash equivalents | 8,101.62 | 18,833.07 |

Note 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Bank deposits with maturity of less than 12 months | 51.20 | - |
| Earmarked balances with banks for: | | |
| Bank deposits held as margin money or security against borrowings, guarantees and other commitments issued by banks on behalf of the Company | 6,683.61 | 4,442.81 |
| Balances with bank for unclaimed dividend (Refer note 14.1 below) | 9.14 | 8.74 |
| Total bank balances other than cash and cash equivalents | 6,743.95 | 4,451.55 |

Notes: 14.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at each reporting period.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 15 EQUITY SHARE CAPITAL

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Authorised share capital | | |
| 300,000,000 Equity shares of ₹ 1 each (March 31, 2020: 300,000,000) | 3,000.00 | 3,000.00 |
| 45,000,000 Redeemable preference shares of ₹ 10 each (March 31, 2020: 45,000,000) | 4,500.00 | 4,500.00 |
| Total authorised share capital | 7,500.00 | 7,500.00 |
| Issued equity share capital: | | |
| 171,812,844 Equity shares of ₹ 1 each (March 31, 2020: 171,812,844) | 1,718.13 | 1,718.13 |
| Total issued equity share capital | 1,718.13 | 1,718.13 |
| Subscribed and fully paid-up equity share capital: | | |
| 171,787,584 Equity shares of ₹ 1 each fully paid up (March 31, 2020: 171,787,584) | 1,717.88 | 1,717.88 |
| Total Subscribed and fully paid-up equity share capital | 1,717.88 | 1,717.88 |

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

| | Number | ₹ Lakh |
|-----------------------------|---------------------|-----------------|
| As at April 1, 2019 | 17,17,87,584 | 1,717.88 |
| Issued during the year | - | - |
| As at March 31, 2020 | 17,17,87,584 | 1,717.88 |
| Issued during the year | - | - |
| As at March 31, 2021 | 17,17,87,584 | 1,717.88 |

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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

c. Shares held by holding company

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|--------|----------------------|--------|
| | No. of shares | % held | No. of shares | % held |
| Equity shares of ₹ 1 each | | | | |
| Italian-Thai Development Public Company Limited, Thailand | 80,113,180 | 46.64% | 80,113,180 | 46.64% |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

d. Shareholding of more than 5%:

| Name of the Shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|--------|----------------------|--------|
| | No. of shares | % held | No. of shares | % held |
| Promoter | | | | |
| Italian-Thai Development Public Company Limited, Thailand | 80,113,180 | 46.64% | 80,113,180 | 46.64% |
| Non-promoter | | | | |
| Franklin India Focused Equity Fund | 17,100,000 | 9.95% | 17,100,000 | 9.95% |
| Reliance Capital Trustee Co. Limited | - | - | 13,027,423 | 7.58% |
| Massachusetts Institute of Technology | 11,586,000 | 6.74% | - | - |
| Nippon Life India Trustee Limited | 11,219,299 | 6.53% | - | - |

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

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - **Nil**
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - **Nil**
- Aggregate number and class of shares bought back - **Nil**

f. Out of the total issued capital, 25,260 (March 31, 2020: 25,260) equity shares of ₹1 each have been kept in abeyance pending final settlement of rights issues.

g. The Board of Directors of the Company has recommended equity dividend of ₹ 0.12 per share (March 31, 2020: ₹ 0.30 per share) for the year ended March 31, 2021. (Refer note 42)

Note 16 BORROWINGS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current portion: | | |
| Secured | | |
| Rupee Term loans | | |
| From Banks (Refer note 16.1) | 7,508.47 | - |
| Plant loans | | |
| From Banks (Refer note 16.2) | 1,187.54 | 1,664.23 |
| Total non-current borrowings | 8,696.01 | 1,664.23 |
| Current maturities of long-term debts | | |
| Secured | | |
| Rupee Term loans | | |
| From Banks (Refer note 16.1) | 919.85 | - |
| | 919.85 | - |
| Plant loans | | |
| From Banks (Refer note 16.2) | 966.29 | 1,137.87 |
| From Others (Refer note 16.3) | - | 172.80 |
| | 966.29 | 1,310.67 |
| Total current maturities of long-term debts | 1,886.14 | 1,310.67 |
| Total borrowings | 10,582.15 | 2,974.90 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Terms of repayment and details of security

Note 16.1 - Rupee Term loan from banks

During the year, the Company obtained loan aggregating ₹ 3,500 Lakh for reimbursement of capital expenses. This loan carries an interest rate linked to 1 year SBM MCLR currently at 9.55% p.a. and are repayable in 14 quarterly installments beginning from September 2021. This loan is secured with exclusive charge on an immovable property of the Company.

During the year, the Company obtained loans aggregating ₹ 4,928.32 Lakh under Emergency Credit Line Guarantee Scheme 2.0 ("ECLGS") for general corporate/long term working capital purposes. These loans carry interest rates ranging from 7.50% p.a. to 9.25% p.a. for a period of 60 months including moratorium period of 12 months and thereafter repayable in 48 equal monthly installments beginning from February 2022. These loans are secured by second pari passu charge on the current assets and movable plant and machinery, other than those charged in favour of Plant loans. The entire facility under ECLGS is also covered by way of 100% guarantee cover available from National Credit Guarantee Trustee Company Limited (NCGTC).

Note 16.2 - Plant loans from banks

Loans obtained for purchase of construction equipment carry interest rates ranging from 7.65% p.a. to 9.50% p.a. (March 31, 2020 : 8.25% p.a. to 9.50% p.a.) and balance outstanding as on March 31, 2021 (₹ 2,153.83 Lakh) are repayable in 1 to 60 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the banks.

Note 16.3 - Plant loans from others

Loans obtained for purchase of construction equipment have been fully repaid in current year. These loans were secured by first and exclusive charge on specific equipment financed by the financial institution. These loans carried interest rates ranging from 11.00% p.a. to 12.50% p.a.

Note 16.4 - Net debt reconciliation

An analysis of net debts and the movement in net debts for each of the reporting period is as follows:

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current borrowings (includes accrued interest) | 10,610.23 | 2,983.71 |
| Current borrowings (includes accrued interest) | 26,183.81 | 26,381.38 |
| Cash and cash equivalents | (8,101.62) | (18,833.07) |
| Net debts | 28,692.42 | 10,532.02 |

| | (₹ in Lakh) | | | |
|--------------------------------------|------------------------------|---------------------------------------|--------------------|------------------|
| | Other assets | Liabilities from financing activities | | Total |
| | Cash and Cash equivalents | Non-current borrowings | Current borrowings | |
| Net debt as at April 1, 2019 | (6,714.29) | 2,800.06 | 19,238.17 | 15,323.94 |
| Cash flows (net) | (12,118.78) | 186.39 | 7,101.81 | (4,830.58) |
| Interest expense | - | 222.69 | 3,023.36 | 3,246.05 |
| Interest paid | - | (225.43) | (2,981.96) | (3,207.39) |
| Net debt as at March 31, 2020 | (18,833.07) | 2,983.71 | 26,381.38 | 10,532.02 |
| Cash flows (net) | 10,731.45 | 7,607.24 | (170.78) | 18,167.91 |
| Interest expense | - | 327.33 | 3,668.83 | 3,996.16 |
| Interest paid | - | (308.05) | (3,695.62) | (4,003.67) |
| Net debt as at March 31, 2021 | (8,101.62) | 10,610.23 | 26,183.81 | 28,692.42 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 17 LEASE LIABILITIES

| | (₹ in Lakh) | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Lease liabilities | 2,924.60 | 4,467.21 |
| Current | | |
| Lease liabilities | 1,921.37 | 1,844.19 |
| Total lease liabilities | 4,845.97 | 6,311.40 |

Note: Refer note 40 for the disclosures related to Ind AS 116 - Leases.

Note 18 PROVISIONS

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Provision for employee benefits (Refer note 35) | | |
| - Gratuity | 2,050.06 | 2,184.39 |
| - Leave entitlement and compensated absences | 1,963.65 | 1,875.94 |
| Total non-current provisions | 4,013.71 | 4,060.33 |
| Current | | |
| Provision for employee benefits (Refer note 35) | | |
| - Gratuity | 826.88 | 825.46 |
| - Leave entitlement and compensated absences | 222.56 | 201.30 |
| Total current provisions | 1,049.44 | 1,026.76 |
| Total provisions | 5,063.15 | 5,087.09 |

Note 19 CURRENT BORROWINGS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Secured | | |
| Loan repayable on demand from banks | | |
| - Cash credit facilities (Refer note 19.1) | 1,276.37 | 5,014.63 |
| - Working capital demand loans (Refer note 19.2) | 24,892.83 | 21,325.35 |
| Total current borrowings | 26,169.20 | 26,339.98 |

Note 19.1 Cash credit facilities (secured) :

Cash credit facilities availed from consortium bankers carry effective interest rates ranging from 8.65% p.a. to 11.80% p.a. (March 31, 2020: 10.10 % p.a. to 13.25% p.a.) and are secured by first pari passu charge on the current assets and movable plant and machinery (other than those charged in favour of Plant loans). These facilities are repayable on demand.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 19.2 Working capital demand loans (secured) :

Working capital demand loans carry effective interest rates ranging from 8.20% p.a. to 12.15% p.a. (March 31, 2020 : 8.75 % p.a. to 12.15% p.a.) and are secured by first pari passu charge on the current assets and movable plant and machinery (other than those charged in favour of Plant loans). These facilities are repayable on demand.

Note 20 TRADE PAYABLES

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| - Total outstanding dues of micro enterprises and small enterprises (Refer note 20.1) | 1,416.18 | 216.85 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 55,240.09 | 47,689.56 |
| Total trade payables | 56,656.27 | 47,906.41 |

Note 20.1 Dues to Micro and Small Enterprise

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

| | (₹ in Lakh) | |
|--|-------------|--------|
| a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year: | | |
| - Principal amount due to micro and small enterprises | 1,416.18 | 216.85 |
| - Interest due | 3.96 | 16.94 |
| b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006. | 46.39 | 29.45 |
| d) The amount of interest accrued and remaining unpaid at the end of the accounting year. | 50.35 | 46.39 |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | 50.35 | 46.39 |

Note 20.2 Trade payables are normally non-interest bearing and settled as per the payments terms stated in the contract.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 21 OTHER FINANCIAL LIABILITIES

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Current | | |
| Interest accrued but not due | 1,073.77 | 662.41 |
| Interest accrued and due (Refer note 20.1) | 50.35 | 46.39 |
| Current maturities of long-term debts | 1,886.14 | 1,310.67 |
| Amount due to related parties [Refer note 37(c)] | 351.93 | 317.13 |
| Liability for capital goods | 2,061.46 | 1,908.89 |
| Employee related dues | 3,021.79 | 3,279.12 |
| Foreign currency forward contract | 2.00 | - |
| Unpaid dividends ^ | 9.13 | 8.74 |
| Others | 92.56 | 243.72 |
| Total current other financial liabilities | 8,549.13 | 7,777.07 |

^ Not due for credit to Investor Education and Protection Fund

Note 22 OTHER CURRENT LIABILITIES

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Advances from contractees | 47,139.49 | 42,329.30 |
| Due to customer (Refer note 22.1 below) | 21,645.14 | 21,091.86 |
| Statutory dues payable | 935.77 | 1,435.72 |
| Others | 186.59 | 63.05 |
| Total other current liabilities | 69,906.99 | 64,919.93 |

Note 22.1 The Company has adequately recognised expected losses on projects wherever it was probable that the total contract costs will exceed total contract revenue.

Note 23 REVENUE FROM OPERATIONS

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Contract revenue | 2,15,308.67 | 2,08,732.93 |
| Other operating revenues | | |
| Plant hire Income | 951.02 | 1,447.68 |
| Share of profit from unincorporated entities [Refer note 37(b)] | 3,723.98 | 3,258.26 |
| Provision no longer required written back | 848.21 | 761.00 |
| Total revenue from operations | 2,20,831.88 | 2,14,199.87 |

Note: Refer note 37(b) for transaction with Related Parties and note 39 for disclosures as per Ind AS 115 - Revenue from Contracts with Customers.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 24 OTHER INCOME

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest income | | |
| - on bank deposits | 361.67 | 170.14 |
| - on financial assets carried at amortised cost | 82.98 | 76.05 |
| - on income tax refund | 18.39 | 89.32 |
| - on sales tax refund | 105.43 | 17.38 |
| - others | 6.04 | 1.42 |
| | 574.51 | 354.31 |
| Other non-operating income | | |
| - Insurance claim | 6.49 | - |
| - Profit on disposal of property, plant and equipment (net) | 233.10 | - |
| - Miscellaneous income | 42.58 | 69.36 |
| | 282.17 | 69.36 |
| Total other income | 856.68 | 423.67 |

Note 25 COST OF CONSTRUCTION MATERIALS CONSUMED

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Stock at beginning of the year | 17,640.54 | 13,894.02 |
| Add: Purchases | 71,290.88 | 77,608.22 |
| Less: sale of scrap and unserviceable material | (810.01) | (531.90) |
| | 88,121.41 | 90,970.34 |
| Less: Stock at the end of the year | (24,583.41) | (17,640.54) |
| Total cost of construction materials consumed | 63,538.00 | 73,329.80 |

Note 26 EMPLOYEE BENEFITS EXPENSE

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Salaries and wages | 27,096.66 | 25,875.00 |
| Contribution to provident and other funds (Refer note 35) | 2,338.32 | 2,046.63 |
| Gratuity (Refer note 35) | 666.98 | 586.01 |
| Staff welfare | 29.62 | 75.50 |
| Total employee benefits expense | 30,131.58 | 28,583.14 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 27 FINANCE COSTS

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest expense on: | | |
| - on banks and financial institutions | 3,996.16 | 3,246.05 |
| - on advances from contractees | 2,884.22 | 1,722.88 |
| - on others | 426.17 | 581.20 |
| | 7,306.55 | 5,550.13 |
| Interest on lease liabilities (Refer note 40) | 667.74 | 823.28 |
| Other borrowing costs | | |
| - Bank charges and guarantee commission | 3,159.39 | 2,825.01 |
| Total finance costs | 11,133.68 | 9,198.42 |

Note 28 OTHER EXPENSES

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Plant hire expenses (Refer note 40) | 12,140.76 | 8,841.45 |
| Power and fuel | 7,499.10 | 7,670.11 |
| Rates and taxes | 3,404.60 | 2,461.54 |
| Travelling expenses | 560.96 | 776.85 |
| Site transport and conveyance | 3,464.49 | 3,380.97 |
| Repairs and maintenance: | | |
| - Plant and machinery | 861.04 | 601.21 |
| - Others | 219.21 | 268.51 |
| Insurance | 2,813.30 | 1,192.97 |
| Professional fees | 2,506.74 | 2,009.02 |
| Rent (Refer note 40) | 2,302.72 | 1,937.41 |
| Share of loss from unincorporated entities (net) [Refer note 37(b)] | 2,916.83 | 861.92 |
| Consumption of spares | 1,548.36 | 1,603.43 |
| Security charges | 872.22 | 830.75 |
| Temporary site installations | 382.54 | 394.84 |
| Postage, telephone and telegram | 104.55 | 130.44 |
| Auditor remuneration (Refer note 28.1) | 102.54 | 93.16 |
| Impairment allowance on financial and other assets (net) (Refer note 38) | 1,252.03 | 1,413.45 |
| Water charges | 414.21 | 293.45 |
| Printing and stationery | 107.96 | 159.36 |
| Infotech expenses | 935.73 | 769.57 |
| Royalty expense [Refer note 37(b)] | 1,076.54 | 1,043.66 |
| Exchange loss (net) | 7.32 | 89.06 |
| Directors' sitting fees [Refer note 37(b)] | 37.40 | 44.75 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Corporate Social Responsibility (CSR) expenses (Refer note 28.2) | 215.18 | 208.29 |
| Loss on disposal of property, plant and equipment (net) | - | 230.60 |
| Miscellaneous expenses | 1,659.41 | 1,882.77 |
| Total other expenses | 47,405.74 | 39,189.54 |

Note 28.1 Auditor Remuneration

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| - Audit fees (including tax audit) | 68.00 | 67.00 |
| - Limited review | 20.00 | 12.00 |
| - Certification fees | 13.78 | 10.87 |
| - Reimbursement of out of pocket expenses | 0.76 | 3.29 |
| | 102.54 | 93.16 |

Note 28.2 CSR expenditure

As per the Section 135 of the Companies Act, 2013 every year the Company is required to spend at least 2% of its average net profit made during the immediately three preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

- Gross amount required to be spent by the Company during the year ended March 31, 2021: ₹ 190.18 Lakh (March 31, 2020: ₹ 230.31 Lakh)
- Amount spent during the year on CSR activities: ₹ 215.18 Lakh (March 31, 2020: ₹ 208.29 Lakh) the details of which is as given below:

(₹ in Lakh)

| | Year ended March 31, 2021 | | | Year ended March 31, 2020 | | |
|---------------------------------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|
| | In cash | Yet to be paid in cash | Total | In cash | Yet to be paid in cash | Total |
| Construction/acquisition of any asset | 45.18 | - | 45.18 | 56.78 | 7.50 | 64.28 |
| On purposes other than above | 170.00 | - | 170.00 | 123.76 | 20.25 | 144.01 |
| Total CSR expenditure | 215.18 | - | 215.18 | 180.54 | 27.75 | 208.29 |

Note 29 EXCEPTIONAL ITEM

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Current trade receivables and other current assets written off | - | 4,093.36 |
| | - | 4,093.36 |

Represents amounts written off towards current trade receivables and unbilled work-in-progress (other current assets) aggregating ₹ 4,093.36 Lakh receivable from a customer, considered as non-recoverable.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 30 EARNINGS PER SHARE (EPS)

Basic and diluted EPS

| | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|----------|------------------------------|------------------------------|
| Profit computation for basic earnings per share of ₹ 1 each | | | |
| Net profit as per the Statement of Profit and Loss available for equity shareholders | (₹ Lakh) | 1,575.93 | 4,316.60 |
| Weighted average number of equity shares for EPS computation | (Nos.) | 17,17,87,584 | 17,17,87,584 |
| EPS - Basic and Diluted EPS | (₹) | 0.92 | 2.51 |

Note 31 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| | (₹ in Lakh) | |
| (i) Guarantees given by banks in respect of contracting commitments in the normal course of business | | |
| - for the Company | 18,744.56 | 22,698.99 |
| - for unincorporated entities | 46,896.30 | 56,372.14 |
| (ii) Corporate Guarantee given to bank on behalf of unincorporated entities | 29,901.14 | 53,057.69 |
| (iii) Letter of credit limit utilised by unincorporated entities | 1,358.49 | 74.75 |
| (iv) Claims against the Company not acknowledged as debts (Refer notes below) | 17,738.20 | 19,347.08 |
| (v) Sales Tax matters pending in appeals | 4,643.54 | 4,099.01 |
| (vi) Income Tax matters pending in appeals | 651.87 | 813.16 |
| (vii) Excise duty and service tax matters pending in appeals | 3,795.61 | 3,564.30 |
| (viii) Provident Fund | | |

Based on the judgement by the Honorable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Notes-

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

B. Commitments

| | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| | (₹ in Lakh) | |
| Capital Commitments (net of advances) | 4,691.11 | 3,055.27 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 32 SEGMENT REPORTING

The Company's managing director who is identified as the Chief Operating Decision Maker of the Company, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'Construction'. Further, the Company has operations mainly in India and has no other reportable segment.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Standalone Financial Statements as on and for the financial year ended March 31, 2021.

Note 33 INTERESTS IN OTHER ENTITIES

Unincorporated entities (Joint Ventures)

| Name of the entity | Proportion of effective interest | | Description of interest | Principal place of Business | Principal activities |
|---|----------------------------------|----------------|-------------------------|-----------------------------|----------------------|
| | March 31, 2021 | March 31, 2020 | | | |
| ITD - ITD Cem JV | 49% | 49% | Co-venturer | India | Construction |
| ITD - ITDCem JV (Consortium of ITD - ITD Cementation) | 40% | 40% | Co-venturer | India | Construction |
| CEC-ITD Cem-TPL JV | 60% ^ | 60% ^ | Co-venturer | India | Construction |
| ITD Cem - BBJ JV | 51% | - | Co-venturer | India | Construction |

^ Though the Company's effective interest in the joint venture exceeds 50%, the entity has been classified as a joint venture. The management has assessed whether or not the Company has control over the entity based on whether the Company has practical ability to direct relevant activities unilaterally. In this case, based on specific joint venture agreement, the management concluded that the Company does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other co-venturer.

Note 34

During the current year, a scrap dealer in one of the projects of the Company has allegedly defrauded the Company by manipulating the quantity of scrap purchased, resulting in a loss estimated at ₹ 48 Lakh. Basis an internal investigation, there is no evidence to establish involvement of any of Company's personnel in this matter and the management believes that the matter is not expected to have any material financial impact on these standalone financial statements. The Company has also taken necessary actions including lodging of First Information Report with the local police against the scrap dealer. Investigation in respect of this matter is presently in progress.

Note 35 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A. Defined benefit obligations - Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| a) Changes in defined benefit obligations | | |
| Present value of obligation as at the beginning of the year | 5,506.30 | 4,789.36 |
| Interest cost (net) | 376.08 | 371.65 |
| Current service cost | 461.40 | 384.07 |
| Past service cost | - | - |
| Remeasurements - Net actuarial (gains)/ losses | (16.89) | 401.86 |
| Benefits paid from the fund | (492.71) | (440.64) |
| Present value of obligation as at the end of the year | 5,834.18 | 5,506.30 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|--|--|
| b) Changes in fair value of plan assets | | |
| Plan assets at the beginning of the year | 2,496.45 | 2,187.12 |
| Interest income | 170.50 | 169.71 |
| Contribution by employer | 600.00 | 600.00 |
| Benefits paid from the fund | (492.71) | (440.64) |
| Return/ (Loss) on plan assets (excluding interest income) | 183.00 | (19.74) |
| Fair value of plan assets at the end of the year | 2,957.24 | 2,496.45 |
| c) Expenses recognised in the Statement of Profit and Loss | | |
| Interest cost (net) | 205.58 | 201.94 |
| Current service cost | 461.40 | 384.07 |
| Past service cost | - | - |
| Total | 666.98 | 586.01 |
| d) Remeasurement (gains)/losses recognised in Other Comprehensive Income | | |
| Actuarial (gains)/ losses on obligation for the period | (16.89) | 401.86 |
| (Return)/Loss on plan assets | (183.00) | 19.74 |
| Total | (199.89) | 421.60 |
| e) Actuarial assumptions | | |
| Expected rate on plan assets | 6.85% p.a. | 6.83% p.a. |
| Discount rate | 6.85% p.a. | 6.83% p.a. |
| Salary escalation rate (over a long-term) | 5.50% p.a. | 5.50% p.a. |
| Mortality rate | Indian assured lives mortality (2006-08) | Indian assured lives mortality (2006-08) |
| Attrition rate : | | |
| - For ages 44 years and below | 5.00% p.a. | 5.00% p.a. |
| - For ages 45 years and above | 2.50% p.a. | 2.50% p.a. |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

The methods and type of assumption used in preparing the sensitivity analysis did not change compared to previous year.

(₹ in Lakh)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|----------------------------|------------------------------|------------------------------|
| | 1% increase | |
| i. Discount rate | (387.64) | (374.40) |
| ii. Salary escalation rate | 451.57 | 436.24 |
| | 1% decrease | |
| i. Discount rate | 449.98 | 434.79 |
| ii. Salary escalation rate | (395.73) | (382.14) |

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

g) Maturity analysis of defined benefit obligation

| | (₹ in Lakh) | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Within the next 12 months | 748.67 | 633.11 |
| Between 2 and 5 years | 840.48 | 809.99 |
| 6 to 10 years | 816.00 | 786.42 |
| Total expected payments | 2,405.15 | 2,229.52 |

B. Defined benefit obligations - Provident Fund

In accordance with Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to "ITD Cementation India Limited Workmen Provident Fund", a Trust set up by the Company to manage the investments and distribute the amounts to employees at the time of separation from the Company or retirement, whichever is earlier. This plan is a defined plan as the Company is obligated to provide its members a rate of return which should, at a minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in the Statement of Profit and Loss under "Employee benefits expense".

In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Fair value of plan assets | 32,571.55 | 27,297.42 |
| Present value of defined benefit obligations | 31,262.77 | 26,729.38 |
| Net excess / (shortfall) | 1,308.78 | 568.04 |

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Discount rate | 6.85% p.a. | 6.83% p.a. |
| Average remaining tenure of investment portfolio | 6.65 years | 6.22 years |
| Guaranteed rate of return | 8.50% p.a. | 8.50% p.a. |

During the year ended March 31, 2021, the Company has contributed ₹ 1,439.89 Lakh (March 31, 2020: ₹ 1,344.43 Lakh)

C Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss:

| | (₹ in Lakh) | |
|-------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Contribution to superannuation fund | 898.43 | 702.20 |
| | 898.43 | 702.20 |

b) The expenses for leave entitlement and compensated absences is recognised in the same manner as gratuity and provision of ₹ 239.52 Lakh (March 31, 2020: ₹ 410.23 Lakh) has been made during the year ended March 31, 2021.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

D Current/ non-current classification

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Gratuity | | |
| Current | 826.88 | 825.46 |
| Non-current | 2,050.06 | 2,184.39 |
| | 2,876.94 | 3,009.85 |
| Leave entitlement and compensated absences | | |
| Current | 222.56 | 201.30 |
| Non-current | 1,963.65 | 1,875.94 |
| | 2,186.21 | 2,077.24 |

Note 36 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

| | | | | | | | (₹ in Lakh) |
|--|------------|----------------|-----------------------------------|---|--|----------------------|-------------|
| Particulars | Refer note | Amortised cost | Fair value through profit or loss | Fair value through Other Comprehensive Income | Derivative Instruments in hedging relationship | Total carrying value | |
| Assets: | | | | | | | |
| Loans | 6 | 2,517.87 | - | - | - | 2,517.87 | |
| Other financial assets | 7 | 3,083.12 | - | - | - | 3,083.12 | |
| Trade receivables | 12 | 48,132.51 | - | - | - | 48,132.51 | |
| Cash and cash equivalents | 13 | 8,101.62 | - | - | - | 8,101.62 | |
| Bank balances other than cash and cash equivalents | 14 | 6,743.95 | - | - | - | 6,743.95 | |
| Liabilities: | | | | | | | |
| Borrowings | 16,19,21 | 36,751.35 | - | - | - | 36,751.35 | |
| Lease Liabilities | 17 | 4,845.97 | - | - | - | 4,845.97 | |
| Trade payables | 20 | 56,656.27 | - | - | - | 56,656.27 | |
| Other financial liabilities | 21 | 6,660.99 | - | - | 2.00 | 6,662.99 | |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

| (₹ in Lakh) | | | | | | |
|--|------------|----------------|-----------------------------------|---|--|----------------------|
| Particulars | Refer note | Amortised cost | Fair value through profit or loss | Fair value through Other Comprehensive Income | Derivative Instruments in hedging relationship | Total carrying value |
| Assets: | | | | | | |
| Loans | 6 | 2,649.07 | - | - | - | 2,649.07 |
| Other financial assets | 7 | 1,732.39 | - | - | 10.83 | 1,743.22 |
| Trade receivables | 12 | 46,061.39 | - | - | - | 46,061.39 |
| Cash and cash equivalents | 13 | 18,833.07 | - | - | - | 18,833.07 |
| Bank balances other than cash and cash equivalents | 14 | 4,451.55 | - | - | - | 4,451.55 |
| Liabilities: | | | | | | |
| Borrowings | 16,19,21 | 29,314.88 | - | - | - | 29,314.88 |
| Lease Liabilities | 17 | 6,311.40 | - | - | - | 6,311.40 |
| Trade payables | 20 | 47,906.41 | - | - | - | 47,906.41 |
| Other financial liabilities | 21 | 6,466.40 | - | - | - | 6,466.40 |

B. Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis at each reporting period:

| (₹ in Lakh) | | | | | | |
|---|----------------|---------|---------|----------------|---------|---------|
| Particulars | March 31, 2021 | | | March 31, 2020 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Foreign currency forward contract (liability)/asset | - | (2.00) | - | - | 10.83 | - |

Note 37 DISCLOSURE IN ACCORDANCE WITH Ind AS 24 RELATED PARTY TRANSACTIONS

| | |
|-----------|--|
| A) | Names of related parties and description of relationship |
| | a) Enterprise where control exists |
| | i) Parent Company |
| | Italian-Thai Development Public Company Limited |
| | ii) Subsidiary Company |
| | ITD Cementation Projects India Limited |
| | b) Other related parties with whom the Company had transactions |
| | i) Unincorporated entities - treated as subsidiary |
| | ITD CemIndia JV |
| | ITD Cem-Maytas Consortium |
| | ii) Unincorporated entities - treated as joint venture |
| | ITD - ITD Cem JV |
| | ITD - ITD Cem JV (Consortium of ITD - ITD Cementation) |
| | CEC-ITD Cem-TPL JV |
| | ITD Cem - BBJ JV (w.e.f. September 28, 2020) |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

| iii) Key managerial personnel ('KMP') | |
|---------------------------------------|---|
| | Mr. Piyachai Karnasuta - Chairman (w.e.f. April 1, 2019) |
| | Mr. Santi Jongkongka - Whole time Director (w.e.f. May 2, 2019), Executive Vice Chairman - Designate (w.e.f. May 22, 2019) and Executive Vice Chairman (w.e.f. September 1, 2019) |
| | Mr. Jayanta Basu - Deputy Managing Director (upto April 22, 2019) and Managing Director (w.e.f. April 23, 2019) |
| | Mr. Adun Saraban - Managing Director (upto 22 April 2019) and Executive Vice Chairman (w.e.f. 23 April 2019 and upto 31 August 2019) |
| | Mr. Sunil Shah Singh - Independent Director |
| | Mr. D.P. Roy - Independent Director |
| | Mr. Pankaj I.C. Jain - Independent Director |
| | Ms. Ramola Mahajani - Independent Director |
| | Mr. Prasad Patwardhan - Chief Financial Officer |
| | Mr. Rahul Neogi - Company Secretary |

B) Transactions with related parties (excluding reimbursements):

| | | (₹ in Lakh) | |
|---|---------------------------------------|------------------------------|------------------------------|
| Nature of Transactions | Relationship | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Contract Revenue | | | |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 2,500.03 | 1,300.89 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 1,435.36 | - |
| | | 3,935.39 | 1,300.89 |
| Royalty expense | | | |
| Italian-Thai Development Public Company Limited | Parent Company | 1,076.54 | 1,043.66 |
| Other operating revenue-plant hire income | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 851.40 | 1,319.53 |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 99.62 | 99.37 |
| | | 951.02 | 1,418.90 |
| Share of profit from unincorporated entities | | | |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 2,651.55 | 2,616.83 |
| ITD Cem-Maytas Consortium | Unincorporated entity (subsidiary) | 374.47 | 435.85 |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 697.96 | 205.58 |
| | | 3,723.98 | 3,258.26 |
| Purchases of property, plant and equipment | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 2,218.10 | 1,289.91 |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 58.64 | 822.22 |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 77.49 | 940.79 |
| | | 2,354.23 | 3,052.92 |
| Sale of Construction materials and spares | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 7.30 | - |
| Purchases of Construction materials and spares | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 839.99 | 57.34 |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 500.01 | 60.80 |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 415.76 | - |
| | | 1,755.76 | 118.14 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

B) Transactions with related parties (excluding reimbursements):

(₹ in Lakh)

| Nature of Transactions | Relationship | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---------------------------------------|------------------------------|------------------------------|
| Remuneration paid/payable[^] | | | |
| Mr. Santi Jongkongka | Key managerial Personnel | 217.49 | 155.01 |
| Mr. Jayanta Basu | Key managerial Personnel | 172.58 | 151.41 |
| Mr. Adun Saraban | Key managerial Personnel | - | 195.90 |
| Mr. Prasad Patwardhan | Key managerial Personnel | 108.25 | 113.99 |
| Mr. Rahul Neogi | Key managerial Personnel | 64.30 | 66.28 |
| | | 562.62 | 682.59 |
| [^] Does not include provisional gratuity liability valued by an actuary, as separate figures are not available. | | | |
| Director sitting fees | | | |
| Mr. Piyachai Karnasuta | Key managerial Personnel | 8.60 | 10.65 |
| Mr. D. P. Roy | Key managerial Personnel | 7.70 | 8.50 |
| Ms. Ramola Mahajani | Key managerial Personnel | 6.50 | 8.90 |
| Mr. Sunil Shah Singh | Key managerial Personnel | 8.00 | 10.30 |
| Mr. Pankaj I.C. Jain | Key managerial Personnel | 6.60 | 6.40 |
| | | 37.40 | 44.75 |
| Share of loss from unincorporated entities | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 2,871.12 | 823.60 |
| ITD-ITDCem JV (Consortium of ITD-ITD Cementation) | Unincorporated entity (joint venture) | 45.71 | 38.32 |
| | | 2,916.83 | 861.92 |

Note : All the transactions have been undertaken at arm's length price.

C) Outstanding balances:

(₹ in Lakh)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------------|-------------------------|-------------------------|
| Balances - payable | | | |
| Italian-Thai Development Public Company Limited | Parent Company | 351.93 | 240.94 |
| ITD Cem-Maytas Consortium | Unincorporated entity (subsidiary) | - | 76.19 |
| | | 351.93 | 317.13 |
| Deemed Investment | | | |
| ITD Cemindia JV # | Unincorporated entity (subsidiary) | 21,631.23 | 19,132.97 |
| ITD-ITDCem JV # ^ | Unincorporated entity (joint venture) | 18,448.23 | 25,540.67 |
| | | 40,079.46 | 44,673.64 |
| Receivable from unincorporated entities | | | |
| ITD-ITDCem JV (Consortium of ITD-ITD Cementation) | Unincorporated entity (joint venture) | 524.32 | 570.03 |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 393.71 | 1,042.57 |
| ITD Cem-Maytas Consortium | Unincorporated entity (subsidiary) | 52.28 | - |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 0.05 | - |
| | | 970.36 | 1,612.60 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | | As at March 31, 2021 | As at March 31, 2020 |
|--|---------------------------------------|-------------------------|-------------------------|
| Loans given | | | |
| ITD Cementation Projects India Limited | Subsidiary | 34.84 | 34.84 |
| Trade receivable | | | |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 354.52 | 210.44 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 686.45 | - |
| | | 1,040.97 | 210.44 |
| Corporate guarantee issued on behalf of | | | |
| ITD-ITD Cem JV | Unincorporated entity (joint venture) | 7,742.50 | 7,742.50 |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 6,267.00 | 16,660.80 |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 15,891.64 | 28,654.39 |
| | | 29,901.14 | 53,057.69 |
| Letter of credit limit utilised | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 1,358.49 | 74.75 |
| Bank guarantee issued on behalf of | | | |
| ITD Cemindia JV | Unincorporated entity (subsidiary) | 21,234.78 | 29,776.13 |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 16,980.60 | 16,980.60 |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 5,280.75 | 8,808.05 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 2,592.81 | - |
| ITD Cem-Maytas Consortium | Unincorporated entity (subsidiary) | 807.36 | 807.36 |
| | | 46,896.30 | 56,372.14 |

Receivables from unincorporated entities represent Company's net investment in the entities, have been reclassified as deemed investment under Ind AS. (Refer note 5.1)

^ Also includes ₹ 57.49 Lakh (March 31, 2020 : ₹ 57.49 Lakh) representing fair value of financial guarantee

Note 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Increase in basis points | 50 basis points | |
| Effect on profit before tax, decrease by | 39.82 | 25.07 |
| Decrease in basis points | 50 basis points | |
| Effect on profit before tax, increase by | 39.62 | 25.07 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b. Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk as at March 31, 2021:

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------|----------------------|----------------------|
| | In Euro Lakh | In Euro Lakh |
| Trade payables | 0.78 | 15.13 |

During the year, to mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months).

The following table gives details in respect of outstanding foreign exchange forward contracts:

| | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------|----------------------|--------|----------------------|----------|
| | In Euro Lakh | ₹ Lakh | In Euro Lakh | ₹ Lakh |
| Forward contracts | 0.78 | 68.84 | 15.13 | 1,263.90 |

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

| | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| | In Euro Lakh | In Euro Lakh |
| Not later than six month | 0.78 | 8.30 |
| Later than six month and not later than twelve months | - | 6.83 |

Sensitivity analysis

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

c. Equity price risk

The Company's exposure in equity securities as at March 31, 2021 is ₹ 5 Lakh (March 31, 2020 ₹ 5 Lakh) and as a result the impact of any price change will not have a material effect on the profit or loss of the Company.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

ii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables.

a. Trade receivable

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e receivables from sale to government corporations and receivables from sales to private third parties. A substantial portion of the Company's trade receivables are from government promoted corporations customers having strong credit worthiness.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|----------------|----------------------|----------------|
| | ₹ Lakh | % | ₹ Lakh | % |
| Receivable from government corporations | 34,357.31 | 71.38% | 36,245.37 | 78.69% |
| Receivable from private parties | 13,775.20 | 28.62% | 9,816.02 | 21.31% |
| Total trade receivable | 48,132.51 | 100.00% | 46,061.39 | 100.00% |

b. Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, other bank balances, loan to employees and other financial assets. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Company's historical experience, the credit risk on other financial assets is also low.

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for each of the reporting period:

| | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|---------------------------------|---------------------------|--------------|---------------------------|--------------|
| | ₹ Lakh | % of Revenue | ₹ Lakh | % of Revenue |
| Revenue from top customer | 30,363.04 | 14.10% | 34,220.47 | 16.39% |
| Revenue from top five customers | 108,404.90 | 50.35% | 114,461.24 | 54.84% |

For the year ended March 31, 2021, two (2) customers {March 31, 2020: Two (2) customer}, individually, accounted for more than 10% of the revenue.

The movement of the allowance for lifetime expected credit loss is as below: ^

| | (₹ in Lakh) | |
|----------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Opening balance | 3,989.03 | 4,166.53 |
| Changes in loss allowances | | |
| Additions ^ | 1,143.25 | 5,506.81 |
| Bad debts written off ^ | - | (5,684.31) |
| Closing balance | 5,132.28 | 3,989.03 |

^ Figures for the year ended March 31, 2020 include receivables from a customer aggregating ₹ 4,093.36 Lakh written off as an exceptional item (Refer note 29)

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

iii. Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

| (₹ in Lakh) | | | | | |
|---|------------------|------------------|------------------|-------------------|-------------------|
| Particulars | On demand | Less than 1 year | 1 - 5 years | More than 5 years | Total |
| As at March 31, 2021 | | | | | |
| Borrowings (including current maturities of long term borrowings) | 26,169.20 | 1,886.14 | 8,696.01 | - | 36,751.35 |
| Trade payables | - | 56,656.27 | - | - | 56,656.27 |
| Interest accrued | - | 1,124.12 | - | - | 1,124.12 |
| Lease liabilities | - | 2,371.04 | 3,527.38 | 139.92 | 6,038.34 |
| Other financial liabilities | - | 5,538.87 | - | - | 5,538.87 |
| Total | 26,169.20 | 67,576.44 | 12,223.39 | 139.92 | 106,108.95 |
| As at March 31, 2020 | | | | | |
| Borrowings (including current maturities of long term borrowings) | 26,339.98 | 1,310.67 | 1,664.23 | - | 29,314.88 |
| Trade payables | - | 47,906.41 | - | - | 47,906.41 |
| Interest accrued | - | 708.80 | - | - | 708.80 |
| Lease liabilities | - | 2,486.28 | 4,624.94 | 979.44 | 8,090.66 |
| Other financial liabilities | - | 5,757.60 | - | - | 5,757.60 |
| Total | 26,339.98 | 58,169.76 | 6,289.17 | 979.44 | 91,778.35 |

Note 39 DISCLOSURE PURSUANT TO Ind AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS:

The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption effective April 1, 2019. The adoption of this new standard did not have any impact on retained earnings as at April 1, 2019 for the revenue contracts that are not completed as at that date, except in case of presentation / disclosure of the balances in relation to construction contracts, which have been explained below. Also refer note 2(xvi)(a) for accounting policy on revenue recognition.

(a) Disaggregation of revenue

The Company's entire business falls under one operational segment of 'Engineering and Construction'. Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of the year is ₹ 985,016.55 Lakh (March 31, 2020: ₹ 914,562.42 Lakh). Most of Company's contracts have a life cycle of 2-3 years. Management expects that around 25% - 30 % of the transaction price allocated to unsatisfied contracts as of March 31, 2021 will be recognised as revenue during next year depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next 3 years.

The amount disclosed above does not include variable consideration.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

(c) Contract balances:

- (i) Movement in contract balances during the year:

| Particulars | (₹ in Lakh) | | |
|---|---|--|-----------------------|
| | Contract Assets (Unbilled work-in-progress) | Contract Liabilities (Due to customer) | Net Contract balances |
| Balance as at April 1, 2019 | 31,912.48 | 11,035.72 | 20,876.76 |
| Net increase | 19,444.53 | 10,056.14 | 9,388.39 |
| Balance as at March 31, 2020 | 51,357.01 | 21,091.86 | 30,265.15 |
| Net increase | 15,353.14 | 553.28 | 14,799.86 |
| Closing balance as at March 31, 2021 | 66,710.15 | 21,645.14 | 45,065.01 |

Note: Increase in contract assets is primarily due to higher revenue recognition as compared to progress billing during the year, whereas increase in contract liabilities is due to higher progress billing as compared to revenue recognition during the year.

- (ii) Revenue recognised during the year from opening balance of contract liabilities (i.e. due to customers) amounts to ₹ 4,893.71 Lakh (March 31, 2020: ₹ 4,938.48 Lakh).
- (iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ Nil (March 31, 2020: ₹ 3,196.62 Lakh)
- (d) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.
- (e) **Cost to obtain or fulfil the contract:**
- Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil
 - Amount recognised as contract assets as at March 31, 2021 : Nil

Note 40 LEASES- Ind AS 116

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and as a result of which the comparative information is not required to be restated.

The Company has made use of the following practical expedients available in its transition to Ind AS 116 .

- The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- The Company excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50 %.

Right-of-use Assets:

- On transition, the Company has recognised right-of-use assets aggregating ₹ 7,871.63 Lakh
- The net carrying value of right-of-use assets as at March 31, 2021 amounts to ₹ 4,301.44 Lakh (March 31, 2020 amounts to ₹ 6,045.55 Lakh) have been disclosed on the face of the balance sheet. (Also refer note 3B)

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Contd.)

Lease liabilities:

- (i) On transition, the Company has recognised lease liabilities amounting to ₹ 7,662.57 Lakh.
- (ii) As at March 31, 2021, the obligations under finance leases amounts to ₹ 4,845.97 Lakh (March 31, 2020: ₹ 6,311.40 Lakh) which have been classified to lease liabilities, under financial liabilities. (Also refer note 17)
- (iii) The table below provides details regarding the contractual maturities of lease liabilities:

(₹ in Lakh)

| Lease Liabilities | Contractual cash flows | | | | |
|-----------------------------|------------------------|-----------------|-----------------|-----------------|-------------------|
| | Carrying amount | Total | 0-1 year | 1-5 years | 5 years and above |
| As at March 31, 2021 | 4,845.97 | 6,038.34 | 2,371.04 | 3,527.38 | 139.92 |
| As at March 31, 2020 | 6,311.40 | 8,090.66 | 2,486.28 | 4,624.94 | 979.44 |

- (iv) Prepaid rent on leasehold land and other assets aggregating ₹ 209.06 Lakh, which were earlier classified under 'Other Assets' have been adjusted to the Right-of-use assets at April 1, 2019.

The Company recognised the following in the statement of profit and loss:

(₹ in Lakh)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Amount recognised in the statement of profit and loss: | | |
| Depreciation expense on right-of-use assets (Refer note 4) | 2,226.50 | 2,113.21 |
| Interest expense on lease liabilities included in finance cost (Refer note 27) | 667.74 | 823.28 |
| Rent expense pertaining to leases of low-value assets | - | - |
| Rent expense pertaining to leases with less than twelve months of lease included under plant hire expenses and rent expenses (Refer note 28) | 14,443.48 | 10,778.86 |

Note 41 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital (equity).

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Total debt | 36,751.35 | 29,314.88 |
| Total equity | 106,570.93 | 105,260.82 |
| Total debts to equity ratio (Gearing ratio) | 0.34 | 0.28 |

In the long run, the Company's strategy is continue to maintain a gearing ratio of less than 0.5.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2021 (Concl.)

Note 42 DIVIDEND ON EQUITY SHARES

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Dividend on equity shares declared and paid during the year | | |
| Final dividend of ₹ 0.30 per share for year ended March 31, 2020 (15 months ended March 31, 2019: ₹ 0.40 per share) | 515.36 | 687.15 |
| Dividend distribution tax on final dividend | - | 141.25 |
| | 515.36 | 828.40 |
| Proposed dividend on equity shares not recognised as liability* | | |
| Final dividend of ₹ 0.12 per share for year ended March 31, 2021 (Year ended March 31, 2020 : ₹ 0.30 per share) | 206.15 | 515.36 |
| | 206.15 | 515.36 |

* Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and therefore not recognised as liability as at the Balance Sheet date.

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

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

Place : Mumbai
Date : May 28, 2021

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Place : Mumbai
Date : May 28, 2021

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

INDEPENDENT AUDITOR'S REPORT

To the Members of ITD Cementation India Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of **ITD Cementation India Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at **31 March 2021**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its joint ventures, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw attention to Note 2(v)(a) to the accompanying consolidated financial statements, with regard to management's evaluation of uncertainty arising due to continuing COVID-19 pandemic and its impact on the operations of the Group and on accompanying consolidated financial statements as at and for the year ended 31 March 2021. The impact of these uncertainties on the operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT (Contd.)

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Recognition of contract revenue, margin and contract costs (Refer Note 2(xvii)(a) of the consolidated financial statements)</p> <p>The Group's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>The Group recognises revenue and the resultant profit/loss relying on the estimates in relation to forecast contract revenue and forecast contract costs on the basis of stage of completion which is determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The revenue on contracts may also include variable considerations which are recognised when the recovery of such consideration is highly probable.</p> <p>These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</p> <p>Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the consolidated financial statements.</p> | <p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the Group's accounting policy for revenue recognition; • Obtaining an understanding of the Group's processes and evaluating the design and testing the effectiveness of key internal financial controls, including those related to review and approval of contract estimates; • For a sample of contracts, testing the appropriateness of amount recognised as revenue basis percentage of completion method by evaluating key management judgements inherent in determining forecasted contract revenue and costs to complete the contract, including: <ul style="list-style-type: none"> - verifying the underlying documents such as original contract and its amendments, if any, for reviewing the significant contract terms and conditions; - evaluating the identification of performance obligation of the contract; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of claims and variations with respect to the contractual terms and inspecting the related correspondences with customers; and - reviewing legal and contracting experts' reports received on certain contentious matters. • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates; • Performing analytical procedures for reasonableness of revenue recognised; and • Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the financial statements in accordance with the applicable accounting standards. |

INDEPENDENT AUDITOR'S REPORT (Contd.)

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| Recoverability of Trade receivables and contract assets (Refer Notes 9 and 12 of the consolidated financial statements) | |
| <p>As at 31 March 2021, the Group has Trade Receivables and Contract assets (work-in-progress) amounting to ₹ 53,085.94 Lakh and ₹ 86,422.64 Lakh, respectively.</p> <p>The trade receivables and unbilled work-in-progress (other current assets) as at 31 March 2021 referred above include amounts aggregating ₹ 1,617.76 Lakh and ₹ 2,615.11 Lakh, respectively, representing receivables/ claims for which Group is at various stages of negotiations/ discussions/ arbitration/ litigation with the clients.</p> <p>In assessing the recoverability of the aforesaid balances including impairment allowance, management's judgement involves consideration of ageing status, the likelihood of collection based on the terms of the contract and evaluation of litigations including relying on the legal opinion obtained from independent legal counsel.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p> | <p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Group's processes, evaluating the design and testing the effectiveness of key internal financial controls over the recoverability of the trade receivables and contract assets; • Circulating and obtaining confirmations for trade receivables, on sample basis, with respect to outstanding balances; • Performing additional procedures, in respect of material trade receivables and contract assets such as testing subsequent payments / certifications from customers, obtaining correspondence with customers; • Reviewing the legal opinion obtained by the management from independent legal counsel in respect of certain contentious matters under litigations; • Performing inquiry procedures with senior management of the Group regarding the status of collectability of these receivables; • Verifying contractual arrangements to support management's position on the tenability and recoverability of these receivables; • Assessing the allowance for impairment made by the management. Further for material balances, discussing the basis for allowance for impairment with the audit committee; and • Evaluating the appropriateness and adequacy of the disclosures related to trade receivables and contract assets in the financial statements in accordance with the applicable accounting standards. |

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors/ management of the companies/ entities included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the

companies included in the Group and of its joint ventures.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

INDEPENDENT AUDITOR'S REPORT (Contd.)

conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

16. We did not audit the annual financial statements of (1) subsidiary included in the consolidated financial statements, whose financial statements (before eliminating Inter-Company transactions and balances) reflect total assets of ₹ 38.67 Lakh as at 31 March 2021, total revenues of ₹ 0.12 Lakh, total net loss after tax of ₹ 0.29 Lakh, total comprehensive loss of ₹ 0.29 Lakh, and cash flows (net) of ₹ 0.10 Lakh for the year ended on that date, as considered in the consolidated financial statements. These annual financial statements have been audited by other auditor whose audit report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the audit report of such other auditor, and the procedures performed by us as stated in paragraph 12 above.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiary, we report that the Holding Company paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one (1) subsidiary Company covered under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary Company.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

INDEPENDENT AUDITOR'S REPORT (Contd.)

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the 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 Ind AS specified under section 133 of the Act;
- e) the matters described in paragraph 4 of the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Holding Company, and ITD Cem India Joint Venture, a subsidiary of the Holding Company.
- f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary Company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures as detailed in Notes 31A(iii) to (viii) to the consolidated financial statements;
 - ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in Note 22.1 to the consolidated financial statements;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary Company which is a Company covered under the Act, during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Place: Mumbai

Membership No: 109632

Date : 28 May 2021

UDIN: 21109632AAAAFC6094

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE I

LIST OF ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

| Sr. No. | Name of the entity | Relationship |
|---------|---|---|
| 1. | ITD Cementation Projects India Limited | Subsidiary |
| 2. | ITD Cem-Maytas Consortium | Unincorporated entity (treated as subsidiary) |
| 3. | ITD CemIndia Joint Venture | Unincorporated entity (treated as subsidiary) |
| 4. | ITD-ITD Cem Joint Venture (Consortium of ITD-ITD Cementation) | Unincorporated entity (treated as Joint Venture) |
| 5. | ITD-ITD Cem Joint Venture | Unincorporated entity (treated as Joint Venture) |
| 6. | CEC-ITD Cem-TPL Joint Venture | Unincorporated entity (treated as Joint Venture) |
| 7. | ITD Cem – BBJ Joint Venture | Unincorporated entity (treated as Joint Venture) {w.e.f. September 28, 2020} |

Annexure II 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 March 2021

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the consolidated financial statements of **ITD Cementation India Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint ventures as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its one subsidiary, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary Company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding

of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend

INDEPENDENT AUDITOR'S REPORT (Contd.)

on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report, referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary, as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary Company, the Holding Company and its subsidiary Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to (1) one subsidiary Company, which is a Company covered under the Act, whose financial statements (before eliminating Inter-Company balances/ transactions) reflect total assets of ₹ 38.67 Lakh and net assets of ₹ 3.44 Lakh as at 31 March 2021, total revenues of ₹ 0.12 Lakh and net cash inflows amounting to ₹ 0.10 Lakh for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary Company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary Company is based solely on the reports of the auditor of such subsidiary Company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner

Place: Mumbai

Membership No: 109632

Date: 28 May 2021

UDIN: 21109632AAAAFC6094

CONSOLIDATED BALANCE SHEET as at March 31, 2021

(₹ in Lakh)

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3A | 55,234.20 | 55,371.76 |
| Right-of-use-assets | 3B | 4,301.44 | 6,229.89 |
| Capital work-in-progress | | 5,337.02 | 485.79 |
| Intangible assets | 3C | 593.49 | 782.39 |
| Investments in joint ventures | 5 | 18,448.23 | 25,540.67 |
| Financial assets | | | |
| Loans | 6 | 802.66 | 753.41 |
| Other financial assets | 7 | 1,883.76 | - |
| Deferred tax assets (net) | 8 | 513.84 | 436.72 |
| Income tax assets (net) | 8 | 6,502.40 | 4,805.03 |
| Other non-current assets | 9 | 5,711.04 | 10,150.15 |
| Total non-current assets | | 99,328.08 | 104,555.81 |
| Current Assets | | | |
| Inventories | 10 | 33,729.33 | 28,935.75 |
| Financial assets | | | |
| Investments | 11 | - | - |
| Trade receivables | 12 | 53,085.94 | 58,512.02 |
| Cash and cash equivalents | 13 | 12,733.08 | 23,690.04 |
| Bank balances other than cash and cash equivalents | 14 | 7,967.62 | 4,453.55 |
| Loans | 6 | 2,418.04 | 2,662.79 |
| Other financial assets | 7 | 1,114.70 | 2,380.93 |
| Other current assets | 9 | 108,462.89 | 87,521.31 |
| Total current assets | | 219,511.60 | 208,156.39 |
| Total Assets | | 318,839.68 | 312,712.20 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 1,717.88 | 1,717.88 |
| Other equity | | 104,851.49 | 103,541.69 |
| Total equity attributable to share holders of the parent | | 106,569.37 | 105,259.57 |
| Non-controlling interest | | 296.33 | 276.72 |
| Total Equity | | 106,865.70 | 105,536.29 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | 8,696.01 | 1,664.23 |
| Lease liabilities | 17 | 2,924.60 | 4,467.21 |
| Provisions | 18 | 4,013.71 | 4,060.33 |
| Deferred tax liabilities (net) | 8 | - | 239.32 |
| Total non-current liabilities | | 15,634.32 | 10,431.09 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | 27,421.19 | 44,412.38 |
| Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 1,490.03 | 249.15 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 74,113.86 | 65,492.52 |
| Lease liabilities | 17 | 1,921.37 | 2,024.90 |
| Other financial liabilities | 21 | 10,778.69 | 10,475.21 |
| Other current liabilities | 22 | 79,216.26 | 72,746.99 |
| Provisions | 18 | 1,049.44 | 1,026.76 |
| Current tax liabilities (net) | 8 | 348.82 | 316.91 |
| Total current liabilities | | 196,339.66 | 196,744.82 |
| Total Equity and Liabilities | | 318,839.68 | 312,712.20 |

The accompanying notes form an integral part of the consolidated financial statements
This is the Consolidated Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

Place : Mumbai
Date : May 28, 2021

Place : Mumbai
Date : May 28, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in Lakh)

| Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|----------|------------------------------|------------------------------|
| INCOME : | | | |
| Revenue from operations | 23 | 272,773.11 | 286,071.38 |
| Other income | 24 | 1,243.26 | 457.12 |
| Total Income | | 274,016.37 | 286,528.50 |
| EXPENSES : | | | |
| Cost of construction materials consumed | 25 | 85,326.87 | 106,560.55 |
| Subcontracting expenses | | 79,214.90 | 68,695.96 |
| Employee benefits expense | 26 | 34,508.75 | 34,628.15 |
| Finance costs | 27 | 13,819.52 | 13,049.61 |
| Depreciation and amortisation expense | 4 | 10,015.09 | 9,648.45 |
| Other expenses | 28 | 52,434.66 | 46,627.27 |
| Total expenses | | 275,319.79 | 279,209.99 |
| Profit/ (loss) before share of profit of joint ventures, exceptional items and tax | | (1,303.42) | 7,318.51 |
| Share of profit of joint ventures (net) | | 3,303.80 | 2,784.09 |
| Profit before exceptional items and tax | | 2,000.38 | 10,102.60 |
| Exceptional items | 29 | - | (4,093.36) |
| Profit before tax | | 2,000.38 | 6,009.24 |
| Tax Expense: | 8 | | |
| Current tax | | 771.90 | 1,203.30 |
| Deferred tax charge/ (credit) | | (366.75) | 429.98 |
| | | 405.15 | 1,633.28 |
| Profit for the year (A) | | 1,595.23 | 4,375.96 |
| Other comprehensive income / (loss) | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| - Gain/ (loss) on fair value of defined benefit plans as per actuarial valuation | | 199.89 | (421.60) |
| - Tax effect on above | | (50.31) | 106.11 |
| Items that will be reclassified subsequently to profit or loss | | | |
| - Exchange difference of foreign operations | | 99.96 | - |
| Other comprehensive income / (loss) for the year, net of tax (B) | | 249.54 | (315.49) |
| Total comprehensive income for the year, net of tax (A+B) | | 1,844.77 | 4,060.47 |
| Profit for the year attributable to: | | | |
| Owners of the parent | | 1,575.62 | 4,316.21 |
| Non-controlling interests | | 19.61 | 59.75 |
| | | 1,595.23 | 4,375.96 |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| Particulars | Note No. | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|----------|------------------------------|------------------------------|
| Other comprehensive income/(loss) for the year attributable to: | | | |
| Owners of the parent | | 249.54 | (315.49) |
| Non-controlling interests | | - | - |
| | | 249.54 | (315.49) |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent | | 1,825.16 | 4,000.72 |
| Non-controlling interests | | 19.61 | 59.75 |
| | | 1,844.77 | 4,060.47 |
| Earnings per equity share of nominal value ₹ 1 each | | | |
| Basic and diluted (in ₹) | 30 | 0.92 | 2.51 |

The accompanying notes form an integral part of the consolidated financial statements
This is the consolidated statement of profit and loss referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

Place : Mumbai
Date : May 28, 2021

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Place : Mumbai
Date : May 28, 2021

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

(₹ in Lakh)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 2,000.38 | 6,009.24 |
| Adjustments for | | |
| Depreciation and amortisation expense | 10,015.09 | 9,648.45 |
| Finance costs | 13,819.52 | 13,049.61 |
| Interest income | (846.98) | (386.24) |
| Impairment allowance on financial / non-financial assets | 1,252.03 | 1,413.45 |
| Receivables from a customer written off - exceptional item | - | 4,093.36 |
| Share of profit from joint ventures (net) | (3,303.80) | (2,784.09) |
| (Profit)/Loss on disposal of property, plant and equipment (net) | (345.69) | 159.52 |
| Unrealised foreign exchange loss (net) | 1.69 | 11.36 |
| Provision no longer required written back | (848.21) | (1,091.86) |
| Operating profit before working capital changes | 21,744.03 | 30,122.80 |
| Adjustment for changes in working capital | | |
| Increase in Inventories | (4,793.58) | (4,326.69) |
| Decrease / (Increase) in trade receivables | 4,594.84 | (17,947.54) |
| Increase in financial and other assets | (12,601.51) | (5,862.60) |
| Increase in trade payables | 10,260.50 | 10,273.09 |
| Increase in financial and other liabilities | 6,496.68 | 36,775.44 |
| Cash generated from operations | 25,700.96 | 49,034.50 |
| Direct taxes paid (net) | (2,199.65) | (4,346.50) |
| Net cash generated from operating activities | 23,501.31 | 44,688.00 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment (including intangible assets, capital work-in-progress, capital advances/ payables) | (14,539.17) | (10,966.99) |
| Proceeds from disposal of property, plant and equipment | 3,402.81 | 1,629.27 |
| Net Investments in bank deposits | (5,397.43) | (2,535.82) |
| Proceeds from unincorporated entity (Investment) | 7,790.39 | 2,957.44 |
| Interest received | 328.50 | 176.65 |
| Net cash used in investing activities | (8,414.90) | (8,739.45) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from non-current borrowings | 9,355.82 | 1,302.26 |
| Repayment of non-current borrowings | (1,748.58) | (1,115.87) |
| Repayment of short term borrowings (net) | (16,991.19) | (6,028.57) |
| Repayment of lease obligation | (3,302.38) | (3,063.94) |

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2021 (Contd.)

| Particulars | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest and other finance charges paid | (12,842.07) | (11,477.68) |
| Dividend paid (including dividend distribution tax) | (514.97) | (828.17) |
| Net cash used in financing activities | (26,043.37) | (21,211.97) |
| Net (decrease)/ increase in cash and cash equivalents (A + B + C) | (10,956.96) | 14,736.58 |
| Cash and cash equivalents at the beginning of year | 23,690.04 | 8,953.46 |
| Cash and cash equivalents at the end of year (Refer note 13) | 12,733.08 | 23,690.04 |

Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes form an integral part of the consolidated financial statements
This is the Consolidated Cash Flow Statement referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

Place : Mumbai
Date : May 28, 2021

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Place : Mumbai
Date : May 28, 2021

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at and for the year ended March 31, 2021

A) EQUITY SHARE CAPITAL

| Particulars | Number | ₹ Lakh |
|---|--------------------|-----------------|
| Equity Shares of ₹ 1 each issued, subscribed and paid | | |
| As at April 1, 2019 | 171,787,584 | 1,717.88 |
| Issue of equity share | - | - |
| As at March 31, 2020 | 171,787,584 | 1,717.88 |
| Issue of equity share | - | - |
| As at March 31, 2021 | 171,787,584 | 1,717.88 |

B) OTHER EQUITY

(₹ in Lakh)

| Particulars | Reserves and surplus | | | Other comprehensive income | | Total equity attributable to equity holders of the parent | Non-controlling interest | Total equity |
|---|----------------------|-----------------|-------------------|--------------------------------------|---|---|--------------------------|-------------------|
| | Securities premium | General reserve | Retained earnings | Foreign Currency Translation Reserve | Equity instruments through other comprehensive income | | | |
| As at April 1, 2019 | 78,512.04 | 676.48 | 21,181.11 | - | (0.26) | 100,369.37 | 216.97 | 100,586.34 |
| Profit for the year | - | - | 4,316.21 | - | - | 4,316.21 | 59.75 | 4,375.96 |
| Payment of dividend (including dividend distribution tax) | - | - | (828.40) | - | - | (828.40) | - | (828.40) |
| Other comprehensive loss for the year | - | - | (315.49) | - | - | (315.49) | - | (315.49) |
| As at March 31, 2020 | 78,512.04 | 676.48 | 24,353.43 | - | (0.26) | 103,541.69 | 276.72 | 103,818.41 |
| Profit for the year | - | - | 1,575.62 | - | - | 1,575.62 | 19.61 | 1,595.23 |
| Payment of dividend (including dividend distribution tax) | - | - | (515.36) | - | - | (515.36) | - | (515.36) |
| Exchange difference of foreign operations | - | - | - | 99.96 | - | 99.96 | - | 99.96 |
| Other comprehensive income for the year | - | - | 149.58 | - | - | 149.58 | - | 149.58 |
| As at March 31, 2021 | 78,512.04 | 676.48 | 25,563.27 | 99.96 | (0.26) | 104,851.49 | 296.33 | 105,147.82 |

Nature and purpose of reserves

(i) Securities premium

Securities premium is used to record the premium received on issue of shares. This account is utilised in accordance with the provisions of the Companies Act 2013 ('the Act').

(ii) General Reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as at and for the year ended March 31, 2021 (Contd.)

(iii) Retained Earnings

Retained earnings represents the profits/losses that the Group has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves, etc.

(iv) Foreign currency translation reserve

The Group has recognised exchange differences arising on translation of the foreign operations (i.e. Branch in Myanmar) in other comprehensive income and accumulated in 'Foreign Currency Translation Reserve' in Other Equity.

(v) Equity instruments through other comprehensive income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within fair value through other comprehensive income FVTOCI reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

The accompanying notes form an integral part of the consolidated financial statements
This is the Consolidated Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

Place : Mumbai
Date : May 28, 2021

Place : Mumbai
Date : May 28, 2021

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021

Note 1 CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or the 'Holding Company' or the 'Parent Company') is a public Company domiciled in India and was incorporated in 1978 under the provisions of the erstwhile Companies Act, 1956. Its shares are listed on two recognised stock exchanges in India - the BSE Limited and the National Stock Exchange of India Limited. The Holding Company having CIN L61000MH1978PLC020435 has its registered office located at National Plastic Building, A Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai 400057, India.

The financial statements comprises the financial statements of the Holding Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group"). The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 28, 2021.

The Group is engaged in construction of a wide variety of structures like maritime structures, mass rapid transport systems (MRTS), dams and tunnels, airports, highways, bridges and flyovers and other foundations and specialised engineering work. The activities of the Group comprise only one business segment viz Construction.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis.

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest Lakh (₹ 00,000), except when otherwise indicated.

The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

ii. Operating cycle for current and non-current classification:

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

iii. Principles of Consolidation

The financial statements have been prepared on the following basis:

a. Subsidiaries

- The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.
- The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.
- The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

b. Investments in joint ventures

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application

of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

c. Interests in joint operations

In accordance with Ind AS 111 Joint Arrangements, when the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

d. Business Combination/Goodwill on consolidation

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

- e.** Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iv. Accounting Estimates

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

v. Key Accounting Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

a. Estimation uncertainty related to the global health pandemic on COVID-19

The outbreak of COVID-19 had disrupted regular business operations of the Group due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The Group's operations have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. The Group management has taken into account the possible impacts of known events, upto the date of the approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2021. While the Group continues to closely monitor the impact of COVID-19 pandemic, there exists uncertainty in estimating the future impact of COVID-19 pandemic on the Group and, accordingly, the actual impact in the future may be different from those presently estimated.

b. Contract revenue

Refer Note 2(xvii)(a) below

c. Valuation of investment in and loans to joint ventures

The Holding Company has performed valuation for its investments in equity of certain subsidiaries and joint ventures for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest

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receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

d. Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

e. Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The

Group revises the lease term if there is a change in non-cancellable period of a lease.

g. Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

h. Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

vi. Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date. (Refer Note 36)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value.

Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 35, 38, 39 and 40).
- Financial instruments (including those carried at amortised cost) (notes 6, 7, 12, 13, 14, 16, 17, 19, 20 and 21).
- Quantitative disclosure of fair value measurement hierarchy (note 36).

vii. Property, Plant and Equipment (Tangible assets)

Property, Plant and Equipment is stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

viii. Capital work-in-progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure.

ix. Intangible Assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of license fees and implementation cost for software and other application software acquired for in-house use.

x. Depreciation and amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis. Intangible assets are amortised from the date they are

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available for use, over their estimated useful lives. The estimated useful lives are as mentioned below:

| Asset category | Useful life (in years) | Basis of determination of useful lives [^] |
|---|---|---|
| Buildings | 60 | Assessed to be in line with Schedule II to the Act. |
| Leasehold improvements | Lease period or 5 years, whichever is lower | Assessed to be in line with Schedule II to the Act. |
| Plant and equipment (including tools and equipment) | 3 to 21 | Based on technical evaluation by management's expert. |
| Vehicles | 8 | Assessed to be in line with Schedule II to the Act. |
| Office equipment | 5 | Assessed to be in line with Schedule II to the Act. |
| Furniture and fixtures | 10 | Assessed to be in line with Schedule II to the Act. |
| Computers | 3 to 6 | Assessed to be in line with Schedule II to the Act. |
| Intangible (Computer software) | 5 | Assessed to be in line with Schedule II to the Act. |

[^] Useful lives of asset classes determined by management estimate, which are generally higher than those prescribed under Schedule II to the Act and are supported by the internal technical assessment of useful lives.

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income/ Other expenses.

xi. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

- Financial Assets Measured at Fair Value

Financial assets are subsequently measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except

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for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

(iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) during the period is recognised as income/expense in the Statement of Profit and Loss.

(iv) De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

(ii) Financial Liabilities

- Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are

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recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that

are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Group issues optionally convertible debentures, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

- **Derivative financial instruments**

The Group uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The Group uses hedging instruments that are governed by the policies of the Group

Hedge Accounting

The Group uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognised immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which

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the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

- **De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c. **Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

xii. **Employee Benefits**

a. **Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group

has no further obligations beyond the monthly contributions.

b. **Defined Benefit Plan**

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. 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.

The Group also provides for gratuity which is a defined benefit plan the liabilities of which are determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

In case of foreign subsidiaries, the post-employment benefit plan, in the form of a pension, qualify as defined benefit plans. For the purposes of determining the defined benefit obligation at the reporting date, the total defined benefit obligations, made by an independent actuary using the projected unit credit method, are compared to the fair value of the plan assets and resultant surplus or shortfall is recognised as an asset or liability, respectively. Re-measurement, comprising of actuarial gains and losses, in respect of this pension plan are recognised in the OCI, in the period in which they occur.

c. **Leave entitlement and compensated absences**

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are

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provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d. Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

xiii. Inventories

- a. Construction materials are valued at lower of cost and net realisable value. Cost is determined on a weighted average method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the Group from the taxing authorities). Net Realisable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.
- b. Spares that are of regular use are charged to the statement of profit and loss as and when consumed.

xiv. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xv. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of "Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xvi. Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a. Initial Recognition

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

b. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Treatment of Exchange Difference

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

xvii. Revenue Recognition

a. Contract Revenue

The Group derives revenues primarily from providing construction services.

Effective April 1, 2019, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. On account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) has been considered as non-financial asset and accordingly classified under other current assets.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from construction services, where the performance obligations are satisfied over

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time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. The percentage-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. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party and is adjusted for variable considerations.

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress) while certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred.

b. Share of profit and loss from unincorporated entities in the nature of Subsidiary, Joint Venture or Joint Operations

In case of Unincorporated Entities in the nature of subsidiary / joint venture, share of profit and loss are recognised in the Statement of Profit and Loss as and when the right to receive the profit share or obligation to settle the loss is established.

In case of Unincorporated Entities in the nature of a Joint Operation; the Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

c. Other Income

a. Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective Interest Rate (EIR).

b. Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

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xviii. Income Tax

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the period. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current Taxes

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

b. Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and deferred tax liabilities are offsetted if a legally enforceable right exists to set off current tax assets against current income

tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

xix Leases

Effective April 1, 2019, the Group has adopted Ind AS 116, "Leases" using the modified retrospective approach, as a result of which the comparative information is not required to be restated.

The Group's lease asset classes primarily consist of leases for buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets and Lease liabilities have been separately presented in the Balance Sheet. Further, lease payments have been classified as financing cash flows.

xx. Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI.

For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xxi. Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxii. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefits is probable.

xxiii. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated

amount of contracts remaining to be executed on capital account and not provided for.

xxiv. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

xxv. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group effective April 1, 2021.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 3 PROPERTY, PLANT AND EQUIPMENT

3A Tangible Assets

| | Freehold land | Buildings | Leasehold improvements | Plant and equipment | Furniture and fixtures | Office equipment | Computer | Vehicles | Total |
|--|---------------|-----------|------------------------|---------------------|------------------------|------------------|----------|----------|------------|
| Gross carrying value (at deemed cost) | | | | | | | | | |
| As at April 1, 2019 | 549.92 | 2,284.89 | 511.01 | 63,141.30 | 77.31 | 307.78 | 914.62 | 361.18 | 68,148.01 |
| Additions | - | 235.79 | - | 11,378.52 | 11.96 | 25.74 | 82.71 | 10.00 | 11,744.72 |
| Disposals | - | - | - | (2,823.33) | - | (13.46) | (8.62) | (50.85) | (2,896.26) |
| As at March 31, 2020 | 549.92 | 2,520.68 | 511.01 | 71,696.49 | 89.27 | 320.06 | 988.71 | 320.33 | 76,996.47 |
| Additions | - | - | - | 9,620.40 | 29.16 | 37.16 | 94.02 | 53.11 | 9,833.85 |
| Disposals | - | - | - | (4,317.00) | - | (0.76) | - | (13.50) | (4,331.26) |
| As at March 31, 2021 | 549.92 | 2,520.68 | 511.01 | 76,999.89 | 118.43 | 356.46 | 1,082.73 | 359.94 | 82,499.06 |
| Accumulated depreciation | | | | | | | | | |
| As at April 1, 2019 | - | 100.52 | 135.13 | 15,112.61 | 22.81 | 158.71 | 280.34 | 166.61 | 15,976.73 |
| Depreciation charge | - | 43.13 | 49.97 | 6,375.15 | 7.24 | 47.38 | 172.77 | 59.71 | 6,755.35 |
| Accumulated depreciation on disposals | - | - | - | (1,052.90) | - | (7.42) | (8.19) | (38.86) | (1,107.37) |
| As at March 31, 2020 | - | 143.65 | 185.10 | 20,434.86 | 30.05 | 198.67 | 444.92 | 187.46 | 21,624.71 |
| Depreciation charge | - | 44.71 | 49.97 | 6,546.51 | 12.84 | 45.38 | 174.08 | 40.78 | 6,914.27 |
| Accumulated depreciation on disposals | - | - | - | (1,260.80) | - | (0.74) | - | (12.58) | (1,274.12) |
| As at March 31, 2021 | - | 188.36 | 235.07 | 25,720.57 | 42.89 | 243.31 | 619.00 | 215.66 | 27,264.86 |
| Net carrying value | | | | | | | | | |
| As at March 31, 2020 | 549.92 | 2,377.03 | 325.91 | 51,261.63 | 59.22 | 121.39 | 543.79 | 132.87 | 55,371.76 |
| As at March 31, 2021 | 549.92 | 2,332.32 | 275.94 | 51,279.32 | 75.54 | 113.15 | 463.73 | 144.28 | 55,234.20 |

Notes:

- Refer notes 16 and 19 for information of Property, plant and equipment pledged as security against borrowings of the Company.
- Refer note 31(B) for disclosure of contractual commitments for acquisition of Property, plant and equipment.
- Includes purchase of Property, Plant and Equipment aggregating ₹ 426.25 Lakh (March 31, 2020: ₹ 2,574.76 Lakh) from related parties [Refer note 37(b)]

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

3B Right-of-use-asset

The details of the right-of-use asset are as follows:

| | (₹ in Lakh) | | | |
|--|-----------------|-----------------|---------------------|-----------------|
| | Land | Buildings | Plant and equipment | Total |
| Gross carrying value | | | | |
| Impact of adoption of Ind AS 116 as at April 1, 2019 | 735.87 | 3,896.86 | 3,857.58 | 8,490.31 |
| Additions | 166.43 | 70.64 | 241.53 | 478.60 |
| Disposals | - | (36.63) | - | (36.63) |
| As at March 31, 2020 | 902.30 | 3,930.87 | 4,099.11 | 8,932.28 |
| Additions | 777.41 | 34.90 | 167.34 | 979.65 |
| Disposals | - | (12.99) | - | (12.99) |
| As at March 31, 2021 | 1,679.71 | 3,952.78 | 4,266.45 | 9,898.94 |
| Accumulated depreciation | | | | |
| As at April 1, 2019 | - | - | - | - |
| Depreciation charge | 657.87 | 624.99 | 1,431.12 | 2,713.98 |
| Accumulated depreciation on disposals | - | (11.59) | - | (11.59) |
| As at March 31, 2020 | 657.87 | 613.40 | 1,431.12 | 2,702.39 |
| Depreciation charge | 776.12 | 621.49 | 1,506.61 | 2,904.22 |
| Accumulated depreciation on disposals | - | (9.11) | - | (9.11) |
| As at March 31, 2021 | 1,433.99 | 1,225.78 | 2,937.73 | 5,597.50 |
| Net carrying value | | | | |
| As at March 31, 2020 | 244.43 | 3,317.47 | 2,667.99 | 6,229.89 |
| As at March 31, 2021 | 245.72 | 2,727.00 | 1,328.72 | 4,301.44 |

Note: Refer Note 40 for the disclosures related to Ind AS 116 - Leases.

3C Intangible assets - Computer software

| | (₹ in Lakh) |
|------------------------------------|-----------------|
| Gross carrying value | |
| As at April 1, 2019 | 808.84 |
| Additions | 189.52 |
| Disposals | - |
| As at March 31, 2020 | 998.36 |
| Additions | 7.70 |
| Disposals | - |
| As at March 31, 2021 | 1,006.06 |
| Accumulated amortisation | |
| As at April 1, 2019 | 36.85 |
| Amortisation charge | 179.12 |
| Amortisation on disposal of assets | - |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

| | (₹ in Lakh) |
|------------------------------------|---------------|
| As at March 31, 2020 | 215.97 |
| Amortisation charge | 196.60 |
| Amortisation on disposal of assets | - |
| As at March 31, 2021 | 412.57 |
| Net carrying value | |
| As at March 31, 2020 | 782.39 |
| As at March 31, 2021 | 593.49 |

Note 4 DEPRECIATION AND AMORTISATION EXPENSE

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| a) Depreciation of tangible assets | 6,914.27 | 6,755.35 |
| b) Depreciation on right-of-use-asset | 2,904.22 | 2,713.98 |
| c) Amortisation of intangible assets | 196.60 | 179.12 |
| Total depreciation and amortisation expense | 10,015.09 | 9,648.45 |

Note 5 INVESTMENTS IN JOINT VENTURES

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non - current | | |
| Deemed investment in unincorporated entities classified as joint ventures | 18,448.23 | 25,540.67 |
| Total non-current investments | 18,448.23 | 25,540.67 |

5.1 Detailed list of non-current investments

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Deemed investments in unincorporated entities, unquoted Unincorporated entities classified as Joint Ventures* | | |
| ITD - ITDCem JV ^ # | 18,448.23 | 25,540.67 |
| Total non-current investments | 18,448.23 | 25,540.67 |

* Being unincorporated entities, the Holding Company is not require to have any investment in these entities as per the joint venture agreement.

^ Receivables from unincorporated entities representing groups's net investment in the entities. Accordingly they have been reclassified as deemed investment under Ind AS.

Includes ₹ 57.49 Lakh (March 31, 2020 : ₹ 57.49 Lakh) representing fair value of financial guarantee.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Details:

Aggregate value of non-current investments is as follows:

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (i) Aggregate carrying value of unquoted investments | 18,448.23 | 25,540.67 |
| (ii) Aggregate value of quoted investments and market value thereof | - | - |
| (iii) Aggregate value of Impairment of investments | - | - |
| | 18,448.23 | 25,540.67 |
| (i) Investments carried at deemed cost | 18,448.23 | 25,540.67 |
| (ii) Investments carried at amortised cost | - | - |
| (iii) Investments carried at fair value through profit and loss | - | - |
| | 18,448.23 | 25,540.67 |

Note 6 LOANS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Security deposits | 802.66 | 753.41 |
| Total non-current loans | 802.66 | 753.41 |
| Current | | |
| Security deposits | 2,418.04 | 2,662.79 |
| Total current loans | 2,418.04 | 2,662.79 |
| Total loans | 3,220.70 | 3,416.20 |
| Break-up of security details | | |
| Loans considered good - secured | - | - |
| Loans considered good - unsecured | 3,220.70 | 3,416.20 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | 172.57 | 63.79 |
| Total | 3,393.27 | 3,479.99 |
| Less: impairment allowance | (172.57) | (63.79) |
| Total loans | 3,220.70 | 3,416.20 |

Note 7 OTHER FINANCIAL ASSETS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Bank deposits with maturity of more than 12 months [^] | 1,883.76 | - |
| Total non-current financial assets | 1,883.76 | - |
| [^] held as margin money or security against borrowings, guarantees and other commitments issued by banks on behalf of the Company. | | |
| Current | | |
| Receivable from unincorporated entities [Refer note 37(c)] | 867.82 | 2,249.37 |
| Interest accrued on deposits | 188.40 | 96.04 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| Employee advances | 58.48 | 24.69 |
| Foreign currency forward contract | - | 10.83 |
| Total current financial assets | 1,114.70 | 2,380.93 |
| Total other financial assets | 2,998.46 | 2,380.93 |

Note 8 INCOME TAX ASSETS (NET)

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| i. The following table provides the details of income tax assets and liabilities: | | |
| a) Income tax assets | 15,564.17 | 16,644.24 |
| b) Current income tax liabilities | (9,410.59) | (12,156.12) |
| Net income tax assets | 6,153.58 | 4,488.12 |
| Income tax assets in case of certain entities | 6,502.40 | 4,805.03 |
| Current tax liabilities in case of certain entities | (348.82) | (316.91) |
| Net income tax assets | 6,153.58 | 4,488.12 |
| ii. The gross movement in the current tax asset: | | |
| Net current income tax assets at the beginning | 4,488.12 | 1,255.60 |
| Interest on income tax refund | 237.71 | 89.32 |
| Income tax paid (net) | 2,199.65 | 4,346.50 |
| Current income tax expense | (771.90) | (1,203.30) |
| Net current income tax assets at the end | 6,153.58 | 4,488.12 |

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| iii. Income tax expense in the Statement of Profit and Loss comprises: | | |
| Current income taxes | 771.90 | 1,203.30 |
| Deferred income tax (credit) / charge | (366.75) | 429.98 |
| Income tax expenses in Statement of Profit and Loss (net) | 405.15 | 1,633.28 |
| Deferred income tax charge / (credit) in Other Comprehensive Income | 50.31 | (106.11) |
| Income tax expenses (net) | 455.46 | 1,527.17 |
| iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below: | | |
| Profit before income tax | 2,000.38 | 6,009.24 |
| Applicable income tax rate (Refer not 8.1) | 25.17% | 25.17% |
| Computed expected tax expense | 503.46 | 1,512.41 |
| Effect of expenses not allowed for tax purpose | 80.53 | 131.89 |
| Effect of income not considered for tax purpose | (852.39) | (444.44) |
| Effect of items on which deferred tax assets not recognised | 543.74 | 436.16 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Effect of difference in tax rates in unincorporated entities (Association of Persons) | 121.04 | 137.09 |
| Effect of difference in tax rate in overseas branch | 8.77 | - |
| Effect of change in tax rate | - | (139.83) |
| Income tax expense charged to the Statement of Profit and Loss | 405.15 | 1,633.28 |

Note 8.1 : During the previous year ended March 31, 2020, the Holding Company and its subsidiary company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, these companies have recognised provision for income tax basis the rate prescribed in the said section. The Group has also remeasured their deferred tax assets basis the revised rate and the impact of this change has been recognised in the statement of profit and loss during the previous year.

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| v. Components of deferred income tax assets and liabilities arising on account of temporary differences are: | | |
| (a) Deferred tax assets | | |
| Impairment allowance of financial assets | 1,335.12 | 1,003.81 |
| Expenses allowable on payment basis | 1,520.35 | 1,739.18 |
| Others | 140.93 | 142.55 |
| | 2,996.40 | 2,885.54 |
| (b) Deferred tax liability | | |
| Timing difference on amount of depreciation on tangible assets and intangible assets | 2,482.56 | 2,688.14 |
| | 2,482.56 | 2,688.14 |
| Deferred tax assets (net) [a-b] | 513.84 | 197.40 |
| Deferred tax assets in case of certain entities | 513.84 | 436.72 |
| Deferred tax liabilities in case of certain entities | - | (239.32) |
| Net deferred tax assets | 513.84 | 197.40 |

| vi. Movement in deferred tax assets/(liabilities) | | | | | (₹ in Lakh) |
|--|--|---------------------------------|---------------|--|---------------|
| | Impairment allowance of financial assets | Provision for employee benefits | Others | Timing difference on account of tangible and intangible assets | Total |
| As at April 1, 2019 | 1,457.83 | 2,244.56 | 166.26 | (3,347.38) | 521.27 |
| (Charged) / credited | | | | | |
| - to profit or loss | (454.02) | (611.49) | (23.71) | 659.24 | (429.98) |
| - to other comprehensive income | - | 106.11 | - | - | 106.11 |
| As at March 31, 2020 | 1,003.81 | 1,739.18 | 142.55 | (2,688.14) | 197.40 |
| (Charged) / credited | | | | | |
| - to profit or loss | 331.31 | (168.52) | (1.62) | 205.58 | 366.75 |
| - to other comprehensive income | - | (50.31) | - | - | (50.31) |
| As at March 31, 2021 | 1,335.12 | 1,520.35 | 140.93 | (2,482.56) | 513.84 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 9 OTHER ASSETS

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Capital advances | 1,315.78 | 1,319.46 |
| Balances with government authorities | 4,395.26 | 8,830.69 |
| Total other non-current assets | 5,711.04 | 10,150.15 |
| Current | | |
| Unbilled work-in-progress | 86,422.64 | 70,210.20 |
| Advance to suppliers and subcontractors | 3,915.74 | 3,472.35 |
| Balances with government authorities | 15,921.89 | 11,484.35 |
| Prepaid expenses | 3,261.58 | 3,101.36 |
| | 109,521.85 | 88,268.26 |
| Less: impairment allowance | (1,058.96) | (746.95) |
| Total other current assets | 108,462.89 | 87,521.31 |
| Total other assets | 114,173.93 | 97,671.46 |

Note 10 INVENTORIES

| | (₹ in Lakh) | |
|--------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Construction materials | 31,045.02 | 26,736.05 |
| Spares | 2,684.31 | 2,199.70 |
| Total inventories | 33,729.33 | 28,935.75 |

Note 11 CURRENT INVESTMENTS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Investment in equity instruments at fair value through other comprehensive income | | |
| AVR Infra Private Limited | 0.26 | 0.26 |
| 2,600 (March 31, 2020: 2,600) equity shares of ₹ 10 each, fully paid. | | |
| Less: impairment allowance | (0.26) | (0.26) |
| Total current investments | - | - |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 12 TRADE RECEIVABLES

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Current trade receivables [Including retention ₹ 25,294.52 Lakh (March 31, 2020 : ₹ 24,709.96 Lakh)] | 53,085.94 | 58,512.02 |
| Total trade receivables | 53,085.94 | 58,512.02 |
| Break-up of security details | | |
| Trade receivables considered good - secured | - | - |
| Trade receivables considered good - unsecured | 53,085.94 | 58,512.02 |
| Trade receivables which have significant increase in credit risk (Refer note 38) | - | - |
| Trade receivables - credit impaired | 4,073.32 | 3,242.08 |
| Total | 57,159.26 | 61,754.10 |
| Less: impairment allowance | (4,073.32) | (3,242.08) |
| Total trade receivables | 53,085.94 | 58,512.02 |

Notes:

- (i) Includes ₹ 1,040.97 Lakh (March 31, 2020 : ₹ 210.44 Lakh) receivables from related parties [Refer note 37(c)]
- (ii) There are no trade receivables due from any director or any officer of the Group, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.
- (iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days, except retention deposit which are due after completion of defect liability period of the respective projects.

Note 13 CASH AND CASH EQUIVALENTS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Balance with banks in current accounts | 12,683.09 | 23,604.89 |
| Cash on hand | 49.99 | 85.15 |
| Total cash and cash equivalents | 12,733.08 | 23,690.04 |

Note 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Bank deposits with maturity of less than 12 months | 1,274.88 | 2.00 |
| Earmarked balances with banks for: | | |
| Bank deposits held as margin money or security against borrowings, guarantees and other commitments issued by banks on behalf of the Company | 6,683.61 | 4,442.81 |
| Balances with bank for unclaimed dividend (Refer note 14.1 below) | 9.13 | 8.74 |
| Total other bank balances | 7,967.62 | 4,453.55 |

Notes: 14.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at each reporting period.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 15 SHARE CAPITAL

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Authorised share capital | | |
| 300,000,000 Equity shares of ₹ 1 each (March 31, 2020: 300,000,000) | 3,000.00 | 3,000.00 |
| 45,000,000 Redeemable preference shares of ₹ 10 each (March 31, 2020: 45,000,000) | 4,500.00 | 4,500.00 |
| Total authorised share capital | 7,500.00 | 7,500.00 |
| Issued equity share capital: | | |
| 171,812,844 Equity shares of ₹ 1 each (March 31, 2020: 171,812,844) | 1,718.13 | 1,718.13 |
| Total issued equity share capital | 1,718.13 | 1,718.13 |
| Subscribed and fully paid-up equity share capital: | | |
| 171,787,584 Equity shares of ₹1 each fully paid up (March 31, 2020: 171,787,584) | 1,717.88 | 1,717.88 |
| Total Subscribed and fully paid-up equity share capital | 1,717.88 | 1,717.88 |

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

| | Number | ₹ Lakh |
|-----------------------------|--------------------|-----------------|
| As at April 1, 2019 | 171,787,584 | 1,717.88 |
| Issued during the year | - | - |
| As at March 31, 2020 | 171,787,584 | 1,717.88 |
| Issued during the year | - | - |
| As at March 31, 2021 | 171,787,584 | 1,717.88 |

b. Terms/rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed if any by the Board of Directors of the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Group, 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 Ultimate holding Company

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|--------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Equity shares of ₹ 1 each | | | | |
| Italian-Thai Development Public Company Limited, Thailand | 80,113,180 | 46.64% | 80,113,180 | 46.64% |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

d. Shareholding of more than 5%:

| Name of the Shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|---------------|----------------------|--------|
| | No. of Shares | No. of Shares | No. Shares | % held |
| Promoter | | | | |
| Italian-Thai Development Public Company Limited, Thailand | 80,113,180 | 46.64% | 80,113,180 | 46.64% |
| Non-promoter | | | | |
| Franklin India Focused Equity Fund | 17,100,000 | 9.95% | 17,100,000 | 9.95% |
| Reliance Capital Trustee Co. Limited | - | - | 13,027,423 | 7.58% |
| Massachusetts Institute of Technology | 11,586,000 | 6.74% | - | - |
| Nippon Life India Trustee Limited | 11,219,299 | 6.53% | - | - |

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

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - **Nil**
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - **Nil**
- Aggregate number and class of shares bought back - **Nil**

f. Out of the total issued capital, 25,260 (March 31, 2020: 25,260) equity shares of ₹ 1 each have been kept in abeyance pending final settlement of rights issues.

g. The Board of Directors of the Holding Company has recommended equity dividend of ₹ 0.12 per share (March 31, 2020: ₹ 0.30 per share) for the year ended March 31, 2021. (Refer note 42)

Note 16 BORROWINGS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current portion: | | |
| Secured | | |
| Rupee Term loans | | |
| From Banks (Refer note 16.1) | 7,508.47 | - |
| Plant loans | | |
| From Banks (Refer note 16.2) | 1,187.54 | 1,664.23 |
| Total non-current borrowings | 8,696.01 | 1,664.23 |
| Current maturities of long-term debts | | |
| Secured | | |
| Rupee Term loans | | |
| From Banks (Refer note 16.1) | 919.85 | - |
| | 919.85 | - |
| Plant loans | | |
| From Banks (Refer note 16.2) | 966.29 | 1,137.87 |
| From Others (Refer note 16.3) | - | 172.80 |
| | 966.29 | 1,310.67 |
| Total current maturities of long-term debts | 1,886.14 | 1,310.67 |
| Total borrowings | 10,582.15 | 2,974.90 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Terms of repayment and details of security

Note 16.1 - Rupee Term loan from banks

During the year, the Holding Company obtained loan aggregating ₹ 3,500 Lakh for reimbursement of capital expenses. This loan carries an interest rate linked to 1 year SBM MCLR currently at 9.55% p.a. and are repayable in 14 quarterly installments beginning from September 2021. This loan is secured with exclusive charge on an immovable property of the Holding Company.

During the year the Holding Company obtained loans aggregating ₹ 4,928.32 Lakh under Emergency Credit Line Guarantee Scheme 2.0 ('ECLGS') for general corporate/long term working capital purposes. These loans carry interest rates ranging from 7.50% p.a. to 9.25% p.a. for a period of 60 months including moratorium period of 12 months and thereafter repayable in 48 equal monthly installments beginning from February 2022. These loans are secured by second pari passu charge on the current assets and movable plant and machinery of the Holding Company, other than those charged in favour of Plant loans. The entire facility under ECLGS is also covered by way of 100% guarantee cover available from National Credit Guarantee Trustee Company Limited (NCGTC).

Note 16.2 - Plant loan from banks

Loans obtained for purchase of construction equipment carry an interest rates ranging from 7.65% p.a. to 9.50% p.a. (March 31, 2020 : 8.25% p.a to 9.50%p.a) and balance outstanding as on March 31, 2021 (₹ 2,153.83 Lakh) are repayable in 1 to 60 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the banks.

Note 16.3 - Plant loans from others

Loans obtained for purchase of construction equipment have been fully repaid in the current year. These loans were secured by first and exclusive charge on specific equipment financed by the financial institution. These loans carried interest rates ranging from 11.00% p.a. to 12.50% p.a.

Note 16.4 - Net debt reconciliation

An analysis of net debts and the movement in net debts for each of the reporting period as follows:

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current borrowings (includes accrued interest) | 10,610.23 | 2,983.71 |
| Current borrowings (includes accrued interest) | 27,452.19 | 44,656.43 |
| Cash and cash equivalents | (12,733.08) | (23,690.04) |
| Net debts | 25,329.34 | 23,950.10 |

| | (₹ in Lakh) | | | |
|--------------------------------------|------------------------------|---------------------------------------|--------------------|------------------|
| | Other assets | Liabilities from financing activities | | Total |
| | Cash and Cash equivalents | Non-current borrowings | Current borrowings | |
| Net debt as at April 1, 2019 | (8,953.46) | 2,800.06 | 50,457.34 | 44,303.94 |
| Cash flows (net) | (14,736.58) | 186.39 | (6,028.57) | (20,578.76) |
| Interest expense | - | 222.69 | 5,973.87 | 6,196.56 |
| Interest paid | - | (225.43) | (5,746.21) | (5,971.64) |
| Net debt as at March 31, 2020 | (23,690.04) | 2,983.71 | 44,656.43 | 23,950.10 |
| Cash flows (net) | 10,956.96 | 7,607.24 | (16,991.19) | 1,573.01 |
| Interest expense | - | 327.33 | 5,105.56 | 5,432.89 |
| Interest paid | - | (308.05) | (5,318.61) | (5,626.66) |
| Net debt as at March 31, 2021 | (12,733.08) | 10,610.23 | 27,452.19 | 25,329.34 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 17 LEASE LIABILITIES

| | (₹ in Lakh) | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Lease liabilities | 2,924.60 | 4,467.21 |
| Current | | |
| Lease liabilities | 1,921.37 | 2,024.90 |
| Total lease liabilities | 4,845.97 | 6,492.11 |

Note: Refer note 40 for the disclosures related to Ind AS 116 - Leases.

Note 18 PROVISIONS

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-current | | |
| Provision for employee benefits (Refer note 35) | | |
| - Gratuity | 2,050.06 | 2,184.39 |
| - Leave entitlement and compensated absences | 1,963.65 | 1,875.94 |
| Total non-current provisions | 4,013.71 | 4,060.33 |
| Current | | |
| Provision for employee benefits (Refer note 35) | | |
| - Gratuity | 826.88 | 825.46 |
| - Leave entitlement and compensated absences | 222.56 | 201.30 |
| Total current provisions | 1,049.44 | 1,026.76 |
| Total provisions | 5,063.15 | 5,087.09 |

Note 19 CURRENT BORROWINGS

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Secured | | |
| Loan repayable on demand from banks | | |
| - Cash credit facilities (Refer note 19.1) | 2,528.36 | 23,087.03 |
| - Working capital demand loans (Refer note 19.2) | 24,892.83 | 21,325.35 |
| Total current borrowings | 27,421.19 | 44,412.38 |

Note 19.1 Cash credit facilities (secured) :

Cash credit facilities availed from consortium bankers carry effective interest rates ranging from 8.65% p.a. to 11.80% p.a. (March 31, 2020 : 10.10 % p.a. to 13.25% p.a.) and are secured by first pari passu charge on the current assets and movable plant and machinery (other than those charged in favour of Plant loans). These facilities are repayable on demand.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 19.2 Working capital demand loans (secured) :

Working capital demand loans carry effective interest rates ranging from 8.20% p.a. to 12.15% p.a. (March 31, 2020 : 8.75 % p.a. to 12.15% p.a.) and are secured by first pari passu charge on the current assets and movable plant and machinery (other than those charged in favour of Plant loans). These facilities are repayable on demand.

Note 20 TRADE PAYABLES

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| - Total outstanding dues of micro enterprises and small enterprises (Refer note 20.1) | 1,490.03 | 249.15 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 74,113.86 | 65,492.52 |
| Total trade payables | 75,603.89 | 65,741.67 |

Note 20.1 Dues to Micro and Small Enterprise

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

| | (₹ in Lakh) | |
|--|-------------|--------|
| a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year: | | |
| - Principal amount due to micro and small enterprises | 1,490.03 | 249.15 |
| - Interest due | 4.51 | 17.16 |
| b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006. | 46.61 | 29.45 |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting period. | 51.12 | 46.61 |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | 51.12 | 46.61 |

Note 20.2 Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 21 OTHER FINANCIAL LIABILITIES

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Current | | |
| Interest accrued but not due | 1,118.66 | 848.67 |
| Interest accrued and due (Refer note 20.1) | 51.12 | 46.61 |
| Current maturities of long-term debts | 1,886.14 | 1,310.67 |
| Amount due to related parties [Refer note 37(c)] | 1,695.92 | 2,095.56 |
| Liability for capital goods | 2,061.46 | 1,911.52 |
| Employee related dues | 3,847.35 | 4,009.72 |
| Foreign currency forward contract | 2.00 | - |
| Unpaid dividends [^] | 9.13 | 8.74 |
| Others | 106.91 | 243.72 |
| Total other current financial liabilities | 10,778.69 | 10,475.21 |

[^] Not due for credit to Investor Education and Protection Fund

Note 22 OTHER CURRENT LIABILITIES

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Advances from contractees | 56,277.33 | 49,925.21 |
| Due to customer (Refer note 22.1 below) | 21,645.14 | 21,091.86 |
| Statutory dues payable | 1,107.20 | 1,654.38 |
| Others | 186.59 | 75.54 |
| Total other current liabilities | 79,216.26 | 72,746.99 |

Note 22.1 The Group has adequately recognised expected losses on projects wherever it was probable that the total contract costs will exceed total contract revenue.

Note 23 REVENUE FROM OPERATIONS

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Contract revenue | 271,831.46 | 284,851.38 |
| Other operating revenues | | |
| Plant hire Income | 93.44 | 128.14 |
| Provision no longer required written back | 848.21 | 1,091.86 |
| Total revenue from operations | 272,773.11 | 286,071.38 |

Note: Refer note 37(b) for transaction with Related Parties and note 39 for disclosures as per Ind AS 115 - Revenue from Contracts with Customers.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 24 OTHER INCOME

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest income | | |
| - on bank deposits | 408.01 | 185.14 |
| - on financial assets carried at amortised cost | 82.98 | 76.05 |
| - on income tax refund | 237.71 | 89.32 |
| - on sales tax refund | 105.43 | 17.38 |
| - others | 12.85 | 18.35 |
| | 846.98 | 386.24 |
| Other non-operating income | | |
| - Insurance claim | 8.01 | - |
| - Profit on disposal of property, plant and equipment (net) | 345.69 | - |
| - Miscellaneous income | 42.58 | 70.88 |
| Total other income | 1,243.26 | 457.12 |

Note 25 COST OF CONSTRUCTION MATERIALS CONSUMED

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Stock at beginning of the year | 26,736.05 | 22,924.87 |
| Add: Purchases | 90,698.93 | 111,139.90 |
| Less: sale of scrap and unserviceable material | (1,063.09) | (768.17) |
| | 1,16,371.89 | 1,33,296.60 |
| Less: Stock at the end of the year | (31,045.02) | (26,736.05) |
| Total cost of construction materials consumed | 85,326.87 | 1,06,560.55 |

Note 26 EMPLOYEE BENEFITS EXPENSE

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Salaries and wages | 31,098.27 | 31,334.99 |
| Contribution to provident and other funds (Refer note 35) | 2,630.14 | 2,510.13 |
| Gratuity (Refer note 35) | 695.19 | 639.83 |
| Staff welfare | 85.15 | 143.20 |
| Total employee benefits expense | 34,508.75 | 34,628.15 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 27 FINANCE COSTS

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest expense on: | | |
| - on banks and financial institutions | 5,432.89 | 6,196.56 |
| - on advances from contractees | 2,987.48 | 1,718.37 |
| - on others | 582.61 | 696.41 |
| | 9,002.98 | 8,611.34 |
| Interest on lease liabilities (Refer note 40) | 702.95 | 871.75 |
| Other borrowing costs | | |
| - Bank charges and guarantee commission | 4,113.59 | 3,566.52 |
| Total finance costs | 13,819.52 | 13,049.61 |

Note 28 OTHER EXPENSES

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Plant hire expenses (Refer note 40) | 15,041.40 | 11,929.42 |
| Power and fuel | 7,743.20 | 7,964.69 |
| Rates and taxes | 3,887.17 | 3,205.46 |
| Travelling expenses | 704.00 | 847.02 |
| Site transport and conveyance | 3,925.75 | 3,877.72 |
| Repairs and maintenance: | | |
| - Plant and machinery | 940.17 | 668.95 |
| - Others | 234.33 | 301.84 |
| Insurance | 3,057.47 | 1,413.81 |
| Professional fees | 2,773.77 | 2,417.91 |
| Rent (Refer note 40) | 3,479.99 | 2,960.39 |
| Consumption of spares | 1,708.59 | 1,798.27 |
| Security charges | 1,540.06 | 1,482.94 |
| Temporary site installations | 419.12 | 466.99 |
| Postage, telephone and telegram | 124.47 | 161.28 |
| Auditor remuneration (Refer note 28.1) | 125.86 | 113.85 |
| Impairment allowance on financial assets (net) (Refer note 38) | 1,252.03 | 1,413.45 |
| Water charges | 653.96 | 638.69 |
| Printing and stationery | 128.82 | 181.93 |
| Infotech expenses | 944.01 | 773.72 |
| Royalty expense [Refer note 37(b)] | 1,076.54 | 1,043.66 |
| Exchange loss (net) | 59.20 | 92.41 |
| Directors' sitting fees [Refer note 37(b)] | 37.40 | 44.75 |
| CSR expenses (Refer note 28.2) | 215.18 | 208.29 |
| Loss on disposal of property, plant and equipment (net) | - | 159.52 |
| Miscellaneous expenses | 2,362.17 | 2,460.31 |
| Total other expenses | 52,434.66 | 46,627.27 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 28.1 Auditor Remuneration

| | (₹ in Lakh) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| - Audit fees (including tax audit) | 91.00 | 87.52 |
| - Limited review | 20.00 | 12.00 |
| - Certification fees | 13.78 | 10.87 |
| - Reimbursement of out of pocket expenses | 1.08 | 3.46 |
| | 125.86 | 113.85 |

Note 28.2 CSR expenditure

As per the Section 135 of the Companies Act, 2013 every year the Group is required to spend at least 2% of its average net profit made during the immediately three preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

- Gross amount required to be spent by the Group during the year ended March 31, 2021: ₹ 190.18 Lakh (March 31, 2020 : ₹ 230.31 Lakh)
- Amount spent during the year on CSR activities: ₹ 215.18 Lakh (31 March 2020: ₹ 208.29 Lakh) the details of which is as given below:

| | Year ended March 31, 2021 | | | Year ended March 31, 2020 | | |
|---------------------------------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|
| | In cash | Yet to be paid in cash | Total | In cash | Yet to be paid in cash | Total |
| Construction/acquisition of any asset | 45.18 | - | 45.18 | 56.78 | 7.50 | 64.28 |
| On purposes other than above | 170.00 | - | 170.00 | 123.76 | 20.25 | 144.01 |
| Total CSR expenditure | 215.18 | - | 215.18 | 180.54 | 27.75 | 208.29 |

Note 29 EXCEPTIONAL ITEM

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Current trade receivables and other current assets written off | - | 4,093.36 |
| | - | 4,093.36 |

Represents amounts written off towards current trade receivables and unbilled work-in-progress (other current assets) aggregating ₹ 4,093.36 Lakh receivable from a customer, considered as non-recoverable.

Note 30 EARNINGS PER SHARE (EPS)

Basic and diluted EPS

| | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|----------|------------------------------|------------------------------|
| Profit computation for basic earnings per share of ₹ 1 each | | | |
| Net profit as per the Statement of Profit and Loss available for equity shareholders | (₹ Lakh) | 1,575.62 | 4,316.21 |
| Weighted average number of equity shares for EPS computation | (Nos.) | 171,787,584 | 171,787,584 |
| EPS - Basic and Diluted EPS | (₹) | 0.92 | 2.51 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 31 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (i) Guarantees given by banks in respect of contracting commitments in the normal course of business | | |
| - for the Group | 27,147.93 | 30,013.98 |
| - for unincorporated entities | 24,854.16 | 25,788.66 |
| (ii) Corporate Guarantee given to bank on behalf of unincorporated entities (Joint venture) | 14,009.50 | 24,403.30 |
| (iii) Claims against the Group not acknowledged as debts (Refer notes below) | 18,315.47 | 19,924.35 |
| (iv) Sales Tax matters pending in appeals | 6,443.80 | 5,944.29 |
| (v) Income Tax matters pending in appeal | 1,019.93 | 1,181.22 |
| (vi) Excise duty and service tax matters pending in appeals | 4,539.28 | 4,307.97 |
| (vii) Property tax | 2,452.00 | 1,444.37 |

(viii) Provident Fund

Based on the judgement by the Honorable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Group with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Notes:

- The Group has a number of claims on customers for price escalation and / or variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims. The Group has received legal advice that none of the counter-claims are legally tenable. Accordingly no provision is considered necessary in respect of these counter claims.
- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments

| | (₹ in Lakh) | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Capital Commitments (net of advances) | 4,691.11 | 3,055.27 |

Note 32 SEGMENT REPORTING

The Holding Company's managing director who is identified as the Chief Operating Decision Maker of the Group, examines the performance of the business and allocates funds on the basis of a single reportable segment i.e. 'Construction'. Further, the Group has operations mainly in India and has no other reportable segment.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Consolidated Financial Statements as on and for the financial year ended March 31, 2021.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 33

During the current year, a scrap dealer in one of the projects of the Holding Company has allegedly defrauded the Holding Company by manipulating the quantity of scrap purchased, resulting in a loss estimated at ₹ 48 Lakh. Basis internal investigation, there is no evidence to establish involvement of any of Holding Company's personnel in this matter and the management believes that the matter is not expected to have any material financial impact on these financial statements. The Holding Company has also taken necessary actions including lodging of First Information Report with the local police against the scrap dealer. Investigation in respect of this matter is presently in progress.

Note 34 INTERESTS IN OTHER ENTITIES

Note 34.1 Subsidiaries

| Name of the entity | Country of incorporation | Ownership interest held by the group (%) | | Ownership interest held by non controlling interests (%) | | Principal activities |
|--|--------------------------|--|--------------------|--|--------------------|----------------------|
| | | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | |
| ITD Cementation Projects India Limited | India | 100.00 | 100.00 | - | - | Construction |
| ITD Cemindia JV | NA | 80.00 [^] | 80.00 [^] | 20.00 [^] | 20.00 [^] | Construction |
| ITD Cem-Maytas Consortium | NA | 95.00 | 95.00 | 5.00 | 5.00 | Construction |

[^] Pursuant to the Joint Venture Project Implementation Management Agreement entered between ITD Cementation India Limited and Italian-Thai Development Public Company Limited in respect of the five (5) projects being executed by ITD Cemindia JV, ITD Cementation India Limited will effectively have 100% share in the profit/ (loss) of these projects. These projects are accordingly accounted for in the consolidated financial statements.

However, ITD Cementation India Limited and Italian-Thai Development Public Company Limited will continue to share profit / (loss) in the other projects of the Joint Venture in the ratio of 80% and 20% respectively.

Note 34.2 Non-controlling interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations.

(₹ in Lakh)

| Particulars | ITD Cemindia JV | | ITD Cem-Maytas Consortium | |
|---------------------------------------|-------------------|-------------------|---------------------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Balance Sheet | | | | |
| Non-current assets | 7,866.74 | 11,997.93 | - | - |
| Current assets | 42,896.97 | 51,037.65 | 3,453.38 | 3,131.45 |
| Non-current liabilities | - | 239.32 | - | - |
| Current liabilities | 55,847.73 | 65,009.06 | 2,094.84 | 2,167.09 |
| Net assets / (liabilities) | (5,084.02) | (2,212.80) | 1,358.54 | 964.36 |
| Net assets attributable to NCI | 228.40 | 228.50 | 67.93 | 48.22 |
| Total income | 49,764.35 | 70,179.21 | 7,144.91 | 6,374.39 |
| Profit / (loss) for the year | (2,871.22) | (786.79) | 394.17 | 458.79 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | (2,871.22) | (786.79) | 394.17 | 458.79 |
| Profit/(loss) allocated to NCI | (0.10) | 36.81 | 19.71 | 22.94 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| Particulars | ITD Cemindia JV | | ITD Cem-Maytas Consortium | |
|--|-------------------|-----------------|---------------------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Other comprehensive income allocated to NCI | - | - | - | - |
| Total comprehensive income/ (loss) allocated to NCI | (0.10) | 36.81 | 19.71 | 22.94 |
| Cash flow from operating activities | 13,061.56 | 13,116.60 | 1,152.89 | 522.30 |
| Cash flow from investing activities | 693.93 | 38.56 | - | - |
| Cash flow from financing activities | (14,870.62) | (10,980.42) | (246.00) | (479.85) |
| Net increase in cash and cash equivalents | (1,115.13) | 2,174.74 | 906.89 | 42.45 |

Note 34.3 Unincorporated entities - Joint Venture

| Name of the entity | Ownership interest held by the group (%) | | Carrying amount as at * | | Principal activities |
|---|--|----------------|-------------------------|----------------|----------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | |
| ITD - ITD Cem JV | 49.00 | 49.00 | 57.49 | 57.49 | Construction |
| ITD - ITDCem JV (Consortium of ITD - ITD Cementation) | 40.00 | 40.00 | - | - | Construction |
| CEC-ITD Cem-TPL JV ^ | 60.00 | 60.00 | - | - | Construction |
| ITD Cem - BBJ JV ^ | 51.00 | - | - | - | Construction |
| | | | 57.49 | 57.49 | |

* Unlisted entity - no quoted price available

^ Though the Group's effective interest in the joint venture exceeds 50%, the entity has been classified as a joint venture. The management has assessed whether or not the Group has control over the entity based on whether the Group has practical ability to direct relevant activities unilaterally. In this case, based on specific joint venture agreement, the management concluded that the Group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other co-venturer.

Note 34.4 Table below provide summarised financial information for Unincorporated entities (Joint ventures)

(₹ in Lakh)

| Particulars | ITD - ITD Cem JV | | ITD - ITDCem JV (Consortium of ITD - ITD Cementation) | | CEC-ITD Cem-TPL JV | | ITD Cem - BBJ JV | |
|--|------------------|------------------|---|-----------------|--------------------|------------------|------------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | 31 March 2021* | March 31, 2020 |
| Non-current assets | 11,671.13 | 13,239.01 | 1,195.74 | 1,194.34 | 6,342.95 | 11,454.95 | 96.36 | - |
| Current assets | | | | | | | | |
| - Cash and cash equivalents | 7,994.75 | 3,284.87 | 114.68 | 201.81 | 83.78 | 9,680.95 | 522.35 | - |
| - Other assets | 29,144.03 | 37,549.15 | 40.81 | 120.44 | 23,207.48 | 24,807.88 | 712.63 | - |
| Current assets | 37,138.78 | 40,834.02 | 155.49 | 322.25 | 23,291.26 | 34,488.83 | 1,234.98 | 0.00 * |
| Non-current liabilities | | | | | | | | |
| - Financial liabilities (excluding trade payables) | - | - | - | - | 54.98 | 55.98 | - | - |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| Particulars | ITD - ITD Cem JV | | ITD - ITDCem JV (Consortium of ITD - ITD Cementation) | | CEC-ITD Cem-TPL JV | | ITD Cem - BBJ JV | |
|---|-------------------|-------------------|---|-------------------|--------------------|-------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | 31 March 2021* | March 31, 2020 |
| - Other liabilities | - | - | - | - | 20.88 | 19.14 | - | - |
| Non-current liabilities | - | - | - | - | 75.86 | 75.12 | - | - |
| Current liabilities | | | | | | | | |
| - Financial liabilities (excluding trade payables) | 1,422.39 | 1,914.45 | - | 77.85 | 478.51 | 551.78 | - | - |
| - Other liabilities | 25,003.35 | 23,376.50 | 87.39 | 60.62 | 28,525.42 | 43,607.30 | 1,331.24 | - |
| Current liabilities | 26,425.74 | 25,290.95 | 87.39 | 138.47 | 29,003.93 | 44,159.08 | 1,331.24 | 0.00 * |
| Net assets | 22,384.17 | 28,782.08 | 1,263.84 | 1,378.12 | 554.42 | 1,709.58 | 0.10 | 0.00 * |
| Revenue | 15,949.42 | 18,053.76 | - | - | 46,474.31 | 46,951.76 | 997.32 | - |
| Other income | 1,844.53 | 2,416.74 | - | 6.66 | 793.47 | 1,180.20 | - | - |
| Cost of construction materials consumed | 4,118.91 | 6,516.91 | - | - | 7,227.13 | 10,622.55 | - | - |
| Subcontracting expenses | 2,286.09 | 3,579.20 | - | 0.95 | 9,177.78 | 9,249.72 | 997.32 | - |
| Employee benefits expense | 3,768.99 | 4,269.98 | - | 31.45 | 4,611.02 | 5,572.74 | - | - |
| Finance cost | 445.95 | 441.97 | - | - | 576.22 | 635.77 | 0.00 ^ | - |
| Depreciation expense | 315.94 | 1,437.23 | - | - | 3,607.72 | 3,912.87 | - | - |
| Other expense | 3,848.14 | 3,538.67 | 114.29 | 70.07 | 11,321.27 | 10,804.20 | - | - |
| Profit / (loss) before exceptional items and tax | 3,009.93 | 686.54 | (114.29) | (95.81) | 10,746.64 | 7,334.11 | 0.00 ^ | 0.00 * |
| Exceptional items | (1,273.73) | - | - | - | - | - | - | - |
| Profit/ (loss) for the year before tax | 1,736.20 | 686.54 | (114.29) | (95.81) | 10,746.64 | 7,334.11 | 0.00 ^ | 0.00 * |
| Income tax expenses | 311.78 | 266.98 | - | - | 6,332.69 | 2,974.01 | - | - |
| Profit/ (loss) for the year | 1,424.42 | 419.56 | (114.29) | (95.81) | 4,413.95 | 4,360.10 | 0.00 ^ | 0.00 * |
| Other comprehensive income | - | - | - | - | 5.30 | 1.28 | - | - |
| Total comprehensive income / (loss) | 1,424.42 | 419.56 | (114.29) | (95.81) | 4,419.25 | 4,361.38 | 0.00 ^ | 0.00 * |
| Group share of profit/ (loss) | 697.96 | 205.58 | (45.71) | (38.32) | 2,648.37 | 2,616.06 | 0.00 ^ | 0.00 * |
| Group share of OCI | - | - | - | - | 3.18 | 0.77 | - | - |
| Group share of total comprehensive income | 697.96 | 205.58 | (45.71) | (38.32) | 2,651.55 | 2,616.83 | 0.00 ^ | 0.00 * |

* w.e.f. 28 September 2020

^ represents amounts less than ₹ 1,000

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 34.5 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2021

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2021 | Net assets / (liabilities) i.e total assets minus total liabilities | | Share in profit / (loss) | | Share in other comprehensive income | | Share in total comprehensive income / (loss) | |
|---|--------------------------|--|---|-------------------|--------------------------------------|-----------------|---|-----------------|---|-----------------|
| | | | As % of consolidated net assets / (liabilities) | Amount (₹ Lakh) | As % of consolidated profit / (loss) | Amount (₹ Lakh) | As % of consolidated other comprehensive income | Amount (₹ Lakh) | As % of consolidated total comprehensive income | Amount (₹ Lakh) |
| ITD Cementation India Limited | India | - | 103.62% | 106,570.93 | 174.83% | 1,575.93 | 100.00% | 249.54 | 280.04% | 1,825.47 |
| Subsidiaries (held directly) | | | | | | | | | | |
| Indian | | | | | | | | | | |
| ITD Cementation Projects India Limited | India | 100.00% | 0.00% | 3.44 | -0.03% | (0.29) | 0.00% | - | -0.04% | (0.29) |
| ITD Cem-Maytas Consortium | India | 95.00% | 1.32% | 1,358.54 | 43.73% | 394.17 | 0.00% | - | 60.47% | 394.17 |
| ITD Cemindia JV | India | 80.00% | -4.94% | (5,084.02) | -318.53% | (2,871.22) | 0.00% | - | -440.46% | (2,871.22) |
| Total | | | 100.00% | 102,848.89 | -100.00% | (901.41) | 100.00% | 249.54 | -100.00% | (651.87) |
| a) Adjustments arising out of consolidation | | | | 3,720.48 | | 2,477.03 | | - | | 2,477.03 |
| b) Non-controlling interest in subsidiaries | | | | 296.33 | | 19.61 | | - | | 19.61 |
| Total | | | | 106,865.70 | | 1,595.23 | | 249.54 | | 1,844.77 |

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2020

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2020 | Net assets / (liabilities) i.e total assets minus total liabilities | | Share in profit / (loss) | | Share in other comprehensive income | | Share in total comprehensive income / (loss) | |
|---|--------------------------|--|---|-------------------|--------------------------------------|-----------------|---|-----------------|---|-----------------|
| | | | As % of consolidated net assets / (liabilities) | Amount (₹ Lakh) | As % of consolidated profit / (loss) | Amount (₹ Lakh) | As % of consolidated other comprehensive income | Amount (₹ Lakh) | As % of consolidated total comprehensive income | Amount (₹ Lakh) |
| ITD Cementation India Limited | India | - | 101.20% | 105,260.82 | 108.23% | 4,316.60 | 100.00% | (315.49) | 108.94% | 4,001.11 |
| Subsidiaries (held directly) | | | | | | | | | | |
| Indian | | | | | | | | | | |
| ITD Cementation Projects India Limited | India | 100.00% | 0.00% | 3.73 | -0.01% | (0.40) | 0.00% | - | -0.01% | (0.40) |
| ITD Cem-Maytas Consortium | India | 95.00% | 0.93% | 964.36 | 11.50% | 458.79 | 0.00% | - | 12.49% | 458.79 |
| ITD Cemindia JV | India | 80.00% | -2.13% | (2,212.80) | -19.73% | (786.79) | 0.00% | - | -21.42% | (786.79) |
| Total | | | 100.00% | 104,016.11 | 100.00% | 3,988.20 | 100.00% | (315.49) | 100.00% | 3,672.71 |
| a) Adjustments arising out of consolidation | | | | 1,243.46 | | 328.01 | | - | | 328.01 |
| b) Non-controlling interest in subsidiaries | | | | 276.72 | | 59.75 | | - | | 59.75 |
| Total | | | | 105,536.29 | | 4,375.96 | | (315.49) | | 4,060.47 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 35 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A. Defined benefit obligations - Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

| | (₹ in Lakh) | |
|---|--|--|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| a) Changes in defined benefit obligations | | |
| Present value of obligation as at the beginning of the year | 5,506.30 | 4,789.36 |
| Interest cost (net) | 376.08 | 371.65 |
| Current service cost | 461.40 | 384.07 |
| Past service cost | - | - |
| Remeasurements - Net actuarial (gains)/ losses | (16.89) | 401.86 |
| Benefits paid from the fund | (492.71) | (440.64) |
| Present value of obligation as at the end of the year | 5,834.18 | 5,506.30 |
| b) Changes in fair value of plan assets | | |
| Plan assets at the beginning of the year | 2,496.45 | 2,187.12 |
| Interest income | 170.50 | 169.71 |
| Contribution by employer | 600.00 | 600.00 |
| Benefits paid from the fund | (492.71) | (440.64) |
| Return on plan assets (excluding interest income) | 183.00 | (19.74) |
| Fair value of plan assets at the end of the year | 2,957.24 | 2,496.45 |
| c) Expenses recognised in the Statement of Profit and Loss[^] | | |
| Interest cost (net) | 205.58 | 201.94 |
| Current service cost | 461.40 | 384.07 |
| Past service cost | - | - |
| Total | 666.98 | 586.01 |
| d) Remeasurement (gains)/losses recognised in Other Comprehensive Income | | |
| Actuarial (gains)/ losses on obligation for the period | (16.89) | 401.86 |
| (Return)/Loss on plan assets | (183.00) | 19.74 |
| Total | (199.89) | 421.60 |
| e) Actuarial assumptions | | |
| Expected rate on plan assets | 6.85% p.a. | 6.83% p.a. |
| Discount rate | 6.85% p.a. | 6.83% p.a. |
| Salary escalation rate (over a long-term) | 5.50% p.a. | 5.50% p.a. |
| Mortality rate | Indian assured lives mortality (2006-08) | Indian assured lives mortality (2006-08) |
| Attrition rate : | | |
| - For ages 44 years and below | 5.00% p.a. | 5.00% p.a. |
| - For ages 45 years and above | 2.50% p.a. | 2.50% p.a. |

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.

[^] Gratuity expense for the current year includes expenses aggregating ₹ 28.21 Lakh (31 March 2020: ₹ 53.82 Lakh) which have not been valued by an actuary.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

f) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

The methods and type of assumption used in preparing the sensitivity analysis did not change compared to previous year.

| | (₹ in Lakh) | |
|----------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| | 1% increase | |
| i. Discount rate | (387.64) | (374.40) |
| ii. Salary escalation rate | 451.57 | 436.24 |
| | 1% decrease | |
| i. Discount rate | 449.98 | 434.79 |
| ii. Salary escalation rate | (395.73) | (382.14) |

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

g) Maturity analysis of defined benefit obligation

| | (₹ in Lakh) | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Within the next 12 months | 748.67 | 633.11 |
| Between 2 and 5 years | 840.48 | 809.99 |
| 6 to 10 years | 816.00 | 786.42 |
| Total expected payments | 2,405.15 | 2,229.52 |

B. Defined benefit obligations - Provident Fund

In accordance with The Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Group are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to "ITD Cementation India Limited Workmen Provident Fund", a Trust set up by the Holding Company to manage the investments and distribute the amounts to employees at the time of separation from the Company or retirement, whichever is earlier. This plan is a defined obligation plan as the Group is obligated to provide its members a rate of return which should, at a minimum, meet the interest rate declared by Government administered provident fund. A part of the Group's contribution is transferred to Government administered pension fund. The contributions made by the Group and the shortfall of interest, if any, are recognised as an expense in the Statement of Profit and Loss under "Employee benefits expense".

In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

| | (₹ in Lakh) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Fair value of plan assets | 32,571.55 | 27,297.42 |
| Present value of defined benefit obligations | 31,262.77 | 26,729.38 |
| Net excess / (shortfall) | 1,308.78 | 568.04 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Discount rate | 6.85% p.a. | 6.83% p.a. |
| Average remaining tenure of investment portfolio | 6.65 years | 6.22 years |
| Guaranteed rate of return | 8.50% p.a. | 8.50% p.a. |

During the year ended March 31, 2021, the Group has contributed ₹ 1,690.18 Lakh (March 31, 2020: ₹ 1,716.12 Lakh)

C Defined contribution plans

| | (₹ in Lakh) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| a) The Group has recognised the following amounts in the Statement of Profit and Loss: | | |
| Contribution to superannuation fund | 939.96 | 794.01 |
| b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 239.52 Lakh (March 31, 2020: ₹ 410.23 Lakh) has been made during the year ended March 31, 2021. | | |

D Current/ non-current classification

| | (₹ in Lakh) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Gratuity | | |
| Current | 826.88 | 825.46 |
| Non-current | 2,050.06 | 2,184.39 |
| | 2,876.94 | 3,009.85 |
| Leave entitlement and compensated absences | | |
| Current | 222.56 | 201.30 |
| Non-current | 1,963.65 | 1,875.94 |
| | 2,186.21 | 2,077.24 |

Note 36 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments
- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

| (₹ in Lakh) | | | | | | |
|--|------------|----------------|-----------------------------------|---|--|----------------------|
| Particulars | Refer note | Amortised cost | Fair value through profit or loss | Fair value through Other Comprehensive Income | Derivative Instruments in hedging relationship | Total carrying value |
| Assets: | | | | | | |
| Loans | 6 | 3,220.70 | - | - | - | 3,220.70 |
| Other financial assets | 7 | 2,998.46 | - | - | - | 2,998.46 |
| Trade receivables | 12 | 53,085.94 | - | - | - | 53,085.94 |
| Cash and cash equivalents | 13 | 12,733.08 | - | - | - | 12,733.08 |
| Bank balances other than cash and cash equivalents | 14 | 7,967.62 | - | - | - | 7,967.62 |
| Liabilities: | | | | | | |
| Borrowings | 16,19,21 | 38,003.34 | - | - | - | 38,003.34 |
| Lease Liabilities | 17 | 4,845.97 | - | - | - | 4,845.97 |
| Trade payables | 20 | 75,603.89 | - | - | - | 75,603.89 |
| Other financial liabilities | 21 | 8,890.55 | - | - | 2.00 | 8,892.55 |

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

| (₹ in Lakh) | | | | | | |
|--|------------|----------------|-----------------------------------|---|--|----------------------|
| Particulars | Refer note | Amortised cost | Fair value through profit or loss | Fair value through Other Comprehensive Income | Derivative Instruments in hedging relationship | Total carrying value |
| Assets: | | | | | | |
| Loans | 6 | 3,416.20 | - | - | - | 3,416.20 |
| Other financial assets | 7 | 2,370.10 | - | - | 10.83 | 2,380.93 |
| Trade receivables | 12 | 58,512.02 | - | - | - | 58,512.02 |
| Cash and cash equivalents | 13 | 23,690.04 | - | - | - | 23,690.04 |
| Bank balances other than cash and cash equivalents | 14 | 4,453.55 | - | - | - | 4,453.55 |
| Liabilities: | | | | | | |
| Borrowings | 16,19,21 | 47,387.28 | - | - | - | 47,387.28 |
| Lease Liabilities | 17 | 6,492.11 | - | - | - | 6,492.11 |
| Trade payables | 20 | 65,741.67 | - | - | - | 65,741.67 |
| Other financial liabilities | 21 | 9,164.54 | - | - | - | 9,164.54 |

B. Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis at each reporting period:

| (₹ in Lakh) | | | | | | |
|---|----------------|---------|---------|----------------|---------|---------|
| Particulars | March 31, 2021 | | | March 31, 2020 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Foreign currency forward contract (liability)/asset | - | (2.00) | - | - | 10.83 | - |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Note 37 DISCLOSURE IN ACCORDANCE WITH Ind AS 24 RELATED PARTY TRANSACTIONS

| A) | Names of related parties and description of relationship |
|----|---|
| | a) Enterprise where control exists |
| | i) Ultimate Parent Company |
| | Italian-Thai Development Public Company Limited |
| | b) Other related parties with whom the Group had transactions |
| | i) Unincorporated entities - Joint Venture |
| | ITD - ITD Cem JV |
| | ITD - ITDCem JV (Consortium of ITD - ITD Cementation) |
| | CEC-ITD Cem-TPL JV |
| | ITD Cem - BBJ JV (w.e.f. September 28, 2020) |
| | ii) Key managerial personnel (KMP) |
| | Mr. Piyachai Karnasuta - Chairman (w.e.f. April 1, 2019) |
| | Mr. Santi Jongkongka - Whole time Director (w.e.f. May 2, 2019), Executive Vice Chairman - Designate (w.e.f. May 22, 2019) and Executive Vice Chairman (w.e.f. September 1, 2019) |
| | Mr. Jayanta Basu - Deputy Managing Director (upto April 22, 2019) and Managing Director (w.e.f. April 23, 2019) |
| | Mr. Adun Saraban - Managing Director (upto 22 April 2019) and Executive Vice Chairman (w.e.f. 23 April 2019 and upto 31 August 2019) |
| | Mr. Sunil Shah Singh - Independent Director |
| | Mr. D.P. Roy - Independent Director |
| | Mr. Pankaj I.C. Jain - Independent Director |
| | Ms. Ramola Mahajani - Independent Director |
| | Mr. Prasad Patwardhan – Chief Financial Officer |
| | Mr. Rahul Neogi - Company Secretary |

B) Transactions with related parties (excluding reimbursements):

(₹ in Lakh)

| Nature of Transactions | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|---------------------------------------|------------------------------|------------------------------|
| Contract Revenue | | | |
| CEC-ITDCEM-TPL JV | Unincorporated entity (joint venture) | 4,804.03 | 2,068.89 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 1,435.36 | - |
| | | 6,239.39 | 2,068.89 |
| Royalty expense | | | |
| Italian-Thai Development Public Company Limited | Ultimate Holding Company | 1,076.54 | 1,043.66 |
| Other operating revenue-plant hire income | | | |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 99.62 | 99.37 |
| Share of profit/(loss) from unincorporated entities | | | |
| CEC-ITDCEM-TPL JV | Unincorporated entity (joint venture) | 2,651.55 | 2,616.83 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| Nature of Transactions | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---------------------------------------|------------------------------|------------------------------|
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 697.96 | 205.58 |
| ITD-ITDCem JV (Consortium of ITD-ITD Cementation) | Unincorporated entity (joint venture) | (45.71) | (38.32) |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 0.00* | - |
| | | 3,303.80 | 2,784.09 |
| * represents amounts less than ₹ 1,000 | | | |
| Purchases of property, plant and equipment | | | |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 348.76 | 1,633.97 |
| CEC-ITDCEM-TPL JV | Unincorporated entity (joint venture) | 77.49 | 940.79 |
| | | 426.25 | 2,574.76 |
| Purchases of Construction materials and spares | | | |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 783.04 | 166.29 |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 415.76 | - |
| | | 1,198.80 | 166.29 |
| Remuneration paid/payable[^] | | | |
| Mr. Santi Jongkongka | Key managerial Personnel | 217.49 | 155.01 |
| Mr. Jayanta Basu | Key managerial Personnel | 172.58 | 151.41 |
| Mr. Adun Saraban | Key managerial Personnel | - | 195.90 |
| Mr. Prasad Patwardhan | Key managerial Personnel | 108.25 | 113.99 |
| Mr. Rahul Neogi | Key managerial Personnel | 64.30 | 66.28 |
| | | 562.62 | 682.59 |

[^] Does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

| Director sitting fees | | | |
|------------------------|--------------------------|-------|-------|
| Mr. Piyachai Karnasuta | Key managerial Personnel | 8.60 | 10.65 |
| Mr. D. P. Roy | Key managerial Personnel | 7.70 | 8.50 |
| Ms. Ramola Mahajani | Key managerial Personnel | 6.50 | 8.90 |
| Mr. Sunil Shah Singh | Key managerial Personnel | 8.00 | 10.30 |
| Mr. Pankaj I.C. Jain | Key managerial Personnel | 6.60 | 6.40 |
| | | 37.40 | 44.75 |

Note : All the transactions have been undertaken at arm's length price

C) Outstanding balances:

(₹ in Lakh)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------------|-------------------------|-------------------------|
| Balances - payable | | | |
| Italian-Thai Development Public Company Limited | Ultimate Parent Company | 351.93 | 240.94 |
| CEC-ITDCEM-TPL JV | Unincorporated entity (joint venture) | 726.29 | - |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 617.70 | 1,854.62 |
| | | 1,695.92 | 2,095.56 |
| Deemed Investment | | | |
| ITD-ITDCem JV # [^] | Unincorporated entity (joint venture) | 18,448.23 | 25,540.67 |

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------------|-------------------------|-------------------------|
| Receivable from unincorporated entities | | | |
| Italian-Thai Development Public Company Limited | Ultimate Parent Company | 343.45 | 412.13 |
| ITD-ITDCem JV (Consortium of ITD-ITD Cementation) | Unincorporated entity (joint venture) | 524.32 | 570.03 |
| CEC-ITDCem-TPL JV | Unincorporated entity (joint venture) | - | 1,267.21 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 0.05 | - |
| | | 867.82 | 2,249.37 |
| Trade payable | | | |
| Italian-Thai Development Public Company Limited | Ultimate Parent Company | - | 629.96 |
| Trade receivable | | | |
| CEC-ITD Cem-TPL JV | Unincorporated entity (joint venture) | 354.52 | 210.44 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 686.45 | - |
| | | 1,040.97 | 210.44 |
| Corporate guarantee issued on behalf of | | | |
| ITD-ITD Cem JV | Unincorporated entity (joint venture) | 7,742.50 | 7,742.50 |
| CEC -ITD Cem-TPL JV | Unincorporated entity (joint venture) | 6,267.00 | 16,660.80 |
| | | 14,009.50 | 24,403.30 |
| Bank guarantee issued on behalf of | | | |
| CEC-ITDCem-TPL JV | Unincorporated entity (joint venture) | 16,980.60 | 16,980.60 |
| ITD-ITDCem JV | Unincorporated entity (joint venture) | 5,280.75 | 8,808.06 |
| ITD Cem - BBJ JV | Unincorporated entity (joint venture) | 2,592.81 | - |
| | | 24,854.16 | 25,788.66 |

Receivables from unincorporated entities represent Group's net investment in the entities, have been reclassified as deemed investment under Ind AS. (Refer note 5.1)

^ Includes ₹ 57.49 Lakh (March 31, 2020: ₹ 57.49 Lakh) representing fair value of financial guarantee

Note 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Increase in basis points | | 50 basis points |
| Effect on profit before tax, decrease by | 46.08 | 115.44 |
| Decrease in basis points | | 50 basis points |
| Effect on profit before tax, increase by | 45.88 | 115.44 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b. Foreign currency risk

The Group has several balances in foreign currency and consequently the Group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk as at 31 March 2021:

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------|----------------------|----------------------|
| | In Euro Lakh | In Euro Lakh |
| Trade payables | 0.78 | 15.13 |

During the current year to mitigate the Group's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months).

The following table gives details in respect of outstanding foreign exchange forward contracts:

| | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------|----------------------|--------|----------------------|----------|
| | In Euro Lakh | ₹ Lakh | In Euro Lakh | ₹ Lakh |
| Forward contracts | 0.78 | 68.84 | 15.13 | 1,263.90 |

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

| | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| | In Euro Lakh | In Euro Lakh |
| Not later than six month | 0.78 | 8.30 |
| Later than six month and not later than twelve months | - | 6.83 |

Sensitivity analysis

The Group's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Group.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

ii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other financial assets.

a. Trade receivable

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e receivables from sale to government corporations and receivables from sales to private third parties. A substantial portion of the Group's trade receivables are from government promoted corporations customers having strong credit worthiness. Further, Group's historical experience of collecting receivables is that credit risk is extremely low. Hence trade receivables are considered to be a single class of financial assets.

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|----------------|----------------------|----------------|
| | ₹ Lakh | % | ₹ Lakh | % |
| Receivable from government corporations | 39,310.74 | 74.05% | 48,696.00 | 83.22% |
| Receivable from private parties | 13,775.20 | 25.95% | 9,816.02 | 16.78% |
| Total trade receivable | 53,085.94 | 100.00% | 58,512.02 | 100.00% |

b. Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, other bank balances, loan to employees and other financial assets. The Group monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Group's historical experience, the credit risk on other financial assets is also low.

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|
| | ₹ Lakh | % of Revenue | ₹ Lakh | % of Revenue |
| Revenue from top customer | 55,238.64 | 20.32% | 66,577.87 | 23.44% |
| Revenue from top five customers | 147,514.97 | 54.27% | 163,417.55 | 57.52% |

For the year ended 31 March 2021, two (2) customers {31 March 2020: Two (2) customer}, individually, accounted for more than 10% of the revenue.

The movement of the allowance for lifetime expected credit loss is stated below: ^

| | (₹ in Lakh) | |
|----------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Opening balance | 3,989.03 | 4,166.53 |
| Changes in loss allowances | | |
| Additions ^ | 1,143.25 | 5,506.81 |
| Bad debts written off ^ | - | (5,684.31) |
| Closing balance | 5,132.28 | 3,989.03 |

^ Figures for the year ended March 31, 2020 include receivables from a customer aggregating ₹ 4,093.36 Lakh written off as an exceptional item (Refer note 29)

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

iii. Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

| (₹ in Lakh) | | | | | |
|--|------------------|------------------|------------------|-------------------|-------------------|
| Particulars | On demand | Less than 1 year | 1 - 5 years | More than 5 years | Total |
| As at March 31, 2021 | | | | | |
| Borrowings (including current maturities of long-term debts) | 27,421.19 | 1,886.14 | 8,696.01 | - | 38,003.34 |
| Trade payables | - | 75,603.89 | - | - | 75,603.89 |
| Interest accrued | - | 1,169.78 | - | - | 1,169.78 |
| Lease liabilities | - | 2,371.04 | 3,527.38 | 139.92 | 6,038.34 |
| Other financial liabilities | - | 7,722.77 | - | - | 7,722.77 |
| Total | 27,421.19 | 88,753.62 | 12,223.39 | 139.92 | 128,538.12 |
| As at March 31, 2020 | | | | | |
| Borrowings (including current maturities of long-term debts) | 44,412.38 | 1,310.67 | 1,664.23 | - | 47,387.28 |
| Trade payables | - | 65,741.67 | - | - | 65,741.67 |
| Interest accrued | - | 895.28 | - | - | 895.28 |
| Lease liabilities | - | 2,672.46 | 4,624.94 | 979.44 | 8,276.84 |
| Other financial liabilities | - | 8,269.26 | - | - | 8,269.26 |
| Total | 44,412.38 | 78,889.34 | 6,289.17 | 979.44 | 130,570.33 |

Note 39 DISCLOSURE PURSUANT TO Ind AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS:

The Group applied Ind AS 115 for the first time by using the modified retrospective method of adoption effective April 1, 2019. The adoption of this new standard did not have any impact on retained earnings as at April 1, 2019 for the revenue contracts that are not completed as at that date, except in case of presentation / disclosure of the balances in relation to construction contracts, which have been explained below. Also refer note 2(xvii)(a) for accounting policy on revenue recognition.

(a) Disaggregation of revenue

The Group's entire business falls under one operational segment of 'Engineering and Construction'. Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 1,173,233.47 Lakh (March 31, 2020: ₹ 1,066,571.25 Lakh). Most of Group's contracts have a life cycle of 2-3 years. Management expects that around 25% - 30 % of the transaction price allocated to unsatisfied contracts as of March 31, 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next 2 years.

The amount disclosed above does not include variable consideration.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

(c) Contract balances:

- (i) Movement in contract balances during the year:

| Particulars | (₹ in Lakh) | | |
|---|---|--|-----------------------|
| | Contract Assets (Unbilled work-in-progress) | Contract Liabilities (Due to customer) | Net Contract balances |
| Balance as at April 1, 2019 | 60,853.46 | 11,035.72 | 49,817.74 |
| Net increase / (decrease) | 9,356.74 | 10,056.14 | (699.40) |
| Balance as at March 31, 2020 | 70,210.20 | 21,091.86 | 49,118.34 |
| Net increase | 16,212.44 | 553.28 | 15,659.16 |
| Closing balance as at March 31, 2021 | 86,422.64 | 21,645.14 | 64,777.50 |

Note: Increase in contract assets is primarily due to higher revenue recognition as compared to progress billing during the year, whereas increase in contract liabilities is due to higher progress billing as compared to revenue recognition during the year.

- (ii) Revenue recognised during the year from opening balance of contract liability (i.e. due to customer) amounts to ₹ 4,893.71 Lakh (March 31, 2020: ₹ 4,938.48 Lakh).
- (iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ Nil (March 31, 2020: ₹ 3,196.62 Lakh).
- (d) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.
- (e) Cost to obtain or fulfil the contract:
- Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil
 - Amount recognised as contract assets as at March 31, 2021 : Nil

Note 40 LEASES- Ind AS 116

1. Impact on transition to Ind AS 116

Effective April 1, 2019, the Group has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and as a result of which the comparative information is not required to be restated.

The Group has made use of the following practical expedients available in its transition to Ind AS 116 .

- The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before April 1, 2019.
- The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- The Group excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50 %.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Contd.)

Right-of-use Assets:

- (i) On transition, the Group has recognized right-of-use assets aggregating ₹ 8,490.31 Lakh
- (ii) The net carrying value of right-of-use assets as at March 31, 2021 amounts to ₹ 4,301.44 Lakh (March 31, 2020 amounts to ₹ 6,229.89 Lakh) have been disclosed on the face of the balance sheet. (Also refer note 3B)

Lease liabilities:

- (i) On transition, the Group has recognised lease liabilities amounting to ₹ 8,248.46 Lakh.
- (ii) As at March 31, 2021, the obligations under finance leases amounts to ₹ 4,845.97 Lakh (March 31, 2020 : ₹ 6,492.11 Lakh) which have been classified to lease liabilities, under financial liabilities. (Also refer note 17)
- (iii) The table below provides details regarding the contractual maturities of lease liabilities:

(₹ in Lakh)

| Lease Liabilities | Contractual cash flows | | | | |
|-----------------------------|------------------------|-----------------|-----------------|-----------------|-------------------|
| | Carrying amount | Total | 0-1 year | 1-5 years | 5 years and above |
| As at March 31, 2021 | 4,845.97 | 6,038.34 | 2,371.04 | 3,527.38 | 139.92 |
| As at March 31, 2020 | 6,492.11 | 8,276.84 | 2,672.46 | 4,624.94 | 979.44 |

- (iv) Prepaid rent on leasehold land and other assets aggregating ₹ 241.85 Lakh, which were earlier classified under 'Other Assets' have been adjusted to the Right-of-use assets at April 1, 2019.

The Company recognised the following in the statement of profit and loss:

(₹ in Lakh)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Amount recognised in the statement of profit and loss: | | |
| Depreciation expense on right-of-use assets (Refer note 4) | 2,904.22 | 2,713.98 |
| Interest expense on lease liabilities included in finance cost (Refer note 27) | 702.95 | 871.75 |
| Rent expense pertaining to leases of low-value assets | - | - |
| Rent expense pertaining to leases with less than twelve months of lease included under plant hire expenses and rent expenses (Refer note 28) | 18,521.39 | 14,889.81 |

Note 41 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital (equity).

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Total debt | 38,003.34 | 47,387.28 |
| Total equity | 106,865.70 | 105,536.29 |
| Total debts to equity ratio (Gearing ratio) | 0.36 | 0.45 |

In the long run, the Group's strategy is continue to maintain a gearing ratio of less than 0.5.

SUMMARY OF SIGNIFICANT accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2021 (Concl.)

Note 42 DIVIDEND ON EQUITY SHARES

(₹ in Lakh)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Dividend on equity shares declared and paid during the year | | |
| Final dividend of ₹ 0.30 per share for year ended March 31, 2020 (15 months ended March 31, 2019: ₹ 0.40 per share) | 515.36 | 687.15 |
| Dividend distribution tax on final dividend | - | 141.25 |
| | 515.36 | 828.40 |
| Proposed dividend on equity shares not recognised as liability* | | |
| Final dividend of ₹ 0.12 per share for year ended March 31, 2021 (Year ended March 31, 2020 : ₹ 0.30 per share) | 206.15 | 515.36 |
| | 206.15 | 515.36 |

* Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and therefore not recognised as liability as at the Balance Sheet date.

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

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal

Partner
Membership No: 109632

Place : Mumbai
Date : May 28, 2021

For and on behalf of the Board of Directors

Santi Jongkongka

Executive Vice Chairman
DIN: 08441312

Prasad Patwardhan

Chief Financial Officer
ACA No.44453

Place : Mumbai
Date : May 28, 2021

Jayanta Basu

Managing Director
DIN: 08291114

Rahul Neogi

Company Secretary
ACS No.10653

Corporate Information

BOARD OF DIRECTORS

Chairman

Piyachai Karnasuta

Executive Vice Chairman

Santi Jongkongka

Managing Director

Jayanta Basu

Independent Directors

D. P. Roy

Ramola Mahajani

Sunil Shah Singh

Pankaj I.C. Jain

COMMITTEES OF DIRECTORS

Audit Committee

Sunil Shah Singh, *Chairman*

D. P. Roy

Piyachai Karnasuta

Pankaj I. C. Jain

Stakeholders' Relationship Committee

D. P. Roy, *Chairman*

Piyachai Karnasuta

Santi Jongkongka

Jayanta Basu

Nomination and Remuneration Committee

Ramola Mahajani, *Chairperson*

Sunil Shah Singh

Piyachai Karnasuta

Corporate Social Responsibility Committee

Piyachai Karnasuta, *Chairman*

D. P. Roy

Santi Jongkongka

Jayanta Basu

CHIEF FINANCIAL OFFICER

Prasad Patwardhan

COMPANY SECRETARY

Rahul Neogi

AUDITORS

Walker Chandiook & Co LLP, Mumbai

BANKERS

Axis Bank Limited

Bank of Baroda

Bank of India

Bank of Maharashtra

Canara Bank

Central Bank of India

Export-Import Bank of India

Indian Bank

IndusInd Bank Limited

IDBI Bank Limited

IDFC FIRST Bank Limited

Punjab National Bank

The Federal Bank Limited

Union Bank of India

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BRANCH OFFICE

Myanmar

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R & D LOCATION

Kolkata

REGISTRAR AND SHARE TRANSFER AGENTS

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Nanakramguda, Hyderabad - 500 032.

Toll Free no. 1800-309-4001

Email: einward.ris@kfintech.com

Website: www.kfintech.com

ANNUAL GENERAL MEETING (E- ANNUAL GENERAL MEETING)

Wednesday, 22nd September, 2021, 3.00 P.M.

Deemed venue of Meeting:

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

Mumbai - 400 057.



Commitment, Reliability & Quality

ITD Cementation India Limited

CIN: L61000MH1978PLC020435

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