

# Perform. Persist. Persevere.

Annual Report  
2016-17



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### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.





# Perform. Persist. Persevere.



*Difficult times disrupt your conventional ways of thinking and push you to forge better habits of thought, performance and being.*

*-Robin S. Sharma, Writer and Leadership Speaker*

The world around us is passing through challenging times. Although the Indian economy is robust enough to withstand global ups & downs, it is striving hard to gain a strong platform for sustainable growth. Construction industry, despite increased spending from government, is seeing few hiccups. A combination of internal challenges & global socio-economic turbulences have temporarily resulted in subdued demand and business activity.

Despite challenging times, we have improved our performance. Our new order booking has increased and harmonised with better commercial conditions. While maintaining our esteemed private clients, we secured numerous projects from various government authorities. We have strengthened our presence in various segments through our performance, thereby generating substantial value for the Company. We resiliently put up a steady performance. Our order inflow grew to a sound ₹ 3,200 crore compared to ₹ 3,000 crore last year. We achieved the 9% margins we had promised, pulling them up from levels of 5% a few years ago.



# We perform.

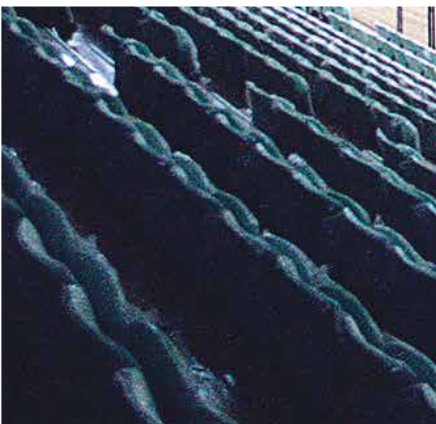
“Keep going. Your hardest times often lead to the greatest moments of your life.”

- Roy T. Bennett, author of *The Light of the Heart*

After 3-4 years of weakened demand & challenging global situation, there were several positive signals from markets. Government announced a number of policy measures to inculcate transparency and order into the sector. However, after-effects of demonetisation are still pinching at all levels. Real estate markets across the country, felt the heat due to a combination of factors. However, we have diversified strategically, mitigating risks arising out of over-exposure to any particular segment, and this has helped us sail through troubled waters steadily. The EBITDA and PAT margins rose to ₹ 225.42 crore and ₹ 59.17 crore respectively in FY2017 from ₹ 221.82 crore and ₹ 43.92 crore, respectively, in the previous year.

This was also accompanied with a consistent focus on completion of existing projects and intrepid forays into fresh ones.

# We persist.





*“Have an aim in life,  
continuously acquire  
knowledge, work hard  
and have perseverance to  
realise the great life.”*

*- Dr. A.P.J. Abdul Kalam, Former  
President of India and a world-  
renowned Space Scientist*

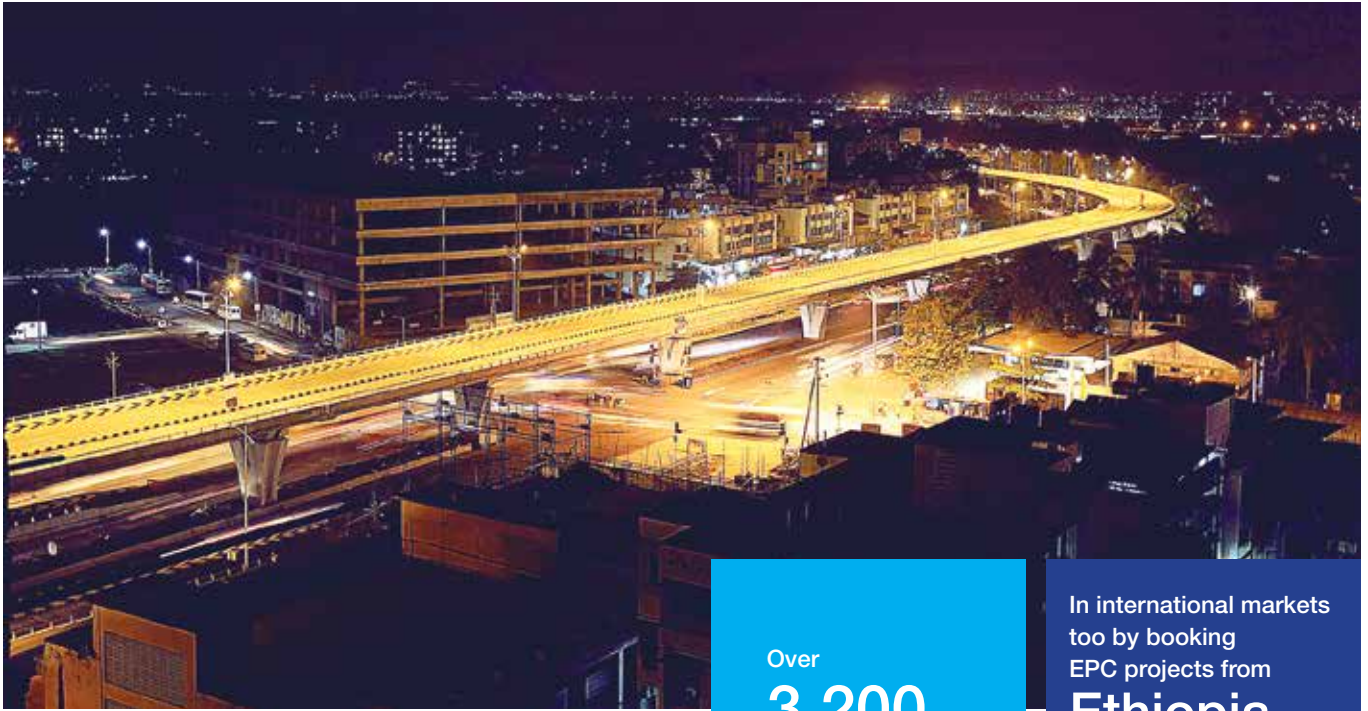
Strategically, we are strengthening our operations to address both current & future needs of the industry. JMC today has grown into a full-scale infrastructure EPC player, with a presence in a complete bouquet of verticals, serving sectors such as Infrastructure, Urban Infra, MRTS, Water, Healthcare, IT Parks, Townships, Industrial Structures etc. Coupled with stable growth, we are expanding our geographic reach. We are determined to serve our customers better while climbing on value ladder. We are serious about enhancing our presence in emerging economies, which offer us scale & opportunities.

Thus, with adoption of new ideas, technology and processes, we are relentlessly evolving strength by strength.



# We persevere.

# About Us



JMC Projects (India) Limited is one of the leading construction companies, that thrives on its technical strengths built up over a strong foundation of commitment. The Company's capabilities span the entire gamut of construction, including civil & structural, MEP etc. for most segments. At the same time, our collaborative engagement procreates innovation, which ultimately delivers a better and more sustainable future. In a nutshell, JMC's pursuit of excellence with Kalpataru ethos, is manifested through satisfied customers & satisfied employees.

Incorporated in 1986, JMC has played its part in building cityscapes and integrating terrains in the country for the past three decades. We have constructed landmark edifices - including **highways, expressways, bridges, flyovers, townships, tall buildings, hospitals, industrial units, power plants etc.** - across India, partnering the country's progress in good times and in bad. More recently, we have made inroads in international markets too by booking EPC projects from Ethiopia, Sri Lanka and others.

With a strong workforce of over 3,200 professionals, supported with technology and an inspiring work environment,

Over  
**3,200**  
professionals

In international markets too by booking EPC projects from  
**Ethiopia, Sri Lanka**  
and others.

JMC collaborates with all stakeholders and creates a win-win situation for our customers and end-users of facilities that we build. It has always been our mission to achieve excellence through speedy execution, cost efficiency, management of sustainability concerns, safety and compliance to regulatory frameworks.

Due to our strong commitment towards the safety of our people in addition to quality and concern for the environment, we have become one of the few construction companies in India, certified under ISO 9001:2015 (Quality Management), ISO 14000:2004 (Environmental Management) and BS OHSAS 18001:2007 (Occupational Health & Safety).

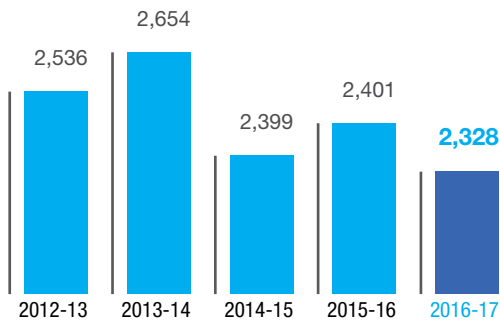
The Company functions out of regional offices located in Bangaluru, NCR Delhi, Kolkata and Mumbai, in which the corporate office is located. The registered office is in Ahmedabad, the city in which the Company was founded.



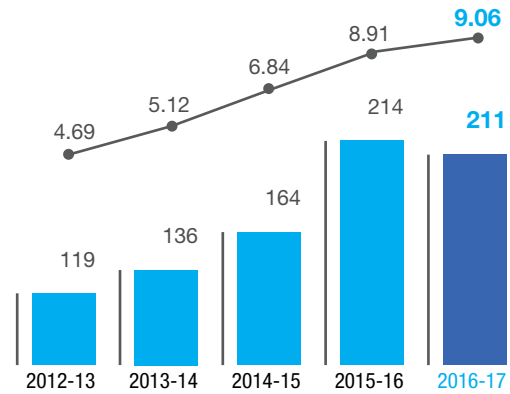
# Financial Highlights

## Turnover

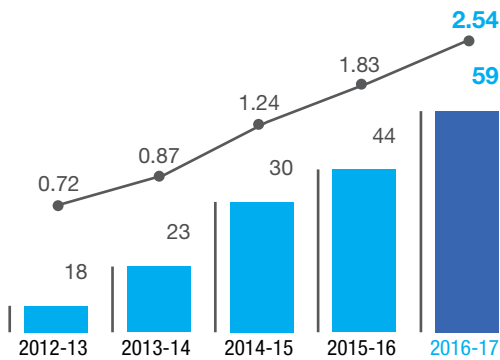
(₹ in crore)



## Core EBIDTA (₹ in crore) & EBIDTA Margin (%)

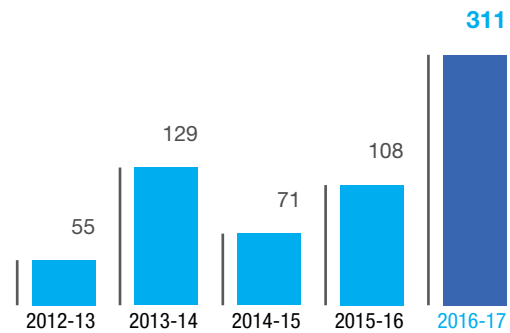


## Profit After Tax (PAT) (₹ in crore) & PAT Margin (%)



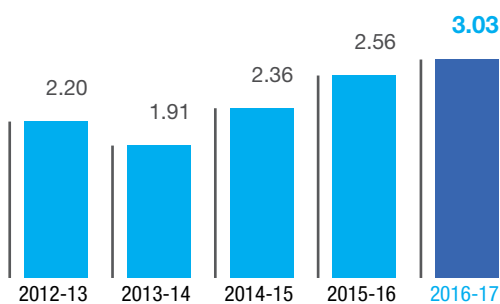
## Operating Cash Flow

(₹ in crore)



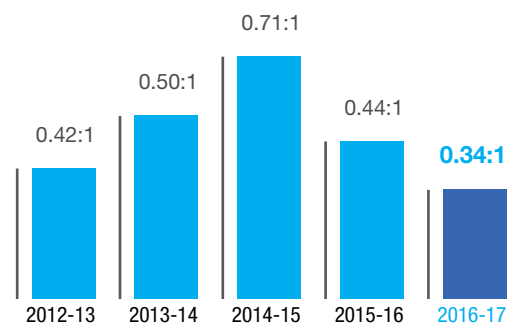
## Order Book to Turnover Ratio

(Times)



## Debt Equity Ratio

(Times)



- The Figures for FY 2015-16 & FY 2014-15 are regrouped as per Ind AS requirement.
- Figures from FY 14-15 onwards as per IND AS.
- Other income as well as Other comprehensive income is excluded from EBIDTA.

# CEO's Message



“Our objective is to evolve as a much stronger, efficient & a preferred construction partner for our customers”

## DEAR SHAREHOLDERS,

I am happy to present the 31st Annual Report of your Company for FY 2016-17.

I am pleased to share with you the fact that your Company is progressively building a bright future on earlier hard work. Management is taking all the necessary steps to strengthen all elements of your Company so that it is prepared to withstand the future challenges. Your Company has consolidated & fortified its position in strategic sectors such as highways, urban infra, complex buildings & industrial units etc. Our international aspirations & delivery commitments have helped us firm up and gradually spread our footprints in select global geographies. Today, the order book stands justly distributed in Infrastructure (Urban Infra, Water & Area Development etc.), Buildings (Housing, Commercial, Institutional, Hospital etc.) and Industrial segments.

At a macro-economic level, the Indian economy has proven that it is resilient enough to absorb ups & downs resulting from socio-political incidences & global turbulences. While India's GDP growth rate stands at about 7.1% during FY 2016-17, various financial institutions have indicated that GDP growth rate shall touch 7.5% in FY 2017-18. Efficient implementation of progressive reforms such as introduction of GST, formation of RERA, further easing of FDI norms in construction etc. are expected to foster healthy growth. Increased infrastructure investment is going to be an important source of increased consumer demand through job creation. Currently, the Union Budget sets infrastructure spending at about 8% of GDP, with an aim of increasing it to about 10-11%. Undoubtedly, infrastructure is a priority sector for the government. Government needs to strengthen the regulatory mechanism in a fair manner so that the private sector adds more value to the growth story of our country.

During the previous fiscal year, benign oil and commodity prices have helped improve our country's public finances. Housing, urban infrastructure & area developments are fundamental for our country's growth and well-being. Finance Ministry has allocated about ₹ 4 Lakh crore for creating & upgrading our country's infrastructure in FY 2017-18, out of which, an allocation of about ₹ 67,000 crore for the national highways in FY 2017-18, about 16% higher than previous year. Several water & city upgradation opportunities are coming up under various government schemes such as AMRUT, Smart





Cities Mission etc. Under RERA, the real estate & construction community is anticipated to get further organised, providing a much-required boost to the sector. Some of the leading global corporations have committed to invest & establish their manufacturing set-ups in various parts of our country under Make in India programme.

Our ambition is to contribute actively in these programmes and evolve as a much stronger, efficient & a preferred contracting partner. Your Company is continually improving processes and performance in critical areas like design & engineering, execution, quality, project monitoring etc. This year, we have taken up a business transformation exercise through SAP. World-class SAP ERP system shall be up & running by this year. Technology, though capital intensive, is helping us significantly to progress towards our goals.

Having said this, we also understand that taking up new challenges is a breathtaking exercise. Incessant issues such as pressure on margins, rising costs, scarcity of reliable manpower & their availability are pinching us. Following approaches in addressing these issues shall strategically build a better future:

1. Overall strengthening of technical competence & capability with special focus on the entire value chain of construction projects.
2. Enhancing customer satisfaction levels to become a preferred contractor & thereby securing repeat orders.
3. Strong relationship-building with consultants, specialists, partners, vendors, suppliers etc.
4. Technological upgradations & full leverage of IT-enabled applications.

## PERFORMANCE OVERVIEW

I am glad to share with you the progress we have made so far on the execution of our strategy. Order inflows clocked in at ₹ 3,200 crore during the year. The unexecuted Order Book at the year-end stands at ₹ 7,000 crore. This provides to continue with a healthy revenue and margin visibility ahead. Total Income from operations had a marginal decrease of 3% over previous year to ₹ 2,342.7 crore. Profit after Tax stood at ₹ 59.2 crore, up 35% from ₹ 43.9 crore last year.

The new accounting standards – Ind AS, have become effective from April 1, 2016 and the financial statements

presented in this Annual Report comply with these new accounting standards.

It gives me pleasure to announce that your Company has recommended a dividend of ₹ 1.50 per equity share on a face value of ₹ 10 per share for the year. The corresponding dividend during the previous fiscal was at ₹ 1 per equity share.

I place my sincere appreciation for the dedication, commitment and hard work put in by our employees at all levels and look forward to receive their trust, support and encouragement as we head for another challenging & exciting year. I also, express my gratitude towards joint venture partners, customers, and business associates for their relentless support. Finally, a big vote of thanks to all our shareholders for their continued belief in us.

**SHAILENDRA KUMAR TRIPATHI**  
CEO & Deputy Managing Director

# Board of Directors

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## MR. D. R. MEHTA

### Chairman – Independent Director

Mr. D. R. Mehta, B.A., LL.B and Management Graduate of Royal Institute of Public Administration, London and Alfred Sloan & School of Management MIT - Boston, USA, joined the Indian Administrative Service in 1961. He has rich experience of more than 40 years, during which, he held various important positions in Government of Rajasthan, Government of India. He was Deputy Governor of RBI, Chairman of SEBI etc. Mr. Mehta has been appointed as Non-Executive and Independent Director as well as Chairman of the Company w.e.f. December 11, 2008.

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## MR. SHAILENDRA KUMAR TRIPATHI

### CEO & Dy. Managing Director

Mr. Shailendra Kumar Tripathi, is a Civil Engineer from Government Engineering College, Jabalpur, Madhya Pradesh. Since passing out in 1984, he has worked in major Infrastructure companies like Gammon India, Larsen & Toubro Limited and Oriental Structural Engineers Private Limited. He started off as a site execution and planning engineer and went on to head the implementation and construction of many infrastructure projects in the country involving highways and airports. His technical, strategic decisions and leadership skills coupled with his sound financial and business sense has helped him in securing and successfully implementing many projects in Public Private Partnership model. He joined JMC Projects (India) Ltd in 2008 as the President & COO of the Infrastructure Division and thereafter, was appointed as Executive Director w.e.f. October 22, 2011 and as Deputy Managing Director w.e.f. May 18, 2012.

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## MR. MANOJ TULSIAN

### Whole-time Director & CFO

Mr. Manoj Tulsian, is a qualified Chartered Accountant, Company Secretary and Cost & Works Accountant. He has more than 22 years of experience in the field of Finance, Taxation, Legal, Corporate Affairs, Merger & Acquisition and Secretarial matters. He has served organisation such as VIP Industries Limited, Gabriel India Limited and Bansal Group. He has been appointed as Whole-time Director of the Company w.e.f. May 27, 2016.

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## MR. SHAILENDRA RAJ MEHTA

### Independent Director

Mr. Shailendra Raj Mehta, has done Bachelor of Arts from St. Stephen's College and Master of Arts from the Delhi School of Economics, M.Phil from Balliol College, Oxford University and his Ph.D. in Economics from Harvard University. He is currently the President & Director of Mudra Institute of Communications (MICA). Earlier to this, he served as Chairman of the Board of Management of Auro University, Provost/Vice Chancellor of Ahmedabad University and also Visiting Professor of Business Policy at the Indian Institute of Management, Ahmedabad. He has done extensive research in the areas of Entrepreneurship, Industrial Organisation, Information Economics and Experimental Economics. He has been associated with reputed organisations such as IBM, Honeywell, Microsoft, Infosys, State Bank of India and others. He has been appointed as Non-Executive and Independent Director of the Company w.e.f. February 8, 2012.

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## MR. HEMANT MODI

### Non-executive Director

Mr. Hemant Modi has a Master's Degree in Civil Engineering from Rutgers, the State University of New Jersey, U.S.A. and a Bachelor's degree in Civil Engineering from M.S. University of Baroda. He has over 30 years of experience in the field of management and execution of construction of Industrial structures and factory buildings. Mr. Modi was responsible for successful execution of all projects undertaken by JMC. Mr. Modi has extensive experience in the design and construction management of various Civil Engineering projects. He has worked with many private and government agencies on small and large projects both in India and in the United States. Mr. Modi has been appointed as Non-Executive Director of the Company w.e.f. April 1, 2013.

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## MR. MANISH MOHNOT

### Non-executive Director

Mr. Mohnot is a qualified Chartered Accountant and a Cost Accountant. He has also done an advanced management programme from Harvard University, U.S.A. He has more than two decades of experience in areas related to power, oil & gas, infrastructure, consulting, banking and business development. He has also been associated with reputed multinational banks and consulting firms. He serves as "Managing Director & CEO" of JMC's parent Company Kalpataru Power Transmission Limited. He has been appointed as Non-Executive Director of the Company w.e.f. May 29, 2009.

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## MR. KAMAL JAIN

### Non-executive Director

Mr. Kamal Jain, is a Chartered Accountant having rich experience of 27 years in the field of finance, taxation, corporate affairs and human resource developments. He serves as "Chief Financial Officer" of JMC's parent Company Kalpataru Power Transmission Limited. He has been appointed as Non-Executive Director of the Company w.e.f. February 5, 2005.

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## MS. ANJALI SETH

### Independent Director

Ms. Anjali Seth holds bachelor degree in Law and advising and consulting with banks, financial institutions and corporates as a legal consultant. She has a rich and diverse experience of more than 30 years including as a professional lawyer. She has advised top banks, financial institutions and corporates on a range of matters including M&A, PE Investments, industrial and employee relations, corporate governance, real estate negotiation, legal matters, statutory issues, litigations etc. She has been associated in various positions with International Finance Corporation, Swaadhar Finserve and ANZ Grindlays Bank. She had the opportunity to work in UAE with real estate company, Emmar Properties. She has served Standard Chartered Bank as their Legal Head in India. She was Non-Executive and Non-Independent Director of the Company for almost three years till May 16, 2017. She is appointed as an Independent Director of the Company w.e.f. May 17, 2017.

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# Performance at a Glance

(₹ in crore)

Particulars	Financial Year				
	2016-17	2015-16 <sup>#</sup>	2014-15 <sup>#</sup>	2013-14	2012-13
Total Income	2,342.7	2,409.0	2,413.1	2,662.8	2,542.9
Growth (%)	-2.75	-0.17	-9.38	4.72	22.17
Total Expenditure	2,117.6	2,186.4	2,236.5	2,518.6	2,417.2
Operating Profit (PBDIT)	225.1	222.6	176.6	144.2	125.7
Interest	84.3	105.1	84.1	55.1	55.0
Profit Before Depreciation and Tax (PBDT)	140.8	117.5	92.6	89.1	70.8
Depreciation	57.4	51.7	48.9	58.9	54.9
Profit Before Tax (PBT)	83.5	65.8	43.6	30.2	15.9
Provision for Income Tax / FBT / Deferred Tax	24.3	22.0	13.8	7.2	-2.4
Profit After Tax (PAT)	59.2	43.9	29.9	23.0	18.3
Equity Share Capital	33.6	33.6	26.1	26.1	26.1
Net Worth*	689.7	637.8	445.8	447.9	428.2
Long-Term Borrowings	231.3	281.9	315.9	223.6	177.8
Short-Term Borrowings (including current maturity of long-term debts)	405.0	454.1	420.1	205.8	206.2
Total Borrowings	636.3	736.0	736.0	429.4	384.1
Capital Employed (Net Worth + Total Borrowings)	1,326.0	1,373.8	1,181.9	877.3	812.2
Debt Equity Ratio (Total)	0.92:1	1.15:1	1.65:1	0.96:1	0.90:1
Debt Equity Ratio (Long-Term)	0.34:1	0.44:1	0.71:1	0.50:1	0.42:1
Book Value per Equity Share (₹)	205.4	189.9	170.7	171.5	163.9
Earning per Equity Share (₹)	17.7	16.0	11.1	8.8	7.0
Equity Dividend (%)	15.00	10.00	10.00	10.00	10.00
Operating Profit (%)	9.67	9.27	7.36	5.43	4.96
Profit Before Tax (%)	3.59	2.74	1.82	1.14	0.63
Profit After Tax (%)	2.54	1.83	1.24	0.87	0.72
Return (Pre-tax) on Average Networkth (%)	12.58	12.15	9.76	6.90	3.77
Return on Average Capital Employed (%)**	12.43	13.38	12.40	10.10	9.34
Order Backlog at the year end***	7,047.1	6,148.5	5,652.5	5,087.6	5,577.8
No. of Employees	3,279	3,360	3,523	3,264	2,977

# The Figures for the FY 2015-16 & FY 2014-15 are regrouped as per Ind AS requirement.

\* Networkth calculated is after exclusion of Debenture Redemption Reserve.

\*\* For calculating Return, interest is added back in Profit Before tax.

\*\*\* Includes orders in the name of Joint Ventures.



# Corporate Information

## BOARD OF DIRECTORS

### Mr. D. R. Mehta

Chairman – Independent Director

### Mr. Shailendra Kumar Tripathi\*

CEO & Dy. Managing Director

### Mr. Manoj Tulsian

Whole-time Director & CFO

### Mr. Shailendra Raj Mehta

Independent Director

### Mr. Mahendra G. Punatar#

Independent Director

### Ms. Anjali Seth®

Independent Director

### Mr. Hemant Modi

Non-executive Director

### Mr. Manish Mohnot

Non-executive Director

### Mr. Kamal Jain

Non-executive Director

\* Re-appointed as Dy. MD w.e.f. October 22, 2016

# Resigned as Director w.e.f. February 20, 2017

® Resigned as Non-Independent Director w.e.f. May 16, 2017 & appointed as Independent Director w.e.f. May 17, 2017

## AUDIT COMMITTEE

Mr. D. R. Mehta, Chairman

Mr. Shailendra Raj Mehta

Mr. Kamal Jain

Ms. Anjali Seth (w.e.f. May 17, 2017)

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Kamal Jain, Chairman

Mr. S. K. Tripathi

Mr. Manish Mohnot

## NOMINATION & REMUNERATION COMMITTEE

Mr. Shailendra Raj Mehta, Chairman

Mr. D. R. Mehta

Mr. Manish Mohnot

## CSR COMMITTEE

Mr. D. R. Mehta, Chairman

Mr. S. K. Tripathi

Mr. Kamal Jain

## COMPANY SECRETARY

Mr. Samir Raval

## AUDITOR

B S R & Co. LLP

Chartered Accountants

## BANKERS

Oriental Bank of Commerce

State Bank of India

Axis Bank

ICICI Bank

IDBI Bank

Indian Bank

Union Bank of India

Punjab National Bank

Karur Vysya Bank

## REGISTERED OFFICE

A-104, Shapath 4, Opp. Karnavati Club,  
S. G. Road, Ahmedabad - 380 015,  
Gujarat, India.

Tel: +91 79 30011500

Fax: +91 79 30011600

cs@jmcprojects.com

CIN: L45200GJ1986PLC008717

## CORPORATE OFFICE

6th Floor, Kalpataru Synergy,  
Opp. Grand Hyatt, Santacruz (East),  
Mumbai - 400 055.

Tel: +91 22 30051500

Fax: +91 22 30051555

www.jmcprojects.com

## REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited  
Unit: JMC Projects (India) Limited  
506 to 508, 5th Floor,  
Amarnath Business Centre,  
Nr. St. Xavier's College Corner,  
Off C. G. Road, Navrangpura,  
Ahmedabad - 380 009, Gujarat.

Tel & Fax: +91 22 26465179

ahmedabad@linkintime.co.in

www.linkintime.co.in

# Statutory Section





# Board's Report

To,  
The Members,

Your Directors take pleasure in presenting the 31<sup>st</sup> Annual Report of your Company together with Audited Statement of Accounts for the financial year ended March 31, 2017.

## FINANCIAL RESULTS

The standalone financial highlights and performance of the Company for the year ended March 31, 2017 is given herein below.

Financial Results	(₹ in Crores)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Total Revenue	2,342.7	2,409.0
Profit before Depreciation, Interest & Tax	225.5	221.9
Less: Depreciation	57.4	51.7
: Interest	84.3	105.1
<b>Profit before Tax</b>	<b>83.8</b>	<b>65.1</b>
Provision for Tax (including Deferred Tax)	24.4	21.7
<b>Net Profit after Tax</b>	<b>59.4</b>	<b>43.4</b>
Add: Surplus brought forward from previous year	206.4	168.1
<b>Profit available for Appropriation</b>	<b>265.8</b>	<b>211.5</b>
<b>Appropriation:</b>		
Dividend - Final - FY 2015-16	3.4	-
Final - FY 2014-15	-	2.6
Corporate Dividend Tax on Equity Dividend (including surcharge)	0.7	0.5
Items of other comprehensive income recognized directly in retained earnings	0.2	(0.4)
Transferred to Debenture Redemption Reserves	-	0.2
Transferred to General Reserve	2.2	2.2
Balance carried to Balance Sheet	259.3	206.4
<b>TOTAL</b>	<b>265.8</b>	<b>211.5</b>

## COMPANY'S PERFORMANCE

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2016, pursuant to the notification of Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs. Previous years' figures have been restated and audited by the Statutory Auditors of the Company, namely, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022).

During the year ended March 31, 2017, your Company has achieved Total Revenue (i.e. Revenue from Operations & Other income) of ₹ 2,342.7 crores as against ₹ 2,409.0 crores for the previous year ended March 31, 2016. Your Company has achieved Profit before tax of ₹ 83.8 crores for the current year as against ₹ 65.1 crores for the previous year (an increase of 28.7% over the previous year).

## DIVIDEND

In view of the Company's performance during the financial year under consideration, your Directors are pleased to recommend a dividend of ₹ 1.50 (15%) per equity share of face value of ₹ 10/- each (previous year ₹ 1/- per equity share) on 3,35,81,034 equity shares of the Company. The proposal is subject to the approval of members in the ensuing Annual General Meeting. If approved, the total outgo on account of the dividend on existing equity capital would be ₹ 5.04 crores (excluding corporate tax on dividend).

## Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund [Accounting, Audit, Transfer and Refund] Rules, 2016 / Investor Education and Protection Fund [Awareness and Protection of Investors] Rules, 2001, an amount of ₹ 1.58 lakh of unclaimed dividends were transferred during the year to the Investor Education and Protection Fund.

## APPROPRIATIONS

For the year under review, it is proposed to transfer ₹ 2.2 crores to the General Reserve and other appropriations as mentioned in Note no. 11 of the financial statement.

## SHARE CAPITAL

During the year under review, there is no change in the paid-up share capital of the Company which stands at ₹ 33,58,10,340/- comprising of 3,35,81,034 equity shares of ₹ 10/- each fully paid up. As on March 31, 2017, 99.66% of the total paid-up capital of the Company stands in the dematerialized form.

## REVIEW OF BUSINESS OPERATIONS

During the year under review, your Company has received new contracts of approximately ₹ 3,200 crores. As on March 31, 2017, the aggregate value of orders on hand stands at ₹ 7,000 crores.

The details of some of the major contracts received during the year are as under.

### Factories & Buildings

- a. Construction of Commercial property Mantri Cornerstone for Mantri Group at Bengaluru
- b. Construction of Residential apartments Rio De Goa for TATA Housing Dev. Co at Marmugao, Goa
- c. Township package for Khargone Super Thermal Power Project (2 x 660 MW) for NTPC
- d. Civil & Architectural works for residential project Prestige High Fields for Prestige group at Bengaluru
- e. Construction of Residential Building Immensa for Kalpataru Group, Thane
- f. Civil & Architectural works for residential project Prestige Lake Ridge for Prestige group at Bengaluru
- g. Construction of Commercial property Megasoft for Salarpuria Sattva at Bengaluru
- h. Shipyard modernization & construction for Goa Shipyard Ltd at Vasco, Goa
- i. Construction of Commercial Development Brookfield Garden for Brigade Group at Bengaluru
- j. Construction of Civil works of commercial project "Rajaangasana" for SJR Prime Corporation (P) Ltd at Bengaluru

## Infrastructure - International

Jaffna Killinochchi Water Supply & Sanitation project for NWSDDB at Jaffna, Sri Lanka

## Infrastructure – Domestic

Construction of Mankhurd Ghatkopar Link Road Flyover for MCGM, Mumbai

## YEARS AHEAD AND PROSPECTS

Your Company has been able to built-up good order book both in domestic and international market. Your Company continues to work towards improving the international order book going forward. The present order book and the opportunities in the Indian infrastructure space as well as International market gives good visibility towards a sustainable and profitable growth going forward. Continuous thrust on using latest technologies and digital platform and better processes would ensure further improvement of margins going forward.

## FINANCE

During the year, your Company has invested ₹ 70.92 crores as loan in Special Purpose Vehicles (SPVs) incorporated for its Road Projects which was funded through internal accruals.

Total addition in the fixed assets was ₹ 80.48 crores during the year which was funded through Rupee Term Loans and internal accruals. Your Company has sufficient fund based & non-fund based limits to cater to its existing fund requirements.

## CONSOLIDATED IND AS FINANCIAL STATEMENTS

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (here in after referred to as 'the 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 Indian Accounting Standards (Ind AS), forms part of this Annual Report.

## SUBSIDIARIES AND ASSOCIATE / JV COMPANIES

A statement containing the salient features of the performance and financial position of the subsidiaries, associates / jointly controlled entity as required under Rule 5 of the Companies (Accounts) Rules, 2014 is provided in form AOC-1 marked as an Annexure 1 and forms part of this report. The details of the policy on determining material subsidiary of the Company is available on Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/related\\_party\\_transactions\\_20151014060849.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/related_party_transactions_20151014060849.pdf)





The Annual Report of the Company containing the standalone and consolidated Ind AS financial statements has been disseminated on the website of the Company at <http://www.jmcprojects.com/investor/financials>. Audited Annual Accounts of each of the subsidiary company have also been placed on the said website. Financial statements and related information of the subsidiaries are available for inspection by the members at the Registered Office of the Company. Members interested in obtaining copy of the Audited Annual Accounts of the subsidiary companies may write to the Company Secretary at the Company's Registered Office or Corporate Office address.

The performance and financial position of the Company's subsidiaries and jointly controlled entity are summarized herein below:

(₹ in Crores)

Name of the Company	% share	Total Income (₹)	Profit/(Loss) for the year (₹)	Share of profit / (loss) (₹)
Brij Bhoomi Expressway Private Limited (CIN : U74900MH2010PTC261958)	100	33.19	(12.64)	(12.64)
Wainganga Expressway Private Limited (CIN : U45203MH2011PTC264642)	100	48.68	(43.32)	(43.32)
Vindhyachal Expressway Private Limited (CIN : U45203MH2012PTC271978)	100	62.08	(8.37)	(8.37)
JMC Mining & Quarries Limited (CIN : U45201GJ1996PLC028732)	100	-	-	-
Kurukshetra Expressway Private Limited (CIN : U45400HR2010PTC040303)	49.57	92.24	(71.60)	(35.49)

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, Directors of the Company make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

- in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed (along with explanation wherever required) and there is no material departure from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the year ended March 31, 2017 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE

In compliance with the Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given as an Annexure and forms an integral part of this Annual Report. A certificate from the Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to this report. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis highlighting **inter alia** the business performance, risk management, internal control and affairs of the Company for the year ended March 31, 2017 is an integral part of this report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Shailendra Kumar Tripathi is liable to retire by rotation at the ensuing Annual General Meeting (AGM). Mr. Shailendra Kumar Tripathi, being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment as Director of the Company. The brief resume of Mr. Shailendra Kumar Tripathi and other details as required under the Listing Regulations are given in the accompanying Notice of AGM.

During the year under review, Mr. M. G. Punatar resigned as an Independent Director of the Company with effect from February 20, 2017. Further, Ms. Anjali Seth, Non-Independent Non-Executive Director of the Company resigned with effect from May 16, 2017 with a view to get appointed as an Independent Director of the Company. The Board of Directors placed on record their sincere appreciation for the valuable contribution made by Mr. M. G. Punatar and Ms. Anjali Seth during their tenure with the Company.

The Board of your Company based on the recommendation of Nomination and Remuneration Committee appointed Ms. Anjali Seth, as an Additional Director in the category of Independent Director of the Company for a period of 3 (Three) years with effect from May 17, 2017. The Company has received requisite declaration of independence from Ms. Anjali Seth. Requisite proposal seeking your approval for her appointment as an Independent Director, for a period of 3 (Three) years with effect from May 17, 2017 forms part of the Notice convening the 31<sup>st</sup> Annual General Meeting of the Company.

During the year under review, on the recommendation of Nomination and Remuneration Committee, the Board of Directors re-appointed Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director of the Company, liable to retire by rotation, for a period of 3 (Three) years commencing from October 22, 2016 to October 21, 2019 (both days inclusive), on the terms and conditions as set out in the Agreement dated August 12, 2016 duly executed between the Company and Mr. Shailendra Kumar Tripathi. Requisite proposal seeking your approval for his appointment and payment of remuneration as CEO & Dy. Managing Director forms part of the Notice convening the 31<sup>st</sup> Annual General Meeting of the Company.

The Independent Directors of your Company have given a declaration confirming that they meet the criteria of independence as laid down under Section 149 of the Act and the Regulation 16(b) of Listing Regulations.

The details of Directors including their remuneration, remuneration policy, criteria for qualification, independence, performance evaluation of the Board, Committees and Directors, meetings, committees and other details are given in the Corporate Governance Report, which is integral part of Board's Report.

As on date, Mr. Shailendra Kumar Tripathi, CEO & Dy. Managing Director, Mr. Manoj Tulsian, Whole-time Director & CFO and Mr. Samir Raval, Company Secretary are the Key Managerial Personnel of the Company. Details relating to remuneration of the KMP and directors are mentioned in Annexure 5 of the Board's Report.

## BOARD EVALUATION

Pursuant to the provisions of Sections 134(3), 149(8) and Schedule IV of the Act read with Listing Regulations, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board has been carried out. The performance evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board which in detail has been provided in Corporate Governance Report. The properly defined and systematically structured questionnaire was prepared after having considered various aspects and benchmarks of the Board's functioning, composition of the Board and its Committees, performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors in their separate meeting. The Board of Directors expressed their satisfaction with the evaluation process.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the independent Directors with their roles, rights, responsibilities, duties under the Companies Act and other statutes.

The policy and details of familiarization programme imparted to the Independent Directors of the Company has been kept on the website of the Company at the link: [http://jmcprojects.com/cms/data\\_content/statutory\\_documents/familiarisation\\_programme\\_20151014060621.pdf](http://jmcprojects.com/cms/data_content/statutory_documents/familiarisation_programme_20151014060621.pdf)

## MEETINGS OF THE BOARD

During the year, your Board met 4 (four) times the details of which are available in Corporate Governance Report annexed to this report.



## AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Act. The constitution and other relevant details of the Audit Committee are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

## AUDITORS & AUDITORS' REPORT

The observation made in the Auditors Report on the Company's Standalone and Consolidated Ind AS financial statements for the Financial Year ended March 31, 2017 are self-explanatory and therefore do not require for any further comments/information. The auditors' report does not contain any qualification or adverse remarks.

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022) Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Members of the Company at the 30<sup>th</sup> AGM held on August 11, 2016 had approved the appointment of M/s. B S R & Co. LLP as the Statutory Auditors of the Company for a period of five consecutive years i.e. till the conclusion of 35<sup>th</sup> AGM. As required by the provisions of the Companies Act, 2013, their appointment need to be ratified by the members each year at the AGM. Accordingly, requisite resolution forms part of the Notice convening 31<sup>st</sup> AGM of the Company.

During the year, the Auditors had not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act, M/s. D. M. Zaveri & Co, Practicing Company Secretaries (PCS Registration No. 4363) had been appointed to undertake the secretarial audit of the Company for the year ended on March 31, 2017. The Secretarial Audit Report is annexed herewith as an Annexure 2 which forms an integral part of this report. The said report does not contain any qualification, reservation or adverse remarks or disclaimer. During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

In terms of Section 204 of the Act, the Audit Committee recommended and the Board of Directors of the Company has appointed M/s. D. M. Zaveri & Co, Practicing Company Secretaries (PCS Registration No. 4363), as the Secretarial Auditor of the Company for the financial year ending March 31, 2018. The Company has received their consent for the said appointment.

## COST AUDIT

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to appoint Cost Auditor for the audit of cost records of the Company.

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of and remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants (Registration No. 000024), as the Cost Auditors of the Company to audit the cost records for the Financial Year ending March 31, 2018. Your Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. As per the statutory requirement, the requisite resolution for ratification of remuneration of the Cost Auditors by the members of the Company has been set out in the Notice convening 31<sup>st</sup> Annual General Meeting of the Company.

The due date for filing of the Cost Audit Report of the Company issued by the Cost Auditor M/s. K. G. Goyal & Associates for the financial year ended on March 31, 2016 was September 30, 2016 and the same was filed in XBRL mode by the Cost Auditor on August 17, 2016. During the year, the Cost Auditors had not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company has given guarantee, loan etc. to Wholly Owned Subsidiaries (WOS) and jointly controlled entity to meet their business needs. Your Company has extended the support to the financial needs of WOS being the special purpose vehicle formed for some of the road projects which would ultimately results in accruing benefits to the Company.

Details of loans, guarantees and investments as required under the provisions of Section 186 of the Act are given in the notes to the financial statements.

## RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and Listing Regulations, your Company has formulated a policy on related party transactions which is also available on Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/related\\_party\\_transactions\\_20151014060849.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/related_party_transactions_20151014060849.pdf). This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions.

Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length basis. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

There were no material related party transactions made by the Company during the financial year under review. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Act in form AOC-2 is not applicable to your Company.

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.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely presentation of reliable financial information.

Your Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly.

The Risk Management and Governance Department of the Company have assured the existence of various risk-based controls in the Company and also tested the key controls towards assurance of compliance for the present fiscal.

Further, the testing of such controls was also carried out independently by the Statutory Auditors of the Company as mandated under the provisions of Companies Act, 2013. In the opinion of the Board, the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has formed a Whistle-Blower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behavior and mismanagement, if any. The said mechanism also provides for strict confidentiality, adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate cases.

No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

The said Whistle-Blower Policy has been disseminated at investors section on the Company's website [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/whistleblower\\_policy\\_20151014055834.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/whistleblower_policy_20151014055834.pdf).

### **REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior

Management employees. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report. The remuneration policy of the Company is available on the Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/remuneration-policy.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/remuneration-policy.pdf)

### **PARTICULARS OF EMPLOYEES**

The statement of Disclosure of Remuneration under Section 197(12) of the Act read with the Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is appended as Annexure 3 to this Report.

The information as per the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) and 5(3) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with the requirements of Section 135 of the Act, your Company has constituted a CSR Committee, which comprises Mr. D. R. Mehta, Chairman of the Company as its Chairman, Mr. S. K. Tripathi and Mr. Kamal Jain as its members. The Company has also framed a CSR Policy in compliance with the provisions of the Act and content of the same is placed on the Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/csr\\_policy\\_20151014060800.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/csr_policy_20151014060800.pdf). The thrust areas for CSR include care and empowerment of underprivileged and differently abled persons and education. The CSR Policy provides about areas of activities, thrust area, types of projects, programs, modes of undertaking projects / programs, process, approval, resources etc.

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014 and in accordance with the CSR Policy, the Company has spent ₹ 25.79 lakh on the CSR front as described in the CSR Report attached to this report. In addition to the above, the Company also spent ₹ 61.35 lakh through the Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur at the Overseas Project site of the Company which cannot be counted as CSR activities as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to this Report as an Annexure 4 which forms an integral part of this report.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Company in Form MGT-9 is annexed as an Annexure 5 and forms an integral part of this report.



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2017 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under.

### Conservation of Energy and Technology Absorption

Considering the nature of activities being carried out by the Company, provisions pertaining to conservation of energy and technology absorption are not much relevant to the Company and hence not provided. However, the Company has used technology in respect to information and engineering in its operations. Your Company always put effort for conservation of energy wherever possible.

### Foreign Exchange Earnings & Outgo

(₹ in crores)

Particulars	Year 2016-17	Year 2015-16
Foreign Exchange earned	42.8	41.00
Foreign Exchange used / outgo	10.58	64.11

The detailed information on foreign exchange earnings and expenditure is furnished in the Notes in financial statements.

## DEPOSITS

During the year under review, your Company has not accepted any deposits under Chapter V of the Act and Companies (Acceptance of Deposits) Rules, 2014 from public / members.

## RISK MANAGEMENT

Your Company continues to focus on a system based approach to business risk management. The Company has in place comprehensive risk assessment and minimization procedures, which have been reviewed by the Board periodically. The Risk Management Committee of the Company is responsible for preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, identifying and reviewing critical risks on regular basis, updating the Risk Register on regular basis, reporting of key changes in critical risks to the Board on an ongoing basis, reporting of critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board.

The Committee holds quarterly meetings to review the critical risks identified. The risks faced by the Company, their impact and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. The non-critical risks faced by the Company and their mitigation are also reviewed by the Committee on regular basis. The Risk Register of the Company is also audited by internal auditors of the company.

More details in respect to the risk management are given in Management Discussion and Analysis Report ('MDA').

## INTERNAL CONTROL

Your Company believes that internal control is a necessary concomitant of the principal of governance that freedom of management should be exercised within framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduit of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Your Company's independent and robust Internal Audit processes, both at the Business and Corporate levels, provide assurance on the adequacy and effectiveness of internal controls, compliances with operating systems, internal policies and regulatory requirements.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Further details in respect to internal control are given in Management Discussion and Analysis Report ('MDA').

## HUMAN RESOURCE MANAGEMENT

Your Company firmly believes that employees are the true drivers who can make the Company achieve its strategic and operational goals with higher profits and sustainability in the business.

Your Company has developed a "Learning Culture" to enhance multiple skills in its human resources, leading to increased productivity. It invests significantly in enhancing the managerial, technical and behavioral skills of its employees as per business requirements. Measures are also in place to create and sustain a strong leadership pipeline to support future growth and development.

Your Company has always been compliant with laws and regulations applicable to construction companies and is leaving no stone unturned to ensure 100% Compliance in all applicable areas.

Your Company takes regular and engaging steps to ensure that the employee's connect is strong with the organization at all point of time. Initiatives such as health check-up camps, cultural programs by employees and their families, screening motivational films, non-monetary rewards, celebrations around important festivals, etc. ensure that a high level of employee connect always exists in your Company.

Your Company is now also focusing on becoming a process-driven organization to ensure 100% utilization of manpower across the Company with defined roles/responsibilities and accountability. Your Company undertakes continuous cost-reduction initiatives to achieve higher profitability and is aiming to set up a benchmark in the Construction Industry.

## QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM

Your Company has an established Integrated Management System comprising Quality Management Systems (QMS) conforming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2004 and Occupational Health & Safety Assessment Series conforming to BS OHSAS 18001:2007 at all offices and projects. During the year under review, the Company's Management System has been audited and compliance to the requirement of the International Standards has been confirmed by TUV-SUD Asia Pacific (TUV-SUD Group).

Your Company is adequately maintaining the system to ensure customer satisfaction in terms of quality and services, protection of Environment, safeguard the occupational health, safety of all our employees and compliance to applicable legal and other non-regulatory requirements pertaining to environment, health and safety along with continual improvements to the system.

Your Company has been consistently adopting best construction practices with uncompromising quality, environment and safety standards, which are recognized by our clients / associates and Govt. bodies through awards / accreditations in recent past i.e. RoSPA, UK and CIDCVK awards.

## OTHER DISCLOSURES AND INFORMATION

### a) Significant and Material Orders passed by the Authority

There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

### b) Sexual Harassment of Women at workplace

Your Company has adopted a Policy under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. There was no complaint about sexual harassment during the year under review.

### c) Material Changes and Commitments affecting financial position

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.

## APPRECIATION

Your Company has been able to perform better with the continuous improvement in all functions and areas which coupled with an efficient utilization of the Company's resources led to sustainable and profitable growth of the organization. Your Directors express their deep sense of appreciation and extend their sincere thanks to every executive, employee and associates for their dedicated and sustained contribution and they look forward the continuance of the same in future.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continuous assistance, support and co-operation received from all the stakeholders viz. financial institutions, banks, governments, authorities, shareholders, clients, suppliers, customers and associates.

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director

Place: Mumbai  
Date: May 16, 2017

**Manoj Tulsian**  
Whole-time Director & CFO



### Annexure - 1 Form AOC-I

[Pursuant to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014]

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

#### Part "A": Subsidiaries

(₹ in Crores)

Sl. No.	Particulars	Name of the subsidiary			
		Brij Bhoomi Expressway Pvt. Ltd.	Wainganga Expressway Pvt. Ltd.	Vindhyachal Expressway Pvt. Ltd.	JMC Mining & Quarries Ltd.
1	Date since when subsidiary was formed/ acquired	December 6, 2010	June 2, 2011	January 16, 2012	February 1, 1996
2	Reporting currency & exchange rate	INR	INR	INR	INR
3	Share capital	22.76	30.00	27.05	0.50
4	Reserves & Surplus	(35.28)	(85.90)	(8.53)	(0.30)
5	Total Assets	187.57	703.89	778.26	0.91
6	Total Liabilities	200.09	759.79	759.75	0.71
7	Investments	-	-	-	-
8	Turnover – from Operation	31.16	44.13	57.05	-
9	Profit before taxation	(11.21)	(44.11)	(23.90)	(0.02)
10	Provision for taxation (Deferred Tax)	(1.43)	0.79	15.53	-
11	Profit after taxation	(12.64)	(43.32)	(8.37)	(0.02)
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	100%

- (1) There is no subsidiary which is yet to commence operations.
- (2) No subsidiary has been liquidated /sold during the year under review.
- (3) The reporting period of all the subsidiaries is March 31, 2017.

## Part "B": Associates and Joint Ventures

(₹ in Crores\*)

Sl. No.	Particulars	Name of Joint Venture
		Kurukshetra Expressway Pvt. Ltd.
1	Date since when Associate/joint venture was formed	March 29, 2010
2	Latest audited Balance Sheet Date	March 31, 2017
3	Shares of Joint Venture held by the Company on the year end in numbers	5,16,82,990
	Amount of Investment in Joint Venture*	98.27
	Extend of Holding %	49.57%
4	Description of how there is significant influence	Share Ownership of 49.57%
5	Reason why the Joint Venture is not consolidated#	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet*	(13.21)
7	Profit / (Loss) for the year*	(71.60)
	i. Considered in Consolidation*	(35.49)
	ii. Not Considered in Consolidation*	(36.11)

## Notes

- (1) There is no Associate company.
- (2) There is no Joint Venture which is yet to commence operations.
- (3) No Joint Venture has been liquidated /sold during the year under review.
- (4) #Joint Venture entities Aggrawal -JMC JV, JMC - Sadbhav JV & JMC - CHEC JV are not consolidated as the same are considered as exception for proportionate consolidation as per para 28 of Ind AS-27 "Financial Reporting of Interest in Joint Ventures" as explained in detail in Note no. 24 to the Consolidated Ind AS Financial Statement.

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**

CEO &amp; Dy. Managing Director

Place: Mumbai

Date: May 16, 2017

**Manoj Tulsian**

Whole-time Director &amp; CFO





## Annexure – 2 Secretarial Audit Report

### Form No. MR-3

For the Financial Year ended 31<sup>st</sup> March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**JMC Projects (India) Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JMC Projects (India) Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the JMC Projects (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2017, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable, since there is no delisting of equity shares during the year)
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable, since there is no buyback of equity shares during the year)
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) The following laws are specifically applicable to the Company in addition to laws mentioned above;
  - a) Building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996
  - b) Maharashtra Building and Other Construction workers (Regulation of Employment and Conditions of Service) Rules, 2007
  - c) Building and other Construction Workers' Welfare Cess Act, 1996

I have also examined compliance with the applicable clauses to the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
  - ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;
- During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

**I further report that**, the Board of Directors of the Company is duly constituted and the vacancy created due to resignation of Mr. Mahendra G. Punatar, an Independent Director of the Company w.e.f. 20th February, 2017 has been duly filled up at present. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I 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.

**For D. M. Zaveri & Co**  
**Company Secretaries**

**Dharmesh Zaveri**

(Proprietor)

FCS. No.: 5418

CP No.: 4363

Place: Mumbai

Date: May 16, 2017



### Annexure 3

#### Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Median Remuneration of Employees during the Financial Year 2016-17: ₹ 3.78 lakh p.a.
- Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2016-17:

Name of Director	Ratio
Mr. S. K. Tripathi	57.62
Mr. Manoj Tulsian*	40.54
Mr. D. R. Mehta	5.42
Mr. S. R. Mehta	4.89
Mr. M. G. Punatar#	0.46
Mr. Hemant Modi	4.50
Ms. Anjali Seth	1.85

No sitting fees or remuneration paid to Mr. Manish Mohnot & Mr. Kamal Jain (Promoter Directors)

\* Mr. Manoj Tulsian appointed as Whole-time Director w.e.f. May 27, 2016

# Mr. M.G. Punatar ceased to be a Director w.e.f. February 20, 2017.

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year 2016-17.

Name of Director, CEO, CFO & CS	% increase
Mr. S. K. Tripathi, CEO & Dy. Managing Director	11.11%
Mr. Manoj Tulsian, Whole-time Director & CFO	Not comparable, since appointed as Whole-time Director w.e.f. May 27, 2016
Mr. D. R. Mehta, Independent Director	5.13%
Mr. S. R. Mehta, Independent Director	29.82%
Mr. M. G. Punatar, Independent Director	Not comparable, since resigned w.e.f. February 20, 2017
Mr. Hemant Modi, Director	13.33%
Ms. Anjali Seth, Director	16.67%
Mr. Samir Raval, Company Secretary	Not comparable, since appointed as Company Secretary w.e.f. May 27, 2016

- The percentage increase in the median remuneration of employees in the Financial Year 2016 -17: 9.89%  
Median remuneration of the employees calculated based on remuneration paid for FY 2016-17.

- The number of permanent employees on the rolls of company: 3,279 (as on March 31, 2017)

- 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.

Average increase in salaries of employees during the year 2016-17 was around 7.8% whereas average increases in salaries of managerial remuneration was 22.20%\*. Increments in remuneration of employees are as per the appraisal / remuneration policy of the Company.

\* Mr. Manoj Tulsian has been appointed as 'Whole-time Director & CFO'. w.e.f. May 27, 2016 and hence comparison has been made accordingly.

- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director

Place: Mumbai  
Date: May 16, 2017

**Manoj Tulsian**  
Whole-time Director & CFO

## Annexure 4 Annual Report on CSR Activities

### Companies (Corporate Social Responsibility Policy) Rules, 2014

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

JMC Projects (India) Limited (JMC) undertakes appropriate Corporate Social Responsibility (CSR) measures having positive economic, social and environmental impact on the community including on the local areas around where it operates. JMC being a dominant player in the construction sector believes in giving back to the society and to honour social responsibility. Accordingly, the Board of the Company has framed a CSR Policy in consonance with Section 135 of the Companies Act, 2013. The broad content of the CSR Policy *inter alia* include, CSR Philosophy, objectives, extent of CSR activities, CSR projects, programmes, Implementation and carry out of CSR programmes, resources, monitoring, reporting and disclosure. Details about the Company's CSR and content of the said policy is posted on CSR section on the Company's website or link [http://jmcprojects.com/pdf/corporate\\_governance/csr\\_policy.pdf](http://jmcprojects.com/pdf/corporate_governance/csr_policy.pdf) / <http://jmcprojects.com/csr.html>

JMC proposed to undertake some CSR activities including in the area of aid to differently abled person, educations and others.

**2. The Composition of the CSR Committee:**

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee of Directors consisting of Mr. D. R. Mehta, Chairman, Mr. S. K. Tripathi and Mr. Kamal Jain as its members. The said Committee is responsible for the implementation/monitoring and review of the policy and various projects/activities undertaken under the policy.

**3. Average net profit of the company for last three financial years: ₹ 1,660.65 lakh (Calculated as per CSR Rules).**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 33.21 lakh.**

**5. Details of CSR spent during the financial year:**

- (a) Total amount spent for the financial year : ₹ 25.79 lakh.
- (b) Amount unspent : ₹ 7.42 lakh.
- (c) Manner in which the amount spent during the financial year is detailed below.

(Amt. in ₹)

(1) Sl. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) Project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency
1	Donating Ambulance to Govt. Hospital	Promoting Healthcare	Bangalore Medical College and Research Institute, Bengaluru, Karnataka	11,59,725	11,59,725	11,59,725	Direct
2	Donating Ambulance to Govt. Hospital	Promoting Healthcare	Kondapur, Rangareddy District, Telangana	11,49,500	11,49,500	11,49,500	Direct
3	Construction of 6 fully functional toilets along with overhead water tank & all required accessories for boys and girls	Promoting Sanitation	Vidya Mandir School at Chicalim Vasco, Goa	1,30,002	1,30,002	1,30,002	Direct



(1) Sl. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) Project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency
4	Construction of 4 fully functional toilets along with overhead water tank & all required accessories for boys and girls	Promoting Sanitation	Shashakiya Uchha Madhyamik Vidyalaya, Bedia, Khargone, Madhya Pradesh.	1,40,000	1,40,000	1,40,000	Direct
<b>Total (₹)</b>				<b>25,79,227</b>	<b>25,79,227</b>	<b>25,79,227</b>	

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

The Company has already spent sizeable amount towards CSR activities. However, the rest of the budgeted CSR amount would be spent on projects / programs as may be decided by the CSR Committee in the coming years.

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

The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the CSR Committee

**D. R. Mehta**

Chairman of CSR Committee

**S. K. Tripathi**

Member of CSR Committee

Place: Mumbai

Date: May 16, 2017

**Annexure 5**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2017**

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

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	L45200GJ1986PLC008717
ii)	Registration Date	June 5, 1986
iii)	Name of the Company	JMC Projects (India) Limited
iv)	Category/sub category of the Company	Public Company / Company having share capital
v)	Address of the Registered Office and contact details	A-104, Shapath - 4, Opp. Karnavati Club, S. G. Road, Ahmedabad - 380015, Telephone: +91-79-30011500, Email ID: cs@jmcprojects.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Office No. 506 to 508, 5th Floor, Amarnath Business Center – I (ABC-I), Besides Gala Business Center, Nr. St. Xavier's College Corner, Off. C G Road, Ahmedabad 380009. Telefax: +91-79-26465179, Email ID: ahmedabad@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of buildings & others	4100	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Kalpataru Power Transmission Limited Plot No. 101, Part III, G.I.D.C Estate, Sector 28, Gandhinagar - 382028.	L40100GJ1981PLC004281	Holding	67.19%	2(46)
2	JMC Mining and Quarries Limited A-104, Shapath - 4, Opp. Karnavati Club, S. G. Road, Ahmedabad - 380015.	U45201GJ1996PLC028732	Subsidiary	100%	2(87)
3	Brij Bhoomi Expressway Private Limited 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai – 400055.	U74900MH2010PTC261958	Subsidiary	100%	2(87)
4	Wainganga Expressway Private Limited 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai – 400055.	U45203MH2011PTC264642	Subsidiary	100%	2(87)
5	Vindhyaachal Expressway Private Limited 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai – 400055.	U45203MH2012PTC271978	Subsidiary	100%	2(87)
6	Kurukshetra Expressway Private Limited Toll plaza Gangaicha Jaat, NH -71, Village - Gangaicha Jaat Mastapur, Post office - Rewari -123401	U45400HR2010PTC040303	Associate	49.57%	2(6)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category wise shareholding (as on April 1, 2016 and March 31, 2017)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
1 Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	Nil
c) State Govt(s)	-	-	-	-	-	-	-	-	Nil
d) Bodies Corp.	2,25,62,881	-	2,25,62,881	67.19	2,25,62,881	-	2,25,62,881	67.19	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	Nil
f) Any others	-	-	-	-	-	-	-	-	Nil
<b>Sub-total A(1)</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>Nil</b>
2 Foreign									
a) NRIs/individual	-	-	-	-	-	-	-	-	Nil
b) other individual	-	-	-	-	-	-	-	-	Nil
c) Bodies Corp.	-	-	-	-	-	-	-	-	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	Nil
e) Any others	-	-	-	-	-	-	-	-	Nil
Sub-total A(2)	-	-	-	-	-	-	-	-	Nil
<b>Total of Promoter (A)=(A)(1)+(A)(2)</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>Nil</b>
<b>B. Public shareholding</b>									
1 Institution									
a) Mutual funds	30,18,176	600	30,18,776	8.99	30,18,176	600	30,18,776	8.99	Nil
b) Banks / FI	3,217	-	3,217	0.01	9,628	-	9,628	0.03	0.02
c) Central Govt(s)	-	-	-	-	-	-	-	-	Nil
d) State Govt(s)	-	-	-	-	-	-	-	-	Nil
e) Venture Cap. fund	-	-	-	-	-	-	-	-	Nil
f) Insurances cos.	-	-	-	-	-	-	-	-	Nil
g) Foreign venture capital funds	-	-	-	-	-	-	-	-	Nil
h) Foreign Institutional Investor	1,97,153	-	1,97,153	0.59	1,95,466	-	1,95,466	0.58	(0.01)
<b>Sub-total (B)(1)</b>	<b>32,18,546</b>	<b>600</b>	<b>32,19,146</b>	<b>9.59</b>	<b>32,23,270</b>	<b>600</b>	<b>32,23,870</b>	<b>9.60</b>	<b>0.01</b>
Non-Institutions									
a) Bodies Corp.									
i) Indian	13,55,085	2,801	13,57,886	4.04	11,29,581	2,801	11,32,382	3.37	(0.67)
ii) Overseas	-	-	-	-	-	-	-	-	Nil
b) Individual shareholders holding nominal shares capital:									
i) up to ₹ 2 lakh	37,28,051	1,17,866	38,45,917	11.45	41,82,937	1,11,420	42,94,357	12.79	1.34
ii) in excess of ₹ 2 lakh	11,75,230	-	11,75,230	3.50	11,48,206	-	11,48,206	3.42	(0.08)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others- HUF, NRI, Trust, Clearing Member etc.	14,19,924	50	14,19,974	4.23	12,19,288	50	12,19,338	3.63	(0.6)
<b>Sub-total (B)(2)</b>	<b>76,78,290</b>	<b>1,20,717</b>	<b>77,99,007</b>	<b>23.22</b>	<b>76,80,012</b>	<b>1,14,271</b>	<b>77,94,283</b>	<b>23.21</b>	<b>(0.01)</b>
<b>Total Public Holding (B)=(B)(1)+(B)(2)</b>	<b>1,08,96,836</b>	<b>1,21,317</b>	<b>1,10,18,153</b>	<b>32.81</b>	<b>1,09,03,282</b>	<b>1,14,871</b>	<b>1,10,18,153</b>	<b>32.81</b>	<b>Nil</b>
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	Nil
<b>Grant Total (A+B+C)</b>	<b>3,34,59,717</b>	<b>1,21,317</b>	<b>3,35,81,034</b>	<b>100</b>	<b>3,34,66,163</b>	<b>1,14,871</b>	<b>3,35,81,034</b>	<b>100</b>	<b>Nil</b>

**ii) Shareholding of Promoters**

Sl. No.	Shareholders' name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kalpataru Power Transmission Limited	2,25,62,881	67.19	-	2,25,62,881	67.19	-	-

**iii) Change in Promoters' Shareholding**

Sl. No.	Particulars	No. of shares	% of total shares of the company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company
1	At the beginning of the year	2,25,62,881	67.19	2,25,62,881	67.19
	Datewise increase/decrease in promoters shareholding during the year			There is no change in promoters shareholding during the year	
	At the closing of the year	2,25,62,881	67.19	2,25,62,881	67.19

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

Sl. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 1, 2016)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares				No. of shares	% of total shares
1	HDFC Trustee Company Limited - HDFC Infrastructure Fund	30,18,176	8.99	31.03.2017	-	Closing	30,18,176	8.99
2	Dr. Sanjeev Arora	4,67,515	1.39	31.03.2017	-	Closing	4,67,515	1.39
3	Ashok Kumar Daga	2,02,130	0.60	31.03.2017	-	Closing	2,02,130	0.60





Sl. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 1, 2016)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares				No. of shares	% of total shares
4	Kiyana Real Estate Pvt. Ltd.	1,97,293	0.59	31.03.2017	-	Closing	1,97,293	0.59
5	Premier Investment Fund Limited	1,93,703	0.58	31.03.2017	-	Closing	1,93,703	0.58
6	IIFL Best of Class Fund 1	86,106	0.26	20.01.2017	26,000	Transfer	1,12,106	0.33
				10.02.2017	23,714	Transfer	1,35,820	0.40
				10.03.2017	30,000	Transfer	1,65,820	0.49
				<b>31.03.2017</b>	<b>-</b>	<b>Closing</b>	<b>1,65,820</b>	<b>0.49</b>
7	Intime Equities Limited	200	0.00	30.06.2016	(199)	Transfer	1	0.00
				04.11.2016	15,004	Transfer	15,005	0.04
				09.12.2016	(14,700)	Transfer	305	0.00
				16.12.2016	1,45,000	Transfer	1,45,305	0.43
				10.03.2017	5,000	Transfer	1,50,305	0.45
				24.03.2017	(5,000)	Transfer	1,45,305	0.43
				31.03.2017	1,998	Transfer	1,47,303	0.44
<b>31.03.2017</b>	<b>-</b>	<b>Closing</b>	<b>1,47,303</b>	<b>0.44</b>				
8	Shushila Kumari Daga	94,100	0.28	31.03.2017	-	Closing	94,100	0.28
9	Lakshminarayan Natarajan	0	0.00	27.01.2017	45,038	Transfer	45,038	0.13
				03.02.2017	14,771	Transfer	59,809	0.18
				10.02.2017	1,342	Transfer	61,151	0.18
				17.02.2017	7,995	Transfer	69,146	0.21
				03.03.2017	7,587	Transfer	76,733	0.23
<b>31.03.2017</b>	<b>-</b>	<b>Closing</b>	<b>76,733</b>	<b>0.23</b>				
10	Tarun Jain	72,938	0.22	31.03.2017	-	Closing	72,938	0.22
11	Quest Investment Advisors Pvt. Ltd.	1,58,628	0.47	20.05.2016	(30,000)	Transfer	1,28,628	0.38
				16.12.2016	(1,10,260)	Transfer	18,368	0.05
				27.01.2017	(18,368)	Transfer	-	0.00
<b>31.03.2017</b>	<b>-</b>	<b>Closing</b>	<b>-</b>	<b>0.00</b>				
12	Bina Sheth	1,50,101	0.45	06.05.2016	(1)	Transfer	1,50,100	0.45
				20.05.2016	(30,000)	Transfer	1,20,100	0.36
				27.01.2017	(1,20,100)	Transfer	-	0.00
<b>31.03.2017</b>	<b>-</b>	<b>Closing</b>	<b>-</b>	<b>0.00</b>				
13	Mahesh Shivanand Desai	1,47,763	0.44	15.04.2016	(5,500)	Transfer	1,42,263	0.42
				22.04.2016	(60,710)	Transfer	81,553	0.24
				17.02.2017	(29,795)	Transfer	51,758	0.15
				03.03.2017	(51,758)	Transfer	0	0.00
<b>31.03.2017</b>	<b>-</b>	<b>Closing</b>	<b>-</b>	<b>0.00</b>				

# Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

**v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name of shareholder	Shareholding at the beginning of the year i.e. as on April 1, 2016		Shareholding at the end of the year i.e. as on March 31, 2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Director(s)</b>					
1	Mr. Hemant Modi	99,014	0.29%	99,014	0.29%

**Key Managerial Personnel**

None of the Key Managerial Personnel hold any shares of the Company.

**V. INDEBTEDNESS**

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

(₹ in Crores)

Particulars Financial Year 2016-17	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	615.96	120.02	-	735.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.82	-	-	1.82
<b>Total (i+ii+iii)</b>	<b>617.78</b>	<b>120.02</b>	<b>-</b>	<b>737.80</b>
Change in Indebtedness during the financial year				
i) Addition	<b>176.12</b>	-	-	<b>176.12</b>
Principal amount	175.07	-	-	175.07
Interest due but not paid	-	-	-	-
Interest accrued but not due	1.05	-	-	1.05
ii) Reduction	<b>263.60</b>	<b>13.00</b>	-	<b>276.60</b>
Principal amount	261.78	13.00	-	274.78
Interest due but not paid	-	-	-	-
Interest accrued but not due	1.82	-	-	1.82
Net Change	<b>(87.48)</b>	<b>(13.00)</b>	<b>-</b>	<b>(100.48)</b>
Indebtedness at the end of the year				
i) Principal amount	529.24	107.02	-	636.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.05	-	-	1.05
<b>Total (i+ii+iii)</b>	<b>530.29</b>	<b>107.02</b>	<b>-</b>	<b>637.31</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A Remuneration to Managing Director, Whole-time Director and/or Manager

(₹ in Lakh)

Sl. No.	Particulars of remuneration	Name of Directors		Total
		Mr. S K Tripathi CEO & Dy. MD	Mr. Manoj Tulsian WTD & CFO*	
1	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (IT Act 1961)	128.86	107.23	236.09
(b)	Value of perquisites u/s 17(2) of IT Act 1961	11.40	0.33	11.73
(c)	Profits in lieu of salary u/s 17(3) of IT Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission – as % of profit**	65.12	38.12	103.24
5	Others – retirement benefits	12.42	7.56	19.98
	<b>Total A</b>	<b>217.80</b>	<b>153.24</b>	<b>371.04</b>

Ceiling as per the Act : Managerial remuneration is within the limit of 10% of the profit of the Company i.e. ₹ 830.84 lakhs, calculated as per applicable provisions of the Companies Act, 2013.

\* Mr. Manoj Tulsian appointed as Whole-time Director & CFO w.e.f. May 27, 2016.

\*\* Commission is as per terms of appointment and/or as may be approved by the Board and not as % of profit.

### B Remuneration to other directors

#### 1. Independent Directors

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Independent Directors			Total Amount
		Mr. D.R. Mehta	Mr. S. R. Mehta	Mr. M.G.Punatar	
1	Fee for attending board and committee meetings	3.50	3.50	1.75	8.75
2	Commission	17.00	15.00	--	32.00
3	Others, please specify	--	--	--	--
	<b>Total B(1)</b>	<b>20.50</b>	<b>18.50</b>	<b>1.75</b>	<b>40.75</b>

#### 2. Remuneration to other Directors (Non-Executive)

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Non-executive Directors		Total Amount
		Mr. Hemant Modi	Ms. Anjali Seth	
1	Fee for attending board and committee meetings	2.00	1.00	3.00
2	Commission	15.00	6.00	21.00
3	Others, please specify	--	--	--
	<b>Total B(2)</b>	<b>17.00</b>	<b>7.00</b>	<b>24.00</b>
	<b>Total (B)=(B)(1)+(B)(2)</b>			<b>64.75</b>

\* No sitting fees paid to Mr. Manish Mohnot and Mr. Kamal Jain (Promoter Directors)

**C Remuneration to Key Managerial Personnel, other than MD/WTD/Manager**

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Mr. Manoj Tulsian CFO* (upto May 26, 2016)	Mr. Samir Raval (CS)**	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	18.60	21.60	40.20
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	0.07	0.00	0.07
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Variable pay	6.88	0.20	7.08
5	Retirement benefits – PF & Super Annuation	1.51	1.07	2.58
	<b>Total</b>	<b>27.06</b>	<b>22.87</b>	<b>49.93</b>

\* Mr. Manoj Tulsian was Chief Financial Officer upto May 26, 2016 and accordingly his remuneration details has been provided above upto that date. Thereafter he has been appointed as Whole-time Director & Chief Financial Officer w.e.f. May 27, 2016 and the remuneration details as WTD & CFO has been provided in clause A above.

\*\* Mr. Samir Raval appointed as Company Secretary w.e.f. May 27, 2016

Personnel are entitled for other facilities, benefits etc. and variable pay is as per the policy of the Company.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A COMPANY</b>					
		Penalty			
		Punishment	Nil / Not Applicable		
		Compounding			
<b>B DIRECTORS</b>					
		Penalty			
		Punishment	Nil / Not Applicable		
		Compounding			
<b>OTHERS OFFICER IN DEFAULT</b>					
		Penalty			
		Punishment	Nil / Not Applicable		
		Compounding			

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director

Place: Mumbai  
Date: May 16, 2017

**Manoj Tulsian**  
Whole-time Director & CFO



# Management Discussion and Analysis

The global macroeconomic landscape is going through an uncertain terrain characterized by weak growth of world output. In FY 16-17, developed economies strived to gain momentum and emerging economies were less dynamic than in the past. Indian economy has witnessed few challenges due to demonetization drive and elections in few states. Despite that, India stands confidently as a forward-looking economically stable nation with multiple opportunities. After a challenging year, economic activity is projected to pick up pace in forthcoming financial year, especially in emerging markets and developing economies. While world growth rate is just touching 3.1% during FY 16-17, Indian economy has grown at 6.6% in the same financial year. Agriculture and allied activities posted a strong pick-up, benefiting from the normal south-west monsoon. In contrast, the industrial sector experienced a sharp deceleration, mainly due to a slowdown in manufacturing, mining and quarrying sector. Service sector activity has also shown modest figures. As a result, real Gross Value Added (GVA) growth is (marked at basic prices) 6.6% during FY 16-17, down from about 7.3% in the last financial year.

## 1 ECONOMIC OUTLINE

Economic activities in both advanced & emerging economies are accelerating in FY 17-18, with global growth projected at around 3.4% by IMF. Growth prospects for emerging market economies are also expected to improve reasonably by growing at 4.5% in 2017-18 against 4.1% in 2016-17, with recessionary conditions thinning in Russia and Brazil, and China stabilizing on policy stimulus. Inflation is edging up on the back of rising energy prices on agreement of OPEC to curtail crude oil production and a mild firming up of demand. However, global trade remains restrained due to an increasing tendency towards protectionist policies and heightened geo-political tensions. Prices of base metals have also increased on expectations of fiscal stimulus in the US, strong infrastructure spending in China, and supply reductions. More recently, the appetite for risk has returned in developed economies, lifting equity markets and hardening bond yields as a response to the growing likelihood of further increases in the Federal Funds rate during the year. Clearly, India's rock-solid domestic demand, accounting for about 60% of the GDP, makes India strong enough to contest such global turbulences.

As per the Economic Survey 2016-17, the Indian economy should grow between 6.75% and 7.5% in FY 17-18, due to bouncing back of discretionary consumer demand post demonetization, especially in cash-intensive sectors such as retail trade, hotels and restaurants and transportation, as well as the unorganized sector. Lower interest rates and increase in credit growth especially to healthy borrowers should spur capital expenditure by boosting infrastructure, rural economy and affordable housing which will aid overall growth.

The improvement in India's economic fundamentals is accelerating since FY 14-15 with the combined impact of strong government reforms and Reserve Bank of India's (RBI) inflation focus policy. Central Government is confident of achieving fiscal deficit target of 3.5% of GDP for FY 16-17. Average retail inflation, measured by Consumer Price Index (CPI), in FY 16-17 (April – December) seen at 4.9%. Average Wholesale Price Index (WPI) inflation, in FY 16-17 (April – December) seen at 3.4% from 5.1% in August 2015. RBI has cut the repo rate by 25 basis points each in April 2016 and October 2016 to 6.25%.

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetize the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's co-operative federalism. Demonetization has had short-term costs but holds the potential for long-term benefits.

## 2. CONSTRUCTION INDUSTRY OVERVIEW

The construction sector in India, which employs more than 35 million people, is the second largest employer, next only to agriculture. Therefore, any improvements in the construction sector affect a number of associated industries such as cement, steel, technology, skill-enhancement etc. In India, over 50% of the demand for construction activity comes from the infrastructure sector, the balance comes from industrial activities, residential and commercial development etc. As per the government reports, the sector is valued at over USD 126 Billion. It also accounts for more than 60% in total infrastructure investment. The NITI Aayog estimates total infrastructure spending to be about of 9% of GDP during the 12th Five Year Plan (2012-17), up from 7.2% during the previous plan (2007-12). (Source: [www.ibef.org](http://www.ibef.org))

In India, Construction sectors' contribution to GDP has stayed steadily at around 7-8% for last few years. It absorbs 40%-45% of the steel industry's output, 85% of the paint industry's output, 65%-70% of glass industry and a significant share of the automotive, mining and excavation equipment industries. These factors along with strong backward and forward linkages of the sector with other manufacturing industries make this sector a natural priority sector for the government through its 'Make in India' initiative.

In the past few years, activity in the construction sector appears to be relatively slow due to funding constraints, slow policy reforms, weak currency and the prolonged real estate market slowdown has resulted in a lot of unsold

commercial & housing inventory across India. Simultaneously, severe shortage of skilled workforce as well as raw materials especially sand were acting as growth deterrents.

Going forward, India's construction industry is expected to pick up pace due to investments in residential, infrastructure and energy projects, corporate capex improvement, urbanization, a rise in disposable income and population growth. Also, Government's serious efforts to enhance infrastructure investments, increase affordable housing and improve transport and logistics support systems will support growth for construction sector.

### 3. OPPORTUNITIES

The government plans to focus on the following five major areas for infrastructure developments – Railways, Roads, Sagarmala project (for ports and coastal development), Housing for All and Inland water ways. A pentagon of industrial corridors is being engineered to facilitate manufacturing and to project India as a global manufacturing destination. Government of India's strategic move of increasing budget allocation in defense sector is giving much required momentum to 'Make in India' initiative. We believe that all these sectors have enough potential to grow at a considerably faster pace. Some of the key announcements made for real estate and construction include:

Gol targeting ₹ 25 lakh crore spend over three years in infrastructure of which ₹ 8 lakh crore would be to develop 27 industrial clusters and an additional ₹ 5 lakh crore towards road, railway and port connectivity projects;

Granting an infrastructure status to affordable housing projects;

Highest ever allocation to the infrastructure development (₹ 3.96 lakh crore);

Relaxation in area requirements and time period for the completion of a project;

Reduction in holding period to 24 months from 36 months for long-term capital gains tax on immovable properties.

The construction industry's Gross Value Added figure (GVA) grew at a slower rate of 2.9% in FY 16-17 compared to 3.9% in FY 15-16 and 4.4% growth in FY 14-15 (ref. : Economic Survey of India FY 16-17). Implementation of the measures taken by the government like release of 75% of arbitral award to construction companies will go a long way in improving the construction sector prospects over the medium term. A major push from the government to roads, railways, and urban infrastructure segments has helped construction companies improve their order book position. The two on-going dedicated freight corridors (eastern and western) in itself are worth over ₹ 0.81 Trillion. The Indian Railways are working on proposals for other freight corridors & high-speed rail corridors on similar lines. The other major capex planned is towards station modernization and development, which are

proposed to be undertaken on a public private partnership (PPP) model. These will present a large size opportunity for the construction sector.

The real estate sector comprises four sub sectors - housing, retail, hospitality and commercial. The growth of this sector is well complimented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The private equity investments in real estate increased 26% to a nine-year high of nearly ₹ 40,000 crore in 2016. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. In the year 2016, office space absorption across the top eight cities amounted to 34 million square feet. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.

The link between the economic performance of cities and the national economy gets stronger as the rate of urbanization increases. Housing and Urban Area Development are key priorities of the government. The effect of urbanization rates on housing demand is most profound in the Tier 1 cities, where a large influx of migrants is causing housing demand to surge. The socio-cultural shift towards nuclear families is also providing an additional impetus to housing demand in India.

FY 16-17 has been transformative and disruptive for the real estate sector. The Union Government has undertaken following policy initiatives to improve transparency and accountability and improve liquidity in the sector.

- The Real Estate (Regulation & Development) Act, 2016 was passed by the Parliament in March 2016, which was a landmark legislative reform for Indian realty sector. Real Estate Regulatory Authority (RERA) being set up in each state and would be responsible to set the rules and regulations in line with the Act.
- The constitutional amendment bill for introduction of Goods and Services Tax (GST) has been passed.
- After the Central Government allowed tax pass through status to REITs and InvITs in the previous year's Budget, the Securities and Exchange Board of India (SEBI) has recently (January 2017) allowed mutual funds (MFs) to invest in REITs and InvITs.
- The Benami Transactions (Prohibition) Amendment Act, 2016, has been cleared by the Parliament and has come into force from November 1, 2016.
- Granting of infrastructure status to affordable housing is likely to provide impetus to the government's mission of 'Housing for All by 2022'. With the infrastructure status, the developers will have access to cheaper funding by way of debt which would result in reduction of overall cost of homes to the buyer. Further, this would see a likely increase in participation from domestic and foreign players in the affordable housing sector.



- The advent of RERA is expected to ensure a level of transparency, sanctity and clarity in terms of real estate transactions especially with respect to consumer's interest. Some of the salient points are as follows :
  - ✦ RERA is expected to ensure a more transparent pricing of the real estate project, track record of the builder and amenities involved. Mentioning of carpet area and not charging for parking are some of the salient and consumer friendly measures.
  - ✦ The developer cannot make any changes to the plan without having consent of atleast 2/3<sup>rd</sup> of the buyers.
  - ✦ All the related parties in a project including real estate brokers will have to be compulsorily registered with RERA.
  - ✦ A consumer can approach RERA within one year of occupying the property in case of deficiency in service.
  - ✦ The builder cannot divert the surplus into another project while maintaining a separate escrow account for all money received for a project and also clearly determining the costs incurred under different heads to ensure transparent accounting.

#### 4. BUSINESS SEGMENTS

As the country is poised for the next phase of growth in its domestic market, consequent increase in consumer confidence and greater stability in its macro-economic fundamentals, the structural reforms and flagship government initiatives, have started gaining momentum. The reforms and initiatives are multi-pronged, cutting across sectors & industries, with the primary objective of intensifying the collective growth impact. Positive effects on following business segments will fuel growth of your Company:

##### INFRASTRUCTURE

Infrastructure sector is a key driver for the Indian economy & highways are the arteries of the economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from government for initiating policies that would ensure time-bound creation of excellent infrastructure in the country. During FY 16-17, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries. India is witnessing significant interest from international investors in the infrastructure space.

Ministry of Road Transport and Highways and Shipping, alone has announced the government's target of ₹ 25 Trillion investment in infrastructure over a period of three years, which will include ₹ 8 Trillion for developing 27 industrial clusters and an additional ₹ 5 Trillion for road, railway and port connectivity projects.

With a market size of over USD 4 Billion, the Indian water and wastewater market is growing at a steady rate of 10-12% every year. Government-related projects contribute over 50% of the revenues in this market while private sector funds constitute the rest of it.

From being a power deficit nation, India is on the verge of being power surplus with the base electricity deficit being at less than 1%. Of the 326GW installed capacity ~192GW of coal based capacity is operating at ~60% utilization which can adequately meet demand growth emanating from rise in industrial production going forward. (Source: CEA)

Your Company envisages good opportunities in Roads, Highways and Water sector not only in India but also in African & SAARC target markets.

##### URBAN INFRASTRUCTURE

This century is being called as a 'Century of Cities'. Almost all the cities are facing tremendous issues in internal transportation. Your Company can play a significant role in bridging these gaps by constructing efficient flyovers, metros, elevated corridors, water supply systems etc. Among the estimated 4,040 urban zones in India, about 500 would be targeted through 'AMRUT' initiative. The mission envisages focusing on modern public transport, easing in internal transportation, water supply, sewerage management, storm water management etc. Thereby, enhancing overall quality of life and enhancing amenity value of cities.

The Ministry of Urban Development has approved investment of ₹ 2,863 crore in six states under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, for improving basic urban infrastructure over FY 2017-20. Airports Authority of India (AAI) plans to increase its capital expenditure for 2017-18 by 25% to ₹ 2,500 crore, primarily to expand capacity at 12 airports to accommodate increase air traffic, as per the Chairman of AAI.

##### AREA DEVELOPMENT

Decentralization of economic activities and evolution of industrial & service clusters across various cities has given rise to rapid but wide-spread urbanization across these business districts. Various initiatives such as AMRUT, Housing for All by 2022, Smart Cities Mission are triggering development of planned futuristic & sustainable cities. Also, development of Industrial Corridors across country are expected to improve the efficiency of cities and enable local area development, thereby driving economic growth and improving the quality of life. Your Company with its experience of developing city infrastructure, transportation, water systems & housing is capable of playing a significant role in nation building.

##### REAL ESTATE

Real estate is a critical sector for India's economy due to its large potential for employment generation, capital attraction and revenue generation for the government. It contributes about 6-8% to India's GDP and a key business segment of your Company. After witnessing fluctuating business cycles in

the last decade, the real estate sector witnessed a slowdown due to moderate end user demand, rising inventory and high finance costs. In the period FY 18 - 20, the market size of this sector is envisaged to increase at a CAGR of 10-12%. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed social infrastructure for India’s growing needs.

Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalization, Indian real estate developers have shifted gears and accepted fresh challenges. Government initiatives such as Real Estate Regulation Act (RERA) is reinforcing the consumers’ negotiating capability, thereby creating an upward healthy pressure on developers & contractors to perform. Under ‘Housing for All by 2022’ objective government has granted infrastructure status to affordable housing which will lead to significant business opportunities opening up for construction and real estate industry and also attract higher investments.

**HEALTHCARE, EDUCATION & RETAIL**

With greater focus on improved & healthy life style, private sector’s dominance in these sectors, every city and town is likely to see exponential growth in demand for affordable healthcare, education and retail sectors. Domestic & global e-commerce companies have gigantic plans to leverage the potential of our demographics. Your Company’s experience in delivering such projects efficiently will create significant value for the stakeholders.

**MANUFACTURING, INDUSTRIAL & POWER**

Accelerating growth of the manufacturing sector is key to stimulate higher economic growth of a nation. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25% of Gross Domestic Product (GDP) by 2025, from 16% currently. To this effect, the ‘Make in India’ flagship initiative was launched in 2014 to give a comprehensive push to industrial development by introducing a business friendly regulatory environment, enhancing the ease of doing business and improving manufacturing infrastructure, among others. Foreign Direct Investment (FDI) inflows in India’s manufacturing sector grew strongly post FY14 and continues to show a strong trend.

Particular	FY13	FY14	FY15	FY16	H1 FY16	H1 FY17
FDI (\$ Bn)	19.8	21.6	31.3	36	16.5	21.3

(Source: RBI)

Through these investments, several electrical-electronics MNCs, luxury and automobile global giants and other corporates, have set up or are looking to establish their manufacturing bases in the country. With impetus on developing industrial corridors and smart cities, the government aims to further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Your Company has significant prior experience of developing industrial set ups for several domestic & global corporates. Considering the expertise and experience, your Company would be beneficiary in the industrial growth story of our country.

**5. CONSTRAINTS**

The industry in India faces challenges alongside a general situation of socio-economic stress, chronic resource shortages, institutional weaknesses etc. The industry is fragmented with a handful of major companies involved in the construction activities across all segments; medium-sized companies specializing in niche activities; and small and medium contractors who work on the sub-contract basis and carry out the work in the field.

The sector is labor-intensive and including indirect jobs, provides employment to more than 35 million people. The Indian construction industry comprises 200 firms in the organised corporate sector. In addition to these firms, there are about 1,20,000 class ‘A’ contractors registered with various government construction bodies. There are thousands of small contractors, which compete for low ticket size projects or work as sub-contractors of prime or other contractors.

Another problem, still being faced by some of the construction financing institutions is of stalled or delayed projects. Projects worth several billion rupees are still stalled, due to delays in project approvals, financing issues and raw material non-availability etc. Further delays in restarting stalled projects has strained some of the infrastructure companies’ ability to meet their debt obligations, leading to a surge in banks’ gross Non-Performing Assets (NPA).

**6. BUSINESS PERFORMANCE, FINANCIAL DISCUSSION AND ANALYSIS**

The Company presents its performance for the FY16-17. Outlook for future are estimates based on certain assumptions and expectations of future events, economic-political and other developments across globe, the Company cannot guarantee that these are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend or revive any such statements on the basis of subsequent developments, information or events.

The Management Information System of the Company recognizes and monitors “construction” as the only Business Segment and hence requirement of disclosure of segment wise performance is not applicable to the Company as required under Clause 33 of the Listing Regulations.

The financial statements have been prepared in compliance with the requirement of the Companies Act and prescribed Accounting Standards. The management accepts responsibility for the integrity and objectivity of these financial statements as well as estimates and judgments used





in preparing financial statements. However, investors are cautioned that this discussion contains prospective views that involve risks and uncertainties.

## RESULTS OF OPERATIONS

### Operational Highlights & Achievements

During the year under review, your Company has received new contracts of approximately ₹ 3,200 crores. As on March 31, 2017, the aggregate value of orders on hand stands at ₹ 7,000 crores.

The details of some of the major contracts received during the year are as under.

### Factories & Buildings

- a. Construction of Commercial property Mantri Cornerstone for Mantri Group at Bengaluru
- b. Construction of Residential apartments Rio De Goa for TATA Housing Dev. Co at Marmugao, Goa
- c. Township package for Khargone Super Thermal Power Project (2 x 660 MW) for NTPC
- d. Civil & Architectural works for residential project Prestige High Fields for Prestige group at Bengaluru
- e. Construction of Residential Building Immensa for Kalpataru Group, Thane
- f. Civil & Architectural works for residential project Prestige Lake Ridge for Prestige group at Bengaluru
- g. Construction of Commercial property Megasoft for Salarpuria Sattva at Bengaluru
- h. Shipyard modernization & construction for Goa Shipyard Ltd at Vasco, Goa
- i. Construction of Commercial Development Brookfield Garden for Brigade Group at Bengaluru
- j. Construction of Civil works of commercial project "Rajaangasana" for SJR Prime Corporation (P) Ltd at Bengaluru

### Infrastructure - International

Jaffna Killinochchi Water Supply & Sanitation project for NWSDB at Jaffna, Sri Lanka

### Infrastructure – Domestic

Construction of Mankhurd Ghatkopar Link Road Flyover for MCGM, Mumbai

### Revenues

The income from Operations for the Company has reduced from ₹ 2,400.71 crs to ₹ 2,328.42 crs down by 3%.

### Other Income

Other Income increased to ₹ 14.29 crs for FY 16-17 from ₹ 8.28 crs for FY 15-16. Increase is on account of interest received on Income Tax refund on completion of Income Tax assessments.

### Operating Margin

EBIDTA (including other income) for FY 16-17 was ₹ 225.40 crs as compared to ₹ 221.80 crs for FY 15-16. In terms of percentage EBIDTA stood at 9.68% for FY 16-17 as compared to 9.24% for FY 15-16.

The operating margins improved on account of better margins in new jobs, process improvements, and operating efficiencies.

### Costs & Expenses

#### Employee Costs

Manpower cost for FY 16-17 was ₹ 235.74 crs increased from ₹ 225.56 crs. In terms of percentage of Turnover, it increased to 10.12% as compared to 9.39% in the previous year. The increase is partially due to cost plus contract which requires high manpower and due to filling up of strategic positions at corporate.

#### Other Expenses

Other Expenses as a percentage of turnover has increased to 6.22% in FY 16-17 as compared to 4.84% in FY 15-16. Other expenses have increased mainly because of provision made for Expected Credit Loss of ₹ 18 crs. This provision is made as per new Accounting Standards (Ind AS) adopted by the Company in current year.

Other Expenses mainly include general and administrative expenses such as travelling and conveyance, communications, security, insurance, information technology expenses, sundry expenses, rates and taxes, professional and legal charges etc.

#### Interest Expenses

Interest expenses for the year FY 16-17 decreased to ₹ 84.25 crs from ₹ 105.09 crs in FY 15-16. In terms of percentage of Turnover it has decreased to 3.62% for FY 16-17 from 4.38% for FY 15-16.

#### Depreciation

Depreciation cost as a percentage of turnover has marginally increased from 2.15% in FY 15-16 to 2.46% in FY 16-17.

#### Taxes on Income and Deferred Tax Provision

The Company's Deferred Tax Asset (net) has decreased from ₹ 44.86 crs in FY 15-16 to ₹ 36.25 crs in FY 16-17. The Company has made current Tax provision of ₹ 15.73 crs and deferred Tax provision of ₹ 8.70 crs. hence total Tax expenses works out to ₹ 24.42 crs.

## FINANCIAL STATUS

### Net Worth

The net worth of the Company has increased from ₹ 637.83 crs as on March 31, 2016 to ₹ 689.73 crs as at March 31, 2017. The increase in amount of net worth is on account of internal accruals.

### Borrowings

The total standalone borrowing has reduced from ₹ 736 crs as on March 31, 2016 to ₹ 636.30 crs as on March 31, 2017. The Debt-Equity Ratio is at 0.92 as on March 31, 2017 which was 1.15 as on March 31, 2016.

The Company enjoys A1+ and A+ credit rating respectively for its short term and long term borrowings from CARE.

### Investments

Total Investment of the Company remains same at ₹ 178.88 crs.

### Capital Expenditure

During FY 16-17, the Company has capitalized additional fixed assets of ₹ 78.67 crs to increase its project execution capacity. Major funding of the capital expenditure was made from the proceeds of term loan taken from NBFC and internal accruals.

### Current Assets & Liabilities

The Company's current assets primarily consist of debtors, inventories, cash and bank balances and loans and advances. Total current assets as on March 31, 2017 were ₹ 2,143.47 crs as against ₹ 2,031.04 crs as on March 31, 2016.

The Company's current liabilities primarily consist of short term borrowings, trade payables, short term provisions and other current liabilities. Total current liabilities as on March 31, 2017 was ₹ 1,388.29 crs as against ₹ 1,418.63 crs as on March 31, 2016.

### Current Ratio

The current ratio has marginally increased to 1.54 as at March 31, 2017 as compared to 1.43 as on March 31, 2016.

## 7. RISK MANAGEMENT IDENTIFICATION & MITIGATION

Construction industry is highly risk prone, with complex and dynamic project environments creating an atmosphere of high uncertainty and risk. The industry is vulnerable to various technical, socio-political and business risks. As a diversified construction entity, your Company continues to focus on a system-based approach to business risk management. Accordingly, management of risk has always been an integral part of your Company's strategies and includes various functions such as planning, execution, measurement systems & reporting processes. Your Company acknowledges risk as the critical function that influences the objectives of all project and processes. Following are some of the construction related risks and exposures:

1. **Financial risk** is the totality of all risks that relate to financial developments external to the project that are not in the control of the contractor or the project developer. This results from consequences that may have adverse economic effects.
2. **Political risk** is the risk that a contracting company encounters in project execution through undesirable regime acts such as change in law, payment failure by government, increase in taxes and change in government etc.
3. **Legal risks** arise through non-compliance with legal or regulatory requirements or excessive exposure to litigations & non-observance of laws such as employment law, health and safety, environmental legislation, stipulations for minimum wages etc.
4. **Sub-contractors' Default Risks & Management** is far different and severe than the work that is self-performed. In most projects, monitoring of sub-contractor's performance and payment is the responsibility of your Company, being the main contractor. The active management of subcontractor default risk begins with sub-contractor pre-qualification, based on financial strength, safety & quality performance etc. and continues with active monitoring of sub-contractor performance and payments.
5. **Techno-managerial risks** are the risks arising out of inadequate management of technicalities involved such as management of engineering & technology, logistics options, uncertain productivity of resources, insufficient skilled staff etc.
6. **Environment risks** relating to occurrence of environmental incidents during the pendency of the project & mitigation strategies. This risk has increased substantially due to the presence of strict legal liability in relation to such environmental incidents.
7. **Force majeure risks** are regarding the events that are outside the control of any party and cannot be reasonably prevented/avoided by them. These include natural force majeure events, direct or indirect political force majeure events.
8. **Risks associated with commodity price or currency fluctuations** are relatively complex but predictable in nature. Recent swings in global currencies & political uncertainties have brought exchange-rate risk back to the forefront for companies working with suppliers, production, or customers in different currencies. While care has been taken to build in the impact of real exchange rate difference (currency changes adjusted for inflation) in contracts, but the impact caused by volatility over the short term, especially in cross currencies, is difficult to be mitigated. Since, the impact of the same tends to even out over the long term, your Company's effort is to minimize the short term impact. Considering your Company's international ambitions and value delivery potential of global supply chains, detailed analysis of currency dynamics is very much required for making right decisions.



Risks and uncertainties are inherent in the construction industry. The process of planning, executing and maintaining all project activities is complex and time-consuming. The whole process requires a myriad of people with diverse skill sets and the co-ordination of a vast amount of complex and inter-related activities. Often above-mentioned and even more unforeseen risks come into action in combination and in varying extent.

## RISK MANAGEMENT

Your Company follows a well-evolved plan for risk management, which stands on following four pillars namely:

1. Risk Identification: Determination of most likely risks affecting the project and documentation of characteristics of each risk.
2. Risk Quantification: Assessment of risks and the possible interactions of risks with project activities to evaluate the possible outcomes of the project.
3. Risk Response Development: Definition of response steps for opportunities and threats associated with risks.
4. Risk Response Control: Response to the changes implemented to remove risks throughout the project duration.

## RESPONSE TO RISKS & MITIGATION

The uncertainty of a risk event as well as the probability of occurrence or potential impact should decrease by selecting the appropriate risk mitigation strategy. Once identified & quantified, your Company generally adopts following response strategies, for Risk Mitigation:

### RISK AVOIDANCE

Risk avoidance may include a review of the overall project objectives leading to a reappraisal of the project as a whole. Risk avoidance is often perceived as the ultimate mitigation strategy in that it implies that the project may be aborted. It means making a decision not to enter in to new way of working because of inherent risk this would introduce.

### RISK REDUCTION

This method adopts an approach whereby potential exposure to risks and their impact is alleviated. Risk reduction occurs where the level of risk is unacceptable and alternative action is available. Typical action followed to reduce risk could be:

1. Alternative procurement route- by utilizing an alternative contract strategy risks will be allocated between project participants in a different way.
2. Changes in design to accommodate the findings of the risk identification process etc.

## RISK RETENTION

Once all the avenues for response and mitigation have been explored a number of risks will remain. This does not imply that these risks can be ignored; indeed, it is these risks, which will in most instances, undergo detailed quantitative analysis in order to assess and calculate the overall contingency levels required. However, it does not imply that these retained risks can simply be ignored. Instead, they should be subject to effective monitoring and control.

## RISK TRANSFER

Risk transfer is the technique that plays a far greater role in development projects and involves the complete or partial transfer of risks among the various parties involved in the implementation of the project. Risk can be transfer by two ways. First is through insurance and second is through contract. This is achieved through the proper documentation during the course of implementation of projects.

Though contracts are the mechanism to allocate liabilities and responsibilities of project participants in construction, contract language alone is insufficient to specify and appoint all the risks. Thus, backed by strong internal control systems, your Company's current Risk Management Framework consists of the following key elements:

1. The **Corporate Governance Policy** approved by the Board, clearly lays down the roles and responsibilities of the various entities in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role definitions, inter alia, provide the foundation for your Company's Risk Management Policy and Framework that is endorsed by the Board and is aimed at ensuring formulation of appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting through Internal Audit.
2. The **Group Assurance Cell**, through focused interactions with businesses, facilitates the identification and prioritization of strategic and operational risks, development of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. The Audit Committee closely monitors the internal control environment within your Company including implementation of the action plans emerging out of internal audit findings.
3. A combination of **centrally issued policies** and divisionally-evolved procedures, IT enabled Checks & Controls etc. bring robustness to the process of ensuring that business risks are effectively addressed. Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique / relatively high risk profiles.

## 8 INTERNAL CONTROLS AND THEIR ADEQUACY

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and are functioning effectively. Company has policies, procedures, control framework and the management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliances and appropriate recording of financial information. Internal financial controls that encompassed the policies processes and monitoring systems for assessing and mitigating operational, financial & compliance risks and controls over related party's transactions substantially, exists. The senior management reviews and certifies the effectiveness of the internal control mechanism over financial reporting adherence to the code of conduct and Company's policies for which they are responsible and also compliance to establish procedures relating to financial or commercial transactions.

The corporate audit division called as 'Group Assurance Team' continuously monitors the efficacy of internal financial controls with the objective of providing to the audit committee and the board of directors and independent, objective & reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance process. It develops an internal audit plan on the risk profile of the project activities of the organization and the activities are priorities for audit accordingly. Audit plan is approved by the Audit Committee which reviews compliance to the plan. Such internal audit team consists of both in-house techno-commercial professionals and independent firms of Chartered Accountants, who conduct the internal audits at regular interval & reports to Audit Committee. The Audit Committee meets quarterly to review the internal auditors' reports and makes recommendations for and effectiveness of internal controls. Audit Committee advises corrective measures to be taken to the Board of Directors for its implementation.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps within the system, the internal audit team has access to all information in organization.

### Audit Plan and Execution

Internal Audit department has prepared a risk-based Audit Plan. The frequency of audit is decided by risk ratings of areas / functions. The audit plan is carried out by the internal team. In addition, the Audit Committee also places reliance on internal customer feedback and other external events for inclusion of areas into the audit plan.

## 9 ENVIRONMENT, HEALTH & SAFETY MANAGEMENT SYSTEM

To strive for excellence through continual improvement and to maintain its commitment to customer's expectations for quality and services, the Company adheres to the Quality Management Systems as per International Standard ISO 9001:2015. Company has implemented Integrated Management System by integrating ISO 14001:2004 (Environmental Management System), BS OHSAS 18001:2007 (Occupational Health & Safety System) with ISO 9001:2008. The Company has been consistently pursuing best construction practices with uncompromising environment and health and safety standards which are recognized by our clients / associates and government bodies through awards / accreditations.

Improvements have been achieved by strengthening the reporting and analysis of incidents & accidents, strengthening of safety surveillance, internal site reviews, best safety practices sharing etc. Effective training programs on various Construction Safety aspects such as work at height, basic scaffold safety requirements, Electrical Safety etc. through various means & methods were achieved during previous year. In our quest for maintaining best quality and safety standards, Company has bagged twelve CIDC Vishwakarma award for best EHS Performance. Also, your Company has received prestigious RoSPA Award for one of the sites from Northern Operations.

## 10 HUMAN RESOURCES

In the last few years, your Company bagged some prestigious projects from various government institutions & private corporates. Some of these projects are technically challenging and their successful completion shall catapult your Company into an upper orbit. Thus, during FY 16-17, focus has been on attracting & developing talent, who can take care of these projects.

Our employees are the most valuable assets and we endeavour to provide our employees a professional, congenial, safe working environment coupled with opportunities for personal growth and development. Your Company has put in comprehensive system in place for identifying and addressing the competency requirement and fulfilling the same through various training programs at all the levels in the organization.

Through various Organizational Development (OD) interventions, we are enhancing the competency of our employees to work in challenging environment & empower them at work place with cultivation of culture of dedication, ethics & values. Your Company has been successful in cultivating culture of dedication, work ethics & values in the organization. Employees are provided with training on behavioral aspects, such as personality development, leadership development through self-awareness etc. to help to achieve higher level of performance.



## 11 INFORMATION TECHNOLOGY (IT)

This year your Company utilizes IT both as a foundation to provide robust infrastructure as well as to enhance the business efficiency and effectiveness. It helps us standardize business processes and collaboration with Projects offices. IT strategies are formed to further institutionalize the IT policies across the organization to strengthen IT-security, improve governance and risk management.

Your Company's project sites are connected with the network for online applications usage. Remote and difficult/non-feasible project offices are connected using a special device having bandwidth aggregation facility for multiple data-cards. CCTV surveillance, Real time entry of vehicle entry/exit, weigh bridge reading etc. are being used at all project sites. Also, all regional offices and some large project sites are connected with state of the art Video Conferencing facilities. Firewalls have been deployed to provide protection at server level, e-mail gateway, internet gateway and desktop/laptop levels.

This year, your Company has started business transformation initiative through creating a SAP-driven IT infrastructure across Company.

### Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include stiff competition leading to price-cuts, high volatility in prices of major inputs such as steel, cement, building materials, petroleum products, change in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

# Corporate Governance Report

The Company aims to adhere highest standards of transparency, integrity and accountability towards all its stakeholders. The Company strongly believes that business excellence is the reflection of the professionalism, conduct and ethical values of its management and employees. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'the Listing Regulations').

## JMC's philosophy on Corporate Governance

At JMC Projects, we believe and continuously endeavor to achieve good governance through timely disclosures, transparency, accountability and responsibility in all our dealings with the employees, shareholders, clients and community at large.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance of Code of Conduct adopted by the Company.

## 1 BOARD OF DIRECTORS

### 1.1 Composition

As on March 31, 2017, the Board of Directors consists of 8 Directors, of which 2 are Independent directors, 4 are Non-Executive and Non-independent including a woman director and 2 are Executive Directors. The Chairman of the Board is Non-Executive and Independent Director. The casual vacancy caused due to the resignation by Mr. M. G. Punatar, Independent Director with effect from February 20, 2017 was filled-up by the Board on May 16, 2017 by appointing Ms. Anjali Seth as an Independent Director within the prescribed time limit. Consequent upon the appointment of Ms. Anjali Seth, Independent Director with effect from May 17, 2017, the composition of the Board is in compliance with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of Listing Regulations.

The names and category of the Directors and their outside Directorships and other Membership or Chairmanship of Board Committees as on March 31, 2017 or for the year 2016-17 are mentioned hereunder.

Name & DIN of Director	Designation	Category	No. of Directorship in other companies <sup>(1)</sup>	Position in outside Committees <sup>(2)</sup>		No. of Shares held in the Company
				Chairman	Member	
Mr. Devendra Raj Mehta 01067895	Chairman	Independent, Non-Executive	6	Nil	1	Nil
Mr. Shailendra Raj Mehta 02132246	Director	Independent, Non-Executive	2	Nil	1	Nil
Mr. Mahendra Punatar <sup>@</sup> 00533198	Director	Independent, Non-Executive	1	Nil	1	Nil
Ms. Anjali Seth <sup>#</sup> 05234352	Director	Non-Independent, Non-Executive	7	2	3	Nil
Mr. Shailendra Kumar Tripathi 03156123	CEO & Dy. Managing Director	Executive	Nil	Nil	Nil	Nil
Mr. Manoj Tulsian 05117060	Whole-time Director & CFO	Executive	3	3	Nil	Nil
Mr. Hemant Modi 00171161	Director	Non-Independent, Non-Executive	3	Nil	Nil	99,014
Mr. Kamal Jain 00269810	Director	Promoter, Non-Executive	10	Nil	3	Nil
Mr. Manish Mohnot 01229696	Director	Promoter, Non-Executive	5	Nil	2	Nil

<sup>(1)</sup> Including Private Companies, but excluding foreign companies and Section 8 companies.

<sup>(2)</sup> Represents Chairmanship / Membership of Audit Committee and Stakeholders' Relationship Committee of public companies only.

<sup>@</sup> Mr. Mahendra Punatar ceased to be a director w.e.f. February 20, 2017.

<sup>#</sup> Ms. Anjali Seth resigned as Non-Independent Non-Executive Director w.e.f. May 16, 2017 and subsequently appointed as an Independent Non-Executive Director w.e.f. May 17, 2017.



There are no inter-se relationships between the Board members. None of the Independent Directors are due for re-appointment.

Attention of the members is invited to the relevant item of the Notice of the Annual General Meeting seeking their approval for appointment or re-appointment of Director. Relevant information as required under the Listing Regulations is appended in the AGM Notice.

## 1.2 Board Meetings and attendance

During the year, the Board met 4 (four) times on May 27, 2016, August 11, 2016, November 14, 2016 and February 13, 2017. The maximum gap between any two Board Meetings was less than one hundred twenty days. The necessary quorum was present for all the meetings. The agenda papers along with the notes thereon, other supporting documents and all information as required under Regulation 17(7) of Listing Regulations were circulated in advance to the Board Members.

Details of Directors' attendance in Board Meetings held during the financial year 2016-17 and last Annual General Meeting are as under.

Name of Director	No. of Board Meetings held / attended	Attendance at Last Annual General Meeting
Mr. Devendra Raj Mehta	4 / 4	Yes
Mr. Shailendra Raj Mehta	4 / 4	Yes
Mr. Mahendra Punatar *	4 / 2	No
Mr. Shailendra Kumar Tripathi	4 / 4	Yes
Mr. Manoj Tulsian #	4 / 3	Yes
Mr. Hemant Modi	4 / 4	Yes
Mr. Kamal Jain	4 / 4	Yes
Mr. Manish Mohnot	4 / 4	Yes
Ms. Anjali Seth	4 / 2	No

\* Mr. Mahendra Punatar ceased to be a director w.e.f. February 20, 2017.

# Mr. Manoj Tulsian was appointed as Whole-time Director & CFO w.e.f. May 27, 2016.

## 1.3 Separate Meeting of Independent Director

Pursuant to Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, the Independent Directors met on May 27, 2016 without attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the performance of Chairman of the Company based on the views of Executive Directors and Non-Executive Directors. The Board of Directors also discussed about the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

## 1.4 Familiarization Programme

The Company has familiarization programme for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the Company's website. (Weblink:[http://jmcprojects.com/cms/data\\_content/statutory\\_documents/familiarisation\\_programme\\_20151014060621.pdf](http://jmcprojects.com/cms/data_content/statutory_documents/familiarisation_programme_20151014060621.pdf))

## 1.5 Code of Conduct

The Board has laid down the code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at [www.jmcprojects.com](http://www.jmcprojects.com). All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the year ended on March 31, 2017 and a declaration to this effect duly signed by CEO & Dy. Managing Director of the Company is appended to this report.

## 1.6 Review of Compliance Report by the Board

The Company has in place a proper system to enable the Board to review on a quarterly basis the Compliance Report pertaining to all applicable laws to the Company, as prepared by the Company and also to assess the steps taken by the Company to rectify instances of non-compliances.

### 1.7 Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. The Company Secretary is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders.

## 2 AUDIT COMMITTEE

As at March 31, 2017, the Audit Committee comprises of 3 members. All members of the Audit Committee are Non-Executive Directors, out of whom 2 are Independent Directors. The Committee met 4 (four) times during the year viz. May 27, 2016, August 11, 2016, November 14, 2016 and February 13, 2017. The maximum gap between any two Committee Meetings was less than one hundred twenty days. The composition of the Audit Committee is in compliance with the Regulation 18 of Listing Regulations and the provisions of Section 177 of the Act and rules made thereunder.

The details of composition of the Audit Committee and attendance at the meeting during the year are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Devendra Raj Mehta, Chairman	Independent, Non-Executive	4	4
Mr. Mahendra Punatar *	Independent, Non-Executive	4	2
Mr. Shailendra Raj Mehta	Independent, Non-Executive	4	4
Mr. Kamal Jain	Promoter, Non-Executive	4	4

\* Mr. Mahendra Punatar, ceased to be member of the Committee effective from February 20, 2017 and in his replacement, Ms. Anjali Seth, Independent Non-Executive Director was appointed as member of the Committee effective from May 17, 2017

The Chairman of the Audit Committee has attended the last Annual General Meeting of the Company held on August 11, 2016. The Company Secretary of the Company acts as the Secretary to the Committee.

Audit Committee meetings are also attended by CFO, CEO, representatives of the Statutory Auditor and Internal Auditor and other executives as required. The Committee also invites senior executives, where it considers appropriate, to attend meetings of the Audit Committee.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions, and such other matters as prescribed.

The powers, role and terms of reference of the Audit Committee includes the matters as specified under the Act and the Listing Regulations, besides other terms as referred by the Board. The broad terms of reference include; oversight of financial reporting process, review financial results and related information, approval to related party transactions, review internal financial controls, risk management, performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to auditors.





### 3 NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2017, Nomination and Remuneration Committee comprises of 3 Non-Executive Directors, out of whom 2 Directors are Independent Directors. The Committee met 2 (two) times during the year on May 27, 2016 and August 11, 2016. The composition of the Nomination and Remuneration Committee is in compliance with the Regulation 19 of the Listing Regulations and the provisions of Section 178 of the Act and rules made thereunder. The details of composition of the Nomination and Remuneration Committee and the attendance at the meeting during the year are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Shailendra Raj Mehta, Chairman	Independent, Non-Executive	2	2
Mr. Devendra Raj Mehta	Independent, Non-Executive	2	2
Mr. Mahendra Punatar *	Independent, Non-Executive	2	1
Mr. Manish Mohnot	Promoter, Non-Executive	2	2

\* Mr. Mahendra Punatar, ceased to be member of the Committee effective from February 20, 2017

The powers, role and terms of reference of the Nomination and Remuneration Committee includes the matters as specified under the Act and the Listing Regulations, besides other terms as referred by the Board. The broad terms of reference include formulation of remuneration policy, set criteria for determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of independent directors and the Board and criteria for appointment of directors and senior management.

#### Performance Evaluation

The Company policy provides for the manner, mode and unique questionnaires to evaluate performance of the Board, Committees, Independent Directors and Non-Independent Directors. The criteria for the performance evaluation of the Directors includes (a) Attendance of each Director (b) Preparedness of each Director (c) Participation in meaningful discussion (d) Conduct and behavior of each Director (e) Effectiveness of the decision taken based on deliberations etc. The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors, for the Financial Year 2016-17, has been carried out following the manner and process as per the policy in this respect. The Directors are satisfied with the performance and evaluation.

### 4 REMUNERATION OF DIRECTORS

Details of remuneration, perquisites etc. and sitting fees of the Directors for the Financial Year ended March 31, 2017 are as under.

(₹ in lakhs)

Name of Director	Category	Remuneration components				
		Salary	Perquisites & retirement benefits	Commission / Profit Linked Incentive	Sitting fees <sup>§</sup>	Total
Mr. D. R. Mehta	Independent, Non-Executive	Nil	Nil	17.00	3.50	20.50
Mr. M. G. Punatar #	Independent, Non-Executive	Nil	Nil	Nil	1.75	1.75
Mr. S. R. Mehta	Independent, Non-Executive	Nil	Nil	15.00	3.50	18.50
Mr. S. K. Tripathi	Executive	128.86	23.82	65.12	Nil	217.80
Mr. Manoj Tulsian	Executive	107.23	7.89	38.12	Nil	153.24
Mr. Hemant Modi	Non-Independent, Non-Executive	Nil	Nil	15.00	2.00	17.00
Mr. Kamal Jain	Non-Independent, Non-Executive	Nil	Nil	Nil	Nil	Nil
Mr. Manish Mohnot	Non-Independent, Non-Executive	Nil	Nil	Nil	Nil	Nil
Ms. Anjali Seth	Non-Independent, Non-Executive	Nil	Nil	6.00	1.00	7.00

# Mr. M. G. Punatar ceased to be a Director effective from February 20, 2017.

§ Sitting fee indicated above also includes payment for Board-level committee meetings

**Service Contracts, notice period, severance fees**

- (a) During the year, Mr. S. K. Tripathi, CEO & Dy. Managing Director of the Company was re-appointed by the Board on the recommendation of Nomination and Remuneration Committee at its meeting held on August 11, 2016 for a period of 3 (three) years w.e.f. October 22, 2016 on the terms and conditions to be approved by the members. The Agreement dated August 12, 2016 executed between the Company and Mr. S. K. Tripathi. The term provides for the termination of contract by either party after giving either six months' notice in writing or salary in lieu thereof to the other party.
- (b) During the year, Mr. Manoj Tulsian, Whole-time Director & CFO of the Company was appointed by the Board on the recommendation of Nomination and Remuneration Committee at its meeting held on May 27, 2016 for a period of 3 (three) years w.e.f. May 27, 2016 on the terms and conditions approved by the members at the 30<sup>th</sup> Annual General Meeting held on August 11, 2016. The Agreement dated May 27, 2016 executed between the Company and Mr. Manoj Tulsian. The term provides for the termination of contract by either party after giving either six months' notice in writing or salary in lieu thereof to the other party.

Remuneration of Mr. S. K. Tripathi and Mr. Manoj Tulsian comprises of fixed and performance linked incentive (PLI) components. PLI (commission) component is payable as may be recommended by the Nomination & Remuneration Committee and as approved by the Board every year, as per the respective agreements executed, subject to applicable statutory provisions and the criteria of performance, achievements etc. as per Remuneration Policy.

There is no pecuniary relationship or transaction between the Company and any of the Directors, except payment of sitting fees / remuneration. The Company does not have any stock option scheme.

None of our Directors are eligible for any severance fees.

**4.1 Remuneration policy**

The Board has on the recommendation of the Nomination and Remuneration Committee, approved Remuneration Policy for Directors, KMP and other employees of the Company.

The Policy describes various aspects and guiding factors to consider in determining the remuneration of Directors, KMP and employees of the Company with intent to maintain level and composition of remuneration reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the Company successfully and align the growth of the Company and development. Copy of the policy shall be made available to the members on written request. The broad provisions of the Remuneration Policy are summarized here under.

- a) Nomination and Remuneration Committee has important role and monitor the policy.
- b) Non-Executive Directors are entitled to sitting fees and commission on annual basis as may be determined by the Board from time to time and subject to statutory provisions. The Company reimburses expenses to the directors for attending the meeting of the Board and Committees.
- c) The Commission will be paid to Non-Executive Directors as per criteria mentioned in this Report.
- d) On recommendation of the Nomination and Remuneration Committee, the Board may consider appropriate additional remuneration to such Non-Executive Director who has devoted considerable time and efforts in relation to business and matters of the Company.
- e) Commission payable to Executive Directors shall be determined based on appointment terms, performance criteria as the Board may considers appropriate keeping in view the performance of the Company, performance by Executive Director, achievements etc. keeping in view the recommendations from Nomination and Remuneration Committee.
- f) Nomination and Remuneration Committee would recommend about the increase, restructure and/or other suggestion in respect to remuneration to members of senior management considering aspects including overall performance of the Company, major role played, responsibilities handled and others relevant factors.



#### 4.2 Criteria for payment to Non-Executive / Independent Directors

Non-Executive and Independent Directors, excluding promoter's nominee directors, are paid sitting fees of 50,000/- for attending each meeting of the Board and ₹ 25,000/- for attending each meeting of Audit Committee and Nomination & Remuneration Committee. In addition, the Company also reimburses expenses to out station Directors for attending meetings.

The remuneration by way of commission to the Non-Executive and Independent Directors is decided, keeping in view the recommendation of Nomination & Remuneration Committee, based on number of factors including attendance of the meetings, contribution at the Board and Committees, involvement in decision-making process etc.

### 5 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee, oversees, inter-alia, timely redressal of shareholders' grievance such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization/ re-materialization, non-receipt of dividend, annual report etc. The Committee also reviews the systems and procedures followed to resolve investor complaints and suggest several measures for improvement as may be necessary. The Committee comprises of 3 (three) directors out of which Chairman is Non-Executive Director. The Committee met 4 (four) times during the year viz. May 27, 2016, August 11, 2016, November 14, 2016 and February 13, 2017.

The details of composition of the Committee and the attendance at meeting are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Kamal Jain, Chairman	Non-Executive Director	4	4
Mr. S. K. Tripathi	CEO & Dy. Managing Director	4	4
Mr. Manish Mohnot	Non-Executive Director	4	4

Mr. Samir Raval, Company Secretary is designated as Compliance Officer of the Company. The designated e-mail ID for investor service and correspondence is cs@jmcprojects.com

During the year, the Company has received 1 (one) complaint, which has been timely resolved to the satisfaction of the complainant(s) and there was no investor complaint pending as on March 31, 2017. The status of complaints, if any, is periodically reported to the Committee.

### 6 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee oversees corporate social responsibility, corporate governance and other matters as may be referred by the Board of Directors. As per Section 135 of the Act, this Committee discharges the role of CSR Committee which includes formulating and recommending to the Board a CSR Policy, indicating the activities to be undertaken by the Company as per Schedule VII to the Act, recommending the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.

The Committee comprises of 3 (three) directors out of which Chairman is Non-Executive Independent Director. During the year, the Committee met on February 13, 2017.

The details of composition of the Committee and the attendance at meeting during the year are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. D. R. Mehta, Chairman	Independent, Non-Executive Director	1	1
Mr. S. K. Tripathi	CEO & Dy. Managing Director	1	1
Mr. Kamal Jain	Non-Executive Director	1	1

The Company Secretary of the Company acts as the Secretary to the Committee.

The Annual Report on CSR activities is attached as Annexure - 4 to the Board's report.

### 7 OTHER COMMITTEES

In addition to the above referred committees, the Board has also constituted committees of Directors to look into various routine business matters. These Committees includes Management Committee and Share Transfer Committee.

## 8 COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations

Sl. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/NA)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non- Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
4	Stakeholders Relationship Committee	19(4)	Role of the Committee	Yes
		20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
5	Risk Management Committee	20(4)	Role of the Committee	Yes
		21(1),(2) &(3)	Composition of Risk Management Committee	NA
6	Vigil Mechanism	21(4)	Role of the Committee	NA
		22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transaction	23(1),(5),(6),(7) &(8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all related party transactiona and Review of Transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions.	NA
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material Subsidiary	NA
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarization of Independent Directors	Yes



Sl. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/NA)
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanships in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining 'Material' Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

## 9 GENERAL BODY MEETINGS

### i. Annual General Meeting:

Details of last three Annual General Meetings (AGM) are given here below.

AGM	Financial Year	Date	Time	Venue of AGM
30th AGM	2015-16	August 11, 2016	3.00 p.m.	ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad – 380009.
29th AGM	2014-15	September 29, 2015	12.30 p.m.	Lions Hall, The Lions Club (Society) of Ahmedabad, Nr. Mithakhali Six Roads, Maharashtra Society, Ellis Bridge, Ahmedabad – 380006.
28th AGM	2013-14	September 27, 2014	12.30 p.m.	

### ii. Special Resolutions:

The following are the details of special resolutions passed at the last three AGM.

Date of AGM	Summary of special resolution passed
August 11, 2016	1. Keeping registers, returns, etc. at a place other than Registered office
September 29, 2015	No Special Resolution was passed
September 27, 2014	1. To borrow monies in excess of aggregate of paid up capital and reserves, upto ₹ 1,500 crores
	2. Payment of remuneration to Non-Executive Directors
	3. Payment of remuneration to Non-Executive Directors for FY 2013-14
	4. Adoption of new regulations of Articles of Association of the Company

### iii. Details of Special Resolution passed through postal ballot:

No special resolution was passed through postal ballot during the Financial Year ended March 31, 2017. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

## 10 DISCLOSURES

### a) Related party transactions

During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large. Related Party Transactions have been disclosed in the notes to financial statements. The Company has formulated policy for determining “material” subsidiaries and policy on dealing with Related Party Transactions. The said policies are hosted on the Company’s website. (Weblink: [http://jmcprojects.com/cms/data\\_content/statutory\\_documents/related\\_party\\_transactions\\_20151014060849.pdf](http://jmcprojects.com/cms/data_content/statutory_documents/related_party_transactions_20151014060849.pdf))

### b) Compliance by the Company

The Company has complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

### c) Whistle Blower Policy/ Vigil Mechanism

The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board’s Report. The Whistle-Blower Policy is available on the website of the Company [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/whistleblower\\_policy\\_20151014055834.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/whistleblower_policy_20151014055834.pdf)

### d) Compliance with mandatory and non-mandatory requirements

The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non-mandatory requirements relating to separate post of Chairman and CEO or Managing Director, financial statements with unmodified audit opinion / without qualification and direct reporting by internal auditor to Audit Committee.

### e) Commodity price risk or foreign exchange risk and hedging activities

The Company has entered into forward contracts to hedge its risk associated with foreign currency fluctuations. The Company has natural hedge because of both imports and exports. To the extent of surplus of exports, the Company remains unhedged.

### f) Proceeds from public issues, right issues, preferential issues etc.

The Company has not raised any funds through issue of equity shares during the financial year 2016-17 and there is no pending utilization of any of its earlier issue proceeds as on March 31, 2017.

### g) CEO & CFO Certification

The CEO & Dy. Managing Director and Whole-time Director & CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2017.

## 11 MEANS OF COMMUNICATION

**a) Newspapers:** The extract of Quarterly, Half-yearly and Annual Financial results of the Company are published in leading daily newspapers in India viz. The Economic Times (English and Gujarati editions).

**b) Website of the Company:** The Company’s website [www.jmcprojects.com](http://www.jmcprojects.com) contains a separate dedicated section “investor relations” where shareholders’ information is available. Quarterly and Annual Financial results, disclosures and filing with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company are available on the Company’s website.

**c) Annual Report:** Annual Report containing, inter alia, Board’s Report, Auditors’ Report, Audited Financial Statements and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report is also available on the website of the Company. Verbatim copy of financial statement, reports etc. are being circulated in this Report and the same shall be deemed as signed copy.

**d) Disclosures:** The Company also timely disseminate on the website of Stock Exchanges, all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

**e) Presentations to institutional investors or analysts:** The presentations made to the institutional investors or analysts have been uploaded on the website of the Company and also submitted to the Stock Exchanges for dissemination.



## 12 GENERAL INFORMATION FOR SHAREHOLDERS

- a) **Annual General Meeting:** Information of ensuing Annual General Meeting, Book Closure and Dividend payment details have been provided in the Notice of Annual General Meeting enclosed along with this Annual Report.
- b) **Financial Year:** The Company follows April to March as its financial year. The results of every quarter beginning from April are declared tentatively in the month following the quarter or within the time line as per the Listing Regulations.
- c) **Dividend Payment Date:** Dividend will be paid within the stipulated period after its declaration by the members at the ensuing AGM to those Shareholders whose names appear on the Company's Register of Members on relevant date of book closure and dividend disbursement will be made accordingly. In respect of shares held in electronic form / demat, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.
- d) **Listing on Stock Exchanges:** The Company's equity shares are listed on the following Stock Exchanges.

BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai - 400001.

National Stock Exchange of India Limited (NSE), Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.

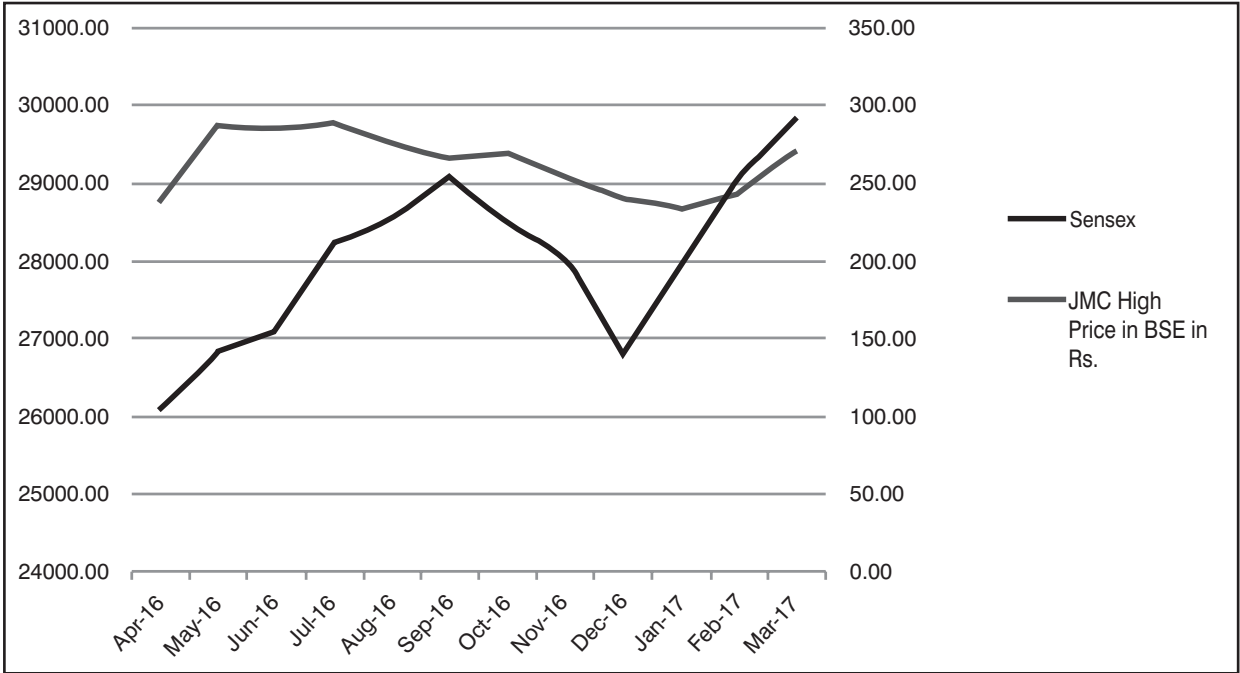
Stock Code/Symbol: BSE - 522263. NSE - JMCPROJECT.

ISIN Number of the Company is INE890A01016

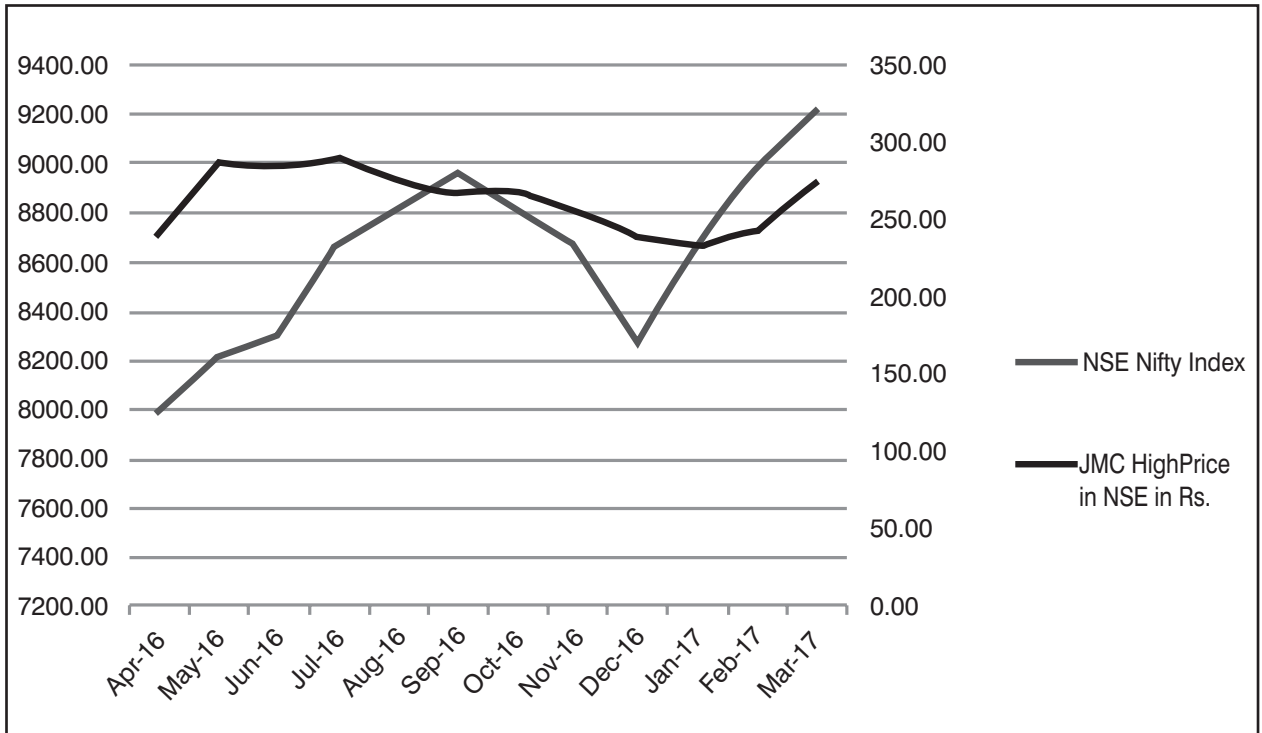
- e) **Payment of Listing Fees:** The Company has paid annual listing fee for the year 2017-18 to the BSE and NSE within the stipulated time.
- f) **Market Price Data:** The monthly high and low price of equity shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) are as under.

Month	BSE				NSE			
	Share Price (in ₹)		Sensex		Share Price (in ₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-16	239.00	214.90	26,100.54	24,523.20	239.90	212.55	7,992.00	7,516.85
May-16	287.00	221.00	26,837.20	25,057.93	286.90	218.65	8,213.60	7,678.35
Jun-16	284.50	219.05	27,105.41	25,911.33	285.00	220.00	8,308.15	7,927.05
Jul-16	288.00	237.30	28,240.20	27,034.14	289.00	238.30	8,674.70	8,287.55
Aug-16	275.60	231.00	28,532.25	27,627.97	276.00	230.50	8,819.20	8,518.15
Sep-16	266.50	226.00	29,077.28	27,716.78	266.95	228.10	8,968.70	8,555.20
Oct-16	268.80	233.00	28,477.65	27,488.30	268.40	233.55	8,806.95	8,506.15
Nov-16	254.60	183.00	28,029.80	25,717.93	256.55	182.00	8,669.60	7,916.40
Dec-16	240.00	197.35	26,803.76	25,753.74	240.00	197.00	8,274.95	7,893.80
Jan-17	233.75	213.00	27,980.39	26,447.06	233.00	212.60	8,672.70	8,133.80
Feb-17	243.50	215.20	29,065.31	27,590.10	243.05	214.15	8,982.15	8,537.50
Mar-17	270.40	215.55	29,824.62	28,716.21	273.60	215.30	9,218.40	8,860.10

JMC Share price vs. BSE Sensex - April 2016 to March 2017



JMC Share price vs. NSE Nifty - April 2016 to March 2017







- g) Share Transfer System:** Applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agent M/s. Link Intime India Private Limited. The Company has constituted Share Transfer Committee to look after the transfer / transmission of shares, issue of duplicate shares and allied matters. The transfers of shares in physical form as and when received are normally processed within 15 days from the date of receipt of documents complete in all respects. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective Depositories i.e. NSDL and CDSL within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

The Company has obtained half yearly certificates from Practicing Company Secretary for compliance of share transfer formalities as required under Regulation 40(9) of the Listing Regulations and the same were submitted to the Stock Exchanges. The Company has also submitted Reconciliation of Share Capital Audit Report on a quarterly basis as required under SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 & Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996.

**h) Distribution of equity shareholding as on March 31, 2017**

No. of Shares of ₹ 10/- each	Shareholders		Equity Shares	
	Number	% of total shareholders	Number	% of total shares
Up to 500	8,200	74.37	10,65,123	3.17
501 – 1,000	1,691	15.34	12,02,636	3.58
1,001 – 2,000	666	6.04	9,46,735	2.82
2,001 – 3,000	184	1.67	4,56,061	1.36
3,001 – 4,000	84	0.76	2,94,653	0.88
4,001 – 5,000	39	0.35	1,78,541	0.53
5,001 – 10,000	77	0.70	5,47,691	1.63
10,001 and above	85	0.77	2,88,89,594	86.29
<b>Total</b>	<b>11,026</b>	<b>100.00</b>	<b>3,35,81,034</b>	<b>100.00</b>

**i) Shareholding Pattern as on March 31, 2017**

Sl. No.	Category	No. of shares held	% of Shares held
<b>A</b>	<b>Promoter and Promoter Group Shareholding</b>		
	Indian	2,25,62,881	67.19
	Foreign	-	-
<b>B</b>	<b>Public Share Holding</b>		
<b>1.</b>	<b>Institutional</b>		
	Mutual Fund	30,18,776	8.99
	Foreign Portfolio Investor	1,95,466	0.58
	Financial Institution / Banks	9,628	0.03
	Insurance Companies	-	-
<b>2.</b>	<b>Non-Institutional</b>		
	Individuals & HUFs	56,55,853	16.84
	Bodies Corporate	11,32,382	3.37
	NRIs	7,68,258	2.29
	Clearing Members	2,37,790	0.71
<b>TOTAL</b>		<b>3,35,81,034</b>	<b>100.00</b>

**j) Dematerialization of Shares & Liquidity**

Total 99.66% shares were held in dematerialized form as on March 31, 2017.

**k) Outstanding GDRs / ADRs / Warrants / Options or any Convertible Instruments, conversion date and likely impact on equity**

The Company has no outstanding GDRs/ADRs/warrants or any other Convertible Instruments as on March 31, 2017.

**l) Equity Shares in suspense account:** As per Regulation 34 of the Listing Regulations, 2015, no equity shares are lying in the suspense account and hence no further disclosure / details to mention in this regard.

**m) Plant Locations:** The Company does not have any manufacturing plant, as the Company is in the construction, engineering and other related business. The Company has various works and project sites across the country and abroad.

**n) Address for Communication**

**Registered Office:** A-104, Shapath-4, Opp. Karnavati Club, S. G. Road, Ahmedabad - 380015, Gujarat, India.  
CIN: L45200GJ1986PLC008717. Tel: 079 30011500, Fax: 079 30011700. Email: cs@jmcprojects.com

**Corporate Office:** 6<sup>th</sup> Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai - 400055.  
Tel: 022 30051500 Fax: 022 30051555. Email: cs@jmcprojects.com

**Registrar & Share Transfer Agent:** Link Intime India Private Limited, Unit: JMC Projects (India) Limited, Office No. 506 to 508, 5th Floor, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xaviers' College Corner, Off. C. G. Road, Navrangpura, Ahmedabad - 380009. Tel & Fax: 079 26465179. Email: ahmedabad@linkintime.co.in

**DECLARATION IN RESPECT OF CODE OF CONDUCT**

In accordance with Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended March 31, 2017.

Date: May 16, 2017  
Place: Mumbai

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN: L45200GJ1986PLC008717

Nominal Capital: ₹ 50,00,00,000/-

To,  
The Members of  
**JMC PROJECTS (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by JMC Projects (India) Limited ("the Company"), for the year ended on 31 March 2017, stipulated as per the relevant provisions of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in regulation 15(2) of Listing Regulations for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable except mentioned below:

The composition of Board of Directors is not in compliance with Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the requirement of minimum number of Independent Directors since February 20, 2017, subsequent to the resignation of one of the Independent Director. However, the Company has not exceeded the prescribed time limit for filling the vacancy of Independent Director.

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

For Yash Pareek & Associates  
Company Secretaries

**CS Yash Pareek**

Proprietor

M. No: A42874

C.P No.: 15887

Place: Bhopal  
Date: May 8, 2017

CEO-CFO CERTIFICATE

To,  
The Board of Directors  
**JMC Projects (India) Limited**

**Subject:** Certificate on financial statements for the Financial Year ended March 31, 2017 pursuant to Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Shailendra Kumar Tripathi, CEO & Dy. Managing Director and Manoj Tulsian, Whole-time Director & CFO, have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended March 31, 2017 and that to the best of our knowledge and belief, we hereby certify that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- (d) we have indicated to the Auditors and Audit Committee that:
  - (i) There is no significant changes in internal control over financial reporting during the year;
  - (ii) There is no significant changes in accounting policies during the year; and
  - (iii) There is no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

Yours faithfully,

For JMC Projects (India) Limited

For JMC Projects (India) Limited

Date: May 8, 2017  
Place: Mumbai

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director

**Manoj Tulsian**  
Whole-time Director & CFO



# Independent Auditor's Report

To the Members of  
**JMC Projects (India) Limited**

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of JMC Projects (India) Limited ("the Company"), which comprise the Standalone Balance sheet as at 31 March 2017, the Standalone Statement of profit and loss (including other comprehensive income), the Standalone Statement of cash flows and the Standalone Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS financial statements')

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

## Auditors' Responsibility

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

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

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

AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other matters

- (a) The comparative financial information of the Company as at and for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and audited by Kishan M. Mehta & Co., Chartered Accountants for the years ended 31 March 2016 and 31 March 2015 whose reports dated 27 May 2016 and 28 May 2015, respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.
- (b) We did not audit the Ind AS financial statements of two branches included in the standalone Ind AS financial statements of the Company, whose financial statements reflect total assets of INR 23,826 lakhs as at 31 March 2017 and total revenue of INR 15,723 lakhs for the year ended on that date, as considered in the standalone Ind AS financial statements. The standalone Ind AS financial statements of

## Other matters (Continued)

these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

As required by sub-section (3) of Section 143 of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance sheet, the Statement of profit and loss (including other comprehensive income), the Statement of cash flows and the Statement of changes in equity dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the board of directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 24 to the standalone Ind AS financial statements;
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts (if any) - Refer Note 29 to the standalone Ind AS financial statements;
  - 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 2017; and
  - iv. the Company has provided requisite disclosure in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company and as produced to us by the Management - Refer Note 39 to the standalone Ind AS financial statements.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

16 May 2017



## Annexure A to the Independent Auditors' Report – 31 March 2017

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification during the year and these have been dealt with appropriately in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 3 and Note 4 to the standalone Ind AS financial statements, are held in the name of the Company.
- (ii) The inventory of building material, components and spares has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given, guarantees given or securities provided are not applicable to the Company, since it is covered as a company engaged in business of providing infrastructural facilities. The Company has not made any investments during the year. Accordingly, compliance under Section 186 of the Act in respect of investment made during the year is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Duty of excise, Sales-tax, Service tax, Entry tax, Local body tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. The amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Value added tax and Works contract tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Duty of excise, Sales-tax, Service tax, Value added tax, Works contract tax, Entry tax, Local body tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

## Annexure A to the Independent Auditors' Report – 31 March 2017 (Continued)

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax as at 31 March 2017, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(INR in lakhs)

Name of the Statute	Nature of the Dues	Amount Demanded	Amount Deposited Under Disputes	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Tax, Penalty and Interest	2,898.09	2,898.09	2007-08 to 2009-10	Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
		2,505.73	2,505.73	2008-09 to 2012-13	Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
		2.18	2.18	1997-98	Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
		551.40	551.40	2015-16	Commissioner, Ahmedabad
		93.59	93.59	2015-16	Commissioner, Ahmedabad
		710.60	710.60	2015-16	Commissioner, Ahmedabad
		98.19	98.19	2012-13 to 2015-16	Commissioner, Ahmedabad
		176.23	176.23	2011-12 to 2015-16	Commissioner, Ahmedabad
The West Bengal VAT Act, 2003	Tax, Penalty and Interest	57.10	57.10	2008-09	West Bengal Commercial Taxes Appellate and Revisional Board
		105.80	105.80	2009-10	West Bengal Commercial Taxes Appellate and Revisional Board
		430.01	430.01	2011-12	Dept. Commissioner Kolkata
Madhya Pradesh VAT Act, 2002	Tax, Penalty and Interest	9.01	9.01	2009-10	Additional Commissioner Appeals
		6.59	6.59	2009-10	Additional Commissioner Appeals
		126.43	126.43	2013-14	Additional Commissioner Appeals
		45.00	45.00	2013-14	Additional Commissioner Appeals
Gujarat VAT Act, 2003	Tax, Penalty and Interest	261.72	261.72	2006-07	Gujarat VAT Tribunal
Maharashtra VAT Act, 2002	Tax, Penalty and Interest	145.10	145.10	2006-07	Dept. Commissioner of Sales Tax
		15.14	15.14	2007-08	Joint Commissioner of Sales Tax
		789.18	789.18	2008-09	Dept. Commissioner of Sales Tax
		40.35	40.35	2009-10	Additional Commissioner Appeals
		0.82	0.82	2014-15	Additional Commissioner Appeals
New Delhi VAT matter	Tax, Penalty and Interest	501.57	501.57	2012-13 & 2013-14	Objection Hearing Authority Sales Tax department Delhi
Income Tax Act, 1961	Tax, Penalty and Interest	102.52	102.52	2012-13	Commissioner (Appeals)
		778.62	778.62	2005-06 to 2011-12	Income Tax Appellate Tribunal
		18.54	18.54	2004-05	Supreme Court
Tamil Nadu Mineral Concession Rules		39.87	39.87	2006-07	Principal Secretary / Joint Secretary, Industries





## Annexure A to the Independent Auditors' Report – 31 March 2017 (Continued)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks and financial institutions. The Company did not have any outstanding loans and borrowings to Government and outstanding dues to debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No : 101248W/W-100022

**Vikas R Kasat**  
Partner  
Membership No: 105317

Mumbai  
16 May 2017

## Annexure B to the Independent Auditors' Report – 31 March 2017

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JMC Projects (India) Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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 system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation the Standalone of Ind AS 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 Standalone Ind AS financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No : 101248W/W-100022

**Vikas R Kasat**  
Partner  
Membership No: 105317

Mumbai  
16 May 2017



# Standalone balance sheet

as at 31 March 2017

(Currency: Indian rupees in lakhs)

	Note	31 March 2017	31 March 2016	1 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	36,208.54	34,682.64	31,596.82
Capital work-in-progress	3	47.20	23.69	8.07
Investment properties	4	82.13	82.13	82.13
Intangible assets	5	267.40	174.88	49.11
Intangible assets under development	5	538.52	-	-
Financial assets				
Investments	6 (a)	17,888.15	17,888.15	17,888.15
Trade receivables	6 (b)	3,528.88	4,614.44	4,179.34
Other financial assets	6 (e)	1,142.26	815.76	1,194.62
Deferred tax assets (net)	7	3,625.34	4,486.34	3,132.21
Other non-current assets	8	5,677.11	4,842.62	3,964.45
<b>Total non-current assets</b>	(A)	<b>69,005.53</b>	<b>67,610.65</b>	<b>62,094.90</b>
<b>Current assets</b>				
Inventories	9	17,946.16	15,857.90	14,234.28
Financial assets				
Loans	6 (c)	22,418.90	15,952.70	9,056.61
Trade receivables	6 (b)	65,763.15	66,879.55	54,151.59
Cash and cash equivalents	6 (d)	2,592.88	3,446.01	5,994.95
Bank balances other than above		7.76	8.70	9.09
Other financial assets	6 (e)	24,520.77	24,536.83	22,959.29
Other current assets	10	81,097.48	76,422.50	75,763.66
<b>Total current assets</b>	(B)	<b>2,14,347.10</b>	2,03,104.19	1,82,169.47
<b>Total assets</b>	(A+B)	<b>2,83,352.63</b>	<b>2,70,714.84</b>	<b>2,44,264.37</b>

# Standalone balance sheet (Continued)

as at 31 March 2017

(Currency: Indian rupees in lakhs)

	Note	31 March 2017	31 March 2016	1 April 2015
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	11(a)	3,358.10	3,358.10	2,611.83
<b>Other Equity</b>				
Reserves and surplus	11(b)	65,903.15	60,390.54	42,227.19
Other reserves	11(c)	(287.96)	34.49	101.49
<b>Equity attributable to owners of the Company</b>				
Non-controlling interests		-	-	-
<b>Total equity</b>	(A)	<b>68,973.29</b>	<b>63,783.13</b>	<b>44,940.51</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	12(a)	23,127.59	28,188.63	31,592.18
Other financial liabilities	12(c)	13,324.89	13,868.33	10,146.24
Provisions	13 & 14	3,643.78	4,015.89	5,375.93
Other non-current liabilities	15	35,454.22	18,996.28	22,902.23
<b>Total non-current liabilities</b>	(B)	<b>75,550.48</b>	<b>65,069.13</b>	<b>70,016.58</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	12(b)	33,908.19	33,619.85	33,121.40
Trade payables	12(d)	74,390.61	67,642.29	58,518.80
Other financial liabilities	12(c)	11,720.83	15,289.98	13,484.06
Provisions	13 & 14	1,344.40	205.93	164.56
Other current liabilities	15	17,464.83	25,104.53	24,018.46
<b>Total current liabilities</b>	(C)	<b>1,38,828.86</b>	<b>1,41,862.58</b>	<b>1,29,307.28</b>
<b>Total liabilities</b>	(D = B+C)	<b>2,14,379.34</b>	<b>2,06,931.71</b>	<b>1,99,323.86</b>
<b>Total equity and liabilities</b>	(A+D)	<b>2,83,352.63</b>	<b>2,70,714.84</b>	<b>2,44,264.37</b>
<b>Significant accounting policies</b>	2			
<b>Notes to the standalone Ind AS financial statements</b>	3 to 43			

The accompanying notes form an integral part of these standalone Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

Mumbai  
16 May 2017

Mumbai  
16 May 2017



# Standalone statement of profit and loss

for the year ended 31 March 2017

	Note	31 March 2017	31 March 2016
(Currency: Indian rupees in lakhs)			
<b>Continuing operations</b>			
Revenue from operations	16	2,32,841.98	2,40,070.88
Other income	17	1,429.30	827.75
<b>Total income</b>		<b>2,34,271.28</b>	<b>2,40,898.63</b>
<b>Expenses</b>			
Cost of materials consumed	18	84,434.90	85,877.29
Employee benefits expense	19	23,574.22	22,556.23
Construction expense	21(a)	89,217.42	98,662.65
Finance costs	22	8,425.66	10,509.24
Depreciation and amortisation expense	20	5,736.53	5,167.01
Other expenses	21(b)	14,502.34	11,620.96
<b>Total expenses</b>		<b>2,25,891.07</b>	<b>2,34,393.38</b>
<b>Profit from operations before tax and exceptional items</b>		<b>8,380.21</b>	<b>6,505.26</b>
Exceptional items		-	-
<b>Profit from ordinary activities before tax</b>		<b>8,380.21</b>	<b>6,505.26</b>
Tax expense	23		
- Current tax		1,572.75	3,522.13
- Deferred tax charge / (credit)		869.59	(1,354.13)
<b>Total tax expense</b>		<b>2,442.34</b>	<b>2,168.00</b>
<b>Profit for the year</b>		<b>5,937.87</b>	<b>4,337.26</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of post-employment benefit obligations		(32.23)	78.91
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.16	(27.31)
<b>B. Items that will be reclassified to profit or loss</b>		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(21.07)</b>	<b>51.60</b>
<b>Total comprehensive income for the year</b>		<b>5,916.80</b>	<b>4,388.86</b>
<b>Earnings per equity share (Face Value per share INR 10 each)</b>			
Basic earnings per share	30	17.68	16.00
Diluted earnings per share		17.68	16.00

## Significant accounting policies

2

## Notes to the standalone Ind AS financial statements

3 to 43

The accompanying notes form an integral part of these standalone Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

Mumbai

16 May 2017

Mumbai

16 May 2017

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Standalone statement of cash flows

for the year ended 31 March 2017

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	8,347.98	6,584.17
<b>Profit before tax</b>	<b>8,347.98</b>	<b>6,584.17</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5,736.53	5,167.01
Loss on sale of assets	6.65	18.41
Employee share-based payment expense	-	(32.04)
Gain on disposal of property, plant and equipment	(203.81)	(139.06)
Sundry balances written back	(51.28)	(57.23)
Amortisation of ancillary cost	456.76	45.41
Rent income	(136.52)	(219.83)
Share of profits of joint ventures	(165.73)	(6.66)
Finance income (including fair value change in financial instruments)	(222.92)	(407.63)
Finance costs (including fair value change in financial instruments)	8,425.66	10,509.24
Net exchange differences	(217.99)	(37.54)
<b>Working capital adjustments</b>		
Increase in trade payables	6,799.59	9,178.35
(Decrease) in long-term provisions	(372.10)	(1,360.04)
Increase in short-term provisions	1,138.47	41.37
Increase/(decrease) in other current liabilities	(7,634.50)	1,179.87
Increase/(decrease) in other long-term liabilities	15,914.51	(183.86)
Decrease/(increase) in trade receivables	2,201.96	(12,727.96)
(Increase) in inventories	(2,088.25)	(1,623.62)
(Increase) in other current assets	(8,573.11)	(545.34)
(Increase) in other non-current assets	(825.48)	(1,177.75)
<b>Cash generated from operating activities</b>	<b>28,536.42</b>	<b>14,205.27</b>
Income taxes paid, net of refund received	2,515.09	(3,373.89)
<b>Net cash flows from operating activities</b>	<b>31,051.51</b>	<b>10,831.38</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(6,363.25)	(9,360.49)
Loans to related parties	(7,092.20)	(8,808.09)
Rent received	136.52	219.83
Proceeds from sale of property, plant and equipment	(15.01)	217.90
Distributions received from joint ventures	165.73	6.34
Interest received	222.92	407.63
<b>Net cash (used in) investing activities</b>	<b>(12,945.29)</b>	<b>(17,316.88)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	-	14,869.31
Proceeds from borrowings	5,352.38	8,961.68
Repayment of borrowings	(15,106.69)	(8,966.74)
Changes in unpaid dividend accounts	(0.94)	0.39



# Standalone statement of cash flows (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
Interest paid	(8,799.93)	(10,614.08)
Dividends paid to company's shareholders (including tax thereon)	(404.17)	(314.00)
<b>Net cash flow from / (used in) financing activities</b>	<b>(18,959.35)</b>	<b>3,936.56</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(853.13)</b>	<b>(2,548.94)</b>
Cash and cash equivalents at the beginning of the year	3,446.01	5,994.95
<b>Cash and cash equivalents at end of the year</b>	<b>2,592.88</b>	<b>3,446.01</b>

## Notes:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - Statement of Cash Flows
- 2) Reconciliation of cash and cash equivalents with the balance sheet:

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
Cash and cash equivalents (refer note 6 (d))	2,592.88	3,446.01
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>2,592.88</b>	<b>3,446.01</b>

The accompanying notes form an integral part of these standalone Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

16 May 2017

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

16 May 2017

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Standalone statement of changes in equity (SOCIE)

for the year ended 31 March 2017

## A. Equity Share Capital\*

(Currency: Indian rupees in lakhs)

Particulars	Amount
<b>Balance as at 1 April 2015</b>	<b>2,611.83</b>
Additional equity share issued during 2015-16 (right issue)	746.27
<b>Balance as at 31 March 2016</b>	<b>3,358.10</b>
Additional equity share issued during 2016-17	-
<b>Balance as at 31 March 2017</b>	<b>3,358.10</b>



# Standalone statement of changes in equity (SOCIE) (Continued)

for the year ended 31 March 2017

## B. Other Equity\*

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company					Total attributable to owners of the Company	Attributable to Non-controlling interests (NCI)	Total
	Securities Premium Reserve	Retained Earnings	Reserves and Surplus	Other reserves	Foreign currency translation reserve			
Balance at 1 April 2015	21,209.18	16,814.34	356.25	32.04	3,815.38	85.49	16.00	42,328.68
Total comprehensive income for the year ended 31 March 2016	-	4,337.26	-	-	-	-	-	4,337.26
Profit for the year	-	51.60	-	-	-	-	-	51.60
Other comprehensive income (net of tax)	-	4,388.86	-	-	-	-	-	4,388.86
<b>Total comprehensive income</b>	-	4,388.86	-	-	-	-	-	4,388.86
<b>Transactions with owners in their capacity as owners:</b>								
Issue of equity shares	14,123.04	-	-	-	-	-	-	14,123.04
Dividends paid (including tax thereon)	-	(314.35)	-	-	-	-	-	(314.35)
Appropriations during the year	-	(225.00)	(375.00)	-	225.00	-	-	-
Transfer to / from debenture redemption reserve	-	(18.75)	18.75	-	375.00	-	-	-
Effect of recognition of Joint ventures	-	(2.16)	-	-	-	-	-	(2.16)
Other currency translation differences	-	-	-	(32.04)	-	-	(67.00)	(67.00)
Employee stock option expense	-	-	-	-	-	-	-	(32.04)
<b>Balance at 31 March 2016</b>	<b>35,332.22</b>	<b>20,642.94</b>	-	-	<b>4,415.38</b>	<b>85.49</b>	<b>(51.00)</b>	<b>60,425.03</b>
<b>Balance at 1 April 2016</b>	<b>35,332.22</b>	<b>20,642.94</b>	-	-	<b>4,415.38</b>	<b>85.49</b>	<b>(51.00)</b>	<b>60,425.03</b>
<b>Total comprehensive income for the year ended 31 March 2017</b>	-	5,937.87	-	-	-	-	-	5,937.87
Profit for the year	-	(21.07)	-	-	-	-	-	(21.07)
Other comprehensive income (net of tax)	-	5,916.80	-	-	-	-	-	5,916.80
<b>Total comprehensive income</b>	-	5,916.80	-	-	-	-	-	5,916.80
<b>Transactions with owners in their capacity as owners:</b>								
Dividends paid (including tax thereon)	-	(404.17)	-	-	-	-	-	(404.17)
Appropriations during the year	-	(225.00)	-	-	225.00	-	-	-
Other currency translation differences	-	-	-	-	-	-	(322.45)	(322.45)
<b>Balance at 31 March 2017</b>	<b>35,332.22</b>	<b>25,930.57</b>	-	-	<b>4,640.38</b>	<b>85.49</b>	<b>(373.45)</b>	<b>65,615.21</b>

\*The above statement of changes in equity should be read in conjunction with the accompanying note 11 to the standalone Ind AS financial statements.

The accompanying notes form an integral part of these standalone Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

16 May 2017

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

16 May 2017

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

Mumbai

16 May 2017

**Samir Ravai**

Company Secretary

Membership No. FCS-7520

Mumbai

16 May 2017

# Notes to the standalone Ind AS financial statements

for the year ended 31 March 2017

## Corporate Information

JMC Projects (India) Limited (the Company) was incorporated under the provision of the Companies Act, applicable in India on 5 June 1986. The Company is a public limited company incorporated and domiciled in India and has its registered office at A-104, Shapath, S.G.Road, Ahmedabad, Gujarat.

The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange.

The company is primarily engaged in Engineering, Procurement and Construction (EPC) business.

## 1 Basis of preparation

### (a) Statement of compliance

These standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the company is provided in Note 41.

These standalone Ind AS financial statements were authorized for issue by the Company's Board of Directors on 16 May 2017.

Details of the Company's accounting policies are included in Note 2.

### (b) Functional and presentation currency

These standalone Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### (c) Basis of measurement

The standalone Ind AS financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and
- defined benefit plans - plan assets measured at fair value

### (d) Use of estimates and judgements

The preparation of the standalone Ind AS financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgements are:

- Estimation of contract cost for revenue recognition (Refer note 33)
- Estimation of useful life of property, plant and equipment and intangibles (Refer point 2 (I))
- Estimation of provision for defect liability period and liquidated damages, if any (Refer note 29)
- Estimation of defined benefit obligation (Refer note 31)
- Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used (Refer note 7)
- Impairment of financial assets (Refer note 36)

### (e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 1 Basis of preparation (Continued)

### (e) Measurement of fair values (Continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## 2 Significant accounting policies

### (a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has appointed a management review committee which assesses the financial performance and position of the Company and makes strategic decisions. The management review committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning. Refer note 37 for segment information presented.

#### Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The Company presents assets and liabilities in the balancesheet based on current/non-current classification. An asset is treated as current when it is:

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- (ii) it is expected to be realised within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is due to be settled within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

### (b) Foreign currency

#### (i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (b) Foreign currency (Continued)

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

#### (ii) Foreign operations

The results and financial position of foreign operations related to branches (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date.
- The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction, and
- All resulting exchange differences are recognised in foreign currency translation reserve (FCTR) through the statement of profit and loss.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### (c) Revenue recognition

#### (i) Construction Revenue

Revenue from contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision becomes known by management.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms whenever there is a delayed delivery attributable to the Company.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The profits on contracts are recognised only when outcome of the contract is reasonably certain.

Revenue excludes sales tax/value added tax and service tax charged to customer.

Revenue from contracts awarded to a Jointly Controlled Entity but executed by the Company under the arrangement with the Joint Venture Partner (being in substance in the nature of Jointly Controlled Operations, in terms of Ind AS Accounting Standard is recognised on the same basis as similar contracts independently executed by the company.

#### (ii) Dividend Income

Dividend Income is accounted when the right to receive the same is established.

#### (iii) Interest Income or expenses

Interest income or expense is accounted basis effective interest rate.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (c) Revenue recognition (Continued)

#### (iii) Interest Income or expenses (Continued)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### (iv) Rental Income

Rental Income from investment property is recognised in statement of profit and loss on straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

### (d) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 2 Significant accounting policies (Continued)

#### (d) Income tax (Continued)

##### (ii) Deferred tax (Continued)

against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### (e) Leases

##### (i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

##### (ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

##### (iii) Lease payments

As a lessee

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### (f) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, investment property, and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (f) Impairment of non-financial assets (Continued)

generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### (i) Inventories

Construction materials and spares, tools and stores, are stated at the lower of cost and net realisable value. Cost of construction materials comprises cost of purchases. Cost of

inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of FIFO (first in first out). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### (j) Financial instruments

#### Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

#### Classification and subsequent measurement

##### (i) Financial assets

#### Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 2 Significant accounting policies (Continued)

#### (j) Financial instruments (Continued)

##### Classification and subsequent measurement (Continued)

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.

##### Debt instruments at amortised cost

1. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
2. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
3. Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains

substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

3. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

##### Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
2. Lease receivables.
3. Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- i. Trade receivables which do not contain a significant financing component.
- ii. All lease receivables resulting from transactions.





# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (j) Financial instruments (Continued)

#### Impairment of financial assets (Continued)

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs 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.

#### (ii) Financial liabilities

##### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial

liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

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.

This category generally applies to interest-bearing loans and borrowings.

##### Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 2 Significant accounting policies (Continued)

#### (k) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### (l) Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

- Buildings 60 years
- Machinery 10-15 years
- Heavy Vehicles 10 years
- Furniture, fittings and equipment 10years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

#### (m) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties using the straight-line method over their estimated useful lives.

Any gain or loss on disposal of an investment property is recognised in profit or loss.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (m) Investment property (Continued)

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

### (n) Intangible assets

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

### (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (p) Borrowings (Continued)

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### (q) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### (r) Provisions

Provisions for legal claims, service warranties are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (s) Employee benefits

#### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on independent actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (iii) Post-employment benefits

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund and superannuation fund

#### Pension and gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Gratuity liability is covered by payment there of to Gratuity fund, the defined benefit plan under Group Gratuity Cash Accumulation Scheme of LIC of India under irrevocable trust. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations and company also pays superannuation fund to LIC of India. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Employee options

The fair value of options granted under the Company's Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### (iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 2 Significant accounting policies (Continued)

#### (s) Employee benefits (Continued)

##### (v) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### (t) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (v) Earnings per share

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### (w) Statement of cash flows

The company's statements of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effect of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the company's cash management.

#### (x) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the consolidated IND AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 3 Property, plant and equipment

(Currency: Indian rupees in lakhs)

	Office Building	Store Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installation	Total	Capital work-in-progress
<b>Year ended 31 March 2016</b>									
<b>Cost or deemed cost (gross carrying amount)</b>									
Deemed cost as at 1 April 2015 *	205.47	384.34	28,211.45	251.47	1,953.13	516.54	74.42	<b>31,596.82</b>	8.07
Additions	-	80.37	7,443.87	1.10	533.45	243.27	-	<b>8,302.06</b>	730.10
Disposals	-	-	(654.44)	(3.67)	(95.00)	(82.90)	-	<b>(836.01)</b>	(714.48)
<b>Balance as at 31 March 2016 (gross carrying amount)</b>	<b>205.47</b>	<b>464.71</b>	<b>35,000.88</b>	<b>248.91</b>	<b>2,391.58</b>	<b>677.91</b>	<b>74.42</b>	<b>39,062.88</b>	<b>23.69</b>
<b>Accumulated depreciation</b>									
Depreciation for the year	3.76	80.52	4,343.14	46.20	417.57	218.33	9.65	<b>5,119.18</b>	-
On disposals	-	-	(580.55)	(2.84)	(78.25)	(77.30)	-	<b>(738.95)</b>	-
<b>Balance as at 31 March 2016 (accumulated depreciation)</b>	<b>3.76</b>	<b>80.52</b>	<b>3,762.59</b>	<b>43.36</b>	<b>339.33</b>	<b>141.03</b>	<b>9.65</b>	<b>4,380.24</b>	-
<b>Net carrying amount</b>	<b>201.71</b>	<b>384.18</b>	<b>31,238.29</b>	<b>205.55</b>	<b>2,052.25</b>	<b>535.88</b>	<b>64.77</b>	<b>34,682.64</b>	<b>23.69</b>
<b>Year ended 31 March 2017</b>									
<b>Gross carrying amount</b>									
Balance at 1 April 2016	205.47	464.71	35,000.88	248.91	2,391.58	676.91	74.42	<b>39,062.87</b>	23.69
Exchange differences	-	(26.29)	(357.08)	(1.68)	(261.55)	(5.64)	-	<b>(652.24)</b>	(0.02)
Additions	-	123.53	5,761.61	19.09	1,715.31	247.49	-	<b>7,867.03</b>	118.04
Disposals	-	-	(1,443.83)	(5.64)	(126.70)	(1.83)	-	<b>(1,578.01)</b>	(94.51)
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>205.47</b>	<b>561.95</b>	<b>38,961.57</b>	<b>260.67</b>	<b>3,718.64</b>	<b>916.93</b>	<b>74.42</b>	<b>44,699.65</b>	<b>47.20</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	3.76	80.52	3,762.59	43.36	339.33	141.03	9.65	<b>4,380.24</b>	-
Depreciation for the year	3.75	84.07	4,835.85	35.14	449.12	230.69	8.68	<b>5,647.31</b>	-
On disposals	-	-	(1,245.59)	(5.37)	(106.39)	(1.83)	-	<b>(1,359.18)</b>	-
Exchange differences	-	(3.05)	(100.26)	(0.39)	(72.14)	(1.41)	-	<b>(177.25)</b>	-
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>7.52</b>	<b>161.54</b>	<b>7,252.59</b>	<b>72.74</b>	<b>609.91</b>	<b>368.47</b>	<b>18.33</b>	<b>8,491.11</b>	-
<b>Net carrying amount</b>	<b>197.96</b>	<b>400.41</b>	<b>31,708.99</b>	<b>187.92</b>	<b>3,108.73</b>	<b>548.45</b>	<b>56.09</b>	<b>36,208.54</b>	<b>47.20</b>

## Property, plant and equipment\*

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2015 under the previous GAAP.

Description	Office Building	Store Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installation	Total	Capital work-in-progress
Gross Block	237.54	648.49	57,203.59	443.24	3,199.91	1,500.14	205.37	<b>63,438.28</b>	8.07
Accumulated Depreciation	(32.07)	(264.15)	(28,992.14)	(191.76)	(1,246.78)	(983.60)	(130.95)	<b>(31,841.46)</b>	-
<b>Net Block</b>	<b>205.47</b>	<b>384.34</b>	<b>28,211.45</b>	<b>251.47</b>	<b>1,953.13</b>	<b>516.54</b>	<b>74.42</b>	<b>31,596.82</b>	<b>8.07</b>

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 4 Investment properties (at cost)

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016	1 April 2015
<b>Cost or deemed cost (gross carrying amount)</b>			
Opening gross carrying amount / Deemed cost	82.13	82.13	82.13
Additions	-	-	-
<b>Balance as at 31 March (gross carrying amount)</b>	<b>82.13</b>	<b>82.13</b>	<b>82.13</b>
Opening accumulated depreciation	-	-	-
Depreciation charge	-	-	-
<b>Balance as at 31 March (accumulated depreciation)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>82.13</b>	<b>82.13</b>	<b>82.13</b>

### Fair value

	31 March 2017	31 March 2016	1 April 2015
Investment properties	1,319.94	1,219.85	1,107.45

### Measurement of fair values

- (i) Fair value hierarchy:  
The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.
- (ii) Valuation technique:  
Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is the preferred approach when sales data are available. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject property. Finally a market value for the subject property is estimated from the adjusted sales price of the comparable properties. Investment property comprises a number of vacant industrial land.





# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 5 Intangible assets

(Currency: Indian rupees in lakhs)

	Computer software	Intangible asset under development	Total
<b>Year ended 31 March 2016</b>			
<b>Cost or deemed cost (gross carrying amount)</b>			
Deemed cost as at 1 April 2015 *	49.11	-	<b>49.11</b>
Additions	173.63	-	<b>173.63</b>
Disposals	(0.57)	-	<b>(0.57)</b>
<b>Balance as at 31 March 2016 (gross carrying amount)</b>	<b>222.17</b>	-	<b>222.17</b>
<b>Accumulated depreciation</b>			
Amortisation for the year	47.83	-	<b>47.83</b>
On disposals	(0.54)	-	<b>(0.54)</b>
<b>Balance as at 31 March 2016 (accumulated depreciation)</b>	<b>47.29</b>	-	<b>47.29</b>
<b>Net carrying amount</b>	<b>174.88</b>	-	<b>174.88</b>
<b>Year ended 31 March 2017</b>			
<b>Gross carrying amount</b>			
Balance at 1 April 2016	222.17	-	<b>222.17</b>
Additions	181.74	538.52	<b>720.26</b>
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>403.91</b>	<b>538.52</b>	<b>942.43</b>
<b>Accumulated depreciation</b>			
Opening accumulated amortisation	47.29	-	<b>47.29</b>
Amortisation for the year	89.22	-	<b>89.22</b>
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>136.51</b>	-	<b>136.51</b>
<b>Net carrying amount</b>	<b>267.40</b>	<b>538.52</b>	<b>805.92</b>

### Intangible assets\*

The Company has availed the deemed cost exemption in relation to intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2015 under the previous GAAP.

Description	Computer software
Gross Block	191.85
Accumulated Depreciation	(142.74)
<b>Net Block</b>	<b>49.11</b>

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 6 Financial assets

#### (a) Non-current investments\*

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Investment in equity instruments at cost - unquoted</b>			
<u>In equity shares of subsidiary companies, fully paid up</u>			
- JMC Mining & Quarries Limited 500,000 (31 March 2016: 500,000; 1 April 2015: 500,000) equity shares of INR 10/- each fully paid up	50.00	50.00	50.00
- Brij Bhoomi Expressway Private Limited 22,757,050 (31 March 2016: 22,757,050; 1 April 2015: 22,757,050) equity shares of INR 10/- each fully paid up Out of above 11,606,070 (31 March 2016: 11,606,070; 1 April 2015: 11,606,070) shares are pledged in favour of bankers of this subsidiary.	2,275.71	2,275.71	2,275.71
- Wainganga Expressway Private Limited 30,000,000 (31 March 2016: 30,000,000; 1 April 2015: 30,000,000) equity shares of INR 10/- each fully paid up Out of above 15,300,000 (31 March 2016: 15,300,000; 1 April 2015: 15,300,000) shares are pledged in favour of bankers of this subsidiary.	3,030.81	3,030.81	3,030.81
- Vindhyaachal Expressway Private Limited 27,050,050 (31 March 2016: 27,050,000; 1 April 2015: 27,050,000) equity shares of INR 10/- each fully paid up Out of above 13,795,500 (31 March 2016: 13,795,500; 1 April 2015: 13,795,500) shares are pledged in favour of bankers of this subsidiary.	2,705.01	2,705.01	2,705.01
<u>Investments in Joint ventures - Trade Investments</u>			
- Kurukshetra Expressway Private Limited	9,826.62	9,826.62	9,826.62
<b>Total (equity instruments)</b>	<b>17,888.15</b>	<b>17,888.15</b>	<b>17,888.15</b>
<b>Total non-current investments</b>	<b>17,888.15</b>	<b>17,888.15</b>	<b>17,888.15</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	17,888.15	17,888.15	17,888.15
Aggregate amount of impairment in the value of investments	-	-	-

\* In accordance with Section 186 of the Act read with the Companies (Meeting of Board and its powers) Rules, 2014, the details of investments made by the Company as at the reporting dates are stated above. There have been no additions or deletions during the years ended 31 March 2016 and 31 March 2017.

#### (b) Trade receivables - Current

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Trade receivables</b>			
Debts outstanding over six months from due date of payment	9,947.36	9,454.52	7,247.99
Other debts includes retention money	60,326.98	61,991.13	50,564.71
Receivables from related parties	1,841.69	1,072.34	518.23
Less: allowance for bad and doubtful debts	(2,824.00)	(1,024.00)	-
<b>Total receivables</b>	<b>69,292.03</b>	<b>71,493.99</b>	<b>58,330.93</b>
<b>Non Current</b>	<b>3,528.88</b>	<b>4,614.44</b>	<b>4,179.34</b>
<b>Current</b>	<b>65,763.15</b>	<b>66,879.55</b>	<b>54,151.59</b>



# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 6 Financial assets (Continued)

### (b) Trade receivables - Current (Continued)

#### Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Secured, considered good	-	-	-
Unsecured, considered good	72,116.03	72,517.99	58,330.93
Doubtful	-	-	-
<b>Total</b>	<b>72,116.03</b>	<b>72,517.99</b>	<b>58,330.93</b>
Allowance for bad and doubtful debts	(2,824.00)	(1,024.00)	-
<b>Total trade receivables</b>	<b>69,292.03</b>	<b>71,493.99</b>	<b>58,330.93</b>

For terms and conditions of receivables owing from related parties, refer note 32 of standalone Ind AS financial statements.

For receivables secured against borrowings, refer note 12(b) & 36 of standalone Ind AS financial statements.

The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 36 of standalone Ind AS financial statements.

### (c) Loans

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>						
To related parties:						
Loans to subsidiaries	22,418.90	-	15,952.70	-	9,056.61	-
<b>Total</b>	<b>22,418.90</b>	<b>-</b>	<b>15,952.70</b>	<b>-</b>	<b>9,056.61</b>	<b>-</b>

### (d) Cash and cash equivalents

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
- in current accounts	1,970.98	3,118.52	5,587.46
- in demand deposits (with less than 3 months of remaining maturity)	-	115.30	226.64
Deposits as margin money against borrowings and commitments	541.80	136.98	127.70
Cash on hand*	80.10	75.21	53.15
<b>Total cash and cash equivalents</b>	<b>2,592.88</b>	<b>3,446.01</b>	<b>5,994.95</b>

\*For SBN disclosure refer note 39 of standalone Ind AS financial statements.

### (e) Other financial assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Derivative Asset (refer note 36 (a) (i))	-	-	377.00	-	406.00	305.00
Accrued Income	6.96	-	9.95	-	90.33	-
Security deposits	808.52	1,142.26	1,070.59	815.76	1,295.67	889.62
Advance to subsidiaries against equity	23,705.29	-	23,079.29	-	21,167.29	-
<b>Total other financial assets</b>	<b>24,520.77</b>	<b>1,142.26</b>	<b>24,536.83</b>	<b>815.76</b>	<b>22,959.29</b>	<b>1,194.62</b>

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 7 Deferred tax assets

The balance comprises temporary differences attributable to:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Property, plant & equipment	131.40	119.50	697.09
Defined benefit obligations	11.16	-	-
Provisions	914.70	1,647.40	1,033.49
Provisions-43B	183.84	63.68	33.99
	1,241.10	1,830.58	1,764.57
Other items			
Trade receivables - loss allowance	1,186.47	874.25	228.41
Site expenses	1,476.08	1,194.05	1,330.37
Others	(278.31)	587.46	(191.14)
	2,384.24	2,655.76	1,367.64
<b>Total deferred tax assets</b>	<b>3,625.34</b>	<b>4,486.34</b>	<b>3,132.21</b>

#### Movement in deferred tax assets

(Currency: Indian rupees in lakhs)

Particulars	Property, plant & equipment	Defined benefit obligations	Provisions	Provisions-43B	Trade receivables - loss allowance	Site expenses	Others	Total
<b>At 1 April 2015</b>	697.09	-	1,033.49	33.99	228.41	1,330.37	(191.14)	<b>3,132.21</b>
(Charged) / credited:								
- to profit or loss	(577.59)	-	613.92	29.69	645.84	(136.32)	778.61	<b>1,354.13</b>
<b>At 31 March 2016</b>	<b>119.50</b>	<b>-</b>	<b>1,647.40</b>	<b>63.68</b>	<b>874.25</b>	<b>1,194.05</b>	<b>587.47</b>	<b>4,486.34</b>
(Charged)/credited:								
- to profit or loss	11.90	-	(732.70)	120.16	312.22	282.04	(863.21)	<b>(869.59)</b>
- to other comprehensive income	-	11.16	-	-	-	-	-	<b>11.16</b>
- Deferred tax on basis adjustment	-	-	-	-	-	-	(2.57)	<b>(2.57)</b>
<b>At 31 March 2017</b>	<b>131.40</b>	<b>11.16</b>	<b>914.70</b>	<b>183.84</b>	<b>1,186.47</b>	<b>1,476.08</b>	<b>(278.31)</b>	<b>3,625.34</b>

### 8. Other non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital advances	462.00	126.51	370.01
Advances to suppliers	809.88	541.53	262.58
Advance VAT (net of payable)	4,171.86	4,163.58	3,295.86
Prepaid expenses	233.37	11.00	36.00
<b>Total other non-current assets</b>	<b>5,677.11</b>	<b>4,842.62</b>	<b>3,964.45</b>



# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 9 Inventories

(at lower of cost or net realisable value)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Construction material	13,878.22	12,163.41	10,371.32
Spares, tools and stores	4,067.94	3,694.49	3,862.96
<b>Total inventories</b>	<b>17,946.16</b>	<b>15,857.90</b>	<b>14,234.28</b>

## 10 Other current assets

(unsecured and considered good)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Prepaid expenses	516.25	599.17	1,151.61
Advance income tax (net of provision)	2,297.45	6,362.98	6,870.53
Advance VAT / Entry tax (net of payable)	9,368.82	7,809.24	6,378.58
Cenvat credit receivable	430.54	785.45	2,269.69
Excise duty drawback	111.28	181.56	185.79
Advance to creditors	15,091.57	13,844.12	11,090.99
Amount due from customers on long term contract (Net)	3,084.07	1,548.89	7,588.85
Receivables for sale of Property, plan and equipments	23.21	0.75	5.81
Accrued value of work done	50,061.38	44,614.02	39,531.52
Advances to employees	88.64	82.32	110.29
Others	24.27	594.00	580.00
<b>Total other current assets</b>	<b>81,097.48</b>	<b>76,422.50</b>	<b>75,763.66</b>

## 11 Equity share capital and other equity

### (A) Equity share capital

Authorised equity share capital

(Currency: Indian rupees in lakhs)

Particulars	Number of shares (in lakh)	Amount
<b>As at 1 April 2015</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2016</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2017</b>	<b>350.00</b>	<b>3,500.00</b>

### (i) Movements in equity share capital

(Currency: Indian rupees in lakhs)

Particulars	Number of shares (in lakhs)	Equity share capital (par value)
<b>As at 1 April 2015</b>	<b>261.18</b>	<b>2611.83</b>
Rights issue	74.63	746.27
<b>As at 31 March 2016</b>	<b>335.81</b>	<b>3,358.10</b>
Rights issue	-	-
<b>As at 31 March 2017</b>	<b>335.81</b>	<b>3,358.10</b>

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 11 Equity share capital and other equity (Continued)

#### Terms and rights attached to equity shares :

The Company has only one class of equity shares having par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

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 liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (ii) Shares of the company held by holding company

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Kalpataru Power Transmission Limited	2,256.29	2,256.29	1,754.89

#### (iii) Details of shareholders holding more than 5% shares in the company

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
<b>Equity shares of INR 10/- each fully paid</b>						
Kalpataru Power Transmission Limited, the Holding Company	225.63	67.19%	225.63	67.19%	175.49	67.19%

#### (iv) Aggregate number of shares issued for consideration other than cash

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
	Number of shares	Number of shares	Number of shares
	(in lakhs)	(in lakhs)	(in lakhs)
Aggregate number of shares issued for consideration other than cash	-	-	-

#### (b) Reserves and surplus

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Securities premium reserve	35,332.22	35,332.22	21,209.18
Debenture redemption reserve	-	-	356.25
Share options outstanding account	-	-	32.04
Retained earnings	25,930.57	20,642.94	16,814.34
General reserves	4,640.38	4,415.38	3,815.38
<b>Total reserves and surplus</b>	<b>65,903.17</b>	<b>60,390.54</b>	<b>42,227.19</b>



# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 11 Equity share capital and other equity (Continued)

### (i) Securities premium reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	35,332.22	21,209.18
Rights issue	-	14,253.73
Transaction costs arising on share issues	-	(130.69)
<b>Closing balance</b>	<b>35,332.22</b>	<b>35,332.22</b>

### (ii) Debenture redemption reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	-	356.25
Transfer from surplus of profit	-	18.75
Appropriations during the year	-	(375.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### (iii) Share options outstanding account

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	-	32.04
Employee stock option expense	-	(32.04)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### (iv) Retained earnings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	20,642.94	16,814.34
Net profit for the period	5,937.87	4,337.26
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(21.07)	51.60
Effect of derecognition of Joint ventures	-	(2.16)
Transfer to general reserve	(225.00)	(225.00)
Transfer to debenture redemption reserve	-	(18.75)
Dividends paid (including tax thereon)	(404.17)	(314.35)
<b>Closing balance</b>	<b>25,930.57</b>	<b>20,642.94</b>

### (v) General reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	4,415.38	3,815.38
Transfer from surplus of profit	225.00	225.00
Transfer from Debenture Redemption Reserve	-	375.00
<b>Closing balance</b>	<b>4,640.38</b>	<b>4,415.38</b>

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 11 Equity share capital and other equity (Continued)

#### (c) Other reserves

(Currency: Indian rupees in lakhs)

Particulars	Foreign currency translation reserve	Other Reserves	Total other reserves
<b>As at 1 April 2015</b>	16.00	85.49	<b>101.49</b>
Other currency translation differences	(67.00)	-	<b>(67.00)</b>
<b>As at 31 March 2016</b>	<b>(51.00)</b>	<b>85.49</b>	<b>34.49</b>
Other currency translation differences	(322.45)	-	(322.45)
<b>As at 31 March 2017</b>	<b>(373.45)</b>	<b>85.49</b>	<b>(287.96)</b>

#### Nature and purpose of other reserves

##### (i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

##### (ii) Debenture redemption reserve

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

##### (iii) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

##### (iv) General reserve

General reserve created out of surplus of profit and loss and transfer from Debenture Redemption Reserve.

##### (v) Foreign currency translation reserve

Exchange differences arising on translation of the integrated foreign operations are recognised in foreign currency translation reserve.

##### (vi) Other Reserves

Other reserves created on Guarantee commission charged on bank Guarantee provide by the holding Company on behalf of the Company.





# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 12 Financial liabilities

### (a) Non-current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2017	31 March 2016	1 April 2015
<b>Secured</b>						
<b>Debentures</b>						
150, 9.5% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each.	15-Jul-15	NCDs are repaid in full	9.50%	-	-	1,529.67
<b>Term loans From banks</b>						
Rupee loan						
- from banks		Please refer note 12(a) 1		4,301.90	8,719.40	10,273.41
- from NBFC		Please refer note 12(a) 2		14,456.65	17,556.95	11,523.68
Foreign currency loan (USD)	25-Oct-16	Quarterly instalments of US \$ 769,230.77 each	LIBOR + spread	-	1,543.70	3,350.92
<b>Vehicle loans</b>						
		Please refer note 12(a) 3	9.40% to 10.75%	212.48	203.74	129.02
				18,971.03	28,023.79	26,806.70
<b>Unsecured</b>						
<b>Term loans</b>						
Rupee loan						
- from banks	30-Sep-21	Quarterly unequal instalments. Borrower has a right to prepay the facility anytime and lender has a right to recall the facility, after 5 years from the first drawdown date after 15 days notice.	Varying interest rate linked to base rate of Bank from time to time.	10,753.50	12,002.00	12,776.00
- from others	31-Mar-16	Repayable on maturity. All the deposits have been repaid on 31 March 2017	9% to 12%	-	-	1,108.85
				10,753.50	12,002.00	13,884.85
<b>Total non-current borrowings</b>				<b>29,724.53</b>	<b>40,025.79</b>	<b>40,691.55</b>
Less: Current maturities of long-term debt (included in note 12(c))				6,590.50	11,790.10	8,890.06
Less: Interest accrued (included in note 12(c))				6.44	47.06	209.31
<b>Total non-current borrowings (as per balance sheet)</b>				<b>23,127.59</b>	<b>28,188.63</b>	<b>31,592.18</b>

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 12 Financial liabilities (Continued)

#### (a) Non-current borrowings (Continued)

##### 1 Rupee loans from banks

- (i) Term loan from a consortium bank amounting to INR 468.85 lakhs (31 March 2016: INR 1,093.75 lakhs ; 1 April 2015: INR 1,717.56 lakhs) is secured by first and exclusive charge over the Property, plan and equipments financed by them. Term loan is repayable in equal quarterly instalments of INR 156.25 lakhs each with 29 December 2017 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (ii) Term loan from a bank amounting to INR Nil (31 March 2016: INR 2,843.75 lakhs ; 1 April 2015: INR 4,468.75 lakhs). Term loan is repayable in balance equal quarterly instalments of INR 406.25 lakhs each with 29 December 2017 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (iii) Term loan from a bank amounting to INR 2,910.83 lakhs (31 March 2016: INR 3,900.00 lakhs ; 1 April 2015: INR 4,000.00 lakhs) is secured exclusively by first charge on movable Property, plan and equipments funded out of the said facility. Term loan is repayable unequal quarterly instalments with 30 September 2021 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (iv) Term loan from a bank amounting to INR 643.52 lakhs (31 March 2016: INR 850.00 lakhs ; 1 April 2015: INR Nil) is secured exclusively by first charge on movable Property, plan and equipments funded out of the said facility. Term loan is repayable in equal quarterly instalments of INR 70.83 lakhs with 10 January 2019 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (v) Term loan from a bank amounting to INR 278.70 lakhs (31 March 2016: INR Nil ; 1 April 2015: INR Nil) is secured exclusively by first charge on movable Property, plan and equipments funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in May 2021 with varying interest rate linked to base rate of bank from time to time.

##### 2 Rupee loans from NBFC

- (i) Term loan from NBFC amounting to INR 2,500 lakhs (31 March 2016: INR 8,750.00 lakhs ; 1 April 2015: INR 10,000 lakhs) is secured by subservient charge over the entire movable tangible assets of the company and further guaranteed by the Holding Company. Term loan is repayable in equal quarterly instalments of INR 1,250 lakhs with 14 December 2017 as maturity date with interest payable monthly at varying interest rate linked to base rate of bank from time to time and further there is a Put Option at the end of 12 months from the date of first disbursement and every year thereafter.
- (ii) Term loan from NBFC amounting to INR 6,930 lakhs (31 March 2016: INR 7,750.00 lakhs ; 1 April 2015: INR Nil) is secured by first pari passu charge on entire movable Property, plan and equipments excluding assets charged exclusively to the Term Lenders in 12 (a) 1 (i), 12 (a) 1 (iii), 12 (a) 1 (iv), 12 (a) (v), 12 (a) 2 (i) and in pari passu with a lender in 12 (a) 1 (ii). Term loan is repayable in 18 unequal quarterly instalments to be paid at the end of each financial quarter, commencing from 29 September 2016 with 21 December 2020 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of bank from time to time.
- (iii) Term loan from NBFC amounting to INR 3,500 lakhs (31 March 2016: INR Nil ; 1 April 2015: INR Nil) is secured by first pari passu charge on entire movable Property, plan and equipments excluding assets charged exclusively to the Term Lenders in 12 (a) 1 (i), 12 (a) 1 (iii), 12 (a) 1 (iv), 12 (a) (v), 12 (a) 2 (i) and in pari passu with a lender in 12 (a) 1 (ii). Term loan is repayable in 16 equal quarterly instalments, commencing from June 2018 and ending in March 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of bank from time to time.
- (iv) Term loan from NBFC amounting to INR 627.26 lakhs (31 March 2016: INR 1,056.95 lakhs ; 1 April 2015: INR 1,523.68 lakhs) is secured by first and exclusive charge by way of hypothecation for equipments financed by them. Term loans is repayable in 36 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.



# Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

## 12 Financial liabilities (Continued)

### (a) Non-current borrowings (Continued)

- (v) Term loan from NBFC amounting to INR 899.39 lakhs (31 March 2016: INR Nil ; 1 April 2015: INR Nil) is secured by first and exclusive charge by way of hypothecation for equipments financed by them. Term loans is repayable in 16 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

### 3 Vehicle loans

Loans of INR 212.48 lakhs (31 March 2016: INR 203.74 lakhs ; 1 April 2015: INR 129.02 lakhs) are secured by way of charge on specific equipments and vehicles financed by them on different loans. Vehicle Loans is repayable in 60 monthly instalments beginning from the month subsequent to disbursement.

### (b) Current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2017	31 March 2016	1 April 2015
<b>Loans repayable on demand</b>						
<b>Secured</b>						
From banks*	Roll over facility	Roll over working capital facility renewed annually	MCLR + Margin	<u>34,006.29</u>	<u>33,754.35</u>	<u>28,124.80</u>
<b>Unsecured</b>						
Commercial Paper				-	-	5,000.00
Fixed Deposits from Public				-	-	73.94
Total current borrowings				<u>34,006.29</u>	<u>33,754.35</u>	<u>33,198.74</u>
Less: Interest accrued (included in note 12(c))				<u>98.10</u>	<u>134.50</u>	<u>77.34</u>
<b>Total current borrowings (as per balance sheet)</b>				<b><u>33,908.19</u></b>	<b><u>33,619.85</u></b>	<b><u>33,121.40</u></b>

\* Working Capital Loans are secured in favour of consortium bankers, by way of :

- First charge against hypothecation of stocks, work in progress, stores and spares, bills receivables, book debts and other current assets.
- Second charge on all movable Property, plan and equipments of the Company.
- First charge on the office premises of the Company.

## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 12 Financial liabilities (Continued)

#### (c) Other financial liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Non-current</b>			
Trade payables	11,780.95	13,868.33	10,146.24
Security deposit accepted	1,543.94	-	-
<b>Total other non-current financial liabilities</b>	<b>13,324.89</b>	<b>13,868.33</b>	<b>10,146.24</b>
<b>Current</b>			
9.5% Secured redeemable non - convertible debentures	-	-	1,500.00
Term loans from banks & NBFCs (refer note 12 (a) 1 & 12 (a) 2)	6,521.91	11,730.54	6,354.12
Loan against vehicles / equipments (refer note 12 (a) 3)	68.59	59.56	39.46
Fixed deposits from public	-	-	996.48
Interest accrued but not due on borrowings	104.54	478.81	583.65
Unclaimed dividend	7.76	8.70	9.09
Unclaimed matured fixed deposits and interest thereon	1.83	1.86	24.70
Unclaimed share application money	-	0.13	0.13
Security deposits	39.86	40.24	43.30
Payables for capital goods	2,410.42	733.36	1,845.88
Payable to employees	2,565.92	2,236.78	2,087.25
<b>Total other current financial liabilities</b>	<b>11,720.83</b>	<b>15,289.98</b>	<b>13,484.06</b>

#### (d) Trade payables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Current</b>			
Trade payables (other than Micro and Small Enterprises)	71,375.47	62,603.62	50,128.85
Acceptance	2,814.17	4,929.96	8,347.44
Due to others - Micro and Small Enterprises (refer note 34)	200.97	108.71	42.51
<b>Total trade payables</b>	<b>74,390.61</b>	<b>67,642.29</b>	<b>58,518.80</b>

### 13 Provisions

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Defect liability period expenses	162.55	2,283.17	2,445.72	162.55	1,259.26	1,421.81	127.09	1,063.47	1,190.56
Provision for onerous contracts	955.26	-	955.26	-	1,735.00	1,735.00	-	3,495.00	3,495.00
<b>Total</b>	<b>1,117.81</b>	<b>2,283.17</b>	<b>3,400.98</b>	<b>162.55</b>	<b>2,994.26</b>	<b>3,156.81</b>	<b>127.09</b>	<b>4,558.47</b>	<b>4,685.56</b>



## Notes to the standalone Ind AS financial statements (Continued)

as at 31 March 2017

### 14 Employee benefit obligations

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Provision for Gratuity (refer note 31)	79.53	894.19	973.72	-	689.83	689.83	-	524.09	524.09
Leave obligations (refer note 31)	147.06	466.42	613.48	43.38	331.80	375.18	37.47	293.37	330.84
<b>Total employee benefit obligations</b>	<b>226.59</b>	<b>1,360.61</b>	<b>1,587.20</b>	<b>43.38</b>	<b>1,021.63</b>	<b>1,065.01</b>	<b>37.47</b>	<b>817.46</b>	<b>854.93</b>

### 15 Other current liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Advance from Clients	16,087.98	35,437.09	51,525.07	22,543.84	18,975.28	41,519.12	21,769.71	22,877.23	44,646.94
Deferred guarantee commission	4.08	17.13	21.21	4.00	21.00	25.00	4.00	25.00	29.00
Other Statutory Liabilities	1,372.77	-	1,372.77	2,556.69	-	2,556.69	2,244.75	-	2,244.75
<b>Total</b>	<b>17,464.83</b>	<b>35,454.22</b>	<b>52,919.05</b>	<b>25,104.53</b>	<b>18,996.28</b>	<b>44,100.81</b>	<b>24,018.46</b>	<b>22,902.23</b>	<b>46,920.69</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 16 Revenue from operations

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
<b>Service income</b>		
Contract revenue	2,27,873.30	2,38,103.13
Accrued value of work done (uncertified bills)	4,968.68	1,967.75
<b>Total revenue from continuing operations</b>	<b>2,32,841.98</b>	<b>2,40,070.88</b>

### 17 Other income

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Interest income		
- from fixed deposits	222.92	132.66
- from others	810.60	274.97
Guarantee commission	4.17	4.00
Net gain on sale of Property, plant and equipments	203.81	139.06
Rent income	136.52	219.83
Liabilities written back	51.28	57.23
<b>Total other income</b>	<b>1,429.30</b>	<b>827.75</b>

### 18 Cost of materials consumed

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Raw materials at the beginning of the year	12,087.48	10,371.32
Add: Purchases	86,856.52	88,545.81
Less: Scrap sales	(631.93)	(876.43)
Less: Raw material at the end of the year	(13,877.17)	(12,163.41)
<b>Total cost of materials consumed</b>	<b>84,434.90</b>	<b>85,877.29</b>

### 19 Employee benefit expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Salaries, wages and bonus	20,743.96	19,948.79
Contribution to provident fund	1,446.64	1,311.15
Employee share option scheme expenses	-	(32.03)
Staff welfare expenses	1,383.62	1,328.32
<b>Total employee benefit expense</b>	<b>23,574.22</b>	<b>22,556.23</b>

### 20 Depreciation and amortisation expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Depreciation of property, plant and equipment (refer note 3)	5,647.31	5,119.18
Amortisation of intangible assets (refer note 5)	89.22	47.83
<b>Total depreciation and amortisation expense</b>	<b>5,736.53</b>	<b>5,167.01</b>



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 21 (a) Construction expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Work charges	44,109.32	47,851.21
Composite work charges	23,501.36	30,749.79
Consumption of spares, tools & stores	1,722.68	1,662.15
Machinery - running and maintenance expenses	4,813.00	4,373.29
Electricity charges	1,640.58	2,057.51
Rent and hire charges	4,604.01	4,640.65
Security expenses	1,367.98	1,477.76
Site expenses	7,472.70	5,278.15
Defect liability period expenses	(14.21)	572.14
<b>Total construction expenses</b>	<b>89,217.42</b>	<b>98,662.65</b>

## 21 (b) Other expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Building and general repairs	97.67	80.47
Vehicle maintenance charges	291.44	287.66
Travelling expenses	990.91	836.79
Conveyance expenses	79.15	91.16
Insurance charges	704.56	601.35
Printing and stationery expenses	252.03	248.13
Office rent	637.78	611.36
Office expenses	289.29	167.65
Postage and telephone charges	248.58	225.57
Professional and legal charges	1,211.28	1,124.66
Auditor's remuneration (refer note 21 (b) (i) below)	63.52	42.25
Rates and taxes	7,621.02	6,203.90
Advertisement expenses	12.20	13.23
Computer and IT expenses	333.97	251.03
Sundry expenses (refer note 21 (b) (ii) below)	347.48	549.78
Bank commission and charges	967.61	939.71
Training expenses	27.75	18.87
Loss on assets lost	6.65	18.41
Exchange rate variation expense	(1,695.30)	(1,778.27)
Sitting fees and commission to non-executive directors	64.75	63.25
Provision for expected credit loss	1,800.00	1,024.00
Contribution to Electoral Trust Company	150.00	-
<b>Total other expenses</b>	<b>14,502.34</b>	<b>11,620.96</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 21 (b) Other expenses (continued)

#### (i) Details of payments to auditor's

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016*
<b>Payment to auditors as auditor</b>		
Audit fee	45.11	30.92
<b>In other capacities</b>		
Company law matters	-	2.29
Certification fees	12.61	-
Re-imbursment of expenses	1.72	-
Other services	4.08	9.04
<b>Total payments to auditor's</b>	<b>63.52</b>	<b>42.25</b>

\*Paid to erstwhile statutory auditor's.

#### (ii) Corporate social responsibility expenditure

Sundry expenses includes sum of INR 25.79 lakhs (31 March 2016: INR NIL ) spend under Corporate Social Responsibility.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
A. Gross amount required to be spent by the Company	33.21	42.83
B. Amount spent during the year on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	25.79	-
C. Related party transactions in relation to Corporate Social Responsibility	-	-

### 22 Finance costs

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Interest and finance charges on financial liabilities not at fair value through profit or loss	7,970.52	9,400.47
Other borrowing costs	453.48	940.11
Exchange differences regarded as an adjustment to borrowing costs	(104.30)	90.91
Interest on unwinding of discount	105.96	77.75
	8,425.66	10,509.24
Less: Amount capitalised	-	-
<b>Total finance costs expensed in profit or loss</b>	<b>8,425.66</b>	<b>10,509.24</b>





# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 23 Income tax expense

### (a) Amounts recognised in profit and loss

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
<b>Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	1,572.75	3,522.13
<b>Total current tax expense</b>	<b>1,572.75</b>	<b>3,522.13</b>
<b>Deferred tax</b>		
Decrease / (increase) in deferred tax assets	869.59	(1,354.13)
(Decrease) / increase in deferred tax liabilities	-	-
<b>Total deferred tax expense / (benefit)</b>	<b>869.59</b>	<b>(1,354.13)</b>
<b>Total income tax expense</b>	<b>2,442.34</b>	<b>2,168.00</b>
Income tax expense is attributable to:		
Profit from continuing operations	2,442.34	2,168.00
Profit from discontinued operation	-	-
<b>Total income tax expense</b>	<b>2,442.34</b>	<b>2,168.00</b>

### (b) Amounts recognised in other comprehensive income

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability (asset)	(32.23)	11.16	(21.07)	78.91	(27.31)	51.60
	<b>(32.23)</b>	<b>11.16</b>	<b>(21.07)</b>	<b>78.91</b>	<b>(27.31)</b>	<b>51.60</b>

### (c) Reconciliation of effective tax rate

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	%	Amt	%	Amt
Profit before tax	-	8,380.21	-	6,505.26
Tax using the Company's domestic tax rate Effect of :	34.61	2,900.39	34.61	2,251.47
Share of profit/loss on investment in joint ventures	(0.68)	(57.36)	(0.03)	(2.19)
Non deductible Expenses	(2.29)	(192.11)	-	-
Tax incentives	(2.62)	(219.74)	(0.95)	(61.87)
Derecognition of investment in joint ventures	-	-	0.12	7.90
Tax on remeasurement of defined benefit plan	0.13	11.16	(0.42)	(27.31)
<b>Effective tax rate</b>	<b>29.15</b>	<b>2,442.34</b>	<b>33.33</b>	<b>2,168.00</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 23 Income tax expense (Continued)

#### (d) Movement in deferred tax balances

(Currency: Indian rupees in lakhs)

Particulars	Net balance 1 April 2016	Recognised in profit or loss	31 March 2017		Net	Deferred tax asset	Deferred tax liability
			Recognised in OCI	Other			
Depreciation	67.68	(5.04)	-	-	62.64	62.64	-
Indexation benefit on land	6.00	1.00	-	-	7.00	7.00	-
Provision for onerous contract as per ICDS 1	179.21	(270.30)	-	-	(91.09)	-	(91.09)
Provision for defect liability period	333.68	(704.08)	-	-	(370.40)	-	(370.40)
Provisions for section 40(a)ia and section 43B of Income-tax Act, 1961	1,711.09	(612.54)	-	-	1,098.55	1,098.55	-
Leasehold improvements	45.82	15.94	-	-	61.76	61.76	-
Corporate guarantee given	16.54	8.65	-	-	25.19	25.19	-
Defined benefit obligations	-	(11.16)	11.16	-	-	-	-
Derivative	(0.18)	0.35	-	-	0.17	0.17	-
Trade receivables	874.25	312.22	-	-	1,186.47	1,186.47	-
Site expenses	1,194.05	282.04	-	-	1,476.08	1,476.08	-
Other items	58.20	113.33	-	(2.56)	168.97	168.97	-
<b>Tax Assets (Liabilities)</b>	<b>4,486.34</b>	<b>(869.59)</b>	<b>11.16</b>	<b>(2.56)</b>	<b>3,625.34</b>	<b>4,086.83</b>	<b>(461.49)</b>
Set off tax	-	-	-	-	-	-	-
<b>Net tax assets</b>	<b>4,486.34</b>	<b>(869.59)</b>	<b>11.16</b>	<b>(2.56)</b>	<b>3,625.34</b>	<b>4,086.83</b>	<b>(461.49)</b>

Particulars	Net balance 1 April 2015	Recognised in profit or loss	31 March 2016		Net	Deferred tax asset	Deferred tax liability
			Recognised in OCI	Other			
Depreciation	661.50	(593.82)	-	-	67.68	67.68	-
Indexation benefit on land	5.00	1.00	-	-	6.00	6.00	-
Provision for onerous contract as per ICDS 1	1,009.50	(830.29)	-	-	179.21	179.21	-
Provision for defect liability period	(891.21)	1,224.89	-	-	333.68	333.68	-
Provisions for section 40(a)ia and section 43B of Income-tax Act, 1961	1,067.48	643.61	-	-	1,711.09	1,711.09	-
Leasehold improvements	30.59	15.23	-	-	45.82	45.82	-
Corporate guarantee given	4.08	12.46	-	-	16.54	16.54	-
Derivative	(9.52)	9.34	-	-	(0.18)	-	(0.18)
Trade receivables	228.41	645.84	-	-	874.25	874.25	-
Site expenses	1,330.37	(136.32)	-	-	1,194.05	1,194.05	-
Other items	(303.99)	362.20	-	-	58.20	58.20	-
<b>Tax assets (Liabilities)</b>	<b>3,132.21</b>	<b>1,354.13</b>	<b>-</b>	<b>-</b>	<b>4,486.34</b>	<b>4,486.512</b>	<b>(0.18)</b>
Set off tax	-	-	-	-	-	-	-
<b>Net tax assets</b>	<b>3,132.21</b>	<b>1,354.13</b>	<b>-</b>	<b>-</b>	<b>4,486.34</b>	<b>4,486.52</b>	<b>(0.18)</b>



## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 24 Contingent liabilities in respect of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
A. Bank Guarantees	6.50	6.50	6.50
B. Guarantees given in respect of performance of contracts of joint ventures entities in which company is one of the member / holder of substantial equity	17,146.92	20,579.95	17,671.21
C. Guarantee given in favour of a subsidiary for loan obtained by them	3,655.00	2,185.00	2,250.00
D. Bill discounted with banks	-	5,079.25	5,132.19
E. Claims against the Company not acknowledged as debts	1,509.05	772.40	263.02
F. Show Cause Notice Issued by service tax authorities	8,062.15	6,761.59	5,406.00
G. Trichy madurai road project royalty matter	39.87	39.87	39.87
H. Disputed Income tax demand in appeal before appellate authorities	899.72	865.80	7,610.29
I. Disputed Income tax demand of joint ventures in appeal before appellate authorities	143.90	8.77	8.77
J. Disputed VAT demand in appeal before appellate authorities	3,556.84	4,076.51	4,428.61

25 The management is of the opinion that as on the balance sheet date, there are no indications of a material impairment loss on Property, plant and equipment, hence the need to provide for impairment loss does not arise.

### 26 Capital and other commitments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	717.53	258.94	3,499.00

27 In the management opinion, the assets other than Property, plant and equipments and non-current investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these standalone Ind AS financial statements.

### 28 Lease transactions

The Company's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipments (operating lease). Lease agreements in respect of residential / office premises and certain equipments are cancelable and renewable by mutual consent on mutually agreed terms. Certain equipments were on non-cancellable operating lease upto July 14, 2015. The aggregate lease rental / hire charges payable on these premises / equipments are charged as rent & hire charges amounting to INR. 2113.78 lakhs (31 March 2016: INR 2,220.37 lakhs; 1 April 2015: INR 2,788.87 lakhs).

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 29 The disclosure in respect of Provisions is as under :

(Currency: Indian rupees in lakhs)

Particulars	Defect liability period	Onerous contracts
<b>Balance at 1 April 2015</b>	1,190.06	3,495.00
Additions during the year	300.86	-
Utilisation during the year	(69.06)	-
Reversal (withdrawn as no longer required)	-	(1,760.00)
<b>As at 31 March 2016</b>	<b>1,421.86</b>	<b>1,735.00</b>
Additions during the year	1,783.32	-
Utilisation during the year	(178.23)	-
Reversal (withdrawn as no longer required)	(581.23)	(779.74)
<b>As at 31 March 2017</b>	<b>2,445.72</b>	<b>955.26</b>
Non- current	2,283.17	-
Current	162.55	955.26

**Provision for defect liability period** - The Company has made provision for defect liability period based on the defect liability period mentioned in contracts. The provision is based on the estimates made from historical data associated with similar project. The Company expects to incur the related expenditure over the defect liability period

**Provision for onerous contracts** - The Company has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 11 the Company has to provide for these losses. The provision is based on the estimate made by the management

### 30 Earning Per Share (EPS)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
i) Net Profit after tax as per Standalone Statement of profit and loss attributable to equity shareholders (INR In lakhs)	5,937.87	4,337.26
ii) Weighted average number of equity shares used as denominator for calculating EPS [Re-stated pursuant to right issue] (Nos.)	3,35,81,034	2,71,17,451
iii) Basic and diluted earnings per share [Re-stated pursuant to Right Issue] (in INR)	17.68	16.00
iv) Face value per equity share (in INR)	10.00	10.00



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 31 Retirement Benefits

### a. Defined Contribution Plan

The Company makes contribution towards provident fund and superannuation fund which are defined contribution retirement plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner and the superannuation fund is administered by the LIC. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Company recognised INR 841.02 lakhs (31 March 2016: INR 841.06 lakhs ; 1 April 2015: INR 763.93 lakhs) for Provident Fund contributions and INR 60.90 lakhs (31 March 2016: INR 70.61 lakhs ; 1 April 2015: INR 84.04 lakhs) for Superannuation contributions in the Statement of Profit & Loss. The contribution payable to these plans by the Company are at rates specified in the rules.

### b. Defined Benefit Plan

The scheme provides for lump sum payment to vested employees at retirement, upon death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the Company's consolidated Ind AS financial statements as at 31 March 2017

#### Disclosure

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>i Change in benefit obligations:</b>			
Projected benefit obligation at the beginning of the year	916.53	839.45	761.42
Service Cost	219.81	215.43	182.80
Interest Cost	71.68	66.65	70.89
<u>Actuarial (Gain) / Loss</u>			
- changes in demographic assumptions	58.13	-	-
- changes in financial assumptions	53.66	(12.80)	-
- experience adjustments	(102.79)	(81.28)	(67.52)
Benefits Paid	(111.25)	(110.93)	(108.14)
<b>Projected benefit obligation at the end of the year</b>	<b>1,105.77</b>	<b>916.53</b>	<b>839.45</b>
<b>ii Change in plan assets:</b>			
Fair value of plan assets at the beginning of the year	226.69	315.36	393.14
Expected return on plan assets	22.07	25.04	34.20
Employer's contribution	17.76	12.39	14.03
Benefit paid	(111.25)	(110.93)	(108.14)
Actuarial gain / (loss)	(23.23)	(15.16)	(17.86)
<b>Fair value of plan assets at the end of the year</b>	<b>132.05</b>	<b>226.69</b>	<b>315.36</b>
<b>iii Net gratuity cost for the year ended</b>			
Service cost	219.81	215.43	182.80
Interest of defined benefit obligation	71.68	66.65	70.89
Expected return on plan assets	(22.07)	(25.04)	(34.20)
Net actuarial gain recognised in the year	32.23	(78.91)	(49.66)
<b>Net gratuity cost</b>	<b>301.65</b>	<b>178.13</b>	<b>169.83</b>
<b>Actual return on plan assets</b>	<b>(1.16)</b>	<b>9.88</b>	<b>16.34</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 31 Retirement Benefits (Continued)

#### b. Defined Benefit Plan (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>iv Amount recognised in the Balance Sheet:</b>			
Liability at the end of the year	1,105.77	916.53	839.45
Fair Value of Plan Assets at the end of the year	132.05	226.69	315.36
Amount recognised in standalone balance sheet	973.72	689.83	524.09
<b>v Assumptions used in accounting for the gratuity plan:</b>			
Discount rate	6.90%	8.07%	7.94%
Salary escalation rate	6.00%	6.00%	6.00%
Expected rate of return on plan assets	6.90%	8.07%	7.94%
Attrition rate	17.00%	2.00%	2.00%

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Employee benefits</b>			
Net defined benefit liability - gratuity	973.72	689.83	524.09
Liability for compensated absences	613.48	375.18	330.84
<b>Total employee benefit liability</b>	<b>1,587.20</b>	<b>1,065.01</b>	<b>854.93</b>
Non- current	1,360.61	1,021.63	817.46
Current	226.59	43.38	37.47

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	1,082.17	1,130.41	869.17	968.39
salary escalation rate (0.50% movement)	1,126.68	1,085.50	968.33	868.82
Attrition rate (1% movement)	1,101.80	1,109.63	929.21	901.42

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

#### Expected cash flow for the following years

Expected total benefits payments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Year 1	211.58	47.61
Year 2	172.55	61.91
Year 3	208.38	51.34
Year 4	236.57	81.23
Year 5	251.28	115.86
Next 5 years	1,247.47	1,055.61



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 32 Related Party Disclosure

### Kalpataru Power Transmission Limited

#### Subsidiary, Fellow Subsidiary Companies

JMC Mining and Quarries Limited  
 Brij Bhoomi Expressway Private Limited  
 Wainganga Expressway Private Limited  
 Vindhychal Expressway Private Limited  
 Energylink (India) Limited  
 Shree Shubham Logistics Limited  
 Amber Real Estate Limited  
 Adeshwar Infrabuild Limited  
 Kalpataru Power Transmission Nigeria Limited  
 Kalpataru Power Transmission (Mauritius) Limited  
 Kalpataru SA (Proprietary) Limited  
 Kalpataru Power Transmission – USA, INC.  
 Alipurduar Transmission Limited  
 LLC Kalpataru Power Transmission Ukraine  
 Kalpataru Power DMCC, UAE  
 Saicharan Properties Limited  
 Kalpataru Metfab Private Limited  
 Kalpataru Satpura Transco Private Limited  
 Punarvasu Financials Services Private Limited  
 Kalpataru IBN Omairah Company Limited  
 Kohima Mariani Transmission Limited

#### Joint Ventures (with whom transactions have taken place during the year)

Kurukshetra Expressway Pvt. Ltd.  
 JMC - KPTL - STS JV

#### Key Managerial Personnel (KMP) (with whom transactions have taken place during the year)

Mr. Shailendra Tripathi  
 Mr. Manoj Tulsian (w.e.f. 27 May 2016)  
 Mr. M. K. Singh (upto 13 October 2015)  
 Mr. D. R. Mehta  
 Mr. Shailendra Raj Mehta  
 Mr. Mahendra G. Punatar  
 Mr. Hemant Modi  
 Ms. Anjali Seth

#### Enterprises over which significant influence exercised with whom transactions have taken place during the year (EUSI)

Kalpataru Limited  
 Kalpataru Properties Private Limited  
 Kiyana Ventures LLP  
 Neo Pharma Private Limited  
 Agile Real Estate Private Limited  
 Abacus Real Estate Real pvt. Ltd.  
 Kalpataru Retail Ventures Private Limited

### Holding Company

#### Nature of Relationship

Subsidiary Company  
 Subsidiary Company  
 Subsidiary Company  
 Subsidiary Company  
 Subsidiary of Holding Company  
 Subsidiary of Holding Company  
 Subsidiary of Holding Company  
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 Subsidiary of Holding Company

#### Nature of Relationship

Joint Venture  
 Joint Venture

#### Nature of Relationship

CEO & Dy. Managing Director  
 Whole-time Director & CFO  
 Executive Director  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director

#### Nature of Relationship

Significant influence of KMP's  
 Significant influence of KMP's  
 Significant influence of KMP's  
 Significant influence of KMP's  
 Significant influence of KMP's  
 Significant influence of KMP's  
 Significant influence of KMP's

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 32 Related Party Disclosure (Continued)

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Subsidiary, Fellow Subsidiary Companies	Joint Ventures	KMP	EUSI
<b>I. Transactions During the Year</b>						
1	Guarantee commission expenses	25.00 (37.50)	-	-	-	-
2	Other expenses	-	-	-	-	84.25
		-	(184.43)	-	-	(8.80)
3	Rent paid	35.28 (19.20)	-	-	-	367.55 (392.89)
4	Reimbursement of expenses	-	-	-	-	-
		-	(2.02)	-	-	-
5	Sub-contract charges paid	3,566.73 (2,265.45)	-	-	-	-
6	Finance charges	-	-	116.43 (69.19)	-	-
7	Licence purchase for capital goods	23.76 (221.32)	-	-	-	-
8	Rentals Income	2.21 (51.50)	-	-	-	-
9	Contract revenue	-	2,087.81 (12,471.16)	-	-	3,001.87 (1,311.36)
10	Guarantee commission income	-	4.17 (4.18)	-	-	-
11	Managerial remuneration	-	-	-	435.79 (366.88)	-
<b>II. Balance as on 31 March 2017</b>						
1	Trade receivables #	284.06 (61.77)	346.29 (284.81)	77.64 (186.81)	-	1,133.71 (538.96)
2	Guarantees	-	158.00 (158.00)	-	-	-
3	Liabilities at the end of the year	1,675.34 (1,854.64)	-	-	-	0.75 (170.04)
4	Loans and advances given	-	35,331.15 (31,843.89)	10,793.04 (7,188.10)	-	-
5	Advance taken from clients	-	-	50.63 (942.28)	-	839.52 (910.84)
6	Investment in shares	-	8,030.71 (8,030.71)	9,826.62 (9,826.62)	-	-

Note:

# Trade Receivables

Trade receivables herein are Gross amount before Adjustment of Advances received from clients

Terms and conditions of transactions with related parties - The sales to and purchases from related parties are made on terms





# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 32 Related Party Disclosure (Continued)

equivalent to those that prevails in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to the amounts owned by related parties (31 March 2016: INR Nil ; 1 April 2015: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

^Advances taken from clients herein are Gross amount before adjustment of Trade Receivables.

All balances o/s with related parties are unsecured.

Figures shown in bracket represents corresponding amounts of previous year.

**Key management personnel compensation comprised the following:**

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Short-term employee benefits	247.82	194.61
Post-employment benefits	19.98	13.52
Sitting fee	11.75	16.25
Commission	156.24	142.50
<b>Total</b>	<b>435.79</b>	<b>366.88</b>

The terms and conditions of transactions with related parties were no more favourable than those available, or which might be expected to be available, in similar transactions with non related parties on an arm's length basis.

## 33 Disclosure as per Ind AS 11 on construction contracts

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars	31 March 2017	31 March 2016
(1)	Contract revenue recognised during the year	2,17,151.18	2,39,270.62
(2)	Aggregate amount of cost incurred and recognised in statement of profit and loss	8,27,201.34	7,49,283.31
(3)	Advances received	40,170.89	29,069.73
(4)	Retention receivable	8,804.98	6,980.92
(5)	Gross amount due from customer	11,962.59	10,887.55
(6)	Gross amount due to customer	8,878.53	9,338.66

## 34 Micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone Ind AS financial statement as at March 31, 2017 based on the information received and available with the Company. On the basis of such information, credit balance as at March 31, 2017 of such enterprises is INR 200.97 lakhs (31 March 2016: INR 108.71 lakhs ; 1 April 2015: INR 42.51 lakhs). There are no dues on account of interest. Auditors have relied upon the information provided by the Company.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 34 Micro and small enterprises (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Principal amount remaining unpaid to any supplier as at the period end	200.97	108.71	42.51
Interest due thereon	-	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-	-
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, 2006	-	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-	-
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 the MSMED Act, 2006	-	-	-

### 35 Information as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, with regard to Loans to Subsidiaries which are without interest and having no repayment schedule are as under:

(Currency: Indian rupees in lakhs)

Sr. No.	Subsidiary Companies	As at 31 March 2017	Maximum Balance during the year	As at 31 March 2016	Maximum Balance during the year	As at 1 April 2015	Maximum Balance during the year
1	Brijbhoomi Expressway Private Limited	2,656.74	2,656.74	2,527.24	2,527.24	1,766.06	1,766.06
2	Wainganga Expressway Private Limited	5,073.31	5,073.31	4,085.66	4,085.66	2,800.00	2,800.00
3	Vindhyachal Expressway Private Limited	3,824.61	3,824.61	2,080.50	2,080.50	-	-
4	JMC Mining & Quarries Limited	71.20	71.20	71.20	71.20	69.05	69.05

Note : All the above loans and advances have been given for business purposes only.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 36 Financial instruments – Fair values and risk management

### Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Neither past due nor impaired			
<b>Past due but not impaired</b>			
Upto 180 days	38,246.32	38,499.73	30,864.15
From 181 days to 1 year	2,949.44	1,951.87	1,788.04
From 1 year to 2 years	2,292.00	1,690.96	5,168.26
From 2 year to 3 years	2,121.64	948.14	(6,538.33)
Above 3 years	1,066.33	22.91	(5,909.16)
<b>Total past due but not impaired</b>	<b>46,675.73</b>	<b>43,113.61</b>	<b>25,372.96</b>

Expected credit loss assessment for customers as at 1 April 2015, 31 March 2016 and 31 March 2017

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at March 31, 2017 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 36 Financial instruments – Fair values and risk management (Continued)

#### Trade and other receivables (Continued)

On the above basis, the Company estimates the following provision matrix at the reporting date:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
	Default rate	Default rate
<b>Current</b>		
Upto 180 days	0.39%	0.04%
From 181 days to 1 year	3.27%	7.88%
From 1 year to 2 years	11.08%	21.50%
From 2 year to 3 years	59.30%	49.58%
Above 3 years	100.00%	100.00%

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Currency: Indian rupees in lakhs)

Particulars	Amount
<b>Balance as at 1 April 2015</b>	-
Impairment loss recognised	1,024.00
Amounts written off	-
<b>Balance as at 31 March 2016</b>	<b>1,024.00</b>
Impairment loss recognised	1,800.00
Amounts written off	-
<b>Balance as at 31 March 2017</b>	<b>2,824.00</b>

#### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of INR 2592.88 lakhs and INR 3446.01 lakhs & INR 5994.95 lakhs as at 31 March 2017, 31 March 2016 and 1 April 2015 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### Derivatives

The derivatives are entered into with credit worthy banks and financial institution counterparties. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### Guarantees

The Company's policy is to provide financial guarantee only for its subsidiaries liabilities. At 31 March 2017 and 31 March 2016, the Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries.

#### Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at 31 March 2017 and 31 March 2016. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

#### Loans, investments in Company companies

The Company has given unsecured loans to its subsidiaries as at 31 March 2017 and 31 March 2016. The Company does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from loans from banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31 March 2017, the Company had working capital (Total current assets - Total current liabilities) of INR 75,518.26 lakh including cash and cash equivalents of INR 2,592.88 lakh, investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR NIL. As of 31 March 2016, the Company had working capital of INR 61,241.61 lakh, including cash and cash equivalents of INR 3,446.01 lakh, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of INR 115.30 lakh. As of 1 April 2015, the Company had working capital of INR 52862.18 lakhs, including cash and cash equivalents of INR 5994.95 lakhs, investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 226.64 lakhs.

## Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

\* all non derivative financial liabilities

\* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2017				
		Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	63,730.83	<b>70,941.43</b>	43,468.67	9,188.40	18,284.36	-
Trade payables	86,171.56	<b>86,171.56</b>	74,390.60	-	11,780.96	-
Other financial liabilities	6,569.74	<b>6,569.74</b>	5,025.80	1,543.94	-	-

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2016				
		Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	73,780.16	<b>90,499.56</b>	53,648.38	9,444.36	24,985.00	2,421.82
Trade payables	81,510.61	<b>81,510.61</b>	67,642.28	-	13,868.33	-
Other financial liabilities	3,318.31	<b>3,318.31</b>	3,318.31	-	-	-

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	1 April 2015				
		Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	73,890.29	<b>1,03,307.59</b>	46,541.00	20,021.61	27,003.87	9,741.11
Trade payables	68,665.04	<b>68,665.04</b>	58,518.81	-	10,146.23	-
Other financial liabilities	4,307.36	<b>4,307.36</b>	4,307.36	-	-	-

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

### Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP, Euro, Ethiopian Birr and Sri Lankan Rupee against the respective functional currencies of JMC Projects (India) Limited and its subsidiaries.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(Currency: Indian rupees in lakhs)

Amounts in INR	31 March 2017			31 March 2016			1 April 2015		
	USD	ETB	LKR	USD	ETB	LKR	USD	ETB	LKR
Trade receivables	-	1,896.22	425.89	-	1,835.56	-	-	2,041.59	-
Foreign Currency Loans - From Banks	-	-	-	(1,528.47)	-	-	(683.35)	-	-
Payables for Capital Goods	-	(1,499.85)	(3.50)	-	(5.85)	-	-	(985.73)	-
Trade payables	(5,662.43)	(1,509.63)	(1,649.30)	(8,410.75)	(531.68)	-	(1,884.12)	(1,162.38)	-
<b>Net statement of financial position exposure</b>	<b>(5,662.43)</b>	<b>(1,113.26)</b>	<b>(1,226.91)</b>	<b>(9,939.22)</b>	<b>1,298.03</b>	<b>-</b>	<b>(2,567.47)</b>	<b>(106.52)</b>	<b>-</b>
Cross currency interest rate swap	-	-	-	1,528.47	-	-	683.35	-	-
<b>Net exposure</b>	<b>(5,662.43)</b>	<b>(1,113.26)</b>	<b>(1,226.91)</b>	<b>(8,410.75)</b>	<b>1,298.03</b>	<b>-</b>	<b>(1,884.12)</b>	<b>(106.52)</b>	<b>-</b>

All the exposures to be shown in INR.

FC Loans are hedged hence the net exposure would be NIL. Netted off against cross currency interest swap.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 36 Financial instruments – Fair values and risk management (Continued)

### Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of balance sheet.

Particulars	Effect in INR Lakhs	
	Profit or loss	
	Strengthening	Weakening
<b>31 March 2017</b>		
USD	(566.24)	566.24
ETB	(111.33)	111.33
LKR	(122.69)	122.69
	<b>(800.26)</b>	<b>800.26</b>

Particulars	Effect in INR Lakhs	
	Profit or loss	
	Strengthening	Weakening
<b>31 March 2016</b>		
USD	(841.07)	841.07
ETB	129.80	(129.80)
LKR	-	-
	<b>(711.27)</b>	<b>711.27</b>

Particulars	Effect in INR Lakhs	
	Profit or loss	
	Strengthening	Weakening
<b>31 March 2016</b>		
USD	(188.41)	188.41
ETB	(10.65)	10.65
LKR	-	-
	<b>(199.06)</b>	<b>199.06</b>

### 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 market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. The Company manages its interest rate risk arising from foreign currency floating rate loans by using interest rate swaps as hedges of variability in cash flows attributable to interest rate risk.

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 12(a) & 12(b) of these consolidated Ind AS financial statements.

### Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 36 Financial instruments – Fair values and risk management (Continued)

#### Interest rate risk (Continued)

##### Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(Currency: Indian rupees in lakhs)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 31 March 2017</b>		
Foreign Currency Loans - From Banks	-	-
Rupee Loans - From Banks	(42.95)	42.95
Rupee Loans - From NBFC's	(144.57)	144.57
Unsecured Loan - Rupee Loans - From Banks	(108.75)	108.75
Working Capital Loans Repayable on Demand from Banks	(339.08)	339.08
<b>sensitivity (net)</b>	<b>(635.35)</b>	<b>635.35</b>

(Currency: Indian rupees in lakhs)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 31 March 2016</b>		
Foreign Currency Loans - From Banks	(11.52)	11.52
Rupee Loans - From Banks	(86.88)	86.88
Rupee Loans - From NBFC's	(175.57)	175.57
Unsecured Loan - Rupee Loans - From Banks	(121.75)	121.75
Working Capital Loans Repayable on Demand from Banks	(336.20)	336.20
<b>Sensitivity (net)</b>	<b>(731.92)</b>	<b>731.92</b>

(Currency: Indian rupees in lakhs)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 1 April 2015</b>		
Foreign Currency Loans - From Banks	(26.87)	26.87
Rupee Loans - From Banks	(101.86)	101.86
Rupee Loans - From NBFC's	(115.24)	115.24
Unsecured Loan - Rupee Loans - From Banks	(130.00)	130.00
Working Capital Loans Repayable on Demand from Banks	(331.21)	331.21
<b>sensitivity (net)</b>	<b>(705.18)</b>	<b>705.18</b>

(Note: The impact is indicated on the profit/loss and equity before tax basis).





# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value. A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such long-term debt approximates fair value.

(Currency: Indian rupees in lakhs)

31 March 2017	Carrying amount			Fair value			
	Amortised Cost	Derivatives designated as hedges	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>							
(i) Investments	17,888.15	-	17,888.15	-	-	-	-
(ii) Loans	22,418.90	-	22,418.90	-	-	-	-
(iii) Trade receivables	69,292.03	-	69,292.03	-	3,552.96	-	3,552.96
(iv) Cash and cash equivalents	2,592.88	-	2,592.88	-	-	-	-
(v) Others	25,670.79	-	25,670.79	-	-	-	-
<b>Total</b>	<b>1,37,862.75</b>	<b>-</b>	<b>1,37,862.75</b>	<b>-</b>	<b>3,552.96</b>	<b>-</b>	<b>3,552.96</b>
<b>Financial liabilities</b>							
(i) Borrowings	63,730.82	-	63,730.82	-	-	-	-
(ii) Trade payables	86,171.56	-	86,171.56	-	11,868.93	-	11,868.93
(iii) Other financial liabilities	6,569.74	-	6,569.74	-	-	-	-
<b>Total</b>	<b>1,56,472.12</b>	<b>-</b>	<b>1,56,472.12</b>	<b>-</b>	<b>11,868.93</b>	<b>-</b>	<b>11,868.93</b>

(Currency: Indian rupees in lakhs)

31 March 2016	Carrying amount			Fair value			
	Amortised Cost	Derivatives designated as hedges	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>							
(i) Investments	17,888.15	-	17,888.15	-	-	-	-
(ii) Loans	15,952.70	-	15,952.70	-	-	-	-
(iii) Trade receivables	71,493.99	-	71,493.99	-	5,212.69	-	5,212.69
(iv) Cash and cash equivalents	3,446.01	-	3,446.01	-	-	-	-
(v) Others	25,361.29	-	25,361.25	-	-	-	-
<b>Total</b>	<b>1,34,142.14</b>	<b>-</b>	<b>1,34,142.14</b>	<b>-</b>	<b>5,212.69</b>	<b>-</b>	<b>5,212.69</b>
<b>Financial liabilities</b>							
(i) Borrowings	73,780.14	-	73,780.14	-	-	-	-
(ii) Trade payables	81,510.61	-	81,510.61	-	11,475.62	-	11,475.62
(iii) Other financial liabilities	3,318.31	-	3,318.31	-	-	-	-
<b>Total</b>	<b>1,58,609.06</b>	<b>-</b>	<b>1,58,609.06</b>	<b>-</b>	<b>11,475.62</b>	<b>-</b>	<b>11,475.62</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 36 Financial instruments – Fair values and risk management (Continued)

#### A. Accounting classification and fair values (Continued)

(Currency: Indian rupees in lakhs)

1 April 2015	Carrying amount			Fair value			
	Amortised Cost	Derivatives designated as hedges	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>							
(i) Investments	17,888.15	-	17,888.15	-	-	-	-
(ii) Loans	9,056.61	-	9,056.61	-	-	-	-
(iii) Trade receivables	58,330.93	-	58,330.93	-	4,179.34	-	4,179.34
(iv) Cash and cash equivalents	5,994.95	-	5,994.95	-	-	-	-
(v) Others	24,163.00	-	24,163.00	-	-	-	-
<b>Total</b>	<b>1,15,433.64</b>	<b>-</b>	<b>1,15,433.64</b>	<b>-</b>	<b>4,179.34</b>	<b>-</b>	<b>4,179.34</b>
<b>Financial liabilities</b>							
(i) Borrowings	73,890.29	-	73,890.29	-	-	-	-
(ii) Trade payables	68,665.04	-	68,665.04	-	9,122.49	-	9,122.49
(iii) Other financial liabilities	4,307.36	-	4,307.36	-	-	-	-
<b>Total</b>	<b>1,46,862.69</b>	<b>-</b>	<b>1,46,862.69</b>	<b>-</b>	<b>9,122.49</b>	<b>-</b>	<b>9,122.49</b>

#### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique
Cross currency interest rate swap (CCIRS)	Market valuation techniques: The Company has determined fair value by discounting of future cash flows treating each leg of the swap as a bond
Premium Liability	Discounted cash flow approach: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate
Retention receivables and payables	Discounted cash flow approach: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 36 Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2017, 31 March 2016 and 1 April 2015.

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
<b>31 March 2017</b>			
<b>Financial assets</b>			
(i) Investments	17,888.15	-	17,888.15
(ii) Loans	22,418.90	-	22,418.90
(iii) Trade receivables	69,292.03	(13,369.16)	55,922.86
(iv) Cash and cash equivalents	2,592.88	(2,592.88)	-
(v) Others	25,670.79	-	25,670.79
<b>Total</b>	<b>1,37,862.75</b>	<b>(15,962.04)</b>	<b>1,21,900.70</b>
<b>Financial liabilities</b>			
(i) Borrowings	63,730.82	(15,962.04)	47,768.79
(ii) Trade payables	86,171.56	-	86,171.56
(iii) Other financial liabilities	6,569.74	-	6,569.74
<b>Total</b>	<b>1,56,472.12</b>	<b>(15,962.04)</b>	<b>1,40,510.08</b>

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
<b>31 March 2016</b>			
<b>Financial assets</b>			
(i) Investments	17,888.15	-	17,888.15
(ii) Loans	15,952.70	-	15,952.70
(iii) Trade receivables	71,493.99	(14,315.94)	57,178.05
(iv) Cash and cash equivalents	3,446.01	(3,446.01)	-
(v) Others	25,361.29	-	25,361.29
<b>Total</b>	<b>1,34,142.14</b>	<b>(17,761.95)</b>	<b>1,16,380.19</b>
<b>Financial liabilities</b>			
(i) Borrowings	73,780.14	(17,761.95)	56,018.20
(ii) Trade payables	81,510.61	-	81,510.61
(iii) Other financial liabilities	3,318.31	-	3,318.31
<b>Total</b>	<b>1,58,609.06</b>	<b>(17,761.95)</b>	<b>1,40,847.12</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 36 Master netting or similar agreements (Continued)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
<b>1 April 2015</b>			
<b>Financial assets</b>			
(i) Investments	17,888.15	-	17,888.15
(ii) Loans	9,056.61	-	9,056.61
(iii) Trade receivables	58,330.93	(12,892.17)	45,438.75
(iv) Cash and cash equivalents	5,994.95	(5,994.95)	-
(v) Others	24,163.00	-	24,163.00
<b>Total</b>	<b>1,15,433.64</b>	<b>(18,887.12)</b>	<b>96,546.51</b>
<b>Financial liabilities</b>			
(i) Borrowings	73,890.29	(18,887.12)	55,003.17
(ii) Trade payables	68,665.04	-	68,665.04
(iii) Other financial liabilities	4,307.36	-	4,307.36
<b>Total</b>	<b>1,46,862.69</b>	<b>(18,887.12)</b>	<b>1,27,975.56</b>

#### Offsetting arrangements

##### (i) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable/receivable by one party to the other.

##### (ii) Short term borrowings are secured against the inventory, cash and cash equivalents and trade receivables.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 37 Operating Segments

The Company is primarily engaged in the business of Engineering, Procurement & Construction (EPC) relating to infrastructure sector comprising of Buildings and Factories, Roads, Bridges, Water pipe lines, Metro, Power, Railways etc. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of operating segment as defined under Indian Accounting Standard 108 Operating Segments there is a single reportable segment Infrastructure EPC.

### A. Geographical information

#### i) Revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
India	2,18,298.22	2,27,786.27
<b>All foreign countries</b>		
Ethiopia	10,804.22	12,284.61
Sri Lanka	3,739.54	-
<b>Total</b>	<b>2,32,841.98</b>	<b>2,40,070.88</b>

#### ii) Non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
India	55,696.31	54,818.87
<b>All foreign countries</b>		
Ethiopia	5,973.57	3,691.00
Sri Lanka	181.43	-
<b>Total</b>	<b>61,851.31</b>	<b>58,509.87</b>

\*Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets.

### B. Information about major customers

Revenues from one customer of India represented approximately INR 42,390.70 lakhs (31 March 2016: INR 31,762.94 lakhs) of the Company's total revenues.

## 38 Loans and borrowings

### Breach of loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the few financial covenants. The company has complied with these covenants throughout the reporting period as at 31 March 2017.

## 39 Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Currency: Indian rupees in lakhs)

Particulars	SBNs (INR 1,000 and INR 500)*	Other denomination notes	Total
<b>Closing cash in hand as on 8 November 2016</b>	48.97	60.08	109.05
(+) Permitted receipts	0.39	120.96	121.35
(-) Permitted payments	(2.56)	(119.66)	(122.22)
(-) Amount deposited in banks	(46.80)	-	(46.80)
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>61.38</b>	<b>61.38</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 40 Capital management

The Company's objectives when managing capital are to

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'net debt' (total borrowings net of cash & cash equivalents) to 'total equity' (as shown in the balance sheet).

The Company's policy is to keep the ratio below 2.00. The Company's net debt to equity ratios are as follows.

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016	1 April 2015
Net debt	61,033.40	70,152.57	67,608.70
Total equity	68,973.29	63,783.13	44,940.51
<b>Net debt to equity ratio</b>	<b>0.88</b>	<b>1.10</b>	<b>1.50</b>

### 41 Transition to Ind AS:

As stated in Note 1(a), these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act (IGAAP')

The accounting policies set out in Note 2 have been applied in preparing these standalone financial statements for the year ended 1 March 2017 including the comparative information for the year ended 31 March 2016 and the opening standalone Ind AS balance sheet on the date of transition i.e. 1 April 2015. In preparing its standalone Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

##### Ind AS optional exemptions

#### 1) Investment in subsidiaries

Ind AS 01 allows a first time adopter to record the carrying value of investment in subsidiary as per IGAAP (i.e. IGAAP carrying value on transition date) or fair value of investment in subsidiary at transition date as deemed cost under Ind AS. Accordingly, the Company has elected to carry its investment in subsidiary at IGAAP carrying value on transition date.

#### 2) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their IGAAP carrying value.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### Ind AS mandatory exceptions

#### 1) Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of IGAAP did not require estimation:

- ▶ Fair valuations of financial instruments carried at FVTPL and/or FVOCI.
- ▶ Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

#### 2) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### i. Financial Instruments: (Security deposits received and security deposits paid) :

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has applied the measurement requirement of Ind AS 109 retrospectively.

##### ii. Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

## B. Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

### Reconciliation of equity

(Currency: Indian rupees in lakhs)

Particulars	Note	As at transition date (1 April 2015)*			As at 31 March 2016*		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
<b>ASSETS</b>							
<b>1. Non current Assets</b>							
(a) Property, plant and equipment	4	31,687	(90)	31,597	34,817	(134)	34,683
(b) Capital Work in Progress		8	-	8	24	-	24
(c) Investment in Property		82	-	82	82	-	82
(d) Other Intangible assets		49	-	49	175	-	175
(e) Financial Assets							
(i) Investments	6	18,912	(1,024)	17,888	18,919	(1,030)	17,889
(ii) Trade receivables	10	5,197	(1,018)	4,179	5,213	(598)	4,614
(ii) Other financial assets	3	890	305	1,195	815	-	815
(e) Deferred tax assets (net)	8	1,534	1,598	3,132	3,039	1,447	4,486
(f) Other non-current assets	6	5,273	(1,309)	3,964	6,323	(1,482)	4,841
<b>Total non current assets</b>		<b>63,632</b>	<b>(1,538)</b>	<b>62,094</b>	<b>69,407</b>	<b>(1,796)</b>	<b>67,611</b>

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 41 Transition to Ind AS: (Continued)

#### B. Reconciliations between IGAAP and Ind AS (Continued)

(Currency: Indian rupees in lakhs)

Particulars	Note	As at transition date (1 April 2015)*			As at 31 March 2016*		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
<b>ASSETS</b>							
<b>2. Current assets</b>							
(a) Inventories	1	25,153	(10,919)	14,234	20,838	(4,980)	15,858
(b) Financial Assets							
(i) Trade receivables	5 & 6	51,339	2,813	54,152	65,140	1,740	66,880
(ii) Cash and cash equivalents	6	5,898	106	6,004	3,403	52	3,455
(iii) Loans		9,057	-	9,057	15,953	-	15,953
(iv) Other financial assets	3	22,553	406	22,959	24,160	377	24,537
(c) Other current assets	1 & 6	63,641	12,124	75,765	70,380	6,042	76,422
<b>Total current assets</b>		<b>1,77,641</b>	<b>4,530</b>	<b>1,82,171</b>	<b>1,99,873</b>	<b>3,231</b>	<b>2,03,104</b>
<b>Total assets</b>		<b>2,41,273</b>	<b>2,992</b>	<b>2,44,265</b>	<b>2,69,280</b>	<b>1,435</b>	<b>2,70,715</b>

(Currency: Indian rupees in lakhs)

Particulars	Note	As at transition date (1 April 2015)*			As at 31 March 2016*		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
<b>EQUITY and LIABILITIES</b>							
<b>1. Equity</b>							
(a) Equity share capital		2,612	-	2,612	3,358	-	3,358
(b) Other equity	9	45,018	(2,690)	42,328	62,740	(2,315)	60,425
<b>Total equity</b>		<b>47,630</b>	<b>(2,690)</b>	<b>44,940</b>	<b>66,098</b>	<b>(2,315)</b>	<b>63,783</b>
<b>2. Non - Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	3	31,080	512	31,592	28,311	(122)	28,189
(ii) Other financial liabilities	6 & 10	12,212	(2,066)	10,146	16,138	(2,270)	13,868
(b) Provisions	1 & 2	4,456	920	5,376	4,405	(389)	4,016
(c) Other non-current liabilities	6 & 7	19,714	3,188	22,902	16,408	2,588	18,996
<b>Total non - current liabilities</b>		<b>67,462</b>	<b>2,554</b>	<b>70,016</b>	<b>65,262</b>	<b>(193)</b>	<b>65,069</b>
<b>3. Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		33,139	(18)	33,121	33,665	(45)	33,620
(ii) Trade payables	6	56,427	2,093	58,520	64,820	2,822	67,642
(iii) Other financial liabilities	6	13,259	225	13,484	14,667	623	15,290
(b) Other current liabilities	6	22,877	1,142	24,019	24,158	947	25,105
(c) Provisions	2 & 7	479	(314)	165	610	(404)	206
<b>Total current liabilities</b>		<b>1,26,181</b>	<b>3,128</b>	<b>1,29,309</b>	<b>1,37,920</b>	<b>3,943</b>	<b>1,41,863</b>
<b>Total equity and liabilities</b>		<b>2,41,273</b>	<b>2,992</b>	<b>2,44,265</b>	<b>2,69,280</b>	<b>1,435</b>	<b>2,70,715</b>

\*The previous IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.





# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### B. Reconciliations between IGAAP and Ind AS (Continued)

#### Footnotes

#### 1) Change in the method for determination of stage of completion

The company has changed its method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work to proportion of contract cost incurred for work performed to date bear to estimated total contract costs. The effect of change in method is calculated for all open contracts as on the transition date 1 April 2015.

#### 2) Provision for Onerous contracts and Defect liability period

The company has changed its method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work to proportion of contract cost incurred for work performed to date bear to estimated total contract costs. Based on the change in the method and remeasurements the provision for onerous contract as well as defect liability period have been worked out.

#### 3) External commercial borrowing

The external commercial borrowings of the company is translated at the balance sheet date at the closing foreign currency rate. The related cross currency interest rate swap is recognized at fair value through profit and loss.

#### 4) Leasehold improvement

Effect of amortisation of Leasehold improvements decapitalised from Building and capitalised under appropriate heads.

#### 5) Trade receivables

As per requirements of Ind AS 109, the company has applied expected credit loss model for recognizing the allowance for doubtful debts.

#### 6) Joint venture

Under IGAAP, certain contracts with third parties are recognised as investment in joint venture. Under Ind AS, where the company has unilateral control over relevant activities, such investment in joint venture is derecognised and line by line assets and liabilities are recognised.

#### 7) Proposed dividend

Under IGAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Under Ind AS, such dividends (along with dividend distribution tax) are recognised when the same is approved by the shareholders in the general meeting.

#### 8) Deferred tax

Under Ind AS, deferred tax is recognised based on the indexation benefit of land. Deferred tax is also recognised on Ind AS adjustments.

#### 9) Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

#### 10) Retention receivables and retention payables at present value

Retention receivable and payables are accounted at a fair value and unwinding of discounting in the subsequent year.

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 41 Transition to Ind AS: (Continued)

#### Reconciliation of total comprehensive income for the year ended 31 March 2016\*

(Currency: Indian rupees in lakhs)

Particulars	Indian GAAP	Adjustments	Ind AS
Revenue from operations	2,48,374	(8,303)	2,40,071
Other Income	637	191	828
<b>Total income</b>	<b>249,011</b>	<b>(8,112)</b>	<b>2,40,899</b>
<b>Expenses</b>			
Construction Materials Consumed	85,877	-	85,877
(Increase) / Decrease in Inventories of Work-in-Progress	5,938	(5,938)	-
Employee Benefits Expense	22,439	117	22,556
Finance Costs	10,193	316	10,509
Depreciation and Amortisation Expense	5,122	45	5,167
Other Expenses	1,13,303	(3,018)	1,10,285
<b>Total expenses</b>	<b>2,42,872</b>	<b>(8,478)</b>	<b>2,34,394</b>
<b>Profit/(loss) before tax</b>	<b>6139</b>	<b>366</b>	<b>6,505</b>
Tax Expenses:			
Current tax	3,541	(19)	3,522
Deferred tax	(1,505)	151	(1,354)
<b>Profit/(loss) for the period</b>	<b>4,103</b>	<b>234</b>	<b>4,337</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	-	79	79
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(27)	(27)
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>4103</b>	<b>285</b>	<b>4,389</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



# Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### Footnotes

1.Reconciliation of Net Profit as previously reported on account of transition from the previous Indian IGAAP to Ind AS for the year ended 31st March 2016 :

(Currency: Indian rupees in lakhs)

Sr.No.	Particulars	Year ended 31 March 2016 (Audited)
	<b>Net Profit under previous Indian GAAP</b>	<b>4,103</b>
a)	Change of method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work to proportion of contract cost incurred for work performed to date bear to estimated total contract costs	1,581
b)	Provision for expected credit loss	(1,024)
b)	Amortisation on Leasehold improvements decapitalised from Building and capitalised under appropriate heads	(44)
c)	Others	(126)
d)	Deferred tax on Ind AS adjustments	(153)
	<b>Net Profit for the year under Ind AS</b>	<b>4,337</b>
e)	Other Comprehensive Income (net of tax)	52
	<b>Total Comprehensive Income for the year</b>	<b>4,389</b>

2. The Company is primarily engaged in the business of Engineering, Procurement & Construction (EPC) relating to infrastructure sector comprising of Buildings and Factories, Roads, Bridges, Water pipe lines, Metro, Power, Railways etc. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of operating segment as defined under Indian Accounting Standard 108 Operating Segments there is a single reportable segment Infrastructure EPC and geographical segments of India and are for all foreign countries.

## C. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March 2016

(Currency: Indian rupees in lakhs)

	Note	For the year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	1,2	11,400.37	(568.99)	10,831.38
Net cash flows from investing activities	1,2	(17,515.96)	199.08	(17,316.88)
Net cash flows from financing activities	1,2	3,620.65	315.91	3,936.56
<b>Net increase in cash and cash equivalents</b>		<b>(2,494.94)</b>	<b>(54.00)</b>	<b>(2,548.94)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,2</b>	<b>5,888.95</b>	<b>106.00</b>	<b>5,994.95</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,2</b>	<b>3,394.01</b>	<b>52.00</b>	<b>3,446.01</b>

### Effect of Ind AS adoption on Statement of Cash flows for the year ended 31 March 2016:

- Previous year's figures have been regrouped and / or rearranged wherever necessary
- Under previous GAAP, certain contracts with third parties were recognised as investment in joint ventures. Under Ind AS, where the Company has unilateral control over relevant activities of joint ventures, they are considered as extension of business. The investments made in such joint ventures have been derecognised and their respective assets, liabilities, income and expenses have been consolidated with the financial statements of the Company. Similarly, cashflows of the above specified joint ventures have been consolidated with the cashflows of the Company and previous year comparatives have been restated accordingly.<sup>42</sup> Standards issued but not yet effective

## Notes to the standalone Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 42 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1 April, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

#### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The requirements of the amendment have no impact on the financial statements as the Company does not have any cash settled awards.

43. The comparative financial information as at 31 March 2016 and 1 April 2015 and for the year ended 31 March 2016 included in these standalone Ind AS financial statements are based on the previously audited standalone financial statements for the said periods prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India are audited by auditors other than B S R & Co. LLP. These audited standalone financial statements audited under previous GAAP by other auditors are adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

16 May 2017

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

16 May 2017

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520



# Independent Auditors' Report

To the Members of

**JMC Projects (India) Limited**

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of JMC Projects (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder. The respective Board of Directors 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 of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company as aforesaid.

## Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of the report referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31 March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Other matters

- (a) The comparative financial information of the Group as at and for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements of the Group prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Kishan M. Mehta & Co., Chartered Accountants as at and for the year ended 31 March 2016 and as at 31 March 2015, whose reports dated 27 May 2016 and 28 May 2015, respectively, expressed an unmodified opinion on those consolidated

**Other matters (Continued)**

financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us with respect to the Holding Company and by other auditors with respect to the subsidiaries and joint venture as noted in sub-paragraph (b) below.

- (b) We did not audit the Ind AS financial statements of two branches included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of INR 23,826 lakhs as at 31 March 2017 and total revenue of INR 15,723 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.
- (c) We did not audit the Ind AS financial statements of four subsidiaries, included in the consolidated Ind AS financial statements, whose Ind AS financial statements reflect total assets of INR 167,064 lakhs and net assets of INR 4,971 lakhs as at 31 March 2017; total revenue of INR 14,396 lakhs and net cash outflows amounting to INR 18 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include Group's share of net loss of INR 3,549 lakhs for the year ended 31 March 2017, as considered in the consolidated Ind AS financial statements, in respect of joint venture, whose financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose report has been furnished to us by the management for the purpose of the consolidation, and our opinion on the consolidated Ind AS financial statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.
- (d) Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements furnished to us by the management.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant rules thereunder;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries and joint venture incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India are disqualified as on 31 March 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- (f) With respect to the adequacy of the internal controls over financial reporting of the Holding Company, its subsidiaries and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors, as noted in the 'Other Matters' paragraph:
- i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 25 to the consolidated Ind AS financial statements;
  - ii. the Group and the joint venture has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts (if any) - Refer Note 30 to the consolidated Ind AS 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, its subsidiaries and joint venture incorporated in India; and
  - iv. the requisite disclosures in the consolidated Ind AS financial statements for holdings as well as dealings

**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act based on our audit and on the consideration of report of other auditors on separate Ind AS financial statements of subsidiaries and joint venture as noted in the 'Other matters' paragraph, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;



## Report on Other Legal and Regulatory Requirements (Continued)

in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have been provided with respect to Holding Company and subsidiaries incorporated in India. Based on audit procedures, reliance on management representation and reports of the other auditors of subsidiaries and joint venture incorporated in India as noted in the Other matters paragraph, we report that the disclosures are in accordance with books of account and other records maintained by the Holding Company, its subsidiaries and joint venture incorporated in India and as produced to us by the Management of the Holding Company - Refer Note 38 to the consolidated Ind AS financial statements.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No : 101248W/W-100022

**Vikas R Kasat**  
Partner  
Membership No: 105317

Mumbai  
16 May 2017

## Annexure A to the Independent Auditors' Report – 31 March 2017

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of JMC Projects (India) Limited (hereinafter referred to as the Holding Company) and its subsidiaries and joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to the respective 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 Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

### Auditors' Responsibility (Continued)

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

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 the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated Ind As financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated Ind As 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 consolidated Ind As financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on consideration of reporting of the other auditors as mentioned in the 'Other matters' paragraph of the Audit opinion, the Holding Company, its subsidiaries and joint venture, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria

established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiaries and one joint venture which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No : 101248W/W-100022

**Vikas R Kasat**  
Partner  
Membership No: 105317

Mumbai  
16 May 2017





# Consolidated balance sheet

as at 31 March 2017

(Currency: Indian rupees in lakhs)

	Note	31 March 2017	March 2016	1 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	36,378.42	34,831.63	31,709.25
Capital work-in-progress	3	60.52	23.69	8.07
Investment properties	4	82.13	82.13	82.13
Intangible assets	5	1,69,348.28	1,72,415.03	1,59,913.12
Intangible assets under development	5	937.74	-	3,524.02
Investments accounted for using the equity method	6	-	2,227.92	6,131.33
Financial assets				
Trade receivables	7 (a)	3,528.88	4,614.44	4,179.35
Other financial assets	7 (d)	1,192.76	866.97	1,236.40
Deferred tax assets (net)	8	1,800.75	1,102.31	-
Other non-current assets	9	5,677.12	4,843.63	3,964.46
<b>Total non-current assets</b>	(A)	<b>2,19,006.60</b>	<b>2,21,007.75</b>	<b>2,10,748.13</b>
<b>Current assets</b>				
Inventories	10	17,957.30	15,869.54	14,247.53
Financial assets				
Trade receivables	7 (a)	66,382.27	65,757.24	53,525.53
Cash and cash equivalents	7 (c)	2,812.65	3,684.10	6,418.07
Bank balances other than above		7.76	8.70	9.09
Loans	7 (b)	10,793.33	7,188.10	4,421.50
Other financial assets	7 (d)	815.48	1,457.95	1,792.00
Other current assets	11	81,456.37	76,805.45	75,976.72
<b>Total current assets</b>	(B)	<b>1,80,225.16</b>	<b>1,70,771.08</b>	<b>1,56,390.44</b>
<b>Total assets</b>	(A+B)	<b>3,99,231.76</b>	<b>3,91,778.83</b>	<b>3,67,138.57</b>

# Consolidated balance sheet (Continued)

as at 31 March 2017

(Currency: Indian rupees in lakhs)

	Note	31 March 2017	March 2016	1 April 2015
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	12(a)	3,358.10	3,358.10	2,611.83
<b>Other equity</b>				
Reserves and surplus	12(b)	45,040.46	49,651.25	42,456.86
Other reserves	12(c)	(286.89)	33.81	100.81
<b>Equity attributable to owners of the Company</b>				
Non-controlling interests		-	-	-
<b>Total equity</b>	(A)	<b>48,111.67</b>	<b>53,043.16</b>	<b>45,169.50</b>
<b>Non - current liabilities</b>				
Financial liabilities				
Borrowings	13(a)	1,16,622.94	1,23,873.11	1,22,898.93
Other financial liabilities	13(c)	46,032.49	45,058.59	39,801.00
Provisions	14	6,144.89	5,279.13	5,693.37
Deferred tax liabilities (net)	8	-	-	1,301.43
Other non-current liabilities	15	35,437.08	18,975.28	22,877.23
<b>Total non-current liabilities</b>	(B)	<b>2,04,237.40</b>	<b>1,93,186.11</b>	<b>1,92,571.96</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	13(b)	33,908.18	33,619.85	33,121.40
Trade payables	13(d)	74,784.56	68,342.90	59,414.99
Other financial liabilities	13(c)	17,957.99	18,349.84	15,318.50
Provisions	14	2,672.12	210.36	171.74
Other current liabilities	15	17,559.84	25,026.61	21,370.48
<b>Total current liabilities</b>	(C)	<b>1,46,882.69</b>	<b>1,45,549.56</b>	<b>1,29,397.11</b>
<b>Total liabilities</b>	(D= B+C)	<b>3,51,120.09</b>	<b>3,38,735.67</b>	<b>3,21,969.07</b>
<b>Total equity and liabilities</b>	(A+D)	<b>3,99,231.76</b>	<b>3,91,778.83</b>	<b>3,67,138.57</b>
<b>Significant accounting policies</b>	2			
<b>Notes to the consolidated Ind AS financial statements</b>	3 to 43			

The accompanying notes form an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

16 May 2017

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

16 May 2017

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520



# Consolidated statement of profit and loss

for the year ended 31 March 2017

(Currency: Indian rupees in lakhs)

	Note	31 March 2017	31 March 2016
<b>Continuing operations</b>			
Revenue from operations	16	2,47,213.84	2,54,409.42
Other income	17	1,448.84	828.28
<b>Total income</b>		<b>2,48,662.68</b>	<b>2,55,237.70</b>
<b>Expenses</b>			
Cost of materials consumed	18	84,434.90	85,877.29
Employee benefit expense	19	23,863.34	22,874.50
Construction expenses	21(a)	93,834.86	1,04,398.38
Finance costs	22	22,629.22	23,152.79
Depreciation and amortisation expense	20	8,712.47	8,870.96
Other expenses	21(b)	14,835.20	11,778.88
<b>Total expenses</b>		<b>2,48,309.99</b>	<b>2,56,952.80</b>
<b>Profit/(loss) before exceptional items, share of net profits of investments accounted for using equity method and tax</b>		<b>352.69</b>	<b>(1,715.10)</b>
Share of net loss of joint venture accounted for using the equity method	24	(3,549.46)	(3,903.73)
<b>(Loss) before exceptional items and tax</b>		<b>(3,196.77)</b>	<b>(5,618.83)</b>
Exceptional items		-	-
<b>(Loss) before tax from continuing operations</b>		<b>(3,196.77)</b>	<b>(5,618.83)</b>
Tax expense	23		
- Current tax		1,572.75	3,522.44
- Deferred tax (credit)		(583.97)	(2,508.92)
<b>Total tax expense</b>		<b>988.78</b>	<b>1,013.52</b>
<b>(Loss) for the year</b>		<b>(4,185.55)</b>	<b>(6,632.35)</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of post-employment benefit obligations		(32.23)	79.00
(ii) Income tax relating to these items		11.16	(27.00)
<b>B. Items that will be reclassified to profit or loss</b>			
<b>Other comprehensive income for the year, net of tax</b>		<b>(21.07)</b>	<b>52.00</b>
<b>Total comprehensive income for the year</b>		<b>(4,206.62)</b>	<b>(6,580.35)</b>
<b>Earnings per equity share (Face value per share INR 10 each)</b>			
Basic earnings per share	32	(12.46)	(24.46)
Diluted earnings per share		(12.46)	(24.46)

## Significant accounting policies

### Notes to the consolidated Ind AS financial statements

The accompanying notes form an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

### Vikas R Kasat

Partner

Membership No: 105317

### Shailendra Kumar Tripathi

CEO & Dy. Managing Director

DIN : 03156123

### Manoj Tulsian

Whole-time Director & CFO

DIN : 05117060

Mumbai

16 May 2017

Mumbai

16 May 2017

### Samir Raval

Company Secretary

Membership No. FCS-7520

# Consolidated statement of Cash flows

for the year ended 31 March 2017

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
<b>Cash flow from operating activities</b>		
(Loss) before tax from continuing operations	(3,196.77)	(5,618.83)
<b>(Loss) before tax</b>	<b>(3,196.77)</b>	<b>(5,618.83)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	8,712.47	8,870.96
Finance costs	22,629.22	23,152.79
Net exchange differences	(217.99)	(37.54)
Amortisation of ancillary cost	456.76	45.41
Loss on sale of assets	6.65	18.00
Employee share-based payment expense	-	(32.04)
Interest income	(225.22)	(409.76)
Rent income	(136.52)	(219.83)
Liabilities written back	(61.23)	(59.63)
Gain on disposal of property, plant and equipment	(203.81)	(139.06)
Share of loss from investment in joint venture	3,549.46	3,903.73
Major maintenance expenditure	1,099.15	910.00
Unwinding of discounting on provisions	3,828.54	3,328.71
<b>Working capital adjustments</b>		
Decrease/(increase) in trade receivables	460.53	(12,666.80)
(Increase) in other current assets	(8,526.56)	(1,046.05)
(Increase)/decrease in other non-current assets	(1,490.21)	3,153.99
(Increase) in inventories	(2,087.76)	(1,622.01)
Increase in trade payables	6,441.66	8,927.91
(Decrease) in long-term provisions	(182.69)	(2,268.73)
Increase in short-term provisions	1,139.91	38.62
(Decrease)/increase in other current liabilities	(6,743.45)	4,709.21
Increase in other long-term liabilities	17,435.70	3,759.38
<b>Cash generated from operating activities</b>	<b>42,687.84</b>	<b>36,698.43</b>
Income taxes paid, net of refund received	2,488.59	(3,016.47)
<b>Net cash flows from operating activities</b>	<b>45,176.43</b>	<b>33,681.96</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,356.88)	(9,527.42)
Acquisition of intangible assets	(1,258.05)	(16,851.76)
Proceeds from sale of property, plant and equipment	422.64	217.90
Loans to related parties	(3,605.23)	(2,766.60)
Share of loss from investment in joint venture	(3,549.46)	(3,903.73)
Interest received	225.22	409.76
Rent received	136.52	219.83
<b>Net cash (used in) investing activities</b>	<b>(11,985.24)</b>	<b>(32,202.02)</b>



# Consolidated statement of cash flows (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	-	14,869.31
Proceeds from borrowings	12,470.63	14,171.57
Repayment of borrowings	(23,599.21)	(10,065.14)
Working capital finance	506.32	535.98
Changes in unpaid dividend accounts	(0.94)	(0.39)
Interest paid	(23,035.27)	(23,411.24)
Dividends paid to Company's shareholders (including tax thereon)	(404.17)	(314.00)
<b>Net cash (used in) financing activities</b>	<b>(34,062.64)</b>	<b>(4,213.91)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(871.45)</b>	<b>(2,733.97)</b>
Cash and cash equivalents at the beginning of the year	3,684.10	6,418.07
<b>Cash and cash equivalents at end of the year</b>	<b>2,812.65</b>	<b>3,684.10</b>

## Notes:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - Statement of Cash Flows.
- 2) Reconciliation of cash and cash equivalents with the balance sheet:

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
Cash and cash equivalents (refer note 7(c))	2,812.65	3,684.10
Bank overdrafts	-	-
<b>Balances as per statement of cash flows</b>	<b>2,812.65</b>	<b>3,684.10</b>

The accompanying notes form an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

Mumbai

16 May 2017

Mumbai

16 May 2017

# Consolidated statement of changes in equity (SOCIE)

for the year ended 31 March 2017

## A. Equity Share Capital\*

(Currency: Indian rupees in lakhs)

Particulars	Amount
<b>As at 1 April 2015</b>	2,611.83
Additional equity share issued during 2015-16 (right issue)	746.27
<b>As at 31 March 2016</b>	<b>3,358.10</b>
Additional equity share issued during 2016-17	-
<b>As at 31 March 2017</b>	<b>3,358.10</b>

# Consolidated statement of changes in equity (SOCIE) (Continued)

Particulars	Attributable to owners of the Company							Total other equity	Attributable to Non-controlling interests (NCI)	Total
	Reserves and Surplus			Other reserves						
	Securities Premium Reserve	Retained Earnings	Debt redemption reserve	Share options outstanding account	General Reserves	Other reserves	Foreign currency translation reserve			
Balance at 1 April 2015	21,222.86	16,997.41	356.25	32.04	3,848.30	84.81	16.00	42,557.67	-	42,557.67
Total comprehensive income for the year ended 31 March 2016	-	(6,632.35)	-	-	-	-	-	(6,632.35)	-	(6,632.35)
(Loss) for the year	-	52.00	-	-	-	-	-	52.00	-	52.00
Other comprehensive income (net of tax)	-	(6,580.35)	-	-	-	-	-	(6,580.35)	-	(6,580.35)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:										
Issue of equity shares	14,123.04	-	-	-	-	-	-	14,123.04	-	14,123.04
Dividends paid (including tax thereon)	-	(314.35)	-	-	-	-	-	(314.35)	-	(314.35)
Appropriations during the year	-	(225.00)	(375.00)	-	225.00	-	-	(375.00)	-	(375.00)
Transfer to / from debt redemption reserve	-	(18.75)	18.75	-	375.00	-	-	375.00	-	375.00
Effect of derecognition of Joint ventures	(14.26)	12.35	-	-	-	-	-	(1.91)	-	(1.91)
Other currency translation differences	-	-	-	(32.04)	-	-	(67.00)	(67.00)	-	(67.00)
Employee stock option expense	-	-	-	-	-	-	-	(32.04)	-	(32.04)
<b>Balance at 31 March 2016</b>	<b>35,331.64</b>	<b>9,871.31</b>	-	-	<b>4,448.30</b>	<b>84.81</b>	-	<b>49,685.06</b>	-	<b>49,685.06</b>
<b>Balance at 1 April 2016</b>	<b>35,331.64</b>	<b>9,871.31</b>	-	-	<b>4,448.30</b>	<b>84.81</b>	<b>(51.00)</b>	<b>49,685.06</b>	-	<b>49,685.06</b>
Total comprehensive income for the year ended 31 March 2017	-	(4,185.55)	-	-	-	-	-	(4,185.55)	-	(4,185.55)
(Loss) for the year	-	(21.07)	-	-	-	-	-	(21.07)	-	(21.07)
Other comprehensive income	-	(4,206.62)	-	-	-	-	-	(4,206.62)	-	(4,206.62)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:										
Dividends paid (including tax thereon)	-	(404.17)	-	-	-	-	-	(404.17)	-	(404.17)
Appropriations during the year	-	(225.00)	-	-	225.00	-	-	-	-	-
Effect of derecognition of Joint ventures	-	-	-	-	-	1.75	-	1.75	-	1.75
Other currency translation differences	-	-	-	-	-	-	(322.45)	(322.45)	-	(322.45)
<b>Balance at 31 March 2017</b>	<b>35,331.64</b>	<b>5035.52</b>	-	-	<b>4,673.30</b>	<b>86.56</b>	<b>373.45</b>	<b>44,753.57</b>	-	<b>44,753.57</b>

(Currency: Indian rupees in lakhs)

\*The above statement of changes in equity should be read in conjunction with the accompanying note 12 to the consolidated Ind AS financial statements. The accompanying notes form an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

16 May 2017

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

16 May 2017

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Ravai**

Company Secretary

Membership No. FCS-7520

# Notes to the consolidated Ind AS financial statements

for the year ended 31 March 2017

## Corporate Information

These consolidated Ind AS financial statements comprise standalone Ind AS financial statements of JMC Projects (India) Limited ("the Company or the Parent Company") and its subsidiaries (collectively referred to as "the Group") and the Group's interest in joint ventures for the year ended 31 March 2017. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange & National Stock Exchange. The registered office of the Company is located at A104, Shapath, S.G.Road, Ahmedabad, Gujarat. The Group is primarily engaged in EPC (Engineering, Procurement and Construction) business and also having BOOT (build, own, operate and transfer) projects. Information on the Groups structure & information on other related party relationship of the Group is provided in Note 34. These consolidated Ind AS financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 16 May 2017.

## 1 Basis of preparation

### (a) Statement of compliance

The consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The Group's consolidated financial statements periods up to and for the year ended 31 March 2016, were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 41.

### (b) Functional and presentation currency

These consolidated Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information has been presented in Indian Rupees (INR) all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### (c) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and
- defined benefit plans - plan assets measured at fair value

### (d) Use of estimates and judgements

Preparation of consolidated Ind AS financial statements requires the Group to make assumptions and estimates about future events and apply significant judgments. The Group bases its assumptions, estimates and judgments on historical experience, current trends and all available information that it believes is relevant at the time of preparation of the consolidated financial statements. However, future events and their effects cannot be determined with certainty. Accordingly, as confirming events occur, actual results could ultimately differ from our assumptions and estimates. Such differences could be material.

The areas involving critical estimates and judgements are:

- Estimation of contract cost for revenue recognition (Refer note 31)
- Estimation of useful life of property, plant and equipment and intangibles (Refer point 2 (l))
- Estimation of provision for defect liability period and liquidated damages, if any (Refer note 30)
- Estimation of defined benefit obligation (Refer note 33)
- Estimation of revenue estimates for amortisation of intangible assets (Refer point 2 (n))
- Estimation of major maintenance provision (Refer note 30)
- Impairment of financial assets (Refer note 35)

### (e) Principles of consolidation and equity accounting

#### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 1 Basis of preparation (Continued)

### (e) Principles of consolidation and equity accounting (Continued)

when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

#### Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

#### Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

### (ii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

#### Joint ventures

The Group's interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet. Details of the joint operation are set out in note 24.

### (iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 1 Basis of preparation (Continued)

### (e) Principles of consolidation and equity accounting (Continued)

#### Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group. When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an joint venture or financial asset.

#### (iv) Transactions eliminated on consolidation

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the Investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 2 Significant accounting policies

### (a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker(CODM).

The board of directors of Group has appointed a management review committee which assesses the financial performance and position of the group, and makes strategic decisions. The management review committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning of the Parent Company.

### (b) Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The group presents assets and liabilities in the balancesheet based on current/non-current classification. An asset is treated as current when it is:

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (ii) it is expected to be realised within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria: (i) it is expected to be settled in the Group's normal operating cycle; (ii) it is due to be settled within twelve months from the reporting date; (iii) it is held primarily for the purposes of being traded; or (iv) the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date. All other liabilities are classified as non-current.

#### Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

### (c) Foreign currency

#### (i) Functional and presentation currency

Items included in the consolidated Ind AS financial statements of Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Ind AS financial statements are presented in Indian rupee (INR), which is also the Group's functional and presentation currency.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (c) Foreign currency (Continued)

#### (ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments classified as fair value through OCI (FVOCI) which is recognised in OCI.

#### (iii) Foreign operations

The results and financial position of foreign operations related to branches (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date.
- The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction, and

- All resulting exchange differences are recognised in foreign currency translation reserve (FCTR) through the consolidated statement of profit and loss.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### (d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

#### (i) Construction Revenue

Contract prices are either fixed or subject to price escalation clauses. Revenue from works contracts is recognised on the basis of percentage completion method, and the level of completion depends on the nature and type of each contract including:

- Unbilled work-in-progress valued at lower of cost and net realisable value upto the stage of completion. Cost includes direct material, labour cost and appropriate overheads; and
- Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

Revenue from Contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are identified. When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (d) Revenue recognition (Continued)

based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms whenever there is a delayed delivery attributable to the Company.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The profits on contracts are recognised only when outcome of the contract is reasonably certain.

Revenue excludes sales tax/value added tax and service tax charged to customer.

Revenue from contracts awarded to a Jointly Controlled Entity but executed by the Company under the arrangement with the Joint Venture Partner (being in substance in the nature of Jointly Controlled Operations, in terms of Ind AS Accounting Standard is recognised on the same basis as similar contracts independently executed by the Company.

#### (ii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix A of Ind AS 11, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria:

- the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied;
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement. As per Ind AS 11, such infrastructures are not recognized in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor. The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the recoverable amount. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public

service in remuneration of concession services. Intangible assets resulting from the application of appendix A of Ind AS 11 are recorded in the financial statements as intangible assets and are amortized using revenue based amortization method. Based on the above parameter, in case of the Group, Intangible asset model is adopted. Under the intangible asset model, revenue includes:

- construction or upgrade services provided under a service concession arrangement, recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group ;
- charges collected from users on the basis of usage of the toll. Toll Revenue in the form of periodic pass(es) are accounted for as income in the period in which the same are received.

#### (iii) Dividend Income

Dividend Income is accounted when the right to receive the same is established.

#### (iv) Interest Income or expenses

Interest income or expense is accounted basis effective interest rate.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (d) Revenue recognition (Continued)

#### (v) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

### (e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and joint venture company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Ind AS financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not

accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (f) Leases

As a lessee

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (f) Leases (Continued)

liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### (g) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### (h) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment of assets and if any indication exists, the recoverable value of such assets is estimated. An impairment loss is recognised when the carrying cost of assets exceeds its recoverable value. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (h) Impairment of non-financial assets (Continued)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired, if any indication exists or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are generally independent of those from other asset, or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted in their present value using a pre tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long time growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long term average growth rate for the products, industries or country or countries in which the entry operates or for market in which asset is used.

### (i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (j) Inventories

Construction Materials and Spares, Tools and Stores.

Construction materials and spares, tools and stores, are stated at the lower of cost and net realisable value. Cost of construction materials comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of FIFO (first in first out).

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### (k) Financial Instruments

Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management.

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. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

#### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### (ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (k) Financial Instruments (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (k) Financial Instruments (Continued)

additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### Financial assets: Subsequent measurement and gains and losses

##### (i) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### (ii) Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### (iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### (iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses on disposal of such investments are recognised in OCI and are not reclassified to profit & loss.

#### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### (iii) Non-derivative financial assets – service concession arrangements

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition and classified as trade receivables. Subsequent to initial recognition, such financial assets are measured at amortised cost. If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognized at its fair value.

##### (iv) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (k) Financial Instruments (Continued)

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (vi) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Lease receivables.
- c) Trade receivables.

In case of trade receivables, contract revenue receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of 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 effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

### (l) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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 and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item and has a separate useful life, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (l) Property, plant and equipment (Continued)

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the consolidated statement of profit and loss as and when incurred.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method in the manner and at the rates prescribed by Schedule II of the Act except for certain items of plant and machinery wherein depreciation is provided based on the estimated useful lives of the plant and machinery so acquired, determined by the Group's management based on the technical evaluation carried out by the projects team. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The useful lives used, as set out in the following table, are lower than or as those specified in Schedule II of the Act as under :

Assets	Life in no. of years
Buildings	60 years
Plant and Machinery	10-15 years
Heavy Vehicles	10 years
Furniture, fittings and equipment	10 years

The Assets acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

### (m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

### (n) Intangible assets

#### (i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (n) Intangible assets (Continued)

- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

#### (ii) Intangible Assets under Development

All projects related expenditure for acquisition of toll collection rights viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Intangible Assets under development. These expenses are net of recoveries, claims and income (net of tax), if any, from surplus funds arising out of project specific borrowings.

#### (iii) Amortisation methods and periods

The group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 years
- The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

#### (vi) Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (p) Borrowings (Continued)

the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated Ind AS financial statements for issue, not to demand payment as a consequence of the breach.

### (q) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### (r) Provisions, Contingencies and Onerous contracts

#### Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

### (s) Employee benefits

#### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on independent actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (iii) Post-employment benefits

The group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, pension, and
- (b) defined contribution plans such as provident fund and superannuation fund

#### Pension and gratuity benefits

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Gratuity liability is covered by payment there of to Gratuity fund, the defined benefit plan under Group Gratuity Cash Accumulation Scheme of LIC of India under irrevocable trust. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations and group also pays superannuation fund to LIC of India. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Employee options

The fair value of options granted under the Group Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### (iv) Bonus plans

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (v) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### (t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### (u) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (w) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (x) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

- (i) in the principal market for the asset or liability; or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices 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 or indirectly.

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the consolidated Ind AS financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### (y) Statement of cash flows

The Group's statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Group's cash management.

### (z) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the consolidated Ind AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.





# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 3 Property, plant and equipment

(Currency: Indian rupees in lakhs)

Description	Freehold Land - Owned	Office Building	Store Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installation	Total	Capital work-in-progress
<b>Year ended 31 March 2016</b>										
<b>Cost or deemed cost (gross carrying amount)</b>										
Deemed cost as at 1 April 2015*	57.55	209.99	384.34	28,216.24	264.54	1,953.13	531.84	91.62	<b>31,709.25</b>	8.07
Additions	-	-	80.37	7,468.66	8.14	533.45	261.76	0.56	<b>8,352.94</b>	730.10
Disposals	-	-	-	(654.44)	(3.67)	(95.00)	(82.90)	-	<b>(836.01)</b>	(714.48)
<b>Balance as at 31 March 2016 (gross carrying amount)</b>	<b>57.55</b>	<b>209.99</b>	<b>464.71</b>	<b>35,030.46</b>	<b>269.01</b>	<b>2,391.58</b>	<b>710.70</b>	<b>92.18</b>	<b>39,226.18</b>	<b>23.69</b>
<b>Accumulated depreciation</b>										
Depreciation charge during the year	-	3.99	80.52	4,344.89	48.56	417.57	226.05	11.91	<b>5,133.49</b>	-
Disposals	-	-	-	(580.55)	(2.84)	(78.25)	(77.30)	-	<b>(738.94)</b>	-
<b>Balance as at 31 March 2016 (accumulated depreciation)</b>	-	<b>3.99</b>	<b>80.52</b>	<b>3,764.34</b>	<b>45.72</b>	<b>339.32</b>	<b>148.75</b>	<b>11.91</b>	<b>4,394.55</b>	-
<b>Net carrying amount</b>	<b>57.55</b>	<b>206.00</b>	<b>384.19</b>	<b>31,266.12</b>	<b>223.29</b>	<b>2,052.26</b>	<b>561.95</b>	<b>80.27</b>	<b>34,831.63</b>	<b>23.69</b>
<b>Year ended 31 March 2017</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	57.55	209.99	464.71	35,030.46	269.01	2,391.58	710.70	92.18	<b>39,226.18</b>	23.69
Exchange differences	-	-	(26.29)	(357.08)	(1.68)	(261.55)	(5.64)	-	<b>(652.24)</b>	(0.02)
Additions	-	-	123.53	5,783.65	19.09	1,726.71	253.58	3.50	<b>7,910.06</b>	131.36
Disposals	-	-	-	(1,443.83)	(5.64)	(126.70)	(1.83)	-	<b>(1,578.00)</b>	(94.51)
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>57.55</b>	<b>209.99</b>	<b>561.95</b>	<b>39,013.20</b>	<b>280.78</b>	<b>2,730.04</b>	<b>956.81</b>	<b>95.68</b>	<b>44,906.00</b>	<b>60.52</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	3.99	80.52	3,764.33	45.72	339.32	148.75	11.91	<b>4,394.55</b>	-
Depreciation charge during the year	-	3.75	84.28	4,842.12	38.31	450.15	239.26	12.01	<b>5,669.90</b>	-
Disposals	-	-	-	(1,245.59)	(5.37)	(106.39)	(1.83)	-	<b>(1,359.18)</b>	-
Exchange differences	-	-	(3.05)	(100.26)	(0.39)	(72.14)	(1.85)	-	<b>(177.69)</b>	-
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	-	<b>7.74</b>	<b>161.76</b>	<b>7,260.60</b>	<b>78.27</b>	<b>610.94</b>	<b>384.33</b>	<b>23.92</b>	<b>8,527.58</b>	-
<b>Net carrying amount</b>	<b>57.55</b>	<b>202.25</b>	<b>400.19</b>	<b>31,752.60</b>	<b>202.51</b>	<b>3,119.10</b>	<b>572.48</b>	<b>71.76</b>	<b>36,378.42</b>	<b>60.52</b>

## Property, plant and equipment\*

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2015 under the previous GAAP.

Description	Freehold Land - Owned	Office Building	Store Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installation	Total	Capital work-in-progress
Gross Block	57.55	247.66	648.49	57,215.17	457.91	3,199.91	1,518.34	223.55	<b>63,568.60</b>	8.07
Accumulated Depreciation	-	(37.67)	(264.15)	(28,998.93)	(193.37)	(1,246.78)	(986.50)	(131.93)	<b>(31,859.35)</b>	-
<b>Net Block</b>	<b>57.55</b>	<b>209.99</b>	<b>384.34</b>	<b>28,216.24</b>	<b>264.54</b>	<b>1,953.13</b>	<b>531.84</b>	<b>91.62</b>	<b>31,709.25</b>	<b>8.07</b>

## Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

### 4 Investment properties (at cost)

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016	1 April 2015
<b>Cost or deemed cost (gross carrying amount)</b>			
Opening gross carrying amount / Deemed cost	82.13	82.13	82.13
Additions	-	-	-
<b>Balance as at 31 March (gross carrying amount)</b>	<b>82.13</b>	<b>82.13</b>	<b>82.13</b>
Opening accumulated depreciation	-	-	-
Depreciation charge	-	-	-
<b>Balance as at 31 March (accumulated depreciation)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>82.13</b>	<b>82.13</b>	<b>82.13</b>
<b>Fair value</b>			
Investment properties	1,319.94	1,219.85	1,107.45

#### Measurement of fair values

- (i) Fair value hierarchy:  
The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.
- (ii) Valuation technique:  
Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is the preferred approach when sales data are available. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject property. Finally a market value for the subject property is estimated from the adjusted sales price of the comparable properties. Investment property comprises a number of vacant industrial land.



# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 5 Intangible assets

(Currency: Indian rupees in lakhs)

	Toll Collection Rights	Computer software	Intangible assets under development	Total
<b>Year ended 31 March 2016</b>				
<b>Cost or deemed cost (gross carrying amount)</b>				
Gross carrying amount				
Deemed cost as at 1 April 2015*	1,59,863.86	49.26	3,524.02	<b>1,63,437.14</b>
Additions	16,065.78	173.63	15,948.03	<b>32,187.44</b>
Disposals	-	(0.57)	(19,472.05)	<b>(19,472.62)</b>
<b>Balance as at 31 March 2016 (gross carrying amount)</b>	<b>1,75,929.64</b>	<b>222.32</b>	-	<b>1,76,151.96</b>
<b>Accumulated amortisation</b>				
Amortisation charge for the year	3,689.58	47.89	-	<b>3,737.47</b>
Disposals	-	(0.54)	-	<b>(0.54)</b>
<b>Balance as at 31 March 2016 (accumulated depreciation)</b>	<b>3,689.58</b>	<b>47.35</b>	-	<b>3,736.93</b>
<b>Net carrying amount</b>	<b>1,72,240.06</b>	<b>174.97</b>	-	<b>1,72,415.03</b>
<b>Year ended 31 March 2017</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	1,75,929.64	222.32	-	1,76,151.96
Additions	7.21	181.73	937.74	1,126.68
Disposals	(213.12)	-	-	(213.12)
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>1,75,723.73</b>	<b>404.05</b>	<b>937.74</b>	<b>1,77,065.52</b>
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	3,689.58	47.35	-	3,736.93
Amortisation charge for the year	2,953.30	89.27	-	3,042.57
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>6,642.88</b>	<b>136.62</b>	-	<b>6,779.50</b>
<b>Net carrying amount</b>	<b>1,69,080.85</b>	<b>267.43</b>	<b>937.74</b>	<b>1,70,286.02</b>

### Intangible assets\*

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2015 under the previous GAAP.

(Currency: Indian rupees in lakhs)

Description	Toll Collection Rights	Computer Software	Intangible Assets Under Development	Total
Gross Block	1,61,760.50	192.03	3,524.02	1,65,476.55
Accumulated Depreciation	(1,896.64)	(142.77)	-	(2,039.41)
<b>Net Block</b>	<b>1,59,863.86</b>	<b>49.26</b>	<b>3,524.02</b>	<b>1,63,437.14</b>

# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 6 Investments accounted for using the equity method

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Investments in Joint ventures</b>			
- Kurukshetra Expressway Private Limited	-	2,227.92	6,131.33
<b>Total (equity instruments)</b>	-	<b>2,227.92</b>	<b>6,131.33</b>
<b>Total non-current investments</b>	-	<b>2,227.92</b>	<b>6,131.33</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	-	2,227.92	6,131.33
Aggregate amount of impairment in the value of investments	-	-	-

## 7 Financial assets

### (a) Trade receivables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Trade receivables</b>			
Debts outstanding over Six Months from due date of payment	10,121.51	8,573.44	7,321.11
Other Debts includes Retention Money	61,118.24	62,034.71	48,695.74
Receivables from related parties	1,495.40	787.53	1,688.03
Less: Allowance for bad and doubtful debts	(2,824.00)	(1,024.00)	-
<b>Total receivables</b>	<b>69,911.15</b>	<b>70,371.68</b>	<b>57,704.88</b>
Non-current	3,528.88	4,614.44	4,179.35
Current	66,382.27	65,757.24	53,525.53

### Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Secured, considered good	-	-	-
Unsecured, considered good	72,735.15	71,395.68	57,704.88
Doubtful	-	-	-
<b>Total</b>	<b>72,735.15</b>	<b>71,395.68</b>	<b>57,704.88</b>
Allowance for doubtful debts	(2,824.00)	(1,024.00)	-
<b>Total trade receivables</b>	<b>69,911.15</b>	<b>70,371.68</b>	<b>57,704.88</b>

For terms and conditions of receivables owing from related parties, refer note 34 of consolidated Ind AS financial statements.

For receivables secured against borrowings, refer note 13(b) and 35 of consolidated Ind AS financial statements.

The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 35 of consolidated Ind AS financial statements.

### (b) Loans

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>						
Loans to joint venture	10,793.33	-	7,188.10	-	4,421.50	-
<b>Total loans</b>	<b>10,793.33</b>	<b>-</b>	<b>7,188.10</b>	<b>-</b>	<b>4,421.50</b>	<b>-</b>



# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 7 Financial assets (Continued)

### (c) Cash and cash equivalents

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
- in current accounts	2,146.20	3,319.01	5,978.63
- in Demand Deposits (with less than 3 months of remaining maturity)	2.03	116.00	227.04
Deposits as Margin Money against Borrowings and Commitments	541.80	136.98	127.70
Cash on hand*	122.62	112.11	84.70
<b>Total cash and cash equivalents</b>	<b>2,812.65</b>	<b>3,684.10</b>	<b>6,418.07</b>

\*For SBN disclosure refer note no.38

### (d) Other financial assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Derivative Asset (refer note 35 (a) (i))	-	-	377.00	-	406.00	304.77
Accrued Income	6.96	-	9.95	-	90.34	-
Security Deposit	808.52	1,192.76	1,071.00	866.97	1,295.66	931.63
<b>Total other financial assets</b>	<b>815.48</b>	<b>1,192.76</b>	<b>1,457.95</b>	<b>866.97</b>	<b>1,792.00</b>	<b>1,236.40</b>

## 8 Deferred tax assets

The balance comprises temporary differences attributable to:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Tax losses	2,622.09	1,150.47	-
Property, Plant and Equipment	131.40	119.50	697.09
Intangible Assets	(2,768.41)	(2,859.24)	(3,097.49)
Provisions	(466.88)	1,140.77	313.75
	<b>(481.80)</b>	<b>(448.50)</b>	<b>(2,086.65)</b>
Derivatives	0.17	(0.18)	(9.52)
Trade receivables - loss allowance	1,292.35	874.25	228.41
Others	990.02	676.74	566.33
	<b>2,282.54</b>	<b>1,550.81</b>	<b>785.22</b>
<b>Total deferred tax assets</b>	<b>1,800.74</b>	<b>1,102.31</b>	<b>(1,301.43)</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-
<b>Net deferred tax assets</b>	<b>1,800.74</b>	<b>1,102.31</b>	<b>(1,301.43)</b>

## Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

### 8 Deferred tax assets (Continued)

#### Movement in deferred tax assets

(Currency: Indian rupees in lakhs)

Particulars	Tax losses	Defined benefit obligation	Provisions	Property, Plant & Equipment	Intangible Assets	Derivatives	Trade receivables - loss allowance	Other items	Total
<b>At 1 April 2015</b>	-	-	313.75	697.09	(3,097.49)	(9.52)	228.41	566.33	<b>(1,301.43)</b>
(Charged)/credited:									
- to profit or loss	1,150.47	-	827.02	(577.59)	238.25	9.33	645.84	215.60	<b>2,508.92</b>
-Others	-	-	-	-	-	-	-	(105.18)	<b>(105.18)</b>
<b>At 31 March 2016</b>	<b>1,150.47</b>	-	<b>1,140.77</b>	<b>119.50</b>	<b>(2,859.24)</b>	<b>(0.18)</b>	<b>874.25</b>	<b>676.74</b>	<b>1,102.31</b>
(Charged)/credited:									
- to profit or loss	1,471.62	(11.16)	(1,607.65)	11.91	90.83	0.35	418.10	209.96	<b>583.96</b>
- to other comprehensive income	-	11.16	-	-	-	-	-	-	<b>11.16</b>
-Others	-	-	-	-	-	-	-	103.32	<b>103.32</b>
<b>At 31 March 2017</b>	<b>2,622.09</b>	-	<b>(466.88)</b>	<b>131.40</b>	<b>(2,768.41)</b>	<b>0.17</b>	<b>1,292.35</b>	<b>990.02</b>	<b>1,800.74</b>

### 9 Other non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital advances	462.00	126.51	370.01
Advances to suppliers	809.89	541.54	262.59
Advance VAT (net of payable)	4,171.85	4,163.58	3,295.86
Prepaid expenses	233.38	12.00	36.00
<b>Total other non-current assets</b>	<b>5,677.12</b>	<b>4,843.63</b>	<b>3,964.46</b>

### 10 Inventories

(at lower of cost or net realisable value)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Construction material	13,889.37	12,175.05	10,384.57
Spares, tools and stores	4,067.93	3,694.49	3,862.96
<b>Total inventories</b>	<b>17,957.30</b>	<b>15,869.54</b>	<b>14,247.53</b>

### 11 Other current assets

(Unsecured and considered good)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Prepaid expenses	575.42	636.21	1,215.83
Advance income tax (net of provision)	2,366.27	6,427.61	6,933.58
Advance VAT / Entry tax (net of payable)	9,513.61	7,932.99	6,451.55
Cenvat credit receivable	430.54	785.45	2,269.69
Excise duty drawback	111.28	181.56	185.79
Advance to creditors	15,172.36	14,001.97	11,104.28
Amount due from customers on long contract (Net)	3,084.07	1,548.89	7,588.85
Receivables for sale of Property, plant and equipments	23.21	0.75	5.81
Accrued value of work done	50,061.38	44,614.02	39,531.52
Advances to employees	93.94	82.00	109.82
Others	24.29	594.00	580.00
<b>Total other current assets</b>	<b>81,456.37</b>	<b>76,805.45</b>	<b>75,976.72</b>



# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 12 Equity share capital and other equity

### (a) Equity share capital

#### Authorised equity share capital

(Currency: Indian rupees in lakhs)

Particulars	Number of shares (in lakh)	Amount
<b>As at 1 April 2015</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2016</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2017</b>	<b>350.00</b>	<b>3,500.00</b>

### (i) Movements in equity share capital

(Currency: Indian rupees in lakhs)

Particulars	Number of shares (in lakhs)	Equity share capital (par value)
<b>As at 1 April 2015</b>		
Exercise of options - proceeds received	<b>261.18</b>	<b>2611.83</b>
Rights issue	74.63	746.27
<b>As at 31 March 2016</b>	<b>335.81</b>	<b>3,358.10</b>
Rights issue	-	-
<b>As at 31 March 2017</b>	<b>335.81</b>	<b>3,358.10</b>

#### Terms and rights attached to equity shares :

The Company has only one class of Equity Shares having par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

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 liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

### (ii) Shares of the company held by holding company

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Kalpataru Power Transmission Ltd.	2,256.29	2,256.29	1,754.89

### (iii) Details of shareholders holding more than 5% shares in the company

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity Shares of ₹ 10/- each fully paid Kalpataru Power Transmission Limited, the Holding Company	225.63	67.19%	225.63	67.19%	175.49	67.19%

### (iv) Aggregate number of shares issued for consideration other than cash

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017 Number of shares	31 March 2016 Number of shares	1 April 2015 Number of shares
Aggregate number of shares issued for consideration other than cash	-	-	-

# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 12 Equity share capital and other equity (Continued)

### (b) Reserves and surplus

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Securities premium reserve	35,331.64	35,331.64	21,222.86
Debenture redemption reserve	-	-	356.25
Share options outstanding account	-	-	32.04
Retained earnings	5,035.52	9,871.31	16,997.41
General reserves	4,673.30	4,448.30	3,848.30
<b>Total reserves and surplus</b>	<b>45,040.46</b>	<b>49,651.25</b>	<b>42,456.86</b>

### (i) Securities premium reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	35,331.64	21,222.86
Effect of derecognition of Joint ventures	-	(14.26)
Rights issue	-	14,253.73
Transaction costs arising on share issues	-	(130.69)
<b>Closing balance</b>	<b>35,331.64</b>	<b>35,331.64</b>

### (ii) Debenture redemption reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	-	356.25
Transfer from surplus of profit	-	18.75
Appropriations during the year	-	(375.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### (iii) Share options outstanding account

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	-	32.04
Employee stock option expense	-	(32.04)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### (iv) Retained earnings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	9,871.31	16,997.41
Net (loss) for the period	(4,206.62)	(6,580.35)
Effect of derecognition of Joint ventures	-	12.35
Transfer to general reserve	(225.00)	(225.00)
Transfer to debenture redemption reserve	-	(18.75)
Dividends (including tax thereon)	(404.17)	(314.35)
<b>Closing balance</b>	<b>5,035.52</b>	<b>9,871.31</b>





# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 12 Equity share capital and other equity (Continued)

### (v) General reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening balance	4,448.30	3,848.30
Transfer from surplus of profit	225.00	225.00
Transfer from Debenture Redemption Reserve	-	375.00
<b>Closing balance</b>	<b>4,673.30</b>	<b>4,448.30</b>

### (c) Other reserves

(Currency: Indian rupees in lakhs)

Particulars	Foreign currency translation reserve	Other Reserves	Total other reserves
<b>As at 1 April 2015</b>	16.00	84.81	<b>100.81</b>
Other currency translation differences	(67.00)	-	<b>(67.00)</b>
<b>As at 31 March 2016</b>	<b>(51.00)</b>	<b>84.81</b>	<b>33.81</b>
Other currency translation differences	(322.45)	-	(322.45)
Effect of derecognition of Joint ventures	-	1.75	1.75
<b>As at 31 March 2017</b>	<b>(373.45)</b>	<b>86.56</b>	<b>(286.89)</b>

### Nature and purpose of other reserves

#### (i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

#### (ii) Debenture redemption reserve

The Group required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

#### (iii) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

#### (iv) General reserve

General reserve created out of surplus of profit and loss and transfer from Debenture Redemption Reserve.

#### (v) Foreign currency translation reserve

Exchange differences arising on translation of the integrated foreign operations are recognised in foreign currency translation reserve.

#### (vi) Other Reserves

Other reserves created on Guarantee commission charged on bank Guarantee provided by the holding Company on behalf of the Company.

## Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

### 13 Financial liabilities

#### (a) Non-current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2017	31 March 2016	1 April 2015
<b>Secured</b>						
<b>Debentures</b>						
150, 9.5% Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each.	15-Jul-15	NCDs are repaid in full	9.50%	-	-	1,529.67
<b>Term loans From banks</b>						
Rupee loan						
- from banks		Please refer note 13(a) 1		73,814.46	86,345.45	84,686.81
- from NBFC		Please refer note 13(a) 2		40,939.83	36,826.36	29,393.73
Foreign currency loan (USD)	25-Oct-16	Quarterly instalments of US \$ 769,230.77 each	LIBOR + spread	-	1,543.70	3,350.92
<b>Vehicle loans</b>		Please refer note 13(a) 3	9.40% to 10.75%	212.48	203.74	129.02
				<b>1,14,966.77</b>	<b>1,24,919.25</b>	<b>1,19,090.15</b>
<b>Unsecured</b>						
<b>Term loans</b>						
Rupee loan						
- from banks	30-Sep-21	Quarterly unequal instalments. Borrower has a right to prepay the facility anytime and lender has a right to recall the facility, after 5 years from the first drawdown date after 15 days notice.	varying interest rate linked to base rate of Bank from time to time.	10,753.50	12,002.00	12,776.00
- from others						
Fixed Deposits from Public	31-Mar-16	Repayable on maturity. All the deposits have been repaid on 31 March 2017	9% to 12%	-	-	1,108.85
				<b>10,753.50</b>	<b>12,002.00</b>	<b>13,884.85</b>
<b>Total non-current borrowings</b>				<b>1,25,720.27</b>	<b>1,36,921.25</b>	<b>1,32,975.00</b>
Less: Current maturities of long-term debt (included in note 13(c))				9,090.90	12,969.30	9,837.05
Less: Interest accrued (included in note 13(c))				6.43	78.84	239.02
<b>Total non-current borrowings (as per balance sheet)</b>				<b>1,16,622.94</b>	<b>1,23,873.11</b>	<b>1,22,898.93</b>



# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 13. Financial liabilities (Continued)

### (a) Non-current borrowings (Continued)

#### 1 Rupee loans from banks

- (i) Term Loan from a consortium bank amounting to INR 468.85 lakhs (31 March 2016 : INR 1,093.75 lakhs ; 1 April 2015 : INR 1,717.56 lakhs) is secured by first and exclusive charge over the Property, plant and equipments financed by them. Term loan is repayable in equal quarterly instalments of INR 156.25 lakhs each with 29 December 2017 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (ii) Term loan from a bank amounting to INR Nil (31 March 2016: INR 2,843.75 lakhs ; 1 April 2015 : INR 4,468.75 lakhs). Term loan is repayable in balance equal quarterly instalments of INR 406.25 lakhs each with 29 December 2017 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (iii) Term loan from a bank amounting to INR 2,910.83 lakhs (31 March 2016: INR 3,900.00 lakhs ; 1 April 2015 : INR 4,000.00 lakhs) is secured exclusively by first charge on movable Property, plant and equipments funded out of the said facility. Term loan is repayable unequal quarterly instalments with 30 September 2021 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (iv) Term loan from a bank amounting to INR 643.52 lakhs (31 March 2016: INR 850.00 lakhs ; 1 April 2015 : INR Nil) is secured exclusively by first charge on movable Property, plant and equipments funded out of the said facility. Term loan is repayable in equal quarterly instalments of INR 70.83 lakhs with 10 January 2019 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (v) Term loan from a bank amounting to INR 278.70 lakhs (31 March 2016: INR Nil ; 1 April 2015 : INR Nil) is secured exclusively by first charge on movable Property, plant and equipments funded out of the said facility. Term Loan is repayable in unequal quarterly instalments ending in May 2021 with varying interest rate linked to base rate of bank from time to time.
- (vi) Term loan from a bank amounting to INR 24,973.22 lakhs (31 March 2016: INR 25,064.41 lakhs ; 1 April 2015 : INR 25,188.51 lakhs) is secured by following assets of the subsidiary company, viz. Wainganga Expressway Private Limited.
- (a) a first charge in favour of the Lenders / Security Trustee for the benefit of the Lenders in a form satisfactory of the Lenders, of all borrower's immovable assets, if any both present and future, save and except Project Assets and
- (b) a first charge in favour of Security Trustee for the benefit of the lenders of all the borrower's moveable properties, both present and future, save and except the Project Assets and more specifically mentioned in loan agreement repayable in unequal instalments ending on 30 June 2026.
- (vii) Term Loans from Banks amounting to INR 6,795.47 lakhs (31 March 2016: 14,794.79 lakhs ; 1 April 2015 : INR 15,513.94 lakhs) is secured by following assets of the subsidiary company, viz. Brij Bhoomi Expressway Private Limited.
- a) first mortgage and charge on all the borrower's immovable properties, if any, both present and future; save and except the Project Assets. By way of hypothecation of all the borrower's movable assets; save and except the Project Assets, borrower's receivables save and except the Project Assets and on all intangibles of the borrower.
- b) first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the Project Documents.
- c) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the borrower. Repayable in quarterly unequal instalments ending on 1 December 2023.
- (viii) Term loans from banks amounting to INR 37,743.87 lakhs (31 March 2016: INR 37,766.85 lakhs ; 1 April 2015 : INR 33,710.95 lakhs) is secured by following assets of the subsidiary company, viz. Vindhychal Expressway Private Limited.
- (a) first mortgage and charge on all the borrower's immovable properties, if any, both present and future; save and except the Project Assets. By way of hypothecation of all the borrower's movable assets; save and except the Project Assets, borrower's receivables save and except the Project Assets and on all intangibles of the borrower.
- (b) first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement and by way of assignment or creation of security interest of (a) all

# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 13. Financial liabilities (Continued)

### 1 Rupee loans from banks (Continued)

the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the Project Documents.

- (c) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on 31 December 2024

### 2 Rupee loans from NBFC

- (i) Term loan from NBFC amounting to INR 2,500 lakhs (31 March 2016: INR 8,750.00 lakhs ; 1 April 2015 : INR 10,000 lakhs) is secured by subservient charge over the entire movable tangible assets of the company and further guaranteed by the Holding Company. Term loan is repayable in equal quarterly instalments of INR 1,250 lakhs with 14 December 2017 as maturity date with interest payable monthly at varying interest rate linked to base rate of bank from time to time and further there is a put option at the end of 12 months from the date of first disbursement and every year thereafter.
- (ii) Term loan from NBFC amounting to INR 6,930 lakhs (31 March 2016: INR 7,750.00 lakhs ; 1 April 2015 : INR Nil) is secured by first pari passu charge on entire movable Property, plant and equipments excluding assets charged exclusively to the Term lenders in 13 (a) 1 (i), 13 (a) 1 (iii), 13 (a) 1 (iv), 13 (a) (v), 13 (a) 2 (i) and in pari passu with a lender in 13 (a) 1 (ii). Term Loan is repayable in 18 unequal quarterly instalments to be paid at the end of each financial quarter, commencing from 29 September 2016 with 21 December 2020 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of bank from time to time.
- (iii) Term loan from NBFC amounting to INR 3,500 lakhs (31 March 2016: INR Nil ; 1 April 2015 : INR Nil) is secured by first pari passu charge on entire movable Property, plant and equipments excluding assets charged exclusively to the Term lenders in 13 (a) 1 (i), 13 (a) 1 (iii), 13 (a) 1 (iv), 13 (a) (v), 13 (a) 2 (i) and in pari passu with a lender in 13 (a) 1 (ii). Term loan is repayable in 16 equal quarterly instalments, commencing from June 2018 and ending in March 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of bank from time to time.

- (iv) Term loan from NBFC amounting to INR 627.26 lakhs (31 March 2016: INR 1,056.95 lakhs ; 1 April 2015 : INR 1,523.68 lakhs) is secured by first and exclusive charge by way of hypothecation for equipments financed by them. Term loans is repayable in 36 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

- (v) Term loan from NBFC amounting to INR 899.38 lakhs (31 March 2016: INR Nil ; 1 April 2015 : INR Nil) is secured by first and exclusive charge by way of hypothecation for equipments financed by them. Term loans is repayable in 16 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

- (vi) Term loan from a financial institution amounting to INR 7,455.33 lakhs (31 March 2016: INR 7,398.13 lakhs ; 1 April 2015 : INR 7,449.86 lakhs) is secured by following assets of the subsidiary company, viz. Wainganga Expressway Private Limited (for pledge details refer note 13 (a) (1) (vi)).

- (vii) Term loan from a financial institution amounting to INR 7,161.17 lakhs (31 March 2016: INR Nil ; 1 April 2015 : INR Nil) is secured by following assets of the subsidiary company, viz. Brijbhoomi Expressway Private Limited (for pledge details refer note 13 (a) (1) (vii)).

- (viii) Term Loans from banks amounting to INR 11,866.69 lakhs (31 March 2016: INR 11,871.28 lakhs ; 1 April 2015 : INR 10,420.19 lakhs) is secured by following assets of the subsidiary company, viz. Vindhychal Expressway Private Limited (for pledge details refer note 13 (a) (1) (viii)).

### 3 Vehicle loans

Loans of INR 212.48 lakhs (31 March 2016: INR 203.74 lakhs ; 1 April 2015 : INR 129.02 lakhs) are secured by way of charge on specific equipments and vehicles financed by them on different loans. Vehicle loans is repayable in 60 monthly instalments beginning from the month subsequent to disbursement.



# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 13 Financial liabilities (Continued)

### (b) Current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2017	31 March 2016	1 April 2015
<b>Loans repayable on demand</b>						
<b>Secured</b>						
From banks*	Roll over facility	Roll over working capital facility renewed annually	MCLR + Margin	34,006.28	33,754.35	28,124.80
				<u>34,006.28</u>	<u>33,754.35</u>	<u>28,124.80</u>
<b>Unsecured</b>						
Commercial paper				-	-	5,000.00
Fixed deposits from public				-	-	73.94
<b>Total current borrowings</b>				<u>34,006.28</u>	<u>33,754.35</u>	<u>33,198.74</u>
Less: Interest accrued (included in note 13(c))				98.10	134.50	77.34
<b>Total Current borrowings (as per balance sheet)</b>				<u>33,908.18</u>	<u>33,619.85</u>	<u>33,121.40</u>

\* Working Capital Loans are secured in favour of consortium bankers, by way of :

- First charge against hypothecation of stocks, work in progress, stores and spares, bills receivables, book debts and other current assets.
- Second charge on all movable Property, plant and equipments of the Company.
- First charge on the office premises of the Company.

### (c) Other financial liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Non-current</b>			
Trade payable	11,780.95	16,832.74	10,793.03
Additional concession fees	32,707.59	28,225.85	29,007.97
Security deposit accepted	1,543.95	-	-
<b>Total other non-current financial liabilities</b>	<u>46,032.49</u>	<u>45,058.59</u>	<u>39,801.00</u>
<b>Current</b>			
9.5% Secured redeemable non - convertible debentures (repaid in full)	-	-	1,500.00
Term loans from banks and NBFCs (Refer note 13 (a) 1 & 13 (a) 2)	9,022.31	12,909.74	7,301.11
Loan against vehicles / equipments (Refer note 13 (a) 3)	68.59	59.56	39.46
Fixed deposits from public (repaid in full)	-	-	996.48
Interest accrued but not due on borrowings	104.54	510.59	769.04
Payables for capital goods	3,869.18	699.90	1,595.44
Payable to employees	2,565.93	2,236.78	2,087.25

# Notes to the consolidated Ind AS financial statements (Continued)

as at 31 March 2017

## 13 Financial liabilities (Continued)

### (c) Other financial liabilities (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Additional concession fees	2,277.99	1,882.34	952.50
Security deposits	39.86	40.24	43.30
Unclaimed dividend	7.76	8.70	9.09
Unclaimed matured fixed deposits and interest	1.83	1.86	24.70
Unclaimed share application money	-	0.13	0.13
<b>Total other current financial liabilities</b>	<b>17,957.99</b>	<b>18,349.84</b>	<b>15,318.50</b>

### (d) Trade payables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Current</b>			
Trade Payables (Other than Micro and Small Enterprises)	71,769.43	63,412.94	51,067.56
Acceptance	2,814.16	4,821.25	8,304.92
Due to others - Micro and Small Enterprises	200.97	108.71	42.51
<b>Total trade payables</b>	<b>74,784.56</b>	<b>68,342.90</b>	<b>59,414.99</b>

## 14 Provisions

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Defect liability period expenses	162.55	2,283.17	2,445.72	162.55	1,259.26	1,421.81	126.09	1,063.47	1,189.56
Provision for onerous contracts	955.26	-	955.26	-	1,736.00	1,736.00	-	3,495.00	3,495.00
Major maintenance expense	-	2,494.19	2,494.19	-	1,256.59	1,256.59	-	312.10	312.10
Loss of joint venture	1,321.85	-	1,321.85	-	-	-	-	-	-
Provision for gratuity (refer note 33)	79.53	901.11	980.64	-	695.48	695.48	2.10	529.43	531.53
Leave obligations (refer note 33)	152.93	466.42	619.35	47.81	331.80	379.61	43.55	293.37	336.92
<b>Total</b>	<b>2,672.12</b>	<b>6,144.89</b>	<b>8,817.01</b>	<b>210.36</b>	<b>5,279.13</b>	<b>5,489.49</b>	<b>171.74</b>	<b>5,693.37</b>	<b>5,865.11</b>

## 15 Other current liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Advance from clients	16,127.06	35,437.08	51,564.14	22,454.61	18,975.28	41,429.89	19,089.67	22,877.23	41,966.90
Other statutory liabilities	1,388.68	-	1,388.68	2,572.00	-	2,572.00	2,280.81	-	2,280.81
Others	44.10	-	44.10	-	-	-	-	-	-
<b>Total</b>	<b>17,559.84</b>	<b>35,437.08</b>	<b>52,996.92</b>	<b>25,026.61</b>	<b>18,975.28</b>	<b>44,001.89</b>	<b>21,370.48</b>	<b>22,877.23</b>	<b>44,247.71</b>



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 16 Revenue from operations

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
<b>Service income</b>		
Contract revenue	228,823.15	240,264.52
Accrued Value of Work Done (uncertified bills)	4,968.69	1,967.75
Income from toll collection	11,988.30	11,279.77
Utility shifting revenue	586.22	897.38
Claim from Authority*	847.48	-
<b>Total revenue from continuing operations</b>	<b>247,213.84</b>	<b>254,409.42</b>

\*Note: Consequent upon the de-monetisation of specified currency notes by the Hon'ble Prime Minister, toll collection had been suspended from 9 November 2016 to 2 December 2016 for which the company has raised claims on Authority for reimbursement of the O&M and interest expenses incurred during this period as per the provisions of the Concession Agreement entered into between the company and authority read along with NHAI circular No. NHAI/CGM/BOT FIN02016-17 dated 29 November 2016 in this regard, amount of INR 847.48 lakhs claimed, being contractually enforceable and certain of recovery, has been recognised as income.

## 17 Other income

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Interest income		
- from fixed deposits	225.22	134.55
- from others	815.28	275.21
Net gain on sale of Property, plant and equipments	203.81	139.06
Rent income	136.52	219.83
Liabilities written back	61.23	59.63
Other income	6.78	-
<b>Total other income</b>	<b>1,448.84</b>	<b>828.28</b>

## 18 Cost of materials consumed

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Raw materials at the beginning of the year	12,087.48	10,371.32
Add: Purchases	86,856.52	88,545.81
Less: Scrap sales	(631.93)	(876.43)
Less: Raw material at the end of the year	(13,877.17)	(12,163.41)
<b>Total cost of materials consumed</b>	<b>84,434.90</b>	<b>85,877.29</b>

## 19 Employee benefit expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Salaries, wages and bonus	21,017.91	20,321.36
Contribution to provident fund	1,446.64	1,231.19
Employee share option scheme expenses	-	(32.04)
Staff welfare expenses	1,398.79	1,353.99
<b>Total employee benefit expense</b>	<b>23,863.34</b>	<b>22,874.50</b>

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 20 Depreciation and amortisation expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Depreciation of property, plant and equipment (refer note 3)	5,669.90	5,133.49
Amortisation of intangible assets (refer note 5)	3,042.57	3,737.47
<b>Total depreciation and amortisation expense</b>	<b>8,712.47</b>	<b>8,870.96</b>

### 21(a) Construction expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Work charges	44,113.69	47,851.21
Composite work charges	23,501.36	30,749.79
Operation and management services	1,518.08	1,334.21
Construction cost	946.96	2,038.98
Utility shifting expenditure	512.20	952.19
Consumption of spares, tools and stores	1,722.69	1,761.28
Machinery - running and maintenance expenses	4,813.00	4,443.29
Electricity charges	1,857.36	2,277.62
Rent and hire charges	4,640.80	4,681.30
Security expenses	1,396.30	1,513.00
Site expenses	7,727.48	5,313.00
Major maintenance expenses	1,099.15	910.37
Defect liability period expenses	(14.21)	572.14
<b>Total construction expenses</b>	<b>93,834.86</b>	<b>1,04,398.38</b>

### 21(b) Other expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Building and general repairs	154.62	89.49
Vehicle maintenance charges	291.44	287.66
Travelling expenses	1,068.61	878.46
Conveyance expenses	79.16	91.16





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 21(b) Other expenses (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Insurance charges	775.60	601.35
Printing and stationery expenses	255.46	251.16
Office rent	637.78	611.00
Office expenses	289.30	168.00
Postage and telephone charges	260.04	228.63
Professional and legal charges	1,256.25	1,186.15
Auditor's remuneration (refer note 21(b) (i) below)	68.12	47.60
Rates and taxes	7,640.36	6,206.64
Advertisement expenses	15.46	13.23
Computer and IT expenses	339.44	254.87
Sundry expenses (refer note 21(b) (ii) below)	373.70	575.29
Bank commission and charges	972.62	939.71
Training expenses	27.75	19.00
Loss on assets lost	6.65	18.00
Exchange rate variation expense	(1,695.30)	(1,778.27)
Sitting fees and commission to Non-executive Directors	68.15	65.75
Provision for expected credit loss	1,800.00	1,024.00
Contribution to Electoral Trust Company	150.00	-
<b>Total other expenses</b>	<b>14,835.20</b>	<b>11,778.88</b>

### (i) Details of payments to auditors

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016*
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	49.71	35.92
<b>In other capacities</b>		
Company law matters	-	2.29
Certification fees	12.61	-
Re-imbursment of expenses	1.72	-
Other services	4.08	9.39
<b>Total payments to auditors</b>	<b>68.12</b>	<b>47.60</b>

\*Paid to erstwhile statutory auditors.

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 21(b) Other expenses (Continued)

#### (ii) Corporate social responsibility expenditure

Sundry expenses includes sum of INR 25.79 lakhs (31 March 2016: INR NIL ) spend under Corporate Social Responsibility.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
A. Gross amount required to be spent by the Company	33.21	42.83
B. Amount spent during the year on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	25.79	-
C. Related party transactions in relation to Corporate Social Responsibility	-	-

### 22 Finance costs

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Interest and finance charges on financial liabilities not at fair value through profit or loss	18,360.87	18,751.34
Other borrowing costs	544.11	994.99
Exchange differences regarded as an adjustment to borrowing costs	(104.30)	77.75
Interest on unwinding of discount	3,828.54	3,328.71
	<b>22,629.22</b>	<b>23,152.79</b>
Less: Amount capitalised	-	-
<b>Total finance costs expensed in profit or loss</b>	<b>22,629.22</b>	<b>23,152.79</b>

### 23 Income tax expense

#### (a) Amounts recognised in profit and loss

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
<b>Income tax expense</b>		
Current tax		
Current tax on profits for the year	1,572.75	3,522.44
<b>Total current tax expense</b>	<b>1,572.75</b>	<b>3,522.44</b>
Deferred tax		
Decrease (increase) in deferred tax assets	(583.97)	(2,508.92)
<b>Total deferred tax expense/(benefit)</b>	<b>(583.97)</b>	<b>(2,508.92)</b>
<b>Total income tax expense</b>	<b>988.78</b>	<b>1,013.52</b>
Income tax expense is attributable to:		
Profit from continuing operations	988.78	1,013.52
	<b>988.78</b>	<b>1,013.52</b>



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 23 Income tax expense (Continued)

### (b) Amounts recognised in other comprehensive income

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability (asset)	(32.23)	11.16	(21.07)	79.00	(27.00)	52.00
	<b>(32.23)</b>	<b>11.16</b>	<b>(21.07)</b>	<b>79.00</b>	<b>(27.00)</b>	<b>52.00</b>

### (c) Reconciliation of effective tax rate

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	%	Amount	%	Amount
<b>Profit before tax</b>	-	(3,196.77)	-	(5,618.83)
Tax using the Company's domestic tax rate Effect of :	-	-	-	-
Share of profit/loss on investment in joint ventures	1.79	(57.36)	0.04	(2.19)
Non deductible expenses	6.01	(192.11)	-	-
Tax incentives	6.87	(219.74)	1.10	(61.87)
Recognition of tax losses	46.03	(1,471.62)	20.48	(1,150.47)
Non recognition of tax losses	(90.72)	2,900.21	(40.07)	2,251.50
Margin recognition	(0.05)	1.68	(0.75)	42.30
Provisions	(0.66)	20.95	(3.76)	211.19
Amortisation on intangible assets	0.59	(19.01)	4.24	(238.25)
Derecognition of investment in joint ventures	-	-	(0.14)	7.90
Tax on remeasurement of defined benefit plan	(0.35)	11.16	0.49	(27.31)
Others items	(0.46)	14.62	0.34	(19.28)
<b>Effective tax rate</b>	<b>(30.95)</b>	<b>988.78</b>	<b>(18.03)</b>	<b>1,013.52</b>

### (d) Movement in deferred tax balances

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017						
	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Other	Net	Deferred tax asset	Deferred tax liability
Depreciation	67.68	(5.04)	-	-	62.64	62.64	-
Indexation benefit on land	6.00	1.00	-	-	7.00	7.00	-
Provision for onerous contract as per ICDS 1	179.21	(270.30)	-	-	(91.09)	-	(91.09)
Provision for defect liability period	333.68	(704.08)	-	-	(370.40)	-	(370.40)
Provisions for section 40(a)ia and section 43B of Income-tax Act, 1961	1,711.09	(612.54)	-	-	1,098.55	1,098.55	-
Leasehold improvements	45.82	15.94	-	-	61.76	61.76	-
Corporate guarantee given	16.54	8.65	-	-	25.19	25.19	-
Defined benefit obligations	-	(11.16)	11.16	-	-	-	-
Derivative	(0.18)	0.35	-	-	0.17	0.17	-
Trade receivables	874.25	418.10	-	-	1,292.35	1,292.35	-

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 23 Income tax expense (Continued)

#### (d) Movement in deferred tax balances (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017						
	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Other	Net	Deferred tax asset	Deferred tax liability
Construction revenue	(571.76)	(1.68)	-	-	(573.44)	-	(573.44)
Provision for major maintenance expense	(93.48)	(45.73)	-	-	(139.21)	-	(139.21)
Provision for premium	(989.73)	24.99	-	-	(964.74)	-	(964.74)
Amortisation on intangible assets	(2,859.24)	90.83	-	-	(2,768.41)	(2,768.41)	-
Tax losses	1,150.47	1,471.62	-	-	2,622.09	2,622.09	-
Other items	1,231.96	203.01	-	103.32	1,538.29	1,538.29	-
<b>Tax Assets (Liabilities)</b>	<b>1,102.31</b>	<b>583.96</b>	<b>11.16</b>	<b>103.32</b>	<b>1,800.74</b>	<b>3,939.63</b>	<b>(2,138.89)</b>
Set off tax	-	-	-	-	-	-	-
<b>Net tax assets</b>	<b>1,102.31</b>	<b>583.96</b>	<b>11.16</b>	<b>103.32</b>	<b>1,800.74</b>	<b>3,939.63</b>	<b>(2,138.89)</b>

#### (d) Movement in deferred tax balances

(Currency: Indian rupees in lakhs)

Particulars	31 March 2016						
	Net balance 1 April 2015	Recognised in profit or loss	Recognised in OCI	Other	Net	Deferred tax asset	Deferred tax liability
Depreciation	661.50	(593.82)	-	-	67.68	67.68	-
Indexation benefit on land	5.00	1.00	-	-	6.00	6.00	-
Provision for onerous contract as per ICDS 1	1,009.50	(830.29)	-	-	179.21	179.21	-
Provision for Defect liability period	(891.21)	1,224.89	-	-	333.68	333.68	-
Provisions for section 40(a)ia and section 43B of Income-tax Act, 1961	1,067.48	643.61	-	-	1,711.09	1,711.09	-
Leasehold improvements	30.59	15.23	-	-	45.82	45.82	-
Corporate guarantee given	4.08	12.46	-	-	16.54	16.54	-
Derivative	(9.52)	9.34	-	-	(0.18)	-	(0.18)
Trade receivables	228.41	645.84	-	-	874.25	874.25	-
Construction Revenue	(529.46)	(42.30)	-	-	(571.76)	-	(571.76)
Provision for Major Maintenance Expense	105.79	(199.27)	-	-	(93.48)	-	(93.48)
Provision for Premium	(977.82)	(11.91)	-	-	(989.73)	-	(989.73)
Amortisation on Intangible Assets	(3,097.49)	238.25	-	-	(2,859.24)	-	(2,859.24)
Tax Losses	-	1,150.47	-	-	1,150.47	1,150.47	-
Other items	1,091.72	245.42	-	(105.18)	1,231.96	1,231.96	-
<b>Tax assets (Liabilities)</b>	<b>(1,301.43)</b>	<b>2,508.92</b>	<b>-</b>	<b>(105.18)</b>	<b>1,102.31</b>	<b>5,616.70</b>	<b>(4,514.39)</b>
Set off tax	-	-	-	-	-	-	-
<b>Net tax assets</b>	<b>(1,301.43)</b>	<b>2,508.92</b>	<b>-</b>	<b>(105.18)</b>	<b>1,102.31</b>	<b>5,616.70</b>	<b>(4,514.39)</b>



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 24 Interest in Joint Ventures

Set out below are the joint ventures of the group as at 31 March 2017 which, in the opinion of the management, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(Currency: Indian rupees in lakhs)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount		
					31 March 2017	31 March 2016	1 April 2015
Kurukshetra Expressway Private Limited	India	49.57%	Joint Venture	Equity method	-	2,227.92	6,131.33

### Summarised financial information for joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not JMC Projects (India) Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(Currency: Indian rupees in lakhs)

Summarised balance sheet	31 March 2017	31 March 2016	1 April 2015
Current assets			
Cash and cash equivalents	286.77	354.97	665.29
Other assets	935.96	156.70	746.48
<b>Total current assets</b>	<b>1,222.73</b>	<b>511.67</b>	<b>1,411.77</b>
<b>Total non-current assets</b>	<b>1,12,574.43</b>	<b>1,12,929.19</b>	<b>1,14,194.61</b>
Current liabilities			
Other liabilities	7,110.39	6,018.41	5,784.21
<b>Total current liabilities</b>	<b>7,110.39</b>	<b>6,018.41</b>	<b>5,784.21</b>
Non-current liabilities			
Financial liabilities (excluding trade payables)	104,871.42	99,600.04	95,186.61
Other liabilities	4482.07	3,328.87	2,267.77
<b>Total non-current liabilities</b>	<b>1,09,353.49</b>	<b>1,02,928.91</b>	<b>97,454.38</b>
<b>Net assets</b>	<b>(2,666.72)</b>	<b>4,493.53</b>	<b>12,367.79</b>

Reconciliation to carrying amounts

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Opening net assets	4,493.53	12,367.79
(Loss) for the year	(7,160.25)	(7,874.26)
<b>Closing net assets</b>	<b>(2,666.72)</b>	<b>4,493.53</b>
Group's share in %	49.57%	49.57%
Group's share in INR	(1,321.85)	2,227.92
Considered in Provision*	1,321.85	-
<b>Carrying amount</b>	<b>-</b>	<b>2,227.92</b>

\*Note: Provision for loss in joint venture in excess of investment has been disclosed under Provisions (Refer Note 14)

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 24 Interest in Joint Ventures (Continued)

#### Summarised statement of profit and loss

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
Revenue	9,209.79	7,455.00
Other income	14.86	11.22
Construction cost	(1,253.36)	(146.82)
Employee benefits expense	(95.05)	(50.55)
Finance costs	(11,361.34)	(11,530.88)
Depreciation and amortisation expense	(1,641.99)	(1,622.06)
Other expenses	(2,166.36)	(1,889.76)
Deferred tax	(133.20)	(100.40)
<b>(Loss) from continuing operations</b>	<b>(7,160.25)</b>	<b>(7,874.26)</b>
(Loss) from discontinued operations	-	-
<b>(Loss) for the year</b>	<b>(7,160.25)</b>	<b>(7,874.26)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(7,160.25)</b>	<b>(7,874.26)</b>
<b>Share of loss from joint ventures</b>	<b>(3,549.46)</b>	<b>(3,903.73)</b>

### 25 Contingent liabilities in respect of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
A. Bank guarantees	6.50	6.50	6.50
B. Guarantees given in respect of performance of contracts of joint ventures entities in which company is one of the member / holder of substantial equity	17,146.92	20,579.95	17,671.21
C. Guarantee given in favour of a subsidiary for loan obtained by them	3,655.00	2,185.00	2,250.00
D. Bill discounted with banks	-	5,079.25	5,132.19
E. Claims against the Company not acknowledged as debts	1,509.05	772.40	263.02
F. Show Cause Notice Issued by Service Tax Authorities	8,062.15	6,761.59	5,406.00
G. Trichy Madurai Road Project Royalty Matter	39.87	39.87	39.87
H. Disputed Income Tax Demand in appeal before Appellate Authorities	899.72	865.80	7,610.29
I. Disputed Income Tax Demand of Joint Ventures in appeal before Appellate Authorities	143.90	8.77	8.77
J. Disputed VAT Demand in appeal before Appellate Authorities	3,556.84	4,076.51	4,428.61

26 The management is of the opinion that as on the balance sheet date, there are no indications of a material impairment loss on Property, plant and equipment, hence the need to provide for impairment loss does not arise.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 27 Capital and other commitments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	717.53	258.94	13,799.33
Commitments on account of premium payable and on account of Toll, Operation and Maintenance Contracts	1,348.14	2,507.88	2,951.18

**28** In the opinion of the management, the assets other than Property, plant and equipment and non current investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these consolidated Ind AS financial statements.

## 29 Lease transactions

The Group's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipments (operating lease). Lease agreements in respect of residential / office premises and certain equipments are cancelable and renewable by mutual consent on mutually agreed terms. Certain equipments were on non-cancellable operating lease upto July 14, 2015. The aggregate lease rental / hire charges payable on these premises / equipments are charged as rent & hire charges amounting to INR. 2113.78 lakhs (31 March 2016: INR 2,220.37 lakhs; 1 April 2015: INR 2,788.87 lakhs).

## 30 The disclosure in respect of Provisions is as under :

(Currency: Indian rupees in lakhs)

Particulars	Provision for Major maintenance	Provision for defect liability period	Provision for onerous contracts
<b>Balance at 1 April 2015</b>	312.10	1,190.06	3,495.00
Additions during the year	944.50	300.86	-
Utilisation during the year	-	(69.06)	-
Reversal (withdrawn as no longer required)	-	-	(1,760.00)
<b>As at 31 March 2016</b>	<b>1,256.60</b>	<b>1,421.86</b>	<b>1,735.00</b>
Additions during the year	1,237.59	1,783.32	-
Utilisation during the year	-	(178.23)	-
Reversal (withdrawn as no longer required)	-	(581.23)	(779.74)
<b>As at 31 March 2017</b>	<b>2,494.19</b>	<b>2,445.72</b>	<b>955.26</b>
Non- current	2,494.19	2,283.17	-
Current	-	162.55	955.26

**Provision for major maintenance** - The Group has made provision for major maintenance on it's BOOT projects as per the concession agreements. The provision is based on the technical evaluation and historical data associated with particular project. The Group expects to incur the related expenditure over the concession period

**Provision for defect liability period** - The Group has made provision for defect liability period based on the defect liability period mentioned in contracts. The provision is based on the estimates made from historical data associated with similar project. The Group expects to incur the related expenditure over the defect liability period

**Provision for onerous contracts** - The Group has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 11 the Group has to provide for these losses. The provision is based on the estimate made by the management

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 31 Disclosure as per Ind AS -11

#### (a) Construction contracts

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
(1) Contract Revenue Recognised During the year	2,17,151.18	2,39,270.62
(2) Aggregate amount of Cost Incurred & Recog P/(L)	8,27,201.34	7,49,283.31
(3) Advances received	40,170.89	29,069.73
(4) Retention Receivable	8,804.98	6,980.92
(5) Gross Amount Due from Customer	11,962.59	10,887.55
(6) Gross Amount Due to Customer	8,878.53	9,338.66

#### (b) Service concession arrangement

The Group entered into a service concession agreement with:

- NHAI (National Highways Authority of India) to construct Four laning of Nagpur-Wainganga Bridge Section of NH-06 From KM 498.000 to KM 544.200 in the state of Maharashtra on 21 June ,2011,
- NHAI (National Highways Authority of India) to construct two laning of Agra to Aligarh section of NH – 93 in the state of Uttar Pradesh on 23rd December 2010,
- MPRDC (The Madhya Pradesh Road Development Corporation Ltd) to construct a toll highway between Rewa city and MP/UP border on 25 January 2012.

The construction of the toll road started thereafter and :

- was completed and available for use on 7 January 2015
- as partially completed on 2 May 2014 and final completion on 29 December 2015.
- was partially completed on 7 February 2015 and balance was completed on 28 March 2016, respectively.

The Group has to pay a guaranteed minimum annual payment to the grantor for each year that the toll road in operation in case of projects in Sr. No 1 and 3 mentioned above. Additionally the Group has received the right to charge users a fee for using the toll road, which the Group will collect and retain. At the end of concession period, the toll road will become the property of the grantor and the Group will have no further involvement in its operation and maintainance requirements.

The service concession agreement does not contain a renewal option. The right of grantor to terminate the agreement include poor performance by Group and in the event of material breach in the terms of agreement. The right of the Group to terminate the agreement include failure of the grantor to make payment under the agreement, a material breach in terms of the agreement and any changes in law that would render it impossible for the Group to fulfil its requirement under the agreement.

For the year ended 31 March 2017, the Group has recognised revenue of INR 14,396 lakhs, consisting of INR 398 lakhs on construction and INR 13,998 lakhs on operation of toll road which is the amount of tolls collected and other income. The Group has recognised loss before tax of INR (7,922) lakhs consisting of profit of INR 3 lakhs on construction and a loss of INR (7,925) lakhs on operation of toll. The revenue recognised in relation to construction in 2017 represent the fair value of construction services provided in construction of toll road.

The Group has recognised an intangible asset received as consideration for providing construction or upgrade service in a service concession arrangements of INR 170,041 lakhs of which INR 2,849 lakhs has been amortised in 2017. The intangible asset represents the right to charge users a fee for use of a toll road.





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 32 Earning Per Share (EPS)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
i) Net (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR In lakhs)	(4,185.55)	(6,632.35)
ii) Weighted average number of equity shares used as denominator for calculating EPS [Re-stated pursuant to Right Issue] (Nos.)	3,35,81,034.00	2,71,17,450.77
iii) Basic and Diluted Earnings per Share [Re-stated pursuant to Right Issue] (in INR)	(12.46)	(24.46)
iv) Face Value per Equity Share (in INR)	10.00	10.00

## 33 Retirement Benefits

### a. Defined Contribution Plan

The Group makes contribution towards provident fund and superannuation fund which are defined contribution retirement plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner and the superannuation fund is administered by the LIC. Under the schemes, the Group is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Group recognised INR 841.02 lakhs (31 March 2016: INR 841.06 lakhs ; 1 April 2015: INR 763.93 lakhs) for Provident Fund contributions and INR 60.90 lakhs (31 March 2016: INR 70.61 lakhs ; 1 April 2015: INR 84.04 lakhs) for Superannuation contributions in the Statement of Profit & Loss. The contribution payable to these plans by the Group are at rates specified in the rules.

### b. Defined Benefit Plan

The scheme provides for lump sum payment to vested employees at retirement, upon death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the Group's consolidated Ind AS financial statements as at 31 March 2017

### Disclosure

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>i Change in benefit obligations:</b>			
Projected benefit obligation at the beginning of the year	922.17	846.89	761.42
Service Cost	221.07	213.64	190.24
Interest Cost	71.68	66.65	70.89
Actuarial (Gain) / Loss			
- changes in demographic assumptions	58.13	-	-
- changes in financial assumptions	53.66	(12.80)	-
- experience adjustments	(102.79)	(81.28)	(67.52)
Benefits Paid	(111.25)	(110.93)	(108.14)
<b>Projected benefit obligation at the end of the year</b>	<b>1,112.69</b>	<b>922.17</b>	<b>846.89</b>

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 33 Retirement Benefits (Continued)

#### b. Defined Benefit Plan (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016		1 April 2015	
<b>ii Change in plan assets:</b>							
Fair value of plan assets at the beginning of the year		226.69		315.36		393.14	
Expected return on plan assets		22.07		25.04		34.20	
Employer's contribution		17.76		12.39		14.03	
Benefit paid		(111.25)		(110.93)		(108.14)	
Actuarial gain / (loss)		(23.23)		(15.16)		(17.86)	
<b>Fair value of plan assets at the end of the year</b>		<b>132.05</b>		<b>226.69</b>		<b>315.36</b>	
<b>iii Net gratuity cost for the year ended</b>							
Service cost		221.07		213.64		190.24	
Interest of defined benefit obligation		71.68		66.65		70.89	
Expected return on plan assets		(22.07)		(25.04)		(34.20)	
Net actuarial gain recognised in the year		23.23		15.16		17.86	
<b>Net gratuity cost</b>		<b>293.91</b>		<b>270.42</b>		<b>244.79</b>	
<b>Actual return on plan assets</b>		<b>(1.16)</b>		<b>9.88</b>		<b>16.34</b>	
<b>iv Amount recognised in the Balance Sheet:</b>							
Liability at the end of the year		1112.69		922.17		846.89	
Fair Value of Plan Assets at the end of the year		132.05		226.69		315.36	
Amount recognised in Balance Sheet		980.64		695.48		531.53	
<b>v Assumptions used in accounting for the gratuity plan:</b>							
Discount rate		6.90%		8.07%		7.94%	
Salary Escalation rate		6.00%		6.00%		6.00%	
Expected rate of return on plan assets		6.90%		8.07%		7.94%	
Attrition rate		17.00%		2.00%		2.00%	
<b>Employee benefits</b>							
Net defined benefit liability - gratuity		980.64		695.48		531.53	
Liability for compensated absences		619.35		379.61		336.92	
<b>Total employee benefit liability</b>		<b>1,599.99</b>		<b>1,075.09</b>		<b>868.45</b>	
Non- current		1,367.53		1,027.28		822.80	
Current		232.46		47.81		45.65	

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	1,082.17	1,130.41	869.17	968.39
Salary Escalation rate (0.50% movement)	1,126.68	1,085.50	968.33	868.82
Attrition rate (1% movement)	1,101.80	1,109.63	929.21	901.42

Expected cash flow for the following years

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 33 Retirement Benefits (Continued)

### b. Defined Benefit Plan (Continued)

Expected total benefits payments

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
Year 1	211.58	47.61
Year 2	172.55	61.91
Year 3	208.38	51.34
Year 4	236.57	81.23
Year 5	251.28	115.86
Next 5 years	1,247.47	1,055.61

## 34 Related Party Disclosure

### Kalpataru Power Transmission Limited

#### Fellow Subsidiary Companies

Energylink (India) Limited

Shree Shubham Logistics Limited

Amber Real Estate Limited

Adeshwar Infrabuild Limited

Kalpataru Power Transmission Nigeria Limited

Kalpataru Power Transmission (Mauritius) Limited

Kalpataru SA (Proprietary) Limited

Kalpataru Power Transmission – USA, INC.

Alipurduar Transmission Limited

LLC Kalpataru Power Transmission Ukraine

Kalpataru Power DMCC, UAE

Saicharan Properties Limited

Kalpataru Metfab Private Limited

Kalpataru Satpura Transco Private Limited

Punarvasu Financials Services Private Limited

Kalpataru IBN Omairah Company Limited

Kohima Mariani Transmission Limited

#### Joint Ventures (with whom transactions have taken place during the year)

Kurukshetra Expressway Private Limited

JMC - KPTL - STS JV

#### Key Managerial Personnel (KMP) (with whom transactions have taken place during the year)

Mr. Shailendra Tripathi

Mr. Manoj Tulsian (w.e.f. 27 May 2016)

Mr. M. K. Singh (upto 13 October 2015)

Mr. D. R. Mehta

Mr. Shailendra Raj Mehta

Mr. Mahendra G. Punatar

Mr. Hemant Modi

Ms. Anjali Seth

Holding Company

#### Nature of Relationship

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

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Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

Subsidiary of Holding Company

#### Nature of Relationship

Joint Venture

Joint Venture

#### Nature of Relationship

CEO & Dy. Managing Director

Whole-time Director & CFO

Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 34 Related Party Disclosure(Continued)

Enterprises over which significant influence exercised with whom transactions have taken place during the year (EUSI)

Kalpataru Limited

Kalpataru Properties Private Limited

Kiyana Ventures LLP

Neo Pharma Private Limited

Agile Real Estate Private Limited

Abacus Real Estate Private Limited

Kalpataru Retail Ventures Private Limited

#### Nature of Relationship

Significant influence of KMP's

Significant influence of KMP's

Significant influence of KMP's

Significant influence of KMP's

Significant influence of KMP's

Significant influence of KMP's

Significant influence of KMP's

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Joint Ventures	KMP	EUSI
<b>I.</b>	<b>Transactions During the Year</b>				
1	Other Expenses	-	-	-	84.25
		-	-	-	(8.80)
2	Financial Cost	-	116.43	-	-
		-	(69.19)	-	-
3	Rent Paid	35.28	-	-	367.55
		(19.20)	-	-	(392.89)
4	Guarantee Commission Expenses	25.00	-	-	-
		(37.50)	-	-	-
5	Sub-Contract Charges paid	3,566.73	-	-	-
		(2,265.45)	-	-	-
6	Rentals Income	2.21	-	-	-
		(51.50)	-	-	-
7	Licence purchase for Capital Goods	23.76	-	-	-
		(221.32)	-	-	-
8	Contract Revenue	-	-	-	3,001.87
		-	-	-	(1,311.36)
9	Managerial Remuneration	-	-	435.79	-
		-	-	(366.88)	-
<b>II.</b>	<b>Balance as on 31 March 2017</b>				
1	Trade Receivables #	284.06	77.64	-	1,133.71
		(61.77)	(186.81)	-	(538.96)
2	Liabilities at the end of the year	1,675.34	-	-	0.75
		(1,854.64)	-	-	(170.04)
3	Loans & Advances given	-	10,793.04	-	-
		-	(7,188.10)	-	-
4	Advance taken from Clients ^	-	50.63	-	839.52
		-	(942.28)	-	(910.84)
5	Investment in Joint Venture entity	-	9,826.62	-	-
		-	(9,826.62)	-	-

Note:

# Trade Recivables herein are Gross amount before Adjustment of Advances received from clients

Terms and conditions of transactions with related parties - The sales to and purchases from related parties are made on terms equivalent to those that prevails in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 March 2017, the Group has not recorded any impairment of receivables relating to



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 34 Related Party Disclosure (Continued)

the amounts owned by related parties (31 March 2016: INR Nil ; 1 April 2015: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

^Advances taken from clients herein are Gross amount before adjustment of Trade Receivables.

All balances o/s with related parties are unsecured.

Figures shown in bracket represents corresponding amounts of previous year.

**Key management personnel compensation comprised the following:**

(Currency: Indian rupees in lakhs)

Amount	31 March 2017	31 March 2016
Short-term employee benefits	247.82	194.61
Post-employment benefits	19.98	13.52
Sitting fee	11.75	16.25
Commission	156.24	142.50
<b>Total</b>	<b>435.79</b>	<b>366.88</b>

The terms and conditions of transactions with related parties were no more favourable than those available, or which might be expected to be available, in similar transactions with non related parties on an arm's length basis.

## 35 Financial instruments – Fair values and risk management

### Risk management framework

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Group's risk assessment and management policies and processes.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Neither past due nor impaired			
<b>Past due but not impaired</b>			
Past due upto 180 days	38,246.32	38,499.73	30,864.15
Past due from 181 days to 1 year	2,949.44	1,951.87	1,788.04
From 1 year to 2 years	2,292.00	1,690.96	5,168.26
From 2 year to 3 years	2,121.64	948.14	(6,538.33)
Above 3 years	1,066.33	22.91	(5,909.16)
	<b>46,675.73</b>	<b>43,113.61</b>	<b>25,372.96</b>

Expected credit loss assessment for customers as at 1 April 2015, 31 March 2016 and 31 March 2017

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 35 Financial instruments – Fair values and risk management (Continued)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at 31 March 2017 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

On the above basis, the Group estimates the following provision matrix at the reporting date:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
	Default rate	Default rate
Current		
Upto 180 days	0.39%	0.04%
From 181 days to 1 year	3.27%	7.88%
From 1 year to 2 years	11.08%	21.50%
From 2 year to 3 years	59.30%	49.58%
Above 3 years	100.00%	100.00%

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Currency: Indian rupees in lakhs)

Particulars	Amount
<b>Balance as at 1 April 2015</b>	-
Impairment loss recognised	1,024.00
Amounts written off	-
<b>Balance as at 31 March 2016</b>	<b>1,024.00</b>
Impairment loss recognised	1,800.00
Amounts written off	-
<b>Balance as at 31 March 2017</b>	<b>2,824.00</b>

#### Cash and cash equivalents

The Group held cash and cash equivalents with credit worthy banks and financial institutions of INR 2,812.65 lakhs and INR 3,684.10 lakhs as at 31st March 2017 and 31st March 2016 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### Derivatives

The derivatives are entered into with credit worthy banks and financial institution counterparties. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### Guarantees

The Group's policy is to provide financial guarantee only for its subsidiaries liabilities. At 31 March 2017 and 31 March 2016, the Group has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries.

#### Security deposits given to lessors

The Group has given security deposit to lessors for premises leased by the Group as at 31 March 2017 and 31 March 2016. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

#### Loans, investments in group companies

The Group has given unsecured loans to its subsidiaries as at 31 March 2017 and 31 March 2016. The Group does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 35 Financial instruments – Fair values and risk management (Continued)

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from loans from banks. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31 March 2017, the Group had working capital (Total current assets - Total current liabilities) of INR 33,342.48 lakh including cash and cash equivalents of INR 2,812.65 lakh, investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 2.03 lakh. As of 31 March 2016, the Group had working capital of INR 25,221.51 lakh, including cash and cash equivalents of INR 3,684.10 lakh, investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 116.00 lakh. As of 1 April 2015, the Group had working capital of INR 26,993.32 lakhs, including cash and cash equivalents of INR 6,418.07 lakhs, investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 227.04 lakhs.

### Exposure to liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

\* all non derivative financial liabilities

\* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2017				
		Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings - Term loans	1,59,726.56	<b>2,31,032.77</b>	56,233.62	23,156.41	68,221.24	83,421.50
Trade payables	86,565.52	<b>86,565.28</b>	74,784.28	-	11,781.00	-
Other financial liabilities	43,014.08	<b>97,783.10</b>	8,603.45	1,960.69	10,515.48	76,703.48

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2016				
		Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,70,675.60	<b>2,58,869.69</b>	65,316.77	22,283.59	70,492.63	1,00,776.70
Trade payables	85,175.65	<b>81,790.23</b>	67,921.91	-	13,868.33	-
Other financial liabilities	33,393.04	<b>94,903.32</b>	5,148.72	2,118.90	7,801.79	79,833.92

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 35 Financial instruments – Fair values and risk management (Continued)

#### Exposure to liquidity risk (Continued)

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	1 April 2015				
		Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,66,173.73	<b>2,48,532.77</b>	48,773.12	29,933.83	61,993.47	1,07,832.35
Trade payables	70,208.02	<b>68,674.46</b>	58,528.22	-	10,146.24	-
Other financial liabilities	34,173.07	<b>96,756.81</b>	5,138.34	1,863.87	6,109.23	83,645.38

#### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP, Euro, Ethiopian Birr and Sri Lankan Rupee against the respective functional currencies of JMC Projects (India) Limited and its subsidiaries.

The Group, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The Group does not use derivative financial instruments for trading or speculative purposes.

#### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

(Currency: Indian rupees in lakhs)

Amounts in INR	31 March 2017			31 March 2016			1 April 2015		
	USD	ETB	LKR	USD	ETB	LKR	USD	ETB	LKR
Trade receivables	-	1,896.22	425.89	-	-	1,835.56	-	-	2,041.59
Foreign Currency Loans - From banks	-	-	-	(1,528.47)	-	-	-	(683.35)	-
Payables for capital goods	-	(1,499.85)	(3.50)	-	-	(5.85)	-	-	(985.73)
Trade payables	(5,662.43)	(1,509.63)	(1,649.30)	(8,410.75)	-	(531.68)	-	(1,884.12)	(1,162.38)
<b>Net statement of financial position exposure</b>	<b>(5,662.43)</b>	<b>(1,113.26)</b>	<b>(1,226.91)</b>	<b>(9,939.22)</b>	-	<b>1,298.03</b>	-	<b>(2,567.47)</b>	<b>(106.52)</b>
Cross currency interest rate swap	-	-	-	1,528.47	-	-	-	683.35	-
<b>Net exposure</b>	<b>(5,662.43)</b>	<b>(1,113.26)</b>	<b>(1,226.91)</b>	<b>(8,410.75)</b>	-	<b>1,298.03</b>	-	<b>(1,884.12)</b>	<b>(106.52)</b>

All the exposures to be shown in INR.

FC Loans are hedged hence the net exposure would be NIL. Netted off against cross currency interest swap.





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 35 Financial instruments – Fair values and risk management (Continued)

### Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Parent Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of balance sheet.

Effect in INR Lakhs

Particulars	Profit or loss	
	Strengthening	Weakening
<b>31 March 2017</b>		
USD	(566.24)	566.24
ETB	(111.33)	111.33
LKR	(122.69)	122.69
	<b>(800.26)</b>	<b>800.26</b>

Effect in INR Lakhs

Particulars	Profit or loss	
	Strengthening	Weakening
<b>31 March 2016</b>		
USD	(841.07)	841.07
ETB	129.80	(129.80)
LKR	-	-
	<b>(711.27)</b>	<b>711.27</b>

Effect in INR Lakhs

Particulars	Profit or loss	
	Strengthening	Weakening
<b>1 April 2015</b>		
USD	(188.41)	188.41
ETB	(10.65)	10.65
LKR	-	-
	<b>(199.06)</b>	<b>199.06</b>

### 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 market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. The Group manages its interest rate risk arising from foreign currency floating rate loans by using interest rate swaps as hedges of variability in cash flows attributable to interest rate risk.

For details of the Group's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 13(a) & 13(b) of these consolidated Ind AS financial statements.

### Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 35 Financial instruments – Fair values and risk management (Continued)

#### Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(Currency: Indian rupees in lakhs)

	Profit or loss	
	100 bp increase	100 bp decrease
<b>As at 31 March 2017</b>		
Foreign Currency Loans - From banks	-	-
Rupee Loans - From banks	(599.87)	599.87
Rupee Loans - From NBFC's	(265.50)	265.50
Unsecured Loan - Rupee Loans - From banks	(108.75)	108.75
Working capital loans repayable on demand from banks	(339.08)	339.08
<b>Sensitivity (net)</b>	<b>(1,313.20)</b>	<b>1,313.20</b>

(Currency: Indian rupees in lakhs)

	Profit or loss	
	100 bp increase	100 bp decrease
<b>As at 31 March 2016</b>		
Foreign Currency Loans - From banks	(11.52)	11.52
Rupee Loans - From banks	(567.55)	567.55
Rupee Loans - From NBFC's	(368.26)	368.26
Unsecured Loan - Rupee Loans - From banks	(121.75)	121.75
Working capital loans repayable on demand from banks	(336.20)	336.20
<b>Sensitivity (net)</b>	<b>(1,405.28)</b>	<b>1,405.28</b>

(Currency: Indian rupees in lakhs)

	Profit or loss	
	100 bp increase	100 bp decrease
<b>As at 1 April 2015</b>		
Foreign Currency Loans - From banks	(26.87)	26.87
Rupee Loans - From banks	(846.29)	846.29
Rupee Loans - From NBFC's	(295.60)	295.60
Unsecured Loan - Rupee Loans - From banks	(130.00)	130.00
Working capital loans repayable on demand from banks	(331.21)	331.21
<b>Sensitivity (net)</b>	<b>(1,629.97)</b>	<b>1,629.97</b>

(Note: The impact is indicated on the profit/loss and equity before tax basis).



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 35 Financial instruments – fair values and risk management (Continued)

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value. A substantial portion of the Group's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such long-term debt approximates fair value.

(Currency: Indian rupees in lakhs)

31 March 2017	Fair value						
	Amortised Cost	Derivatives designated as hedges	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>							
(i) Loans	10,793.33	-	<b>10,793.33</b>	-	-	-	-
(ii) Trade receivables	69,911.15	-	<b>69,911.15</b>	-	3,552.96	-	<b>3,552.96</b>
(iii) Cash and cash equivalents	2,812.65	-	<b>2,812.65</b>	-	-	-	-
(iv) Bank balances other than above	7.76	-	<b>7.76</b>	-	-	-	-
(v) Others	2,008.24	-	<b>2,008.24</b>	-	-	-	-
	<u>85,533.13</u>	-	<b><u>85,533.13</u></b>	-	<u>3,552.96</u>	-	<b><u>3,552.96</u></b>
<b>Financial liabilities</b>							
(i) Borrowings	159,726.56	-	<b>159,726.56</b>	-	-	-	-
(ii) Trade payables	86,565.52	-	<b>86,565.52</b>	-	11,868.93	-	<b>11,868.93</b>
(iii) Other financial liabilities	43,014.08	-	<b>43,014.08</b>	-	34,985.58	-	<b>34,985.58</b>
	<u>289,306.16</u>	-	<b><u>289,306.16</u></b>	-	<u>46,854.51</u>	-	<b><u>46,854.51</u></b>

(Currency: Indian rupees in lakhs)

31 March 2016	Fair value						
	Amortised Cost	Derivatives designated as hedges	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>							
(i) Loans	7,188.10	-	<b>7,188.10</b>	-	-	-	-
(ii) Trade receivables	70,371.67	-	<b>70,371.67</b>	-	5,212.69	-	<b>5,212.69</b>
(iii) Cash and cash equivalents	3,684.10	-	<b>3,684.10</b>	-	-	-	-
(iv) Bank balances other than above	8.70	-	<b>8.70</b>	-	-	-	-
(v) Others	2,324.92	-	<b>2,324.92</b>	-	-	-	-
	<u>83,577.49</u>	-	<b><u>83,577.49</u></b>	-	<u>5,212.69</u>	-	<b><u>5,212.69</u></b>
<b>Financial liabilities</b>							
(i) Borrowings	170,675.60	-	<b>170,675.60</b>	-	-	-	-
(ii) Trade payables	85,175.65	-	<b>85,175.65</b>	-	11,475.62	-	<b>11,475.62</b>
(iii) Other financial liabilities	33,393.04	-	<b>33,393.04</b>	-	30,108.19	-	<b>30,108.19</b>
	<u>289,244.29</u>	-	<b><u>289,244.29</u></b>	-	<u>41,583.81</u>	-	<b><u>41,583.81</u></b>

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 35 Financial instruments – fair values and risk management (Continued)

#### A. Accounting classification and fair values (Continued)

(Currency: Indian rupees in lakhs)

1 April 2015	Fair value						
	Amortised Cost	Derivatives designated as hedges	Total	"Quoted prices in active markets (Level 1)"	Significant observable inputs (Level 2)	"Significant unobservable inputs (Level 3)"	Total
<b>Financial assets</b>							
(i) Loans	4,421.50	-	<b>4,421.50</b>	-	-	-	-
(ii) Trade receivables	57,704.87	-	<b>57,704.87</b>	-	4,179.34	-	<b>4,179.34</b>
(iii) Cash and cash equivalents	6,418.07	-	<b>6,418.07</b>	-	-	-	-
(iv) Bank balances other than above	9.09	-	<b>9.09</b>	-	-	-	-
(v) Others	3,028.41	-	<b>3,028.41</b>	-	-	-	-
<b>Total</b>	<b>71,581.94</b>	-	<b>71,581.94</b>	-	<b>4,179.34</b>	-	<b>4,179.34</b>
<b>Financial liabilities</b>							
(i) Borrowings	1,66,173.74	-	<b>1,66,173.74</b>	-	-	-	-
(ii) Trade payables	70,208.02	-	<b>70,208.02</b>	-	9,122.49	-	<b>9,122.49</b>
(iii) Other financial liabilities	34,173.07	-	<b>34,173.07</b>	-	31,095.22	-	<b>31,095.22</b>
<b>Total</b>	<b>2,70,554.83</b>	-	<b>2,70,554.83</b>	-	<b>40,217.71</b>	-	<b>40,217.71</b>

#### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique
Cross currency interest rate swap (CCIRS)	"Market valuation techniques: The Company has determined fair value by discounting of future cash flows treating each leg of the swap as a bond"
Premium Liability	Discounted cash flow approach: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate
Retention receivables and payables	Discounted cash flow approach: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 35 Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2017, 31 March 2016 and 1 April 2015.

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
<b>31 March 2017</b>			
<b>Financial assets</b>			
Loans	10,793.33	-	10,793.33
Trade receivables	72,735.15	13,985.72	58,749.43
Cash and cash equivalents	2,812.65	2,812.65	-
Bank balances other than above	7.76	-	7.76
Others	2,008.24	18.38	1,989.86
<b>Total</b>	<b>88,357.13</b>	<b>16,816.75</b>	<b>71,540.38</b>
<b>Financial liabilities</b>			
Borrowings	1,59,726.56	(16,816.75)	1,42,909.81
Trade payables	86,565.52	-	86,565.52
Other financial liabilities	43,014.08	-	43,014.08
<b>Total</b>	<b>2,89,306.16</b>	<b>(16,816.75)</b>	<b>2,72,489.41</b>

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
<b>31 March 2016</b>			
<b>Financial assets</b>			
Loans	7,188.10	-	7,188.10
Trade receivables	71,395.67	14,502.07	56,893.60
Cash and cash equivalents	3,684.10	3,684.10	-
Bank balances other than above	8.70	-	8.70
Others	2,324.92	18.39	2,306.53
<b>Total</b>	<b>84,601.49</b>	<b>18,204.56</b>	<b>66396.93</b>
<b>Financial liabilities</b>			
Borrowings	1,70,675.60	(18,204.56)	1,52,471.04
Trade payables	85,175.65	-	85,175.65
Other financial liabilities	33,393.04	-	33,393.04
<b>Total</b>	<b>2,89,244.29</b>	<b>(18,204.56)</b>	<b>2,71,039.73</b>

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 35 Master netting or similar agreements (Continued)

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
<b>1 April 2015</b>			
<b>Financial assets</b>			
Loans	4,421.50	-	4,421.50
Trade receivables	57,704.87	12,978.88	44,725.99
Cash and cash equivalents	6,418.07	6,418.07	-
Bank balances other than above	9.09	-	9.09
Others	3,028.41	2,504.07	524.34
<b>Total</b>	<b>71,581.94</b>	<b>21,901.02</b>	<b>49,680.92</b>
<b>Financial liabilities</b>			
Borrowings	1,66,173.74	(21,901.02)	144,272.72
Trade payables	70,208.02	-	70,208.02
Other financial liabilities	34,173.07	-	34,173.07
<b>Total</b>	<b>2,70,554.83</b>	<b>(21,901.02)</b>	<b>2,48,653.81</b>

#### (a) Offsetting arrangements

##### (i) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable/receivable by one party to the other.

- (ii) Short term borrowings are secured against the inventory, cash and cash equivalents and trade receivables.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 36 Segment Reporting

### A. Operating Segments

#### (a) Description of Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues & expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has 2 reportable segments as described below:

Reportable segments	Operations
Engineering, Procurement and Construction	Relating to buildings and factories, roads and bridges, water pipelines, metro, power, railways etc.
Developmental Projects	Operation and maintenance of toll roads.

#### (b) Information about reportable segment

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's management review committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

#### (c) Adjusted EBITDA

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
Engineering, Procurement and Construction	21,505.52	21,781.51
Developmental Projects	5,598.90	4,213.65
<b>Total Adjusted EBITDA</b>	<b>27,104.42</b>	<b>25,995.16</b>

Adjusted EBITDA reconciles to profit before income tax as follow :

(Currency: Indian rupees in lakhs)

	Notes	31 March 2017	31 March 2016
<b>Total Adjusted EBITDA</b>		27,104.42	25,995.16
Finance Cost	22	(22,629.22)	(23,152.79)
Interest Income	17	1,040.50	409.76
Depreciation and Amortisation Expenses	20	(8,712.47)	(8,870.96)
<b>Loss before income tax from continuing operations</b>		<b>(3,196.77)</b>	<b>(5,618.83)</b>

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 36 Segment Reporting (Continued)

#### A. Operating Segments (Continued)

##### (d) Segment Revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016		
	Total Segment Revenue	Inter Segment Revenue	Revenue from External Customers	Total Segment Revenue	Inter Segment Revenue	Revenue from External Customers
Engineering, Procurement and Construction	2,33,239.99	-	2,33,239.99	2,42,232.76	-	2,42,232.76
Developmental Projects	13,973.85	-	13,973.85	12,176.66	-	12,176.66
<b>Total segment revenue</b>	<b>2,47,213.84</b>	<b>-</b>	<b>2,47,213.84</b>	<b>2,54,409.42</b>	<b>-</b>	<b>2,54,409.42</b>

##### (e) Segment Assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017			31 March 2016		
	Segment Assets	Investments accounted for using equity method	Additions to non-current assets*	Segment Assets	Investments accounted for using equity method	Additions to non-current assets*
Engineering, Procurement and Construction	2,30,225.01	-	7,213.76	2,31,055.84	-	8,532.90
Developmental Projects	1,69,006.75	-	249.92	1,60,722.99	2,227.92	12,593.63
<b>Total Segment Assets</b>	<b>3,99,231.76</b>	<b>-</b>	<b>7,463.68</b>	<b>3,91,778.83</b>	<b>2,227.92</b>	<b>21,126.53</b>
Intersegment Eliminations	-	-	-	-	-	-
<b>Total Assets as per the Balance Sheet</b>	<b>3,99,231.76</b>	<b>-</b>	<b>7,463.68</b>	<b>3,91,778.83</b>	<b>2,227.92</b>	<b>21,126.53</b>

\* Other Than Financial & Deferred Tax Assets

##### (f) Segment Liabilities

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016
Engineering, Procurement and Construction	2,84,279.90	2,71,572.58
Developmental Projects	1,14,951.87	1,20,206.25
<b>Total Segment liabilities</b>	<b>3,99,231.77</b>	<b>3,91,778.83</b>
Intersegment Eliminations	-	-
<b>Total liabilities as per the Balance Sheet</b>	<b>3,99,231.77</b>	<b>3,91,778.83</b>





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 36 Segment Reporting (Continued)

### B. Geographical information

#### i) Revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
India	2,32,670.08	2,42,124.81
All foreign countries	-	-
Ethiopia	10,804.22	12,284.61
Sri Lanka	3,739.54	-
<b>Total</b>	<b>2,47,213.84</b>	<b>2,54,409.42</b>

#### ii) Non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017	31 March 2016
India	2,11,050.82	2,16,214.62
All foreign countries	-	-
Ethiopia	5,973.57	3,691.00
Sri Lanka	181.43	-
<b>Total</b>	<b>2,17,205.82</b>	<b>2,19,905.62</b>

\*Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets.

### C. Information about major customers

Revenues from one customer from India represented approximately INR 42,390.70 lakhs (31 March 2016 - INR 31,762.94 lakhs) of the Group's total revenues.

## 37 Loans and Borrowings

Breach of loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the few financial covenants. The Group has complied with these covenants throughout the reporting period as at 31 March 2017.

## 38 Disclosure of Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Currency: Indian rupees in lakhs)

Particulars	SBNs (INR 1,000 and INR 500)*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	85.89	64.25	150.14
(+) Permitted receipts	194.74	903.77	1,098.51
(-) Permitted payments	(3.98)	(120.02)	(124.00)
(-) Amount deposited in Banks	(276.65)	(740.98)	(1,017.63)
Closing cash in hand as on 30 December 2016	-	<b>107.02</b>	<b>107.02</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

## Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

### 39 Additional information as required by paragraph 2 of the general instruction for preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013

31 March 2017

(Currency: Indian rupees in lakhs)

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Asset	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs
<b>Parent</b>								
JMC Projects (India) Limited	143.36%	68,973.30	-141.87%	5,937.87	100.00%	(21.07)	-140.65%	5,916.80
<b>Subsidiaries</b>								
<b>Indian</b>								
JMC Mining and Quarries Limited	0.04%	19.88	0.05%	(1.95)	-	-	0.05%	(1.95)
Brij Bhoomi Expressway Private Limited	-2.61%	(1,253.32)	30.19%	(1,263.78)	-	-	30.04%	(1,263.78)
Wainganga Expressway Private Limited	-11.62%	(5,589.67)	103.50%	(4,331.89)	-	-	102.98%	(4,331.89)
Vindhyachal Expressway Private Limited	3.85%	1,851.27	20.00%	(837.00)	-	-	19.90%	(837.00)
<b>Total interest in all subsidiaries</b>	<b>-10.33%</b>	<b>(4,971.84)</b>	<b>153.73%</b>	<b>(6,434.62)</b>	<b>-</b>	<b>-</b>	<b>152.96%</b>	<b>(6,434.62)</b>
<b>Joint Venture (as per equity consolidation method)</b>								
Kurukshetra Expressway Private Limited	-	-	84.80%	(3,549.46)	-	-	84.38%	(3,549.46)
Adjustment arising out of consolidation	-33.03%	(15,889.79)	3.33%	(139.33)	-	-	3.31%	(139.33)
<b>Total</b>	<b>100.00%</b>	<b>48,111.67</b>	<b>100.00%</b>	<b>(4,185.55)</b>	<b>100.00%</b>	<b>(21.07)</b>	<b>100.00%</b>	<b>(4,206.62)</b>



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 39 Additional information as required by paragraph 2 of the general instruction for preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013 (Continued)

31 March 2016

(Currency: Indian rupees in lakhs)

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Asset	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs
<b>Parent</b>								
JMC Projects (India) Limited	120.25%	63,783.13	-65.39%	4,336.86	100.00%	52.00	-66.70%	4,388.86
<b>Subsidiaries</b>								
<b>Indian</b>								
JMC Mining and Quarries Limited	0.04%	21.84	0.01%	(0.45)	-	-	0.01%	(0.45)
Brij Bhoomi Expressway Private Limited	0.02%	11.20	21.08%	(1,397.88)	-	-	21.24%	(1,397.88)
Wainganga Expressway Private Limited	-2.37%	(1,256.97)	79.66%	(5,283.59)	-	-	80.29%	(5,283.59)
Vindhyachal Expressway Private Limited	5.07%	2,688.37	5.98%	(396.85)	-	-	6.03%	(396.85)
<b>Total interest in all subsidiaries</b>	<b>2.76%</b>	<b>1,464.44</b>	<b>106.73%</b>	<b>(7,078.78)</b>	<b>-</b>	<b>-</b>	<b>107.57%</b>	<b>(7,078.78)</b>
<b>Joint Venture (as per equity consolidation method)</b>								
Kurukshetra Expressway Private Limited	-	-	58.86%	(3,903.73)	-	-	59.32%	(3,903.73)
Adjustment arising out of consolidation	-23.01%	(12,204.40)	-0.20%	13.31	-	-	-0.20%	13.31
<b>Total</b>	<b>100.00%</b>	<b>53,043.16</b>	<b>100.00%</b>	<b>(6,632.35)</b>	<b>100.00%</b>	<b>52.00</b>	<b>100.00%</b>	<b>(6,580.35)</b>

## 40 Capital management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group monitors capital using a ratio of 'net debt' (total borrowings net of cash & cash equivalents) to 'total equity' (as shown in the balance sheet).

The Group's policy is to keep the ratio below 4.00. The Group's net debt to equity ratios are as follows.

(Currency: Indian rupees in lakhs)

	31 March 2017	31 March 2016	1 April 2015
Net debt	1,56,809.37	1,66,778.16	1,59,439.32
Total equity	48,111.67	53,043.16	45,169.50
Net debt to equity ratio	<b>3.26</b>	<b>3.14</b>	<b>3.53</b>

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS:

As stated in Note 1(a), these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('IGAAP'). The accounting policies set out in Note 2 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015. In preparing its consolidated Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with IGAPP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with IGAPP, and how the transition from IGAPP to Ind AS has affected the Group's financial position, financial performance and cash flows.

### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS

#### Ind AS optional exemptions

##### 1) Investment in Subsidiaries

Ind AS 101 allows a first time adopter to record the carrying value of investment in subsidiary as per IGAAP (i.e. IGAAP carrying value on transition date) or fair value of investment in subsidiary at transition date as deemed cost under Ind AS.

Accordingly, the Group has elected to carry its investment in subsidiary at IGAAP carrying value on transition date.

##### 2) Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated Ind AS financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their IGAAP carrying value.

#### Ind AS mandatory exceptions

##### 1) Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with IGAPP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of IGAPP did not require estimation:

- ▶ Fair valuations of financial instruments carried at FVTPL and/or FVOCI.
- ▶ Impairment of financial assets based on expected credit loss model.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### A. Exemptions and exceptions availed (Continued)

#### 2) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### i. Financial Instruments: (Security deposits received and security deposits paid) :

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. The Group has applied the measurement requirement of Ind AS 109 retrospectively.

#### ii. Impairment of financial assets: (Trade receivables and other financial assets) :

At the date of transition to Ind ASs, the Group has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

### B. Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

Reconciliation of equity

(Currency: Indian rupees in lakhs)

Particulars	Note	As at transition date (1 April 2015)*			As at 31 March 2016*		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
ASSETS							
<b>1. Non current Assets</b>							
(a) Property, plant and equipment	4 & 10	31,810	(101)	31,709	34,973	(141)	34,832
(b) Capital Work in Progress		8	-	8	24	-	24
(c) Investment in Property		82	-	82	82	-	82
(d) Other Intangible assets	9 & 10 & 11	1,70,411	(10,498)	1,59,913	1,82,219	(9,804)	1,72,415
(e) Intangible assets under development	9 & 11	3,202	322	3,524	141	(141)	-
(f) Financial Assets							
(i) Investments	6 & 10	1,055	5,076	6,131	1,061	1,167	2,228
(ii) Loans	10	5,197	(1,018)	4,179	-	-	-
(iii) Other financial assets	3 & 15	935	302	1,237	6,083	(602)	5,481
(g) Deferred tax assets (net)	15	1,534	(1,534)	-	4,189	(3,087)	1,102
(h) Other non-current assets	6	5,275	(1,310)	3,966	6,324	(1,482)	4,843
<b>Total</b>		<b>2,19,510</b>	<b>(8,761)</b>	<b>2,10,749</b>	<b>2,35,096</b>	<b>(14,089)</b>	<b>2,21,007</b>
<b>2. Current assets</b>							
(a) Inventories	1	25,165	(10,919)	14,248	20,850	(4,980)	15,870
(b) Financial Assets							
(i) Trade receivables	5 & 6 & 10	50,761	2,765	53,526	63,831	1,927	65,757
(ii) Cash and cash equivalents	6 & 10	6,651	(224)	6,427	3,818	(125)	3,693
(iii) Loans	10	2,230	2,192	4,422	3,625	3,563	7,188
(iv) Other financial assets	3	1,386	406	1,792	1,081	377	1,458
(c) Other current assets	1 & 6 & 10	64,176	11,802	75,977	70,903	5,902	76,805
(d) Current tax assets (net)							
<b>Total</b>		<b>1,50,369</b>	<b>6,021</b>	<b>1,56,390</b>	<b>1,64,107</b>	<b>6,664</b>	<b>1,70,771</b>
<b>Total assets</b>		<b>3,69,879</b>	<b>(2,740)</b>	<b>3,67,139</b>	<b>3,99,203</b>	<b>(7,425)</b>	<b>3,91,778</b>

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### B. Reconciliations between IGAAP and Ind AS (Continued)

Particulars	Note	As at transition date (1 April 2015)*			As at 31 March 2016*		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>							
<b>1. Equity</b>							
(a) Equity share capital		2,612	-	2,612	3,358	-	3,358
(b) Other equity							
(i) Retained Earnings	16	8,688	8,310	16,998	1,097	8,774	9,871
(ii) Reserves							
1.1 Reserves representing unrealised gains/losses		16	-	16	(51)	-	(51)
1.2 Other Reserves (to be specified separately)	10	30,409	(4,865)	25,544	44,744	(4,879)	39,865
<b>Total Equity</b>		<b>41,725</b>	<b>3,445</b>	<b>45,170</b>	<b>49,149</b>	<b>3,895</b>	<b>53,043</b>
<b>2. Non - Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	3 & 10 & 13	1,62,595	(39,696)	1,22,899	1,64,191	(40,318)	1,23,872
(ii) Other financial liabilities	6 & 10 & 12 & 15	12,869	26,933	39,802	20,079	24,979	45,058
(b) Provisions	1 & 2 & 10 & 14	4,462	1,232	5,693	6,754	(1,475)	5,279
(c) Deferred tax liabilities (Net)	15	-	1,301	1,301	-	-	-
(d) Other non-current liabilities	6 & 7	19,714	3,163	22,877	16,408	2,567	18,975
<b>Total Non - Current liabilities</b>		<b>1,99,640</b>	<b>(7,067)</b>	<b>1,92,572</b>	<b>2,07,432</b>	<b>(14,247)</b>	<b>1,93,185</b>
<b>3. Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	13	33,139	(18)	33,121	33,665	(45)	33,620
(ii) Trade payables	6	57,766	1,649	59,415	65,675	2,668	68,342
(iii) Other financial liabilities	6	16,763	(1,444)	15,319	18,491	(141)	18,350
(b) Other current liabilities	6 & 10 & 12	20,360	1,011	21,370	24,177	850	25,027
(c) Provisions	2 & 7	486	(314)	172	615	(404)	212
<b>Total Current liabilities</b>		<b>1,28,515</b>	<b>883</b>	<b>1,29,397</b>	<b>1,42,622</b>	<b>2,928</b>	<b>1,45,550</b>
<b>Total equity and liabilities</b>		<b>3,69,879</b>	<b>(2,740)</b>	<b>3,67,139</b>	<b>3,99,203</b>	<b>(7,425)</b>	<b>3,91,778</b>

\*The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

### Footnotes

#### 1) Change in the method for determination of stage of completion :

The Group has changed its method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work to proportion of contract cost incurred for work performed to date bear to estimated total contract costs. The effect of change in method is calculated for all open contracts as on the transition date 1 April 2015.

#### 2) Provision for Onerous contracts and Defect liability period :

The Group has changed its method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work to proportion of contract cost incurred for work performed to date bear to estimated total contract costs. Based on the change in the method and remeasurements the provision for onerous contract as well as defect liability period have been worked out.



# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### B. Reconciliations between IGAAP and Ind AS (Continued)

#### 3) External commercial borrowing :

The external commercial borrowings of the Group is translated at the balance sheet date at the closing foreign currency rate. The related cross currency interest rate swap is recognized at fair value through profit and loss.

#### 4) Leasehold improvement :

Effect of amortisation of Leasehold improvements decapitalised from Building and capitalised under appropriate heads.

#### 5) Trade receivables :

As per requirements of Ind AS 109, the Group has applied expected credit loss model for recognizing the allowance for doubtful debts.

#### 6) Joint venture Contracts :

Under IGAAP, certain contracts with third parties are recognised as investment in joint venture. Under Ind AS, where the Group has unilateral control over relevant activities, such investment in joint venture is derecognised and line by line assets and liabilities are recognised.

#### 7) Proposed dividend :

Under IGAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the consolidated Ind AS financial statements were considered as adjusting events. Under Ind AS, such dividends (along with dividend distribution tax) are recognised when the same is approved by the shareholders in the general meeting.

#### 8) Retention receivables and retention payables at present value :

Retention receivable and payables are accounted at a fair value and unwinding of discounting in the subsequent year.

#### 9) Recognition of Toll Collection Rights as per Service Concession Accounting under IND AS 11 for Subsidiary Companies :

Intangible Asset & Intangible Asset Under Development viz. Toll Collection Rights are accounted as per Service Concession Accounting principles under IND AS 11 for Subsidiary Companies.

#### 10) Jointly Venture Entity :

Under IGAAP, in case of Joint Venture entity line by line assets and liabilities were recognised. Under Ind AS, where an entity is jointly controlled, line by line assets and liabilities are not to be recognised and only investment in joint venture is recognised.

#### 11) Capitalization of General Borrowing Cost :

Borrowing Cost pertaining to General Borrowings used for Construction of qualifying asset for Subsidiary Companies are capitalised as part of Intangible Asset viz. Toll Collection Rights.

#### 12) Recognition of Premium liability at Present Value :

Under IGAAP, premium payable was recognized on accrual basis. Under Ind AS, premium payable to Authority has been discounted & recognized at Present value and subsequent unwinding finance cost on the same is booked.

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### B. Reconciliations between IGAAP and Ind AS (Continued)

13) Unamortised ancilliary cost of borrowings :

Under Ind AS, in case of subsidiary companies, Unamortised ancilliary cost of borrowings is reduced from borrowings.

14) Recognition of Major Maintenance Provision at Present Value :

Under IGAAP, major maintenance provision was recognized on accrual basis. Under Ind AS, major maintenance provision for the period is discounted and recognized at present value and subsequent unwinding finance cost on the same is booked.

15) Deferred tax :

Under Ind AS, deferred tax is recognised based on the indexation benefit of land. Deferred tax is also recognised on Ind AS adjustments.

16) Retained earnings :

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### Reconciliation of total comprehensive income for the year ended 31 March 2016\*

(Currency: Indian rupees in lakhs)

Particulars	IGAAP	Ajustments	Ind AS
Revenue from operations	2,64,173	(9,764)	2,54,409
Other Income	647	181	828
<b>Total income</b>	<b>2,64,820</b>	<b>(9583)</b>	<b>2,55,237</b>
<b>Expenses</b>			
Construction Materials Consumed	85,877	-	85,877
(Increase) / Decrease in Inventories of Work-in-Progress	5,941	(5,941)	-
Employee Benefits Expense	22,777	97	22,874
Finance Costs	24,450	(1,297)	23,153
Depreciation and Amortisation Expense	8,769	102	8,871
Other Expenses	1,23,063	(2,983)	1,20,080
<b>Total expenses</b>	<b>2,70,877</b>	<b>(10,022)</b>	<b>2,60,856</b>
<b>Profit/(loss) before tax</b>	<b>(6,058)</b>	<b>439</b>	<b>(5,619)</b>
<b>Tax Expenses:</b>			
Current tax	3,541	(19)	3,522
Deferred tax	(2,656)	147	(2,509)
<b>Profit/(loss) for the period</b>	<b>(6,943)</b>	<b>311</b>	<b>(6,632)</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	-	79	79
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(27)	(27)
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>(6,943)</b>	<b>363</b>	<b>(6,580)</b>

\*The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.





# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### B. Reconciliations between IGAAP and Ind AS (Continued)

- 1 Reconciliation of Net loss as previously reported on account of transition from the IGAAP to Ind AS for the year ended 31 March 2016:

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars	Year ended 31 March 2016 (Audited)
	<b>Net loss under IGAAP</b>	(6,943)
a)	Change of method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work to proportion of contract cost incurred for work performed to date bear to estimated total contract costs	1,581
b)	Provision for Expected Credit Loss	(1,024)
c)	Amortisation on Leasehold improvements decapitalised from Building and capitalised under appropriate heads	(44)
d)	Others	10
e)	Deferred tax on Ind AS adjustments	(212)
	<b>Net loss for the year under Ind AS</b>	<b>(6,632)</b>
f)	Other Comprehensive Income (net of tax)	52
	<b>Total Comprehensive Income for the year</b>	<b>(6,580)</b>

- 2 The Group is primarily engaged in the business of Engineering, Procurement & Construction (EPC) relating to infrastructure sector comprising of Buildings and Factories, Roads, Bridges, Water pipe lines, Metro, Power, Railways etc & Developmental Projects. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of operating segment as defined under Indian Accounting Standard 108 Operating Segments there is a two reportable segment Engineering, Procurement and Construction ('EPC') & Developmental Projects.

### C. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March 2016

(Currency: Indian rupees in lakhs)

	Note	For the year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	1 to 3	24,948.66	8,733.30	33,681.96
Net cash flows from investing activities	1 to 3	(21,277.08)	(10,924.94)	(32,202.02)
Net cash flows from financing activities	1 to 3	(6,503.40)	2,289.49	(4,213.91)
<b>Net increase in cash and cash equivalents</b>		<b>(2,831.82)</b>	<b>97.85</b>	<b>(2,733.97)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1 to 3</b>	<b>6,640.88</b>	<b>(222.81)</b>	<b>6,418.07</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1 to 3</b>	<b>3,809.06</b>	<b>(124.96)</b>	<b>3,684.10</b>

#### Effect of Ind AS adoption on Statement of Cash flows for the year ended 31 March 2016 :

- Previous year's figures have been regrouped and / or rearranged wherever necessary.
- Under previous GAAP, certain contracts with third parties were recognised as investment in joint ventures. Under Ind AS, where the Company has unilateral control over relevant activities of joint ventures, they are considered as extension of business. The investments made in such joint ventures have been derecognised and their respective assets, liabilities, income and expenses have been consolidated with the financial statements of the Group. Similarly, cashflows of the above specified joint ventures have been consolidated with the cashflows of the Group and previous year comparatives have been restated accordingly.

# Notes to the consolidated Ind AS financial statements (Continued)

for the year ended 31 March 2017

## 41 Transition to Ind AS: (Continued)

### C. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March 2016

- Under the previous GAAP, the Group had to proportionately consolidate assets, liabilities, income and expenses of its incorporated JV entity. Under Ind AS, the Group exercised the option to account for joint ventures using the Equity method. Accordingly, the previously consolidated assets, liabilities, income and expenses of its incorporated JV entity have been derecognised.<sup>42</sup> Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1 April, 2017.

## 42 Standard issued but not yet effective

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated Ind AS financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Group.

### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The requirements of the amendment have no impact on the financial statements as the Group does not have any cash settled awards.

- The comparative financial information as at 31 March 2016 and 1 April 2015 and for the year ended 31 March 2016 included in these consolidated Ind AS financial statements are based on the previously audited consolidated financial statements for the said periods prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India are audited by auditors other than B S R & Co. LLP. These audited consolidated financial statements audited under IGAAP by other auditors are adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Vikas R Kasat**

Partner

Membership No: 105317

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

Mumbai

16 May 2017

Mumbai

16 May 2017

**Samir Raval**

Company Secretary

Membership No. FCS-7520



# Notice of Annual General Meeting



## JMC Projects (India) Limited

(A Kalpataru Group Enterprise)

**Regd. Office:** A-104, Shapath-4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015.

Tel: 079 30011500, Fax: 079 30011700, website: [www.jmcprojects.com](http://www.jmcprojects.com), email: [cs@jmcprojects.com](mailto:cs@jmcprojects.com) CIN: L45200GJ1986PLC008717

**Notice** is hereby given that the 31<sup>st</sup> Annual General Meeting ('AGM') of the Members of **JMC Projects (India) Limited** will be held on **Thursday, August 10, 2017** at 3.00 p.m. at Ahmedabad Textile Mills' Association, ATMA Auditorium, Opp. Old RBI Office, Ahmedabad 380009, to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone Ind AS **Financial Statements** of the Company for the Financial Year ended **March 31, 2017**, together with the Reports of the Board of Directors and the Auditors thereon; and the Audited Consolidated Ind AS Financial Statements of the Company for the Financial Year ended **March 31, 2017**, together with the Report of the Auditors thereon.

#### Item No. 2 – Declaration of Dividend

To declare a **Final Dividend of ₹ 1.50** per equity share of face value of ₹ 10 each, for the Financial Year 2016-17.

#### Item No. 3 – Appointment of Mr. Shailendra Kumar Tripathi as a Director liable to retire by rotation

To appoint a Director in place of **Mr. Shailendra Kumar Tripathi (DIN: 03156123)**, who retires by rotation and being eligible, offers himself for re-appointment.

#### Item No. 4 – Ratification of Appointment of M/s. B S R & Co. LLP as Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by the Members at the Thirtieth Annual General Meeting appointing M/s. B S R & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office until the conclusion of Thirty-fifth Annual General Meeting, the Company hereby ratifies the appointment of M/s. B S R & Co. LLP, as Statutory Auditors of the Company for the Financial Year ending March 31, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution."

### SPECIAL BUSINESS:

#### Item No. 5 – Approval of Cost Auditors' Remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), **M/s. K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 000024)**, appointed as the **Cost Auditors** by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2018, be paid remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution."

#### Item No. 6 – Appointment of Ms. Anjali Seth as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Anjali Seth (DIN:05234352) who has been appointed as an Additional Director of the Company by the Board of Directors with effect from May 17, 2017, in terms of Section 161(1) of the Act and Article 76 of the Articles of Association of the Company

and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) consecutive years up to May 16, 2020.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and take such steps which may be considered necessary, desirable or expedient in order to give effect to the above resolution."

**Item No. 7 – Appointment and fixing the terms of remuneration of Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals, permissions and sanctions as may be required and subject also to such conditions and modifications as may be prescribed or imposed by any Authority including the Central Government when granting such approvals, permissions or sanctions and as agreed to by the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) without any further approval of the members of the Company, the consent of the members of the Company be and is hereby granted to the appointment of and payment of remuneration to **Mr. Shailendra Kumar Tripathi** (DIN: 03156123) as CEO & Dy. Managing Director of the Company, liable to retire by rotation, for a period of 3 (three) years commencing from October 22, 2016 to October 21, 2019 (both days inclusive), on the terms and conditions as set out hereunder and as provided under Employment Agreement dated August 12, 2016:

**I. Salary and Allowances:**

Basic Salary	: ₹ 6,50,000/- per month
*Other Allowances/ Reimbursement of expenses	: ₹ 6,42,075/- per month
**Retirement Benefits	: ₹ 1,17,613/- per month

**Total** : ₹ 14,09,688/- per month

\* It includes Medical Reimbursement, Food Coupons, Gift Voucher, Children Education Allowance and Extra Allowance etc.

\*\* It includes Gratuity as per the Payment of Gratuity Act, Superannuation and Employer's contribution to Provident Fund.

The CEO & Dy. Managing Director shall be entitled to such increments in addition to the above remuneration every year as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

**II. Perquisites:**

**PART A:**

**1. Housing**

Free, hard / semi-furnished accommodation owned or hired by the Company.

**2. Medical Expenses**

Medical Health Insurance premium for self and family under Medclaim specified under Section 80D of the Income Tax Act, 1961 as per Company's rules.

**3. Club Fees**

The Company shall pay membership fees of the club at Mumbai.

**4. Personal Accident Insurance**

Premium for Group Personal Accident Insurance for self / Term Life Insurance for self.

**PART B:**

- (i) Company's chauffeur driven car will be provided.
- (ii) Telephone at residence shall be provided for business related use at Company's expenses. Personal outstation calls shall be on personal account.
- (iii) Working hours/days and leaves (including leave encashment) would be as per Company's rules.

**III. Profit Link Incentive / Commission:**

Commission in addition to the basic salary, allowances, perquisites calculated with reference to the net profits in a particular financial year, as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors within the limit stipulated under Section 197 and Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

**IV. Minimum Remuneration:**

In the event of loss or inadequacy of profit in any financial year, the CEO & Dy. Managing Director shall, subject to the approval of the Central Government, if any required, be paid remuneration by way of Salary and Perquisites as specified above subject to the restriction, if any, set out in Schedule V of the Companies Act, 2013 from time to time.

**V. Termination:**

The appointment may be terminated by either party by giving to the other 6 month's written notice. However, the appointment may be terminated by less than 6 month's written notice provided reaching upon mutual agreement between the parties.



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter, vary or modify the terms of appointment (including remuneration) as may be agreed upon with Mr. Shailendra Kumar Tripathi, subject however to the overall ceiling on remuneration specified in the Schedule V and other applicable provisions of the Act as may be applicable from time to time.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, the remuneration payable to Mr. Shailendra Kumar Tripathi as the CEO & Dy. Managing Director by way of salary, perquisites, commission and other allowances shall not exceed 5% of the net profit of the Company and if there is more than one Managerial Personnel, the remuneration shall not exceed 10% of the net profit to all such managerial personnel together except with the approval of the members.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director, his remuneration, perquisites and other allowances shall be governed and regulated by the limits prescribed in Section II of Part II of Schedule V of the Act.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and take such steps which may be considered necessary, desirable or expedient in order to give effect to the above resolution."

#### **Item No. 8 – Issue of Non-Convertible Debentures on a Private Placement Basis**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and the other rules framed there under, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulation, 2008 and/or SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and other applicable SEBI regulations and guidelines, if any, the provisions of Memorandum and Articles of Association of the Company and subject to any other approvals that may be required, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any Committee of Directors which the Board may have constituted to exercise any or all of its powers including the powers conferred by this resolution), to make an offer of or invite subscription to listed/unlisted secured / unsecured non-convertible debentures (hereinafter referred to as **NCDs**), during the period of 1 (one) year from the date of this Annual General Meeting for an aggregate amount upto **₹ 150 Crore (Rupees One Hundred Fifty Crores only)**, in one

or more series / tranches, on a private placement basis, to one or more eligible investors whether bodies corporate, banks/financial institutions, mutual funds, NBFC, other investors / investing agencies etc. upon the terms and condition as may be decided by the Board in its absolute discretion and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time-to-time.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above and for the purpose of giving effect to the above, the Board be and is hereby authorized to determine as to the time of issue of the NCDs, the terms of the issue, number of NCDs to be allotted in each tranche, issue price, rate of interest, redemption period, security, listing on one or more recognized stock exchanges and all such terms as are provided in offering of a like nature as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to perform all such acts, deeds, matters and things, execute all such deeds and documents as may be necessary and settle any questions or difficulties that may arise in regard to the said issue(s).

**RESOLVED FURTHER THAT** the approval is hereby accorded to the Board to appoint lead managers, arrangers, underwriters, depositories, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents etc. with such agencies.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such acts, deeds, matters, things and execute all such documents, undertaking as may be necessary for giving effect to this resolution."

By Order of the Board  
For **JMC Projects (India) Limited**

**Samir Raval**

Company Secretary

July 3, 2017, Mumbai

#### **Registered Office:**

A-104, Shapath-4, Opp. Karnavati Club,  
S. G. Road, Ahmedabad – 380015.  
CIN: L45200GJ1986PLC008717

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM' or 'Meeting') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL/BALLOT INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  

The instrument appointing the proxy, duly completed, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting, either in person or through post. A proxy form is appended with the attendance slip is enclosed.

Pursuant to provisions of Section 105 of the Companies Act, 2013 ('the Act'), a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Member holding more than ten percent of the total share capital of the Company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. If shares are held jointly, proxy form must be signed by all the members. If proxy form is signed by authorized representative of body corporate or attorney, certified copy of board resolution / power of attorney / other authority must be attached with the proxy form.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 5, 2017 to Thursday, August 10, 2017 (both days inclusive) in connection with the Annual General Meeting and for determining the names of members eligible for equity dividend, if declared at the AGM.
4. Members who hold shares in dematerialized form are requested to bring details of their demat account (client ID and DP ID) for speedy and easier identification of attendance at the meeting.
5. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the Resolution authorizing their representative to attend and vote at the Meeting.
6. Members may note that the details of the Director seeking appointment / re-appointment as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, forms an integral part of the notice. Requisite declarations have been received from the Directors for seeking his/her appointment/ re-appointment.
7. Relevant documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days during business hours and will also be made available at the meeting.
8. The dividend on equity shares, if declared at the AGM, will be payable on or after August 14, 2017 to those members:
  - (a) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Company's Registrar and Transfer Agent on or before August 4, 2017; and
  - (b) whose names appear in the list of Beneficial Owners on August 4, 2017 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
9. The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS/NECS/electronic transfer, of those shareholders holding shares in electronic form/demat and having registered relevant bank details. In respect to those shareholders holding shares in physical form or in case of ECS / NECS / electronic payment rejected, dividend will be paid by dividend warrants / demand drafts.
10. Members are requested to notify immediately any change in their address, bank account details and / or email id or demise of any member to their respective Depository Participant (DP) in respect of their electronic shares / demat accounts and in respect of physical shareholding, to the Registrar and Transfer Agent of the Company at M/s. Link Intime India Private Limited, Unit: JMC Projects (India) Limited, 506 to 508, 5<sup>th</sup> Floor, Amarnath Business Centre-1 (ABC-1), Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad - 380009. Tel. & Fax: 079 26465179, e-mail: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)
11. Members may opt for the direct credit of dividend / ECS wherein members get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of bank instrument in transit. To avail this facility, the members are requested to update with their DP, the active bank account details including 9 digit MICR code and IFSC code, in case the holding is in dematerialized form. In case of shares held in physical form, the said details may be communicated to the Company or Registrar and Transfer Agent, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.
12. Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013 read with relevant rules. Members desiring to avail of this facility may send their nomination in the prescribed Form SH13 duly filled in, signed and send to the Company or Registrar and Transfer Agent.
13. Equity Shares of the Company are traded under the compulsory demat mode on the Stock Exchanges. Considering the advantages of scrip less / demat trading, shareholders are advised to get their shares dematerialized to avail the benefits of scrip less trading.



14. Member / proxy holder shall hand over the attendance slip, duly signed and filled in all respect, at the entrance at AGM venue for attending the meeting. Route map of venue of AGM is given in this Report.
15. Members desirous for any information or queries on accounts/ financial statements or relating thereto are requested to send their queries at least ten days in advance to the Company at its Registered Office address to enable the Company to collect the relevant information and answer them in the meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the Registrar and Transfer Agent.
17. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
18. The Ministry of Corporate Affairs ('MCA') has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed dividend amounts lying with the Company as on August 11, 2016 are available on the website of the Company [www.jmcprojects.com](http://www.jmcprojects.com) and on Ministry of Corporate Affairs' website. The shareholders whose dividend/ shares as transferred / may transfer to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed at the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
- Details of the unpaid / unclaimed dividend are also uploaded on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com) as per the requirements. Members who have not encashed their dividend pertaining to Financial Year 2009-10 are requested to write to the Company immediately claiming dividends declared by the Company.
- The unpaid / unclaimed dividend for the Financial Year ended March 31, 2010 is due for transfer to IEPF on September 1, 2017. **Members are requested to contact the Company Secretary of the Company or RTA to encash the unclaimed dividend.**
19. **Communication through e-mail:** The situation of global warming demand preservation and protection of environment which can be attained and / or sustained by preserving and growing more trees on the earth. In order to protect the environment, we as a responsible citizen can contribute in every possible manner. Considering this object in mind, members are requested to register his / her e-mail id to receive all communication electronically from the Company. This would also be in conformity with the legal provisions.
- Members may note that the Company would communicate important and relevant information, notices, intimation, circulars, annual reports, financial statements, any event based documents etc. in electronic form to the e-mail address of the respective members. Further, as per the statutory requirement, the above stated documents are also disseminated on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com)
- Members are requested to support green initiative by registering their e-mail id (a) in case of electronic / demat holding with their respective Depository Participant and (b) in case of physical holding either with the Registrar and Transfer Agent by sending e-mail to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) or with the Company by sending e-mail to [cs@jmcprojects.com](mailto:cs@jmcprojects.com) by quoting name and folio number.
- This initiative would enable the members to receive communication promptly besides paving way for reduction in paper consumption and wastage. You would appreciate this initiative taken by Ministry of Corporate Affairs (MCA) and your Company's desire to participate in the initiative. If there is any change in email, shareholder can update his/her email in same manner as mentioned above.
- The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com)
20. **PROCEDURE OF VOTING AT AGM**
- Members who do not vote by e-voting are entitled to vote at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.
- Voting to the resolutions as contained in the Notice shall be conducted through ballot/poll or other appropriate process. Relevant facility for voting shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting. Members who are entitled to vote can cast their vote through ballot paper in the AGM. The Company will make arrangement in this respect

including distribution of ballot papers under the supervision of Scrutinizer appointed for the purpose. Members will need to write on the ballot paper, *inter alia*, relevant Folio no., DPID & Client ID and number of shares held etc. If the Company opts to provide facility of electronic voting system at the meeting, then members present at the meeting shall be able to vote as per arrangement made by the Company.

**21. e-voting facility**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 31<sup>st</sup> AGM and accordingly, business/resolutions as mentioned in this Notice shall be transacted considering e-voting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The Company has appointed M/s. Vishal Thawani & Associates, Practicing Company Secretaries (Membership No. A-43938 & CP No. 17377), to act as the Scrutinizer, for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Company may vary dates as mentioned herein, if necessary to meet the compliance or circumstances so warrant.

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 31<sup>st</sup> AGM. The members attending the AGM, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Depositories as on August 4, 2017 ("cut-off date") are entitled to vote on the resolutions set forth in this Notice. Person who is not member as on the said date should treat this Notice for information purpose only.

For any queries/grievances or guidance for e-voting, members may contact Mr. Samir Raval, Company Secretary at the Corporate Office, on landline number 022-3005 1500 or Mr. Tarak Shah at the Registered Office, on landline number 079-3001 1500 or may write to [cs@jmcprojects.com](mailto:cs@jmcprojects.com). Member may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact CDSL on 18002005533.

On submission of the report by the Scrutinizer, the result of voting at the meeting and e-voting shall be declared. The results along with the Scrutinizer's Report shall be placed on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com) and

on the CDSL's website <https://www.evotingindia.co.in>. The Scrutinizer shall submit his report within two days of conclusion of the meeting and result will be declared forthwith on receipt of the Report.

The Members must refer to the detailed procedure on electronic voting provided below.

**The instructions for members for voting electronically are as under.**

- (i) The e-voting period begins on August 7, 2017 (10:00 a.m) and will end on August 9, 2017 (5:00 p.m). During this period, shareholders of the Company, holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 4, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on August 9, 2017.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Mailing Slip / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>





- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) of JMC Projects (India) Limited to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5 – Ratification of Cost Auditors' Remuneration

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. K. G. Goyal & Associates, Cost Accountants, as Cost Auditor of the Company for the financial year ending March 31, 2018, to conduct audit of cost records of the Company including in respect of construction, road, infrastructures and other business activities, as may be required for cost audit under the Companies Act, 2013 and Rules made thereunder, on a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any.

In accordance with the provisions of Section 148 of the Act read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2018.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution for the above matter as set out at item No. 5 of the accompanying Notice.

### **Item No. 6 – Appointment of Ms. Anjali Seth as an Independent Director of the Company**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Anjali Seth (DIN: 05234352) as an Additional Director in the category of Independent Director of the Company for a period of 3 (Three) years with effect from May 17, 2017 under Section 149, 161(1) of the Companies Act, 2013 ("the Act") read with Article 76 of the Articles of Association of the Company. Pursuant to Section 161 of the Act, Ms. Seth holds office up to the date of ensuing Annual General Meeting. The Company has received a notice from a member proposing candidature of Ms. Seth for the office of Director of the Company.

In the opinion of the Board, Ms. Seth fulfills the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for her appointment as an Independent Director of the Company and is independent of the management. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Seth as an Independent Director.

#### **The brief profile of Ms. Seth is given herein below:**

Ms. Anjali Seth, 59, holds bachelor degree in Law and advising and consulting to banks, financial institutions and corporates as a legal consultant. She has a rich and diverse experience of over 25 years including as a professional lawyer. Ms. Seth has advised top banks, financial institutions, and corporates, on a range of matters including M&A, PE Investments, industrial and employees relations, corporate governance, real estate negotiation, legal matters, statutory issues, litigations etc. Ms. Seth associated in various positions which includes International Finance Corporation, Swaadhar Finserve and ANZ Grindlays Bank. She had the opportunity to work in UAE with real-estate company, Emmar Properties. Ms. Seth served with Standard Chartered Bank as their Legal Head in India. She is on the Board of Adlabs Entertainment Limited, Caprihans India Limited, Endurance Technologies Limited, ADF Foods Limited, Kalpataru Limited, Kalpataru Power Transmission Limited, Walkwater Properties Private Limited etc.

Ms. Seth does not hold by herself or for any other person on a beneficial basis, any shares in the Company and is not related to any other Directors or Key Managerial Personnel. Ms. Seth has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act.

The copy of the letter for the appointment of Ms. Seth as an Independent Director of the Company shall be open for inspection at the Registered Office of the Company during business hours on all working days (except Saturdays, Sundays and Public Holidays) up to the date of 31st Annual General Meeting i.e. August 10, 2017.

In compliance with the provisions of Sections 149, 152, 161 read with Schedule IV of the Act, the appointment of Ms. Seth is now being placed before the members for their approval.

Ms. Seth is interested in the resolution at Item No. 6 of the Notice since it pertains to her appointment as Independent Director of the Company. None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, interested or concerned, financially or otherwise, in the resolution at Item No. 6.

The Board commends the passing of Ordinary Resolution as set out at Item No. 6 of the accompanying Notice.

### **Item No. 7 – Appointment of Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director and fixing his remuneration**

The Board of Directors of the Company had appointed Mr. Shailendra Kumar Tripathi, (DIN: 03156123) as an Executive Director on the Board of the Company for a period of 5 years with effect from October 22, 2011. Subsequently, the Board of Directors appointed him as Deputy Managing Director with effect from May 18, 2012 for his remaining tenure of 5 years. Both these appointments were approved by the members at the 26<sup>th</sup> Annual General Meeting of the Company held on August 3, 2012.

The terms of appointment of Mr. Shailendra Kumar Tripathi, CEO & Dy. Managing Director of the Company completed on October 21, 2016. In appreciation of his contribution towards the growth of the Company, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on August 11, 2016, approved re-appointment of Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director for a further period of 3 years effective from October 22, 2016, on the terms and conditions and remuneration as mentioned in the resolution at Item No. 7 of this Notice, subject to the approval of the members and such other approvals as may be necessary. An Employment Agreement dated August 12, 2016 containing the terms and conditions for the appointment of and remuneration payable to Mr. Shailendra Kumar Tripathi, as CEO & Dy. Managing Director of the Company has been executed between the Company and Mr. Shailendra Kumar Tripathi. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company and is not related to any other Directors or Key Managerial Personnel.

#### **The brief profile of Mr. Tripathi is given herein below:**

Mr. Shailendra Kumar Tripathi, aged 53, is a Civil Engineer from Government Engineering College, Jabalpur, Madhya Pradesh. Since passing out in 1984, he has worked in major Infrastructure companies like Gammon India Limited, Larsen & Toubro Limited and Oriental Structural Engineers Private Limited. He started his career as a site execution and planning engineer and went on to head the implementation and construction of many infrastructure projects in the country involving highways and airports. His technical, strategic decisions and leadership skills coupled with his sound financial and business sense has helped him in securing and successfully implementing many projects in Public Private Partnership model. He Joined JMC Projects (India) Limited in 2008 as the President & COO of the Infrastructure Division. He has been responsible for the overall performance and growth of the Infrastructure Division. He is responsible for the Infrastructure, Power, Building & Factories and BOT Business Divisions of the organization along with their growth and diversification plan.



A copy of the agreement / each resolution passed by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on August 11, 2016, as referred to above are available for inspection by the members of the Company at the Registered Office of the Company during business hours on all working days (except Saturdays, Sundays and Public Holidays) up to the date of 31<sup>st</sup> Annual General Meeting i.e. August 10, 2017.

The Resolution and Explanatory Statement may be considered as sufficient disclosure and information under the statutory provisions as may be applicable, relevant or necessary.

Mr. Tripathi is interested in the resolution at Item No. 7 of the Notice since it pertains to his appointment as CEO & Dy. Managing Director of the Company and to the remuneration payable to him. None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, interested or concerned, financially or otherwise, in the resolution at Item No. 7.

The Board commends the passing of Ordinary Resolution as set out at Item No. 7 of the accompanying Notice.

#### **Item No. 8 – Issue of Non-Convertible Debentures on a Private Placement Basis**

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company cannot issue securities on a private placement basis unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the shareholders of such company, by a special resolution for each offer or invitation, and further provides that in case of an offer or invitation for secured / unsecured non-convertible debentures (NCDs), it shall be sufficient if the company passes a special resolution once a year for all the offers and invitations for such NCDs to be made during the said year.

In order to augment long term resources for financing, *inter alia*, the working capital requirement, capital expenditure, business expansion and for general corporate purposes, the Company may make an offer of NCDs or invite subscription to NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the special resolution by the Members, for an aggregate amount upto ₹ 150 Crore (Rupees One Hundred Fifty Crore only) which is within the overall borrowing limits of the Company as approved by the Members from time-to-time. It is proposed that the Board which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution, be authorized to issue NCDs within the aforesaid limits, on such terms and conditions as it may deem fit. NCDs may be secured by mortgage / charge on the assets of the Company and may be listed on one or more stock exchanges. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time for a year from the date of passing this resolution.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution as out at Item No. 8.

The Board commends the passing of Special Resolution as set out at Item No. 8 of the accompanying Notice.

By Order of the Board  
For **JMC Projects (India) Limited**

**Samir Raval**  
Company Secretary

July 3, 2017, Mumbai

**Registered Office:**  
A-104, Shapath-4, Opp. Karnavati Club,  
S. G. Road, Ahmedabad 380015.  
CIN: L45200GJ1986PLC008717

## DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING.

Name of Director	Mr. Shailendra Kumar Tripathi	Ms. Anjali Seth
Director Identification No.	03156123	05234352
Date of Birth	May 2, 1964	October 25, 1958
Qualifications	B.E. Civil	Bachelor of Law
Expertise in functional field and brief resume	Mr. Tripathi has more than 32 years of experience in the field of planning, execution and implementation of many infrastructure projects involving highways and airports. His technical, strategic decisions and leadership skills, coupled with his sound financial and business sense has helped him in securing and successfully implementing many projects in Public Private Partnership model. Mr. Tripathi has worked in major infrastructure companies like, Gammon India Limited, Larsen and Toubro Limited and Oriental Structural Engineers Private Limited.	Ms. Anjali Seth provides advisory and consultancy services to banks, financial institutions and corporates as a legal consultant. She has a rich and diverse experience of over 25 years including as a professional lawyer. Ms. Seth has advised top banks, financial institutions, and corporates, on a range of matters including M&A, PE Investments, industrial and employees relations, corporate governance, real estate negotiation, legal matters, statutory issues, litigations etc. Ms. Seth associated in various positions includes International Finance Corporation, Swaadhar Finserve and ANZ Grindlays Bank. She had the opportunity to work in UAE with real-estate company, Emmar Properties. Ms. Seth served with Standard Chartered Bank as their Legal Head in India.
No. of Shares held in the Company	Nil	Nil
Other companies in which holds directorship	None	Adlabs Entertainment Limited (AEL), Caprihans India Limited (CIL), Endurance Technologies Limited (ETL), ADF Foods Limited, Kalpataru Limited, Kalpataru Power Transmission Limited, Walkwater Properties Private Limited
Chairperson/membership of the board committee of other public companies.	None	<ol style="list-style-type: none"> <li>1. Member of Audit Committee &amp; Chairperson of Stakeholders Relationship Committee in AEL,</li> <li>2. Member of Stakeholders Relationship Committee in CIL &amp;</li> <li>3. Member of Audit Committee, Nomination and Remuneration Committee &amp; Chairperson of Stakeholders Relationship Committee in ETL</li> </ol>
Date of appointment, meeting attended and remuneration.	Mr. Tripathi was originally appointed as an Executive Director on the Board of Company for a period of 5 years w.e.f. October 22, 2011. Subsequently, the Board of Directors appointed him as Deputy Managing Director w.e.f. May 18, 2012 for his remaining tenure of 5 years.  Recently, he has been appointed for further period of 3 years effective from October 22, 2016 till October 21, 2019 by the Board of Directors at its meeting held on August 11, 2016. The approval of members is sought in item no. 7 of the Notice. The details of Remuneration paid to Mr. Tripathi for the Financial Year 2016-17 and other details are given in the Corporate Governance Report.  The details of remuneration payable to Mr. Tripathi is given in accompanying Explanatory Statement attached to this Notice of AGM.	Ms. Seth was associated with the Company in the capacity of Non-Executive Non-Independent Director till May 16, 2017.  Ms. Seth was appointed as an Additional Director with effect from May 17, 2017 by the Board of Directors at its meeting held on May 16, 2017 to hold office upto the date the ensuing AGM.  The approval of members is sought in item no. 6 of the Notice. The details of Remuneration paid to Ms. Seth for the Financial Year 2016-17 and other details are given in the Corporate Governance Report.
Relationship with other director, manager and KMP.	Mr. Tripathi is not a relative of any other director / KMP of the Company.	Ms. Seth is not a relative of any other director / KMP of the Company.



# JMC Projects (India) Limited

(CIN:L45200GJ1986PLC008717)

**Regd. Office:** A-104, Shapath-4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015.

## ATTENDANCE SLIP

I hereby certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the thirty-first **Annual General Meeting** of the Company being held on **Thursday, August 10, 2017** at 3.00 p.m. at Ahmedabad Textile Mills' Association, ATMA Auditorium, Opp. Old RBI Office, Ahmedabad 380009.

Registered Folio No./ DP ID/Client ID	
Name and address of the Member	
Joint Holder 1	
Joint Holder 2	
No. of equity shares	

Name of the Proxy : \_\_\_\_\_

\_\_\_\_\_  
**Signature of Proxy**

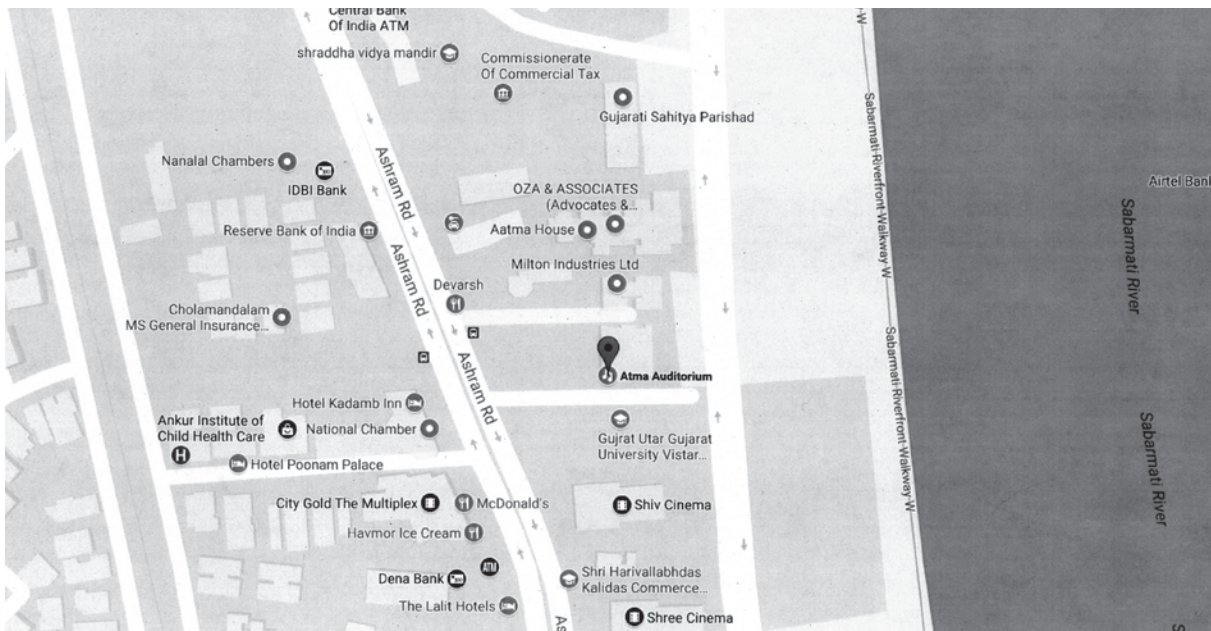
\_\_\_\_\_  
**Signature of Member**

Shareholders may please note the user id and password given below for the purpose of e-voting in terms of Section 108 and applicable provisions of the Companies Act, 2013 and rules framed thereunder.

ELECTRONIC / E-VOTING PARTICULARS		
EVSN - Electronic Voting Sequence No.	User ID	Password
170704007		

**Notes:** 1.A Member / Proxy attending the meeting must complete this Attendance slip in legible writing and hand it over at the entrance at AGM venue. **Sign at appropriate place as applicable to you.** 2. e-voting period will commence on August 7, 2017 (10:00 a.m.) and will end on August 9, 2017 (5:00 p.m.). 3. Body Corporate / Company, who are a member, may attend through its representative. Original copy of authorization / resolution should be deposited with the Company. 4. Please read the instructions printed under the Notes to the Notice of this Annual General Meeting. 5. Route map of venue of AGM is given in this Report.

### (Route map / direction to reach at the venue of AGM)





# JMC Projects (India) Limited

(CIN:L45200GJ1986PLC008717)

Regd. Office: A-104, Shapath-4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015.

## PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of Member	Registered address & Email Id:	
DPID & Client ID	Folio	No. of equity shares

I / We, being the member(s) holding \_\_\_\_\_ shares of the above company, hereby appoint below at sl. no. 1 or failing him sl. no. 2 or failing him sl. no. 3,

Sl. No.	Name of proxy	Address & email Id	Signature
1			
2			
3			

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on **Thursday, August 10, 2017** at 3.00 p.m. at Ahmedabad Textile Mills' Association, ATMA Auditorium, Opp. Old RBI Office, Ahmedabad 380009 and at any adjournment thereof in respect of such resolutions as are indicated below. (Mentioned in detail in Notice of AGM):

Item No.	Resolutions	Vote (optional, see Note 2)	
		For	Against
1.	To consider and adopt the audited standalone and consolidated Ind AS financial statements etc. for the Financial Year ended March 31, 2017		
2.	To declare dividend for the Financial Year ended March 31, 2017		
3.	To appoint a director in place of Mr. Shailendra Kumar Tripathi, who retires by rotation and being eligible, offers himself for re-appointment		
4.	To ratify appointment of Statutory Auditors M/s. B S R & Co. LLP, Chartered Accountants		
5.	To approve remuneration payable to Cost Auditor M/s. K. G. Goyal & Associates, Cost Accountants for the FY 2017-18		
6.	To appoint Ms. Anjali Seth as an Independent Director for a period of 3 (Three) years with effect from May 17, 2017		
7.	To appoint Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director of the Company for a period of 3 (three) years w.e.f. October 22, 2016 and fixation of remuneration		
8.	To issue Non-Convertible Debentures on a Private Placement Basis		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
revenue  
stamp

\_\_\_\_\_  
Signature of Proxy holder(s)

\_\_\_\_\_  
Signature of Shareholder

### Notes:

- The form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not later than 48 hours before the commencement of the meeting.
- It is optional to indicate your preference by tick mark. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.





## JMC Projects (India) Ltd.

A Kalpataru Group Enterprise

### REGISTERED OFFICE

A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad - 380 015, Gujarat, India.  
Tel: +91 79 30011500, Fax: +91 79 30011700

### CORPORATE OFFICE

6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai - 400 055.  
Tel: +91 22 30051500, Fax: +91 22 30051555

CIN: L45200GJ1986PLC008717

Email: [cs@jmcprojects.com](mailto:cs@jmcprojects.com) | [www.jmcprojects.com](http://www.jmcprojects.com) | [www.kalpatarupower.com](http://www.kalpatarupower.com)