KALPA-TARU®

JMC Projects (India) Ltd.
A Kalpataru Group Enterprise

Poised for Growth

JMC Projects (India) Ltd.
Annual Report **2019–20**

As JMC Projects continues to pursue its aspirations to further strengthen its position as a prominent player, the Company relies on agile and innovative processes to foster next level growth. The cover design creatively illustrates JMC Projects' enthusiasm to mark its way forward.

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events or otherwise.

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You can also find this report online on:
www.jmcprojects.com

At JMC, growth symbolizes our effort, expertise and resilience to deliver better than before.

As we step into another year of opportunities, unlocking new avenues of growth, we remain strongly inspired to sustain the momentum and establish JMC as a force to reckon with in the construction and infrastructure space.

The past few years have been one of our most rewarding years as we delivered remarkable performance across various parameters of growth and profitability, to secure orders and execute projects with our experience and expertise of over three decades. Today, we stand on a solid foundation of growth. Our endeavor is to improve profitability and exceed expectations on all parameters of growth with our utmost dedication and commitment. Our constant efforts to improve our processes, strengthen our capabilities and execute projects on-time, ensuring the highest quality standards, keeps us motivated to successfully overcome hurdles and create a lasting impression. From firming up our core businesses to growing our international presence, we leave no stone unturned in the pursuit of growth.

To flourish and prosper in a competitive landscape, JMC will continue to focus on best-in-class project delivery, adopting latest technology & digitalisation, practicing best health & safety standards, nurturing talent and growing strength-to-strength across verticals, to fortify its core and remain poised for growth.

All about JMC

JMC Projects (India) Ltd., a subsidiary of the Kalpataru Power Transmission Ltd. (KPTL), is amongst the leading civil construction and infrastructure EPC Companies in India.

With an experience of over three decades, JMC has interest in construction of buildings, transportation, water, industrial and urban infrastructure projects. Over the years, JMC has developed end-to-end capabilities to execute civil works, design & build composite works, MEP, HVAC, structural works, finishing works, utilities, area development etc. It has also executed international projects in places such as Africa and the SAARC countries. JMC also has four road BOOT projects in India that are operational on full toll and full-length basis.

Mission

Building Infrastructure for Better Life

Vision

To be a preferred global EPC partner, delivering sustainable growth and enhancing stakeholder's value through innovative solutions and inspired people.

Our Values

- Business Ethics
- Quality
- Respect
- Pride
- Humility
- Prudence

Awards & Recognition

RoSPA Award
International Award for 4 Projects

British Safety Council
BSI International Merit Awards for 5 Projects

CIDCVK Awards
12 National Awards

OHSAI Awards
2-Four Star Awards

Ministry of Labour & Employment
15 National Safety Award in Recognition from Government of India

Our Business Presence

Buildings
RESIDENTIAL
COMMERCIAL
INSTITUTIONAL
RECREATIONAL

Transportation
HIGHWAYS
ELEVATED CORRIDORS
RAILWAYS
METRO RAIL

Water
INTAKE & TREATMENT
PIPELINE TRANSMISSION
STORAGE & DISTRIBUTION
IRRIGATION

Industrial
POWER PLANTS
INDUSTRIAL PLANTS
FACTORIES
AREA DEVELOPMENT

Urban Infra
TRANSIT TERMINALS
MULTI-LEVEL CAR PARKS
RAILWAY STATIONS
AIRPORTS

Key Highlights

₹ 3,713 Crores
Sales in 2019-20

₹ 411 Crores
Core EBITDA in 2019-20

11.1%
Core EBITDA Margin in 2019-20

₹ 117 Crores
PBT in 2019-20

₹ 79 Crores
PAT in 2019-20

₹ 9,546 Crores
Order Book as on 31st March 2020

~3,600
Employees as on 31st March 2020

100+
Projects under execution as on 31st March 2020

105 Million
Safe hours of working in 2019-20

Financial Highlights

(₹ in Crores)

Standalone	2015-16#	2016-17	2017-18	2018-19	2019-20
Revenue	2,401	2,328	2,756	3,253	3,713
Revenue Growth (%)	0.1%	-3%	18.4%	18.0%	14.1%
Total Expenditure	2,186	2,117	2,471	2,916	3,381
Operating Profit (PBDIT)	223	225	302	362	359
Core EBITDA****	214	211	285	337	411
Interest	105	84	86	95	125
Profit Before Depreciation and Tax (PBDT)	118	141	217	267	234
Depreciation	52	57	72	78	117
Profit Before Tax (PBT)	66	84	145	189	117
Provision for Income Tax / FBT / Deferred Tax	22	26	39	46	38
Profit After Tax (PAT)	44	58	106	142	79
Equity Share Capital	34	34	34	34	34
Net Worth	638	690	789	923	970
Long Term Borrowings	282	231	314	390	497
Short Term Borrowings (including current maturity of long term debts)	454	406	422	375	353
Total Borrowings	736	637	737	766	850
Capital Employed (Net Worth + Total Borrowings)	1,374	1,327	1,526	1,689	1,819
Debt Equity Ratio (Total)	1.15:1	0.92:1	0.93:1	0.83:1	0.88:1
Debt Equity Ratio (Long Term)	0.44:1	0.34:1	0.40:1	0.42:1	0.51:1
Book Value per Equity Share (₹)*	38.0	41.1	47.0	55.0	57.8
Earning per Equity Share (₹)*	3.2	3.5	6.3	8.5	4.7
Core EBITDA Margin (%)	8.9%	9.1%	10.3%	10.4%	11.1%
Operating Profit Margin (%)	9.3%	9.7%	11.0%	11.1%	9.7%
Profit Before Tax (%)	2.7%	3.6%	5.3%	5.8%	3.1%
Profit After Tax (%)	1.8%	2.5%	3.9%	4.4%	2.1%
Return (Pre-tax) on Average Networth (%)	12.2%	12.6%	19.6%	22.0%	12.3%
Return on Average Capital Employed (%)**	13.4%	12.4%	16.2%	17.6%	13.8%
Order Backlog at the year end***	6,149	7,047	7,616	9,962	9,546
No. of Employees	3,360	3,279	3,324	3,781	3,600

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

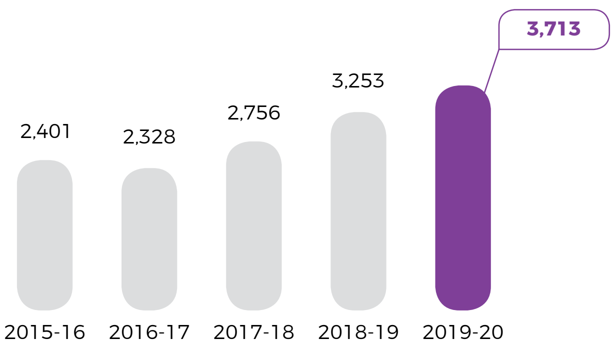
* In FY 2018-19, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from ₹ 10.00/- each to ₹ 2.00/- each. The record date for the sub-division was 5th October 2018. Book Value per Equity Share and Earnings Per Share (EPS) of previous period have been restated.

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

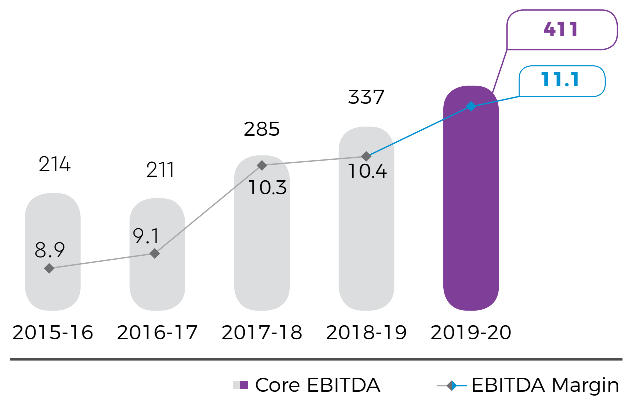
*** Includes orders in the name of Joint Ventures.

**** Core EBITDA for FY 2019-20 excludes impact of ECL provision made towards loans/advances given to subsidiary. Core EBITDA = Operating Profit (PBDIT) - Other Income

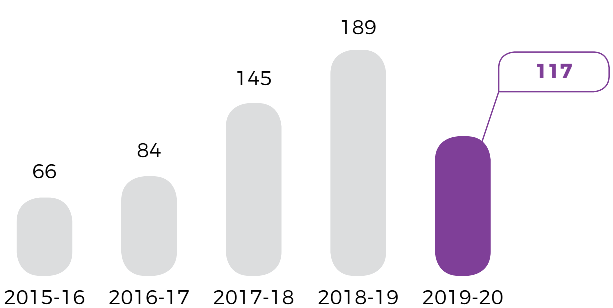
Sales (₹ in Crores)



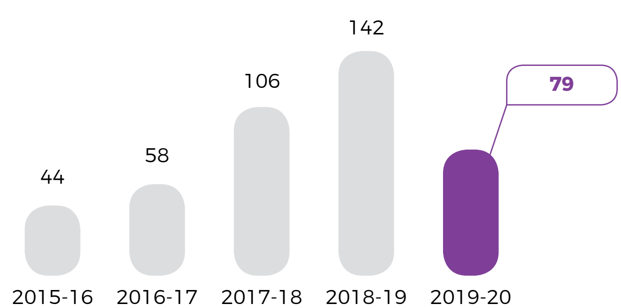
Core EBITDA (₹ in Crores)
EBITDA Margin (in %)



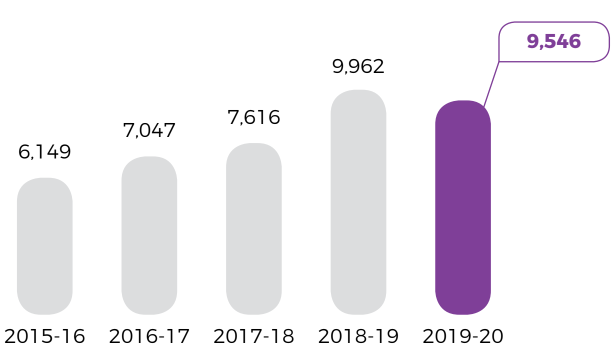
PBT (₹ in Crores)



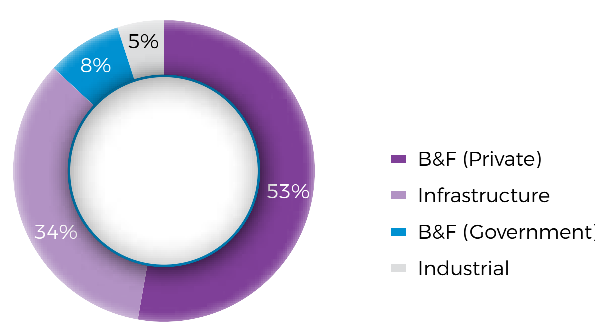
PAT (₹ in Crores)



Order Book (₹ in Crores)



Order Book Composition as on 31st March 2020



Message from CEO

We are entering the next fiscal year with great optimism, to deliver strong performances and create value for all stakeholders despite challenges.

Shailendra Kumar Tripathi
CEO and Deputy Managing Director

Dear Shareholders,

I am pleased to write to you at the end of another fiscal year where JMC continued to deliver sustained performance and now have a solid foundation for future profitable growth. Amid an uncertain economic environment and challenging industry dynamics, we continued to perform with resilience. This performance has been supported by our relentless focus on building our capabilities, disciplined approach to bidding, diversifying in selected profitable markets, foraying into newer geographies, providing best-in-class project delivery and improving profitability.

We, at JMC, leverage our deep domain knowledge, responsiveness, agility, scale and brand reputation to capitalize on growing opportunities. Over the years, we have grown to establish JMC as a renowned brand in the civil construction sector especially in the building, water, highways and urban infrastructure segments, with the capability to deliver exponential results at any given point of time. Further, our strong compliance and governance system, skilled and competitive workforce and technology-led processes have augured well for our growth.

Performance Highlights – 2019–20

The disruptions in operations due to Covid-19 pandemic in March-20, impacted our financial performance for the fourth quarter and consequently for full 2019–20. Our revenue from operations increased by 14%, from ₹ 3,253 Crores in 2018–19 to ₹ 3,713 Crores in 2019–20. Growth was supported by well-planned execution in Buildings & Factories (B&F) and infrastructure business. Our core EBITDA increased by 22% to ₹ 411 Crores in 2019–20, as compared to ₹ 337 Crores in the previous year. Our EBITDA margin increased by 70 bps to reach an all-time high of 11.1% in 2019–20 due to a favourable project mix, focus on timely completion and various cost optimisation initiatives. However, our profit after tax declined by 44% to ₹ 79 Crores in 2019–20 as we have made an Expected Credit Loss (ECL) provision of ₹ 80 Crores for loans and advances given to Kurukshetra Expressway Private Limited, our road BOOT JV.

We continue to focus on optimising our working capital management with focused efforts on collection and timely project completion. Our net debt was ₹ 735 Crores and net debt to equity ratio at 0.76 times as of 31st March 2020.

Our order book remains firm and well diversified across B&F and Infrastructure business. We have made concentrated efforts to diversify our order book within the B&F business by focusing more on commercial and institutional buildings. In 2019–20, we received an order inflow of ₹ 3,364 Crores taking our order book value to ₹ 9,546 Crores as on 31st March 2020.

Strategy on Track

Over the past decade, our strategy to focus on selected markets and clients with sound basis for long-term growth and profitability has paid off well and our financial and operational metrics have improved. Our focus to maintain a disciplined bidding approach for winning new business enables us to sustain long-term profitable work instead of chasing revenue growth.

We have recorded substantial progress in expanding our client base, especially in the commercial and institutional B&F business. We continue to secure repetitive orders from our B&F clients, which is testimony to our impeccable reputation for customer relationship through outstanding service, timely delivery and immaculate quality.

Our international business strategy continues to evolve, combined with dedicated business development efforts. On the international business front, we continue to actively bid for road, highways and water projects, leveraging KPTL's strong presence in international markets. We are confident about expanding to several new countries in the coming years across Africa and SAARC markets.

We have maintained a razor-sharp focus on building and driving our core asset-light EPC business by systematically expanding our operations in B&F and infrastructure segments. The prime objective of adopting this strategy was to ensure lean operations and concentrate on what we do best. We are also pro-actively working to improve long-term operational viability of our Road BOOT assets through restructuring mechanisms.

Continued Focus on Digitalization and People Development

In the digital space, we are continuously evaluating various technologies that results in better project outcomes throughout the project life cycle. We are planning to integrate various digital technologies like analytics, digital dashboards, geo and aerial technologies, Artificial Intelligence (AI) etc. with our SAP ERP system to optimise and improve our processes and project monitoring.

We believe, a motivated workforce is the biggest differentiator for any organization and we aim to foster a diverse work culture that is inclusive and accommodating. We understand that our people are fundamental to our operational success. Therefore, we try to nurture a workplace that is engaging, rewards performances, is safe and encourages inclusion. The Company continued its focus on retention and development of talent, launching various training programs leveraging digitalization. We have also implemented Human Capital Management System to transform our HR practices and deployed best industry practices to effectively manage our human resource.

Outlook

Ensuring the safety and well-being of our employees and their families was our highest priority. We enabled work from home as soon as lockdown was announced and I commend our project execution teams that started construction works as soon as lockdown conditions were relaxed. We are also grateful to our clients who continue to support us in the midst of such challenging times.

Although the external environment presents a slightly worrisome picture, due to the outbreak of Covid-19, we are confident and prepared to handle these uncertainties.

Infrastructure development has always been a crucial driver of economic growth. The government has continuously focused on the country's infrastructure development. The report of National Infrastructure Pipeline Task Force estimates total infrastructure investment of ₹ 111 Trillion during the period 2020–25. This along with several other development plans augurs well and provides significant growth opportunities for civil construction EPC companies.

JMC will continue to take measures to improve its competitiveness and strengthen its capabilities. Our strategy will focus on prudence, profitable growth and operational excellence.

In conclusion, I would sincerely thank our customers, the board, the management and most importantly, the dedicated employees for their consistent support and commitment to JMC.

Regards

Shailendra Kumar Tripathi
CEO and Deputy Managing Director

Our Priorities - Poised for Growth

Transforming the way we deliver our projects remains at the core of our strategic priorities to position ourself for future growth and ensure enhanced returns. Over the past few years, we have made good progress across all segments.

Going forward, we seek to embrace new technologies, adopt more digitisation for project delivery, build a strong and diversified order book and grow margins to capitalise on emerging opportunities across India and the global EPC market. With strategic objectives to deliver exceptional results, our emphasis lies on improving our operational and financial performance. Moreover, we strive to maximize our efforts to extend our consideration towards safety, environment, social and people development.

Improving Efficiency through Digital Platforms

With an aim to ensure efficiency in our project delivery, we have designed lean and integrated processes powered by technology and digital frameworks. We have taken various initiatives around digital dashboards and apps for monitoring construction progress. We are increasingly using drone and aerial solutions for project monitoring and surveys. GPS based solutions are being used to track movement of plant, machinery and vehicles. We have also developed web-based solutions for providing training to our employees at project locations. We are now planning to integrate various digital initiatives with our ERP SAP S4 HANA to enable real-time tracking and reconciliation of project progress and costs, along with optimisation of asset utilisation in plants, machinery and equipment. At JMC, the shared goal is to systematically exploit the opportunities that digitalization offers, with an aim to continuously increase efficiency, raise execution quality, control cost and improve project controlling mechanisms.

Improving Profitability and Strengthening Balance Sheet

Over the past few years, JMC has focused on ensuring financial efficiency and assuring healthy margins. Achieving sustainable profits and proactive working capital management with adequate cash flow generation is a core element of our strategy. In the last five years, we have maintained our debt at satisfactory levels and delivered a compounded average sales growth of over 12%, despite funding loan repayment of road BOOT projects. Our core EBITDA margins improved to 11.1% in 2019–20, from ~9% in 2015–16, clearly demonstrating our focus on profitability.

In response to the changing industry dynamics and our evolving business strategy, we are continuously optimising our risk management processes with an aim to improve working capital management and enhance profitability. We continue to focus on selected and attractive markets and clients, which provides a sound basis for long-term growth and profitability.

We are also continuously working on solutions related to restructuring or divestment of road assets to improve their long-term viability. It is expected to lower fund infusion and therefore, improve JMC's balance sheet, driving future growth through investments in its core EPC business.

Grow Market Share in Target Markets and Expand in New Geographies

Our traditional strengths in the Buildings & Factories (B&F) and Infrastructure segments in India and our parent Company's (Kalpataru Power Transmission Ltd.) strong foothold in Africa and Asian markets provides an excellent launch pad for JMC to move progressively into targeted countries. We continue to bid actively in African and Asian markets, where we have a thorough understanding of the risks and the capacity to deliver.

In B&F and water business, we have expanded our credentials with good progress on several water and institutional building projects. In the past few years, we have increased our focus to expand our client base in segments related to institutional and commercial buildings and water supply projects. We are poised to benefit from forthcoming investments in infrastructure development in India, spread across highways, metro rail, water and housing. We also continue to evaluate opportunities and aspire to participate in large infrastructure projects, Metro & Rapid Rail Projects, Design-build & Composite works.

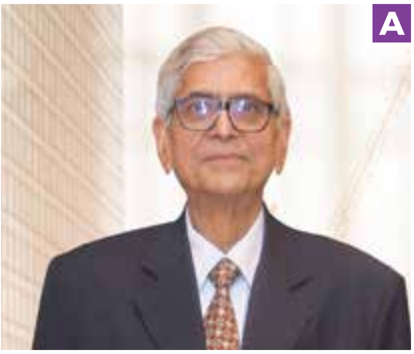
Health, Safety and Environment (HSE)

A key value shared across all of Kalpataru Group Companies is the commitment to safety and the same has been instilled in JMC's work culture. Our teams maintain industry-leading performance with regards to safety. We have adopted a process driven approach and a robust review mechanism, placing intense focus on training, effective communication, safety walk through and audit mechanisms. During the year 2019–20, we have received various awards from RoSPA, British Safety Council, Ministry of Labour & Employment etc. along with client appreciation for our health and safety standards.

People Development

We want to foster a client-centric environment with an inclusive culture that capitalises on the experience and unique diversity of our people. We are building a future-ready workforce, embedding digital, agile and people leadership skills. At JMC, professional development is supported by training and education programs that encourage a culture of lifelong learning and help employees to develop skills and expertise that maximise their potential. JMC continues to invest in learning programs for all employees. As a responsible business entity, we remain committed to the safety and wellbeing of our employees, as occupational safety and health constitute our top priorities.

Board of Directors



A

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.

B

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 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 Organization, Information Economics and Experimental Economics. He has been associated with reputed organizations such as IBM, Honeywell, Microsoft, Infosys, State Bank of India and others.

C

Ms. Anjali Seth
Independent Director

Ms. Anjali Seth has over 30 years of experience in advising 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 and litigations. She has been associated in various positions with International Finance Corporation, ANZ Grindlays Bank, Standard Chartered Bank, Emmar Properties (UAE) and Swadhar Finserve Limited. She holds Bachelor's Degree in Law.

D

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.

E

Mr. Manish Mohnot
Non-Executive Director

Mr. Manish Mohnot is a qualified Chartered Accountant and a Cost Accountant. He has also done an advanced management program 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.

F

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 has over three decades of experience in the field of project planning and execution of large size infrastructure projects involving roads 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 Public Private Partnership projects. He joined JMC Projects (India) Ltd. in 2008.

G

Mr. Kamal Jain
Non-Executive Director

Mr. Kamal Jain is a Chartered Accountant having rich experience of over three decades in the field of finance, taxation, corporate affairs and human resource developments. He served as "Chief Financial Officer" of JMC's parent Company Kalpataru Power Transmission Limited.

Corporate Information

Board Of Directors

Mr. D. R. Mehta
(DIN: 01067895)
Chairman – Independent Director

Mr. Shailendra Kumar Tripathi
(DIN: 03156123)
CEO & Dy. Managing Director

Mr. Shailendra Raj Mehta
(DIN: 02132246)
Independent Director

Ms. Anjali Seth
(DIN: 05234352)
Independent Director

Mr. Hemant Modi
(DIN: 00171161)
Non-Executive Director

Mr. Manish Mohnot
(DIN: 01229696)
Non-Executive Director

Mr. Kamal Jain
(DIN: 00269810)
Non-Executive Director

Board Committees

Audit Committee

Mr. D. R. Mehta, Chairman
Mr. Shailendra Raj Mehta
Ms. Anjali Seth
Mr. Kamal Jain

Stakeholders Relationship Committee

Mr. Kamal Jain, Chairman
Mr. S. K. Tripathi
Mr. Manish Mohnot
Ms. Anjali Seth

Nomination and 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

Chief Financial Officer

Mr. Vardhan Dharkar

Company Secretary

Mr. Samir Raval

Statutory Auditors

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
Yes Bank
Export Import Bank of India
IndusInd Bank

Debenture Trustee

Catalyst Trusteeship Limited

Registered Office

A-104, Shapath 4, Opp. Karnavati Club,
S. G. Road, Ahmedabad – 380015
Tel: +91 79 68161500
Fax: +91 79 68161560
E-mail: cs@jmcprojects.com
Website: www.jmcprojects.com
CIN: L45200GJ1986PLC008717

Corporate Office

6th Floor, Kalpataru Synergy,
Opp. Grand Hyatt, Santacruz (East),
Mumbai – 400055
Tel: +91 22 30051500
Fax: +91 22 30051555

Registrar & Transfer Agent

Link Intime India Private Limited
Unit: JMC Projects (India) Limited
506 to 508, 5th Floor, Amarnath
Business Centre-1, Nr. St. Xavier's
College Corner, Off C. G. Road,
Navrangpura, Ahmedabad – 380009
Tel & Fax: +91 79 26465179
E-mail: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

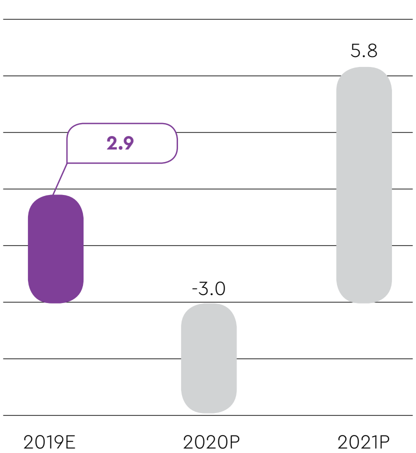
Management Discussion and Analysis

Global Economy Overview

The year 2019 was a challenging year for the global economy. The ongoing trade war between the US and China, geopolitical tension between the US and Iran leading to rise in crude oil prices and Brexit affected the GDP growth rate. The GDP is estimated to be 2.9% in 2019, down from 3.6% in 2018[1]. This downturn of the global economy was also due to slowdown in the manufacturing sector across the globe, with diminishing demands and lower consumption.

The year 2020 is expected to be yet another challenging year mainly due to the recent outbreak of corona virus. The virus have brought the global economy to a standstill with major disruptions in manufacturing and supply. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than during the 2008 financial crisis. In a baseline scenario (which assumes that the pandemic fades in the second half of 2020) the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support[2].

Global GDP Growth Rate (in %)



Source: World Economic Outlook Report, IMF, April 2020

Indian Economy Overview

The Indian economy grew by 4.2% in FY19-20 compared to 6.1% in FY18-19, weakest since the financial crisis hit more than a decade back.[3] The decline in the GDP growth rate was due to the slowdown across all sectors of the economy, especially manufacturing. This slowdown also led to lower spending by consumers resulting in lower demand & consumption of goods and services across the country.

Looking at the situation, the Government of India (GoI) had introduced various reforms such as corporate tax cuts, re-engineering of banking sector, investment plans in infrastructure sector and incentives for SMEs & automobile sector to lift the economy. With constant efforts to improve the economy, India now ranks 63rd in World Bank's Ease of Doing Business Report 2020, a significant improvement from previous years.

The growth outlook for India is weak due to the coronavirus outbreak and the subsequent lockdown that created significant hurdles for manufacturing, supply and distribution channels. According to S&P Global Ratings, India's GDP is expected to shrink by 5% in FY20-21 owing to the current situation. However, GDP growth is expected to pick up to 8.5% in the following fiscal i.e. FY21-22.

[1]IMF WEO

[2]OECD- World Economic Outlook Report

[3]Asian Development Outlook

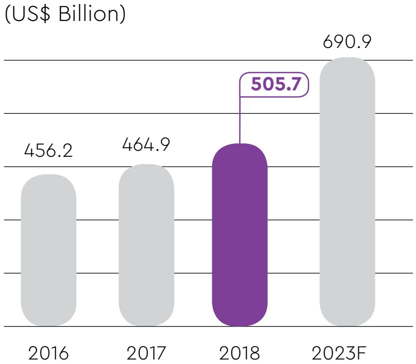
Industry Overview

Construction Industry

Construction is the second largest economic activity in India after agriculture and has been growing rapidly. The construction sector also includes housing which is estimated to account for 8.03% of GDP for the FY19–20 and the sector employs about 12% of the workforce[4]. A huge employment opportunity exists for India's youth in construction, operation and maintenance of infrastructure. As a result, the National Skill Development Agency is also maintaining its thrust on infrastructure-focused skill development opportunities.

India's construction industry was valued at US$ 505.7 Billion in 2018 and it is expected to grow at a CAGR of 6.44% from 2019–2023, to reach US$ 690.9 Billion by 2023[5]. The growth will be driven by the government's efforts to improve the country's infrastructure as well as the housing sector, with an emphasis on smart cities. The country's rising urban population will also boost residential construction, which is expected to remain the largest market, accounting for 30.1% of the total industry value by 2023[5].

India's Construction Output
(US$ Billion)



Source: Global Data, Construction Intelligence Center

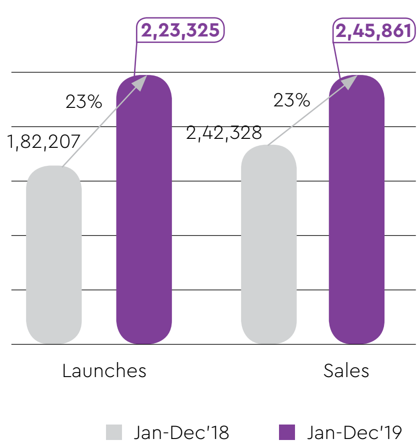
Real Estate

The Real Estate sector occupies a prominent position in the economy and is connected with multiple industries. It has gone through transformational changes due to the implementation of Goods and Services Tax (GST), Real Estate Regulation and Development Act (RERA). Builders and developers are also being encouraged to undertake affordable housing projects. Reduction in GST rates to 1% for affordable housing and 5% for others is likely to have a positive impact on home buyers.

The current estimated market size of the industry is ₹ 12,000 Crores for 2019 and it will further grow to reach ₹ 65,000 Crores by 2040[6]. Currently, the industry employs 55 Million people and it is expected to reach 66 Million in the near future. The Real estate sector contributes around 7% to India's GDP in FY19 and it is expected to contribute 13% of the country's GDP by 2025[6].

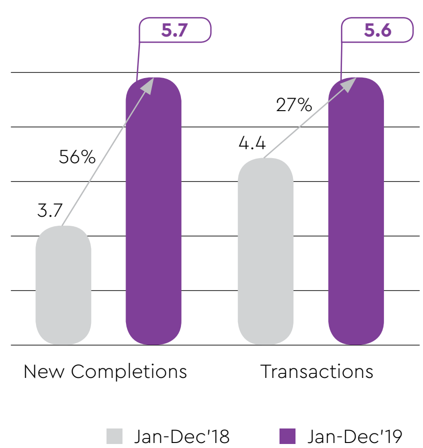
Indian residential units witnessed a growth of 23% Y-o-Y in 2019, owing to government initiatives for affordable housing and smart cities[7]. A shift from traditional workspaces to co-working spaces led to a 56% Y-o-Y growth of new office units in 2019 and the trend was mainly led by start-ups in India.

Indian Residential Market
(Housing Units)



Source: Knight Frank Research Report

Indian Office Market
(mn. sq. ft.)



[4]*Economic Survey FY19–20*

[5]*Global Data, Construction Intelligence Center*

[6]*NITI Aayog*

[7]*CREDAI-CBRE Report*

Growth Drivers of Real Estate Industry

Below are some of the key factors driving the growth of the Real Estate Industry: –

- **Affordable Housing and Housing for All:** With growing population, the demand for housing is rising steadily and it is expected to rise further. Earlier, the focus was largely on luxury and mid segment housing, but it is now shifting towards affordable housing. Government Initiatives like Pradhan Mantri Awas Yojana (PMAY) intends to provide affordable housing for all. The government estimated the housing demand at 1.12 Crores units for urban areas. At present, 1.05 Crores units have been sanctioned, 65 Lakhs units are being constructed and 34 Lakhs units have been completed and delivered till June-20.

- **RERA:** Due to the implementation of RERA, the industry has become organised and has simultaneously boosted investor confidence. It has also made the process transparent, ensuring accountability and peace of mind for potential home buyers.

- **Urbanization:** Growing urbanization is reshaping infrastructure development in the country. A rising middle class population will fuel the demand for residential housing in urban areas. Currently India's urban population is 460 Million in CY19 and it is expected to reach 543 Million by 2025[8]. With rapid urbanization, nuclear families are increasing, leading to a growing demand for houses.

- **Government Policies and Initiatives:** The government has initiated several measures to improve the prospects of the Real-Estate sector. The Real Estate Regulatory Authority (RERA) Act, impetus for affordable housing construction, reduction of GST rates, Interest subsidy and tax saving schemes for home buyers are some of the initiatives undertaken by the government during the last couple of years.

- **Commercial Real Estate:** The Commercial Real estate Industry saw a steady growth in 2019. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office spaces. As the supply increases steadily, so does the absorption rates, driven by co-working spaces and foreign investment in India. In 2019, 5.7 Million square meter (61.3 Million square feet) office projects were completed and 5.6 Million square meter (60.6 Million square feet) space was sold. IT Parks and SEZs are being developed in Tier II and Tier III cities to accommodate the demand for low cost office spaces. Co-working spaces are also increasing at a rapid pace, accounting for around 13% of the total office space transactions in 2019, up from 5% in 2017[9].

- **Consolidation of the Industry:** The Indian construction market is highly competitive. With the Implementation of GST and RERA, smaller players in the industry are finding it difficult to survive in the market. The Indian construction market presents opportunities for growth in the coming years, which is expected to further drive market competition.

[8] *United Nations World Urbanization Prospects*

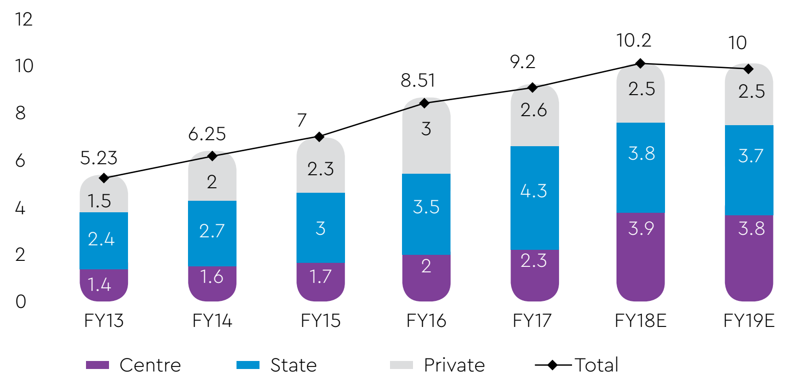
[9] *Knight Frank Research Report*

Infrastructure Industry

Infrastructure is an enabler for economic growth and to reach India's target of becoming a US$ 5 Trillion economy by 2025, more supply-side reforms are needed. Improvement and upgradation of India's new and existing infrastructure projects is likely to make the country's economy stronger. It will specially be critical for the success of the Make in India programme as manufacturing competitiveness critically depends on infrastructure.

Infrastructure investment in India between fiscals 2008 and 2017 was estimated at approx ₹ 60 Lakhs Crores (US$ 1.1 Trillion at average exchange rates of respective years). As per estimates, India's infrastructure investment for fiscals 2018 and 2019 are ₹ 10.2 Lakhs Crores and ₹ 10 Lakhs Crores respectively. During the above period, infrastructure investment was predominantly made by the public sector (i.e. Central and State Governments contributing about 70% of the share), while the share of private sector was ~30% (its share in the last two years was ~25%). Power, roads and bridges, urban, digital infrastructure and railways and other sub-sectors together constituted ~85% of the total infrastructure investment in India between fiscals 2013 and 2019. It is estimated that India would need to spend US$ 4.51 Trillion on infrastructure by 2030 to realise the vision of a US$ 5 Trillion economy by 2025 and to continue its growth till 2030.

India's infrastructure investment trend since fiscal 2013 (₹ Lakhs Crores)



Source: Appraisal documents for five-year plans, CRIS estimates (Investments mentioned are at current prices)

Union Budget 2020-21 highlights:

The government is expected to invest heavily in the infrastructure sector, mainly in highways, renewable energy, pipelines and transport. The same has been reflected in the Union Budget 2020-21, with approx. ₹ 102 Lakhs Crores allocated for investment in the sector, over a 5 year period. Mentioned below are some of the initiatives discussed in the Budget:

- **Tax Exemptions for sovereign wealth funds:** Sovereign wealth funds of foreign governments were granted 100% tax exemptions with respect to interest, dividend and capital gains income from investments made in infrastructure and other notified sectors before 31st March, 2024. However, a minimum lock-in period of 3 years was required to avail the exemptions.

- **Power, Oil and Gas:** The budget allocation for the power and renewable sector is ₹ 220 Billion. The Government also proposed the setting up of solar powered hand pumps and grid connected solar plants for farmers. The energy generated from these solar panels will be sold to the government to boost farmers' income significantly. For the Oil & Gas sector, the Finance Minister proposed to expand the existing natural gas grid from 16,200 km to 27,000 km. Capital outlay of ₹ 98,522 Crores has been proposed for oil and gas companies for 2020-21.

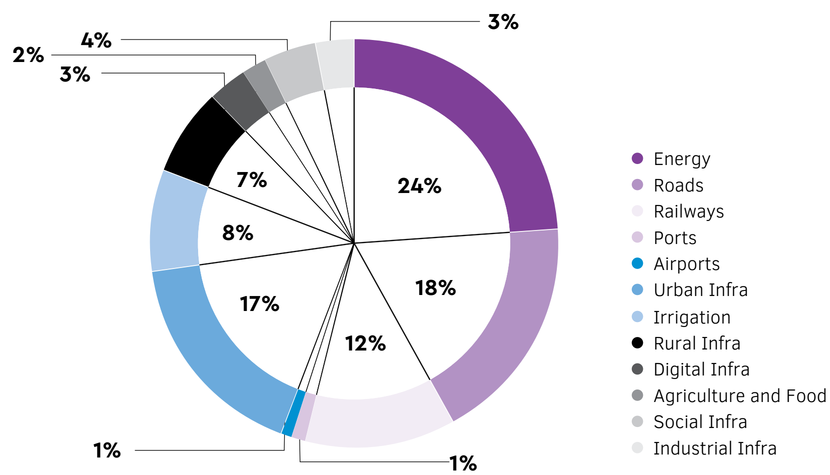
- **Roads:** The budget also announced proposals for accelerated highway development, including the development of 2,500 km access control highways, 9,000 km of economic corridors, 2,000 km of coastal & land port roads and 2,000 km of strategic highways. The recently introduced FASTag mechanism also encourages greater commercialization of highways, enabling the NHAI to raise more funds. A proposal to monetize at least 12 lots of highway bundles of over 6,000 km were made before 2024 through Hybrid Annuity Model.

- **Railways:** As per the theme of "Aspirational India", the Finance Minister proposed to set-up "Kisan Rail" through PPP arrangements to establish seamless national cold supply chains for perishables like milk, meat and fish. The government also proposed to revamp 4 major stations and 150 passenger trains through PPP.
- **Airports:** Noting the rapid growth of air traffic in the country, the Budget announced a proposal to develop 100 more airports by 2024, to support the Regional Connectivity Scheme – UDAN. By 2024, the government proposed to double the air fleet number from the existing 600.
- **Ports and Waterways:** Sea-ports in India need to be efficient and technologically advanced to improve performance. Therefore, the government is planning to corporatize at least one major port and subsequently list it on the stock exchange. Inland Waterways received a boost in the last 5 years and the Jal Vikas Marg on National Waterway-1 will be completed by 2020. Further, the 890 Km Dhubri-Sadiya connectivity will be completed by 2022.

National Infrastructure Pipeline (NIP)

The Final Report of NIP Task Force projected a total infrastructure investment of ₹ 111 Lakhs Crores during the period FY2020–25. Out of the total expected capital expenditure of ₹ 111 Lakhs Crores, projects worth ₹ 44 Lakhs Crores (40% of NIP) are being implemented, projects worth ₹ 33 Lakhs Crores (30%) remains at the conceptualization stage and projects worth ₹ 22 Lakhs Crores (20%) are being developed. Around 71% of the projected infrastructure investments in India are utilized for sectors such as energy (24%), roads (18%), urban development (17%) and railways (12%). The Centre (39%) and States (40%) are expected to have almost equal share in implementing the NIP in India, followed by the private sector (21%).

Sectoral Allocation and Financing of NIP



Source: NIP Report of Task Force

Urban Infrastructure

The world is increasingly becoming urban and India is playing a big role in the global demographic shift. India is one of the fastest growing countries in the world, witnessing rapid urbanization. There were about 37.7 Crores Indians residing in urban areas (Census 2011), comprising about 34% of the total population and it is expected to grow by 41.6 Crores in CY 2050[11].

According to a survey conducted by GIIA-IPSOS Global Infrastructure Index 2019, 57% of urban Indians have rated India well on urban infrastructure. With good connectivity of railways, roads, airports and high speed internet connection on rail platforms in metro cities, urban infrastructure have made life easier for people. The report also proposed to invest heavily in Electric Vehicle charging stations, water supply & sewerage systems. It is also looking at ways to tackle floods in India.

[11]*UN, Atlas of Urban Expansion*

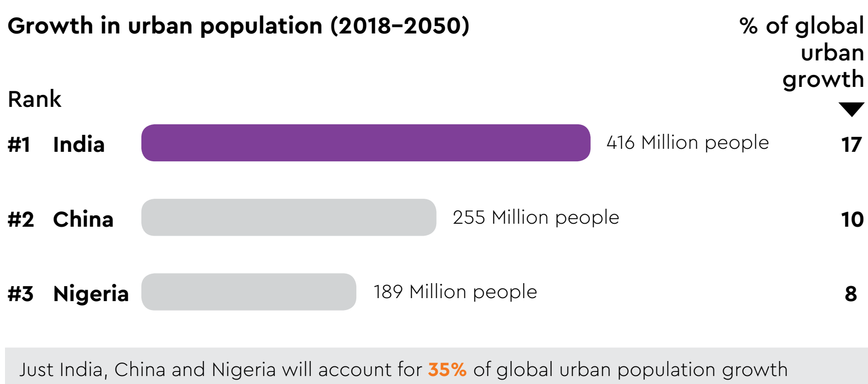
With the launch of the smart cities mission, the government is expected to step up its urbanization efforts in 5,000 cities across India. The following 4 point plan will help to implement urban infrastructure facilities:

- **Infrastructure and Connectivity:** Proper infrastructure including roads and airports, railways and metros must be planned well in advance. Similarly, provision for high speed internet connectivity is necessary before the construction phase. Appropriate state-of-the-art infrastructure will boost the logistics sector, aiding and improving the development of cities.

- **Labour-intensive industry (LII) clusters:** With the help of skill development, LIIs will create employment opportunities in urban as well as rural areas. By focusing on important sectors within a region, varied professional opportunities can be created.

- **New sustainable technologies:** The newly built infrastructure should focus on sustainable development. By embedding state-of-the-art technologies like solar panels, wind turbines, electric charging stations and water treatment facilities, smart cities can be developed for the future. Older cities will need careful planning to incorporate new technologies into unwieldy city plans.

- **Planning for Capacity:** New smart cities will be planned with an eye on the next 20 to 30 years. It will not only implement an efficient urban infrastructure, but will also make the cities free from congestion. Sustainable urbanisation will propel India to mobilize its true potential.



Source: UN, Atlas of Urban Expansion

Progress of Existing Schemes

- **Metro Rail & Bullet Trains:** As of 2019, India has 671.52 km of operational metro lines and 540 stations. Another 500+ km of lines are under construction across the country[12]. In India, Bullet trains are expected to start by 2022 & the first train will be connecting the Mumbai-Ahmedabad corridor with an investment of approx. ₹ 98,000 Crores. Due to this, two stations in Gujarat will be completely revamped as per global standards[13].

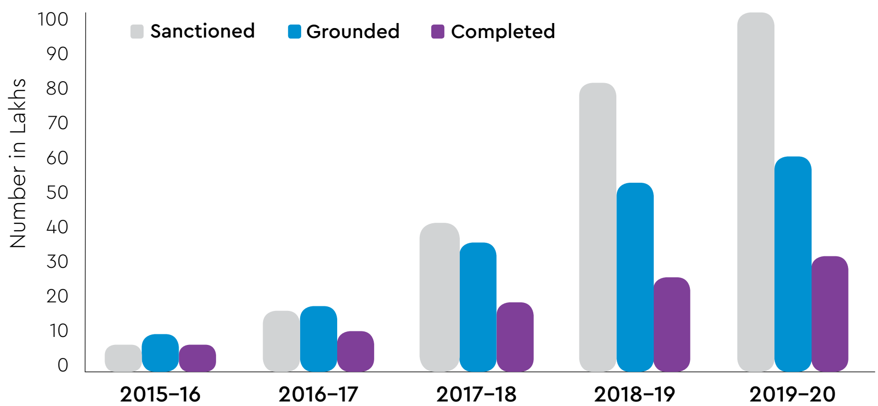
- **Smart Cities Mission 2.0:** Under the Ministry of Housing and Urban affairs, the government previously proposed to build 100 smart cities. With the launch of Smart Cities Mission 2.0, the coverage area has been enlarged to 4,000 cities. The mission is expected to ensure housing for all, build better infrastructure and develop open spaces among other things.

[12] *WRI India Sustainable cities*

[13] *NHSRCL (National High Speed Rail Corporation Limited)*

- **Pradhan Mantri Awas Yojana (Urban) – Housing for all:** PMAY-U is one of the largest housing schemes in the world, bringing entire urban India under its ambit. It is rapidly moving towards the vision of delivering a house for every family by 2022. The scheme has also created approx. 1.20 Crores jobs across all sectors, till Dec-19, giving a boost to employment in India.

Physical progress of PMAY (U) (Number of Houses in Lakhs)



Data as on 01.01.2020
Source: Ministry of Housing and Urban Affairs

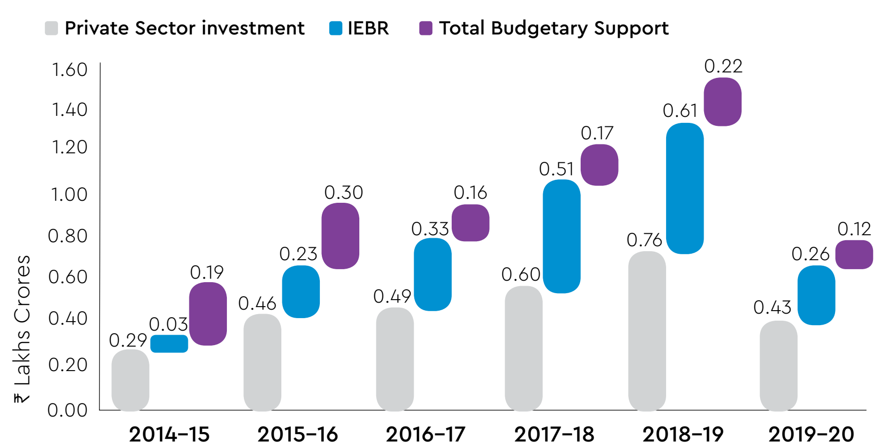
Roads & Highways

India has the second largest road network in the world. The Ministry of Road Transport and Highways (MoRTH) is planning to develop around 60,000 km of roads in the next five years (2020-2025), at an average road construction rate of 40 km a day. Roads and highway constructions were initially undertaken under the Public Private Partnership model but initiatives like Hybrid Annuity Model (HAM), Build Operate Transfer (BOT) (Toll) and BOT (Annuity) have attracted participation and investment from various players.

Roads and Highways are essential for rapid economic growth. The pace at which roads have been constructed has grown significantly from 17 km per day in 2015-16 to 29.7 km per day in 2018-19. Total investment in roads and highways has gone up more than 3-4 times in the five year period ranging from FY2014-15 to FY2018-19. The current allocation by Ministry of Road Transport and Highways is approx. ₹ 1,20,147 Crores for FY20-21.

At present, the sector needs to prioritize maintenance and capacity augmentation of huge road networks, focusing on multi-modal transport integration and road safety. Effective policy implementation will help to solve a lot of issues troubling the sector.

Investment in Road Sector (in ₹ Lakhs Crores)



Data as on 30.09.2019
Source: MoRTH, Note: IEBR - Internal and Extra Budgetary Resources.

Water and Irrigation

Water is an essential resource and the government has taken initiatives to conserve and reuse it. Accordingly, the Jal Shakti Abhiyan (JSA) has been launched in July 2019 to speed up water conservation in the most water stressed blocks and districts of India. JSA has delivered over 3.5 Lakhs tonnes of water in 256 districts till September 2019 through rain water harvesting, rejuvenation of traditional water bodies, implementation of water conservation tactics and watershed development projects.

GoI had also launched a flagship programme, "Pradhan Mantri Krishi Sinchai Yojana" in FY15-16 which covers a total area of 8.01 Lakhs hectares in FY19-20 under the Micro irrigation initiative. Formulated with an aim to increase irrigation coverage and improve water efficiency, its 'Per Drop More Crop' initiative focuses on micro irrigation systems (sprinkler, drip, pivots, rain-guns etc.) to promote precision farming by making water easily available.

To support the programme, the GoI has approved a corpus of ₹ 5,000 Crores to set up a dedicated "Micro Irrigation Fund" with NABARD in FY19-20. Besides, ₹ 3.60 Lakhs Crores has been approved for Jal-Jeevan Mission to boost local water sources, recharge existing sources, promote water harvesting and de-salination[15].

The GoI has created two basic dedicated funds - a long term irrigation fund and a micro irrigation fund, with an initial outlay of ₹ 450 Billion. At present, the irrigation sector has 182 projects in its pipeline with an investment outlay of more than ₹ 7 Trillion. In the next 6 years, from 2020-2026, the irrigation sector is expected to provide huge opportunities to Engineering, Procurement and Construction (EPC) Companies, project developers, engineers and equipment companies[16].

Manufacturing Sector

Industrial civil works plays a vital role in the manufacturing sector, which includes plant, industrial building, chimneys, silos, conveyers, furnace and administration buildings. India's manufacturing sector is performing well despite a global slowdown. India's manufacturing PMI stood at 55.3 in January 2020, recording an eight year high performance[17]. The growth was mainly on account of rebound in demand, leading to a rise in hiring and production activity. New business growth and a strong project pipeline have contributed to this job creation.

The Union Budget 20-21 announced the "Assemble in India" plan under the aegis of "Make in India" Programme. This programme aims to promote India as a hub for assembling products for major global manufacturers. Business sentiment remains positive as the Indian government tries to increase the share of the sector in the GDP to 25% from an estimated 2% in FY19-20[18]. It is also estimated to create 100 Million new jobs by 2022.

Outlook

As per the Global Infrastructure Outlook 2017 published by Oxford Economics, the estimated global infrastructure investment requirement is US$ 94 Trillion for the period between 2016 and 2040. Out of this envisaged infrastructure investment, ~50% is required in Asia alone (with China, India and Japan being major contributors) and investments in roads and electricity sub-sectors is anticipated to be ~67% of the total investments. This presents enormous opportunities in the civil construction EPC space, in domestic and international markets.

[15]Union Budget 2020-21

[16]India Infrastructure Research Report on Irrigation sector in India 2019

[17]IHS Markit report

[18]National Statistics Office of India & IBEF

Company Overview

Over the last three decades, JMC has emerged as one of the leading civil construction EPC companies in India. JMC is renowned for its excellent execution skills, adherence to safety and quality standards and efficient use of advanced technology. The Company's presence spans across residential complexes and townships, hospitals, hotels, commercial complexes, factories and buildings, water supply and irrigation, roads and highways, urban infrastructure, industrial units and power plants.

The Company also aims to contribute towards sustainable nation building efforts and improve its reach in international markets. Presently, JMC carries out operations in the SAARC and the African Continent. The Company expects to receive more orders from the international market and eventually, contribute towards the growth of the industry. With the overall development in India's infrastructure, JMC is well placed to take advantage of the same and further strengthen its roots in the country.

Business Strength and Strategies

- The Company is a renowned brand in building, industrial and infrastructure sector, with a capability to capitalize on opportunities.
- With best in class technology, the Company is poised to undertake and complete projects on time.
- Continuous focus on building professional and skilled employees, enabled the Company to create an efficient and extremely valuable workforce.
- JMC adopts innovative sustainable solutions to reduce its environmental footprints and ensure a better quality of life.
- With its deep expertise and knowledge, the Company is able to compete in challenging and complex projects.
- JMC Projects has a strong clientele base ranging from government to private entities. The business provides services of construction Civil & structural, mechanical, electrical and fire-fighting engineering etc. for all major industries and project types.

Operational Highlights and Achievements

During the year under review, the Company has received new contracts of approximately ₹ 3,364 Crores. As of 31st March 2020, the aggregate value of orders in hand amounts to ₹ 9,546 Crores. The details of some of the major/prestigious contracts received during the year are as follows:

- Construction of Regional Head Office, Residential Training Centre, Currency Chest and Bank Retail Office Building of HDFC Bank Ltd. in Kolkata.
- Main Civil Works for Green Field Multi Level / Multi Product Beverage Facility in Jalpaiguri, West Bengal.
- Execution of two rural piped water supply projects pertaining to Nabrangpur District in Odisha.
- Renovation work of selected projects under JMADA Dhanbad Water Supply Scheme in Jharkhand.
- Construction of Provident Equinox Residential Project in Bengaluru, Karnataka.
- Construction of shell and core works of Mall and Multiplex for Sparkle One Mall Developers, Bengaluru, Karnataka.
- Construction of Main Civil Works of RMZ Eco-World in Bengaluru, Karnataka.
- Civil Works for Bagmane Xenon Project in Bengaluru, Karnataka.
- Construction of Civil Structure for Commercial Project of Salarpuria Sattva in Bengaluru, Karnataka.
- Construction of Prestige Skytech Commercial Building in Hyderabad, Telangana.
- Architectural, Civil, PHE and Firefighting Works of Residential Towers – VIVA City, Incor Smart Homes, Hyderabad, Telangana.
- Construction of IT Hub for Aparna Constructions and Estates in Hyderabad, Telangana.
- Construction of Residential and Multiplex Building for Aparna Constructions and Estates in Hyderabad, Telangana.
- Civil Works for Commercial Office Building – Prestige Alphatech in Pune, Maharashtra.
- Civil Works for PepsiCo Commercial Project for Wadhwa and Associates in Mumbai, Maharashtra.
- Civil and Structural work of Emaar Digi Homes in Gurugram, Haryana.
- Civil and Finishing Works for Residential Development of Brigade Enterprises in Chennai, Tamil Nadu.

Financial Highlights

Revenues

On a standalone basis, the income from operations for the Company has increased by 14% to ₹ 3,713.03 Crores in FY19–20 from ₹ 3,252.86 Crores in FY18–19.

Operating Margin

Core EBIDTA (excluding other income and provision for ECL) for FY19–20 was ₹ 411.35 Crores as compared to ₹ 336.93 Crores for FY18–19. Core EBIDTA margin has increased to 11.1% in FY19-20 from 10.4% in FY18–19. The operating margins improved slightly even after increase in prices of major raw materials and rise of labour costs. The improvement was mainly on account of better margins in new projects, process improvements and operating efficiencies.

Costs & Expenses

- **Employee Costs**

  Manpower cost for FY19–20 was ₹ 346.41 Crores, an increase from ₹ 302.55 Crores in FY18–19. However, in terms of percentage of Turnover, it remains stable at 9.3%.

- **Expected Credit Loss (ECL) Provision**

  Expected credit loss provision for loans and advances given to JV i.e. Kurukshetra Expressway Private Limited was ₹ 79.47 Crores in FY19–20.

- **Other Expenses**

  Other Expenses as a percentage of turnover has increases to 3.8% in FY19–20 as compared to 3.3% in FY18–19. Other expenses have increased mainly because of increase in rates and taxes and ECL provision. Other Expenses mainly include general and administrative expenses such as traveling 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 FY19-20 increased to ₹ 125.17 Crores from ₹ 95.06 Crores in FY18–19. In terms of percentage of Turnover, it has increased to 3.4% for FY19–20 from 2.9% for FY18–19.

- **Depreciation**

  Depreciation cost as a percentage of turnover has increased to 3.2% in FY19–20 to 2.4% in FY18–19, due to increased capitalisation of assets.

- **Taxes on Income and Deferred Tax Provision**

  The Company's Deferred Tax Asset (net) has increased from ₹ 36.26 Crores in FY18–19 to ₹ 47.46 Crores in FY19–20. The Company has made current Tax provision of ₹ 48.65 Crores and deferred Tax provision of ₹ (10.79) Crores. Hence total Tax expenses works out to ₹ 37.85 Crores.

  The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act – 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized tax expenses for the year ended 31st March, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section. Profit for the period is lower by ₹ 1,014.08 Lakhs due to re-measurement of deferred tax assets recognised upto 31st March, 2019.

Net Worth

The net worth of the Company has increased from ₹ 923.27 Crores as on 31st March, 2019 to ₹ 969.91 Crores as on 31st March, 2020. The increase in amount of net worth is on account of internal accruals.

Borrowings

The total standalone borrowing has increased from ₹ 765.6 Crores as on 31st March, 2019 to ₹ 849.5 Crores as on 31st March, 2020. The Debt-Equity Ratio is at 0.88 as on 31st March, 2020, which was 0.83 as on 31st March, 2019. The Company maintains healthy A1+ and A+ credit rating for its short term and long term borrowings from CARE, respectively.

Cash and Bank Balance

Cash and Bank balance decreased from ₹ 76.92 Crores as of 31st March, 2019 to ₹ 45.68 Crores as of 31st March, 2020.

Capital Expenditure

During FY19–20, the Company has capitalized additional fixed assets of ₹ 186.18 Crores. Major funding of the capital expenditure was made from the proceeds of term loan taken from Banks /financial institutions and from 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 31st March, 2020 were ₹ 3,051.84 Crores as against ₹ 2,930.17 Crores as on 31st March, 2019. 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 31st March, 2020 was ₹ 2,272.78 Crores as against ₹ 2,049.88 Crores as on 31st March, 2019.

Financial Ratios

(Ratios)

Ratios	Standalone		Consolidated	
	FY2019-20	FY2018-19	FY2019-20	FY2018-19
Debtors Turnover (No. of Days)	96	96	93	92
Inventory Turnover (No. of Days)	24	25	23	24
Interest Coverage Ratio	2.87	3.8	1.72	1.98
Current Ratio	1.20	1.27	1.09	1.21
Debt Equity Ratio	0.88	0.83	3.19	2.94
Operating Profit Margin (%)	9.68	11.12	11.61	13.4
Net Profit Margin (%)	1.68	4.53	(0.4)	2.4

Further, the Return on Net worth ratio (Standalone) during FY19-20 was 12.3% as compared to 22% during FY18-19 which is lower by 10 bps majorly due to ECL provision made on advances given to Kurukshetra Expressway Pvt. Ltd. Further the Return on Net worth ratio (Consolidated) during FY19-20 was 5.9% as compared to 21.5% during FY18-19 which is lower by 15.6bps on account of lower profitability. Similarly, Net Profit Margin at both standalone and consolidated level has declined due to lower profitability on account of provision for expected credit loss towards loans and advances given to subsidiary Company.

Risk Management

JMC constantly monitors its external environment to evaluate and identify potential risks and threats that might impact its operations. The Company has taken pre-emptive actions to mitigate such risks.

1. Performance of Construction industry and real estate market

Meaning	Mitigation Strategy Adopted	Likelihood
Economic slowdown and changes in regulatory environment may impact the construction industry or real estate market, adversely affecting the Company's operations.	JMC Projects is positioned to capitalize on growing market opportunities. In such situations, Company reviews its policy every quarter with focus on achieving its key business objectives in the given policy framework covering growth, profitability and actions taken to address these risks.	Low

2. Availability and price of raw materials

Meaning	Mitigation Strategy Adopted	Likelihood
Reinforcement Steel, Readymade Concrete, Steel, Pipe and Pipe Fittings and Cement are some of the raw materials required by the Company. Its price and availability may be affected due to a gap in supply demand, intense competition and changes in production level. Price fluctuations and inability to procure products on time might impact the brand value and profitability of the Company.	The Company maintains healthy and mutually beneficial relationships with its suppliers, leading to uninterrupted supply of quality raw materials. Further, it also enters into contracts with clients to fix the base price of raw materials. It also includes a general escalation clause based on the wholesale price index of materials, wherein the risk of fluctuating input costs is passed on to the Client.	Low

3. Changes in the competitive landscape

Meaning	Mitigation Strategy Adopted	Likelihood
The construction industry is prone to competition from new as well as existing players. Intense competition may lead to pricing pressure, impacting the profitability and growth of the Company.	State-of-the-art infrastructure, unmatched capabilities and a comprehensive product range maintain the Company's position as a market leader. JMC also enjoys strong and healthy relationships with major clients, ensuring sustained future earnings.	Moderate

4. Information technology and cyber threat

Meaning	Mitigation Strategy Adopted	Likelihood
With digitization there is an added threat of cyber-attack and loss of information due to inadequate IT infrastructure. This may result in loss of data which in turn may lead to financial losses, business & customer service interruption and loss of confidential information.	JMC continuously strives to improve the security of its digital assets, adopting measures to combat and manage cyber threats efficiently. The Company also adopted new-age technology to increase operational efficiency and improve collaboration between various departments. For more information refer Information Technology section in the MDA.	Low

5. Retention and acquisition of skilled employees

Meaning	Mitigation Strategy Adopted	Likelihood
A Skilled and talented workforce is the key to an organization's success. Unable to retain or acquire competent and expert employees may hamper the Company's ability to pursue its growth strategies effectively.	The Company has a strong retention and succession policy in place. It regularly undertakes training and development programmes, engages employees in various activities and encourages talent through mentoring programs.	High

6. Management of currency risk

Meaning	Mitigation Strategy Adopted	Likelihood
The Company is exposed to currency risk on account of its operations in the international market. Given the volatile market conditions, fluctuation of currency rates may adversely impact the profitability of the Company.	Measures such as hedging, interest rate swaps and forward currency contracts help the Company to mitigate risks arising from currency fluctuation.	Low

7. Business disruption and uncertainty due to COVID-19

Meaning	Mitigation Strategy Adopted	Likelihood
Operations of the Company could be impacted due to the recent Coronavirus pandemic causing major disruptions to the supply chain and resulting in low customer demands. It may lead to declining growth and profitability.	Contingency plans, for such an unprecedented situation, were developed and reviewed according to changing circumstances. The Senior Management as well as operational teams continued to monitor the situation to offer timely support and information. Continuous engagement with stakeholders, including customers, bankers and vendors, also enabled the Company to convey the status of operations, to allay concerns and restore trust and confidence in the Company's strategies. Some steps taken by the company to mitigate this risk: • Prudent cash management and efficient working capital management with sharp focus on collections and payments, cost reduction and management. • Remobilization of the work force • Exploring opportunities in countries that are least impacted by COVID-19. • Mechanization and digital advancement initiatives to improve productivity and lower operational cost	High

Environment, Health and Safety Management System (EHS)

JMC has integrated Environment, Health and Safety Management System (EHS) as a core value proposition. The Company encourages its employees to translate its EHS policy into practice and motivates them to incorporate safety procedures in all operations and functions. To achieve the organizational goal of ZERO harm, the Company aims to integrate safety in construction procedures. Moreover, JMC is committed to promote a safe working environment by incorporating EHS in daily operations, to prevent injury and illness of employees, contractors & visitors, to promote best practices as well as to ensure compliance with corporate, state and local obligations governing the business.

In FY2019–20, JMC inculcated safety drives and delegated safety ownership to line management, employees and contractors for prevention and mitigation of incidents, with a focused approach on the following areas:

Process Driven Structure

- Transition from BS OHSAS 18001-2007 to ISO 45001–2019 & adoption of Integrated Management System (IMS), Certification: Applied for International certification for ISO 45001:2018 (OH&S), ISO 14001:2015 (EMS) & ISO 9001:2015 (QMS) for EHS management system. Certification for multiple management system standards is usually evaluated in a single, comprehensive audit to reduce the time spent on these procedures as well as to minimize the expenses incurred for the same.
- Safety walk through by PM/PIC/PC along with team leaders and EHS personnel on weekly basis.
- P&M being a critical area, tracking and chasing of P&M through compliance is a must. Daily safety reporting and joint inspections are encouraged to mitigate the risk.
- Gradually increased reporting of near-miss incidents, in comparison to past three years.
- Rolled-out Annual Rate Contract (ARC) for procurement of uniform and standard safety gears/ appliances through centralized vendors.
- Rolled-out PPE Issuance & reconciliation procedure for cost optimization and uniformity of PPEs.
- Full-fledged implementation of Safety Park to re-create project site scenarios and train the workers.
- Empowerment of EHS staff to control unsafe conditions, which may disrupt systems and result in work stoppage.
- PONC (Price of Non-conformity) tracker tool is used to analyse the cost incurred due to unsafe practices.
- Better monitoring by EHS staff for extended working hours.
- Periodical health check-ups for food processers & handlers and six-monthly eye test for equipment operators and drivers.
- Effective and Constant Daily Safety reporting from all sites.
- Integration of EHS in planning and designing stage of IFC checklist.

Robust EHS Review Mechanism

- Review of EHS performance through Corporate EHS level 3 Audit system by RO/HO heads and at the site level.
- Monthly Project Performance Review (PPR) by BU heads and quarterly as well as yearly review during Management meetings.
- Use of Corporate EHS Initiative Safety Check observation user tool (SCOUT) by executives visiting project sites from RO/HO during site visits.
- Annual feedbacks from clients/ customers to understand their expectations on safety.

More Focus on Training

- Training and Certification for Internal Auditor certification of ISO 45001:2018/14001:2015/9001:2015 for employees from QA/QC and EHS functions.
- Scaffolding Inspectors have been assigned at various B&F and Infrastructure projects by OSHA approved agency.
- Rigging and slinging techniques training for Industrial & Power business
- Various trainings are identified as per skill matrix and conducted as per monthly schedule (4 trainings every month for workers and 2 trainings for staff). Overall 34,112 trainings for workers and 1,982 trainings for staff has been conducted.
- Defensive driving training for heavy equipment operators at INFRA and WATER BU.

Effective Communication

- Reporting of Incidents to RO/ Corporate through Fast track incident communication/reporting and Investigation of incident through Why-Why Analysis helps to derive root causes of incidents.

- Incident sharing & analysis of case study through Safety alerts.
- Rolled-out EHS E-journal on a quarterly basis for knowledge sharing.
- EHS dashboards/EHS statistic boards to reflect and monitor performance.
- Site personnel are encouraged to report any incidents instantly using safety toll-free number.
- Monthly EHS meeting on specific agenda with Business Unit EHS heads.
- Development of Daily toolbox talk status through Whatsapp.

Safety Walkthrough/Audit Mechanism

- 4,252 weekly walk-through inspections/Audits by PM/PIC/PC carried out.
- Periodic IMS System Audits and close tracking of NCRs.
- Weekly joint inspections by P&M and EHS function.
- Fortnightly joint inspections of workmen camp by admin and EHS functions.

The Company has been consistently transcending EHS compliance across all project sites and building high standards of safety in the organization with robust health and safety systems, processes, safer equipment and trainings. This has helped it to achieve 9 International Awards i.e. 4 RoSPA Gold awards and 5 British Safety Council merit awards and various national awards i.e. 12 CIDC Vishwakarma national awards, 15 Safety Awards from Ministry of Labour and Employment, 2 OHSAI star awards and client appreciations for achieving exemplary safety milestones and splendid EHS performances in 2019-20.

Internal Controls and their adequacy

The Company have implemented an internal control framework to ensure all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of financial statements of the Company and eliminates the possibility of frauds. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Company operates through ERP system - SAP and has implemented adequate internal controls, which safeguards the Company's resources and ensures efficiency in operations, effective monitoring systems and compliance with laws and regulations. The Company has an internal control mechanism which is aligned with its evolving needs.

The Company's Corporate Audit & Assurance department issues well documented operating procedures and authorities with adequate built-in controls. These are carried out at the beginning of any activity and during the process, to keep track of any major changes.

As part of the audits, they also review the design of key processes, from the opinion of adequacy of controls. Periodic reports - as part of continuous monitoring - are generated to identify exceptions through data analysis. The internal controls are tested for effectiveness, across all the locations and functions by the Corporate Audit team, which is reviewed by the management from time to time, for corrective action. Controls with respect to authorization in underlying IT systems are also reviewed periodically to ensure users have access to only those transactions that their roles require. The Company's head office in Mumbai and offices across India, follow an Information Security.

Suggestions, recommendations and implementation of Internal Auditors are placed before the Management and the Audit Committee of the Board

of Directors periodically. The Audit Committee periodically reviews the adequacy of the internal control systems and provides direction and guidance. During FY20, the Audit Committee was satisfied with the adequacy of the Internal Control systems and procedures of the Company.

Employees are guided by the 'Code of Conduct' that reflects and reinforces the unique corporate culture and values. A separate 'Code of Conduct' for Business Partners seeks to ensure they align to Company's values.

Whistle-blower mechanism is an important element of the internal control system encouraging employees to report genuine concerns, misconduct or fraud without any fear of punishment or unfair treatment. The operation of Whistle-blower mechanism is overseen by the Audit Committee.

Human Resource Management

The Company has a continuous focus to forte its workforce and expand its human resources capabilities. With talent development and talent acquisition at its core values, the Company has strengthened its workforce from time to time. The Company also provide necessary training to enhance the skills of its employees, as per industry requirements.

In FY19–20, JMC continued focusing on People, Process and Technology across the employee lifecycle, thereby building a talent-driven and high-performance organization. This year the focus has been to strengthen HR Operations, sustain People Processes and prepare for upcoming growth. The new initiatives regarding vision, mission, employee productivity, process excellence and HR technology were completed successfully during the year.

Employee Productivity

Productivity studies were taken up successfully during the year. This has paved the way for optimal utilization of human capital across Business Units. Implementation of actions emanating from productivity enhancement was also initiated with the help of cross-functional teams.

HR Technology

Having implemented the SAP Success Factors – HR services platform (Human Tree), the processes have become much simpler and accessible for employees across any location, providing immense flexibility to exercise e-learning, people collaboration, recruitment processes, goal setting & appraisals and management dashboards. This has supported the fast pace of our business requirements and also achieved the objectives of improved employee experience, better employee insight and moving towards a paperless office.

Talent Acquisition

Talent infusion in the respective businesses is a major focus area and was managed effectively in a highly competitive talent acquisition scenario. Talent acquisition has played a vital role in attracting best-in-class talent from industry for key positions and for hiring bright students from well-known construction management institutes and management colleges. The Company has a total of 3,600 employees as on 31st March 2020.

People capabilities to build a sustainable business

Learning & Development (L&D) interventions have helped in enhancing the functional and behavioural competencies of our employees. These interventions included Assessment and Development Programs, e-Learning initiatives, participation in Industry-specific external forums, MDP program through Management Institutes and various classroom-based training programs.

Employee Participation

Employee participation was visible across the Company in various Employee Communication and Engagement forums like Town Halls, HR Hour, Coffee with HR, Technology awareness sessions, Self-learning and development initiatives.

Work Culture

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. It promotes a work environment that is characterized by fair and equal treatment for all employees. JMC is committed to maintain the highest standards of ethics, learning environment and growth opportunities for all its employees.

Information Technology

The Company strives to digitize its operations to increase efficiency, reduce defects and stay ahead of its peers. In FY18–19, the implementation of SAP HANA with CPM allowed the Company improve collaboration among various departments. During the year under review, the Company extended the SAP functionality by implementing BI Dashboards to visualize the presentation of data to senior management. The Company's auditors successfully completed IT General Controls (ITGC) audit and found that the implemented controls at various levels are satisfactory.

The Company implemented SAP Success Factors (Human Capital Management System) to transform HR Practices and deploy best practices to effectively manage its human capital. The modules that have gone live are Employee Connect – JAM, Performance Management System, Learning and development. HR achieved 100% rollout of Performance Management System for 2019-20. With this HR is planning to rollout recruitment and Learning / training modules to integrate talent acquisition and talent development processes to further improve employee productivity.

The Company's data security efforts are in continuous review and appropriate & necessary actions are initiated pro-actively to further improve and to adopt new technologies. The Company is including Business Information Security Officer (BISO) to its IT Team to dedicatedly monitor and protect the Company's digital assets from unwanted data threats.

As the industry is heading for Industrial 4.0 organizations are bringing in new technologies like Robotic Process Automation (RPA), Chatbots and IoT devices to connect various equipment and gather data for further optimization and utilization of P&M equipment and Fuel management systems. LiDAR and Drones are being used for aerial surveys to improve the land survey and for monitoring of linear projects, evaluations and Proof of Concept (PoC). of some of these technologies were successfully implemented and IT is engaging with business units to enable phase wise rollout of various features.

The Company is planning to implement Project Life Cycle Monitoring (PLCM) systems to improve execution and collaboration between various stakeholders, to enable gathering of data from source location using mobiles/smart phones to building the near live information system dashboards.

To improve the co-ordination of engineering process, the Company has introduced integrated Design/ Estimate/Plan process using 3D/4D/5D tools, which will also help the project teams to execute the projects without any hindrances with respect to architecture/drawings. Reviewing of drawings and providing comments using mobile devices at site using Jobsite view mobile apps to further improve co-ordination between project execution team, purchase team and Engineering team.

One of the prime objectives is to setup a command control center at Head Office (HO) to remotely monitor the project progress visually and with key data parameters using project dashboards. The Company has already initiated a few projects and it will progressively cover major Critical projects.

To further refine the IT system adoptions, the Company conducts a bi-monthly review with all Business and Functional heads.

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.

Disclaimer

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

Board's Report

Dear Members,

Your Directors are pleased to present their report and financial statements of the Company for the financial year ended March 31, 2020.

Financial Results

The standalone financial highlights and performance of the Company for the financial year ended March 31, 2020 is given herein below.

(₹ in Crores)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Revenue	3,740.5	3,277.6
Profit before Depreciation, Interest, Expected credit loss provision & Tax	438.8	361.7
Less: Depreciation	117.3	78.1
Interest	125.2	95.1
Profit before Expected Credit Loss Provision and Tax	**196.3**	**188.5**
Expected Credit loss provision for loans and advances given to JV	79.5	-
Tax Expenses	37.8	46.4
Profit for the period	**79.0**	**142.1**
Other Comprehensive Income (net of Tax)		
Items that will not be reclassified subsequently to Profit or loss	(1.6)	(0.2)
Items that will be reclassified subsequently to Profit or Loss	(15.1)	5.4
Total Comprehensive Income for the period	62.3	147.3
Add: Surplus brought forward from previous year	479.2	352.5
Profit available for Appropriation	**541.5**	**499.8**
Appropriation:		
Dividend – Final – F.Y. 2018-19	11.7	10.1
Corporate Dividend Tax on Equity Dividend (including surcharge)	2.5	2.0
Items of other comprehensive income recognized directly in retained earnings	1.5	0.9
Transfer to Debenture Redemption Reserve	2.3	5.4
Transfer to General Reserve	2.2	2.2
Balance carried to Balance Sheet	521.3	479.2
TOTAL	**541.5**	**499.8**

Overview & State of the Company's Affairs

Standalone Highlights: During the year ended March 31, 2020, your Company has achieved total Revenue (i.e. Revenue from Operations & Other income) of ₹ 3,740.5 crores as against ₹ 3,277.6 crores for the previous year ended March 31, 2019. Your Company has achieved Profit before tax of ₹ 116.8 crores for the current year as against ₹ 188.5 crores for the previous year after making provision for impairment of ₹ 79.5 crores against the loans / advances given to JV Company namely Kurukshetra Expressway Private Limited. Your Company has achieved Profit after tax of ₹ 79.0 crores for the current year as against ₹ 142.1 crores for the previous year.

Consolidated Highlights: During the year ended March 31, 2020, your Company's Consolidated Revenue stood at ₹ 3,894.2 crores as against ₹ 3,433.6 crores for the previous year ended March 31, 2019. Your Company has achieved Profit before tax of ₹ 32.6 crores for the current year (as against ₹ 115.4 crores for the previous year on consolidated basis). Your Company has achieved Profit after tax of ₹ 1.2 crores for the current year (as against ₹ 76.6 crores for the previous year on consolidated basis).

There has been no change in the nature of business of your Company during the year under review.

Dividend

In view of the Company's performance during the financial year under consideration, your Directors are pleased to recommend a dividend of ₹ 0.70 per equity share of face value of ₹ 2/- each (previous year ₹ 0.70 i.e. 35% per equity share of ₹ 2/- each) on 16,79,05,170 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 ₹ 11.75 crores.

Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, an amount of ₹ 1,58,552/- of unpaid / unclaimed dividend was transferred during the year to the Investor Education and Protection Fund.

Appropriations

During the year under review, your Company has transferred ₹ 2.2 crores to the General Reserve and other appropriations as mentioned in note no. 12 of the standalone financial statements.

Share Capital

As on March 31, 2020, the paid-up equity share capital of the Company stands at ₹ 33,58,10,340/- comprising of 16,79,05,170 equity shares of ₹ 2/- each fully paid up. As on March 31, 2020, 99.86% of the total paid-up capital of the Company stands in the dematerialized form.

Non-Convertible Debentures & Credit Rating

During the year under review, your Company has issued and allotted 1,000 Nos. of 10.55% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹ 10,00,000/- (Rupees Ten Lakh Only) each, for an aggregate nominal value of ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) on private placement basis. The said NCDs are listed on Wholesale Debt Market Segment of BSE Limited. Further, the Company has fully utilized the proceeds of issue of said NCDs for the purposes as mentioned in the offer document.

CARE Ratings Limited has assigned the rating of 'CARE A+ (stable)' to the NCDs issued by the Company and the said rating denotes stable outlook of safety for timely servicing of debt obligation and carries low credit risk.

Review of Business Operations

During the year under review, your Company has received new contracts of approximately ₹ 3,364 Crores. As of March 31, 2020, the aggregate value of orders on hand stands at ₹ 9,546 Crores.

The details of some of the major / prestigious contracts received during the year are as follows:

a) Construction of Regional Head Office, Residential Training Centre, Currency Chest and Bank Retail Office Building of HDFC Bank Ltd. in Kolkata.

b) Main Civil Works for Green Field Multi Level / Multi Product Beverage Facility in Jalpaiguri, West Bengal.

c) Execution of 2 nos. of individual rural piped water supply projects pertaining to Nabrangpur District in Odisha.

d) Renovation work of selected projects under JMADA Dhanbad Water Supply Scheme in Jharkhand.

e) Construction of Provident Equinox Residential Project in Bengaluru, Karnataka.

f) Construction of shell and core works of Mall and Multiplex for Sparkle One Mall Developers, Bengaluru, Karnataka.

g) Construction of Main Civil Works of RMZ Ecoworld in Bengaluru, Karnataka.

h) Construction of Civil Works for Bagmane Xenon Project in Bengaluru, Karnataka.

i) Construction of Civil Structure and Finishes for Commercial Project of Salarpuria Sattva in Bengaluru, Karnataka.

j) Construction of Prestige Skytech Commercial Building in Hyderabad, Telangana.

k) Architectural, Civil, PHE and Firefighting Works of Residential Towers – VIVA City for Incor Smart Homes, Hyderabad, Telangana.

l) Construction of IT Hub Building for Aparna Constructions and Estates in Hyderabad, Telangana.

m) Construction of Residential and Multiplex Building for Aparna Constructions and Estates in Hyderabad, Telangana.

n) Construction of Civil Works of Commercial Office Building – Prestige Alphatech in Pune, Maharashtra.

o) Construction of Civil Works for Pepsico Commercial Project of Wadhwa and Associates in Mumbai, Maharashtra.

p) Construction of Civil and Structure Works of Emaar Digi Homes in Gurugram, Haryana.

q) Construction of Civil and Finishing Works for Residential Development of Brigade Enterprises in Chennai, Tamil Nadu.

Impact of Novel Covid-19 Pandemic

Due to novel COVID-19 outbreak, the Maharashtra Government announced lockdown in four cities of Maharashtra i.e. Mumbai, Pune, Nagpur and Pimpri Chinchwad from the midnight of March 20, 2020 till March 31, 2020. The Government of India announced a nationwide lockdown of 21 days with effect from March 25, 2020, which got extended from time to time to combat the spread of the COVID-19 virus. In compliance with various directives issued by the State / Central authorities, your Company suspended the operations at the project sites and shut the offices with a view to safeguard the risks to the health of the employees and workers of the Company. The site operations were resumed gradually at the end of third week of April, 2020 at a number of projects upon revocation of the restrictions imposed by the State / Central Governments.

Years Ahead and Prospects

Your Company has been able to build up good order book in all segments and sectors in domestic market. Your Company continues to work towards strengthening domestic order book and 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, digital platform and better processes would ensure further improvement of margins going forward.

Finance

During the year, your Company has invested ₹ 78.4 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 ₹ 186.2 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 Financial Statements

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

Subsidiaries and Associate / JV Company

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 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 https://www.jmcprojects.com/investor/corporate_governance

The Annual Report of the Company containing the standalone and consolidated financial statements has been disseminated on the website of the Company at www.jmcprojects.com. Audited Annual Accounts of the

Subsidiary Companies have also been placed on the said website and are available for inspection by the members at the Registered Office as well as Corporate 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	31.54	(7.93)	(7.93)
Wainganga Expressway Private Limited (CIN : U45203MH2011PTC264642)	100	60.04	(34.63)	(34.63)
Vindhyachal Expressway Private Limited (CIN : U45203MH2012PTC271978)	100	62.25	(10.94)	(10.94)
JMC Mining and Quarries Limited (CIN : U45201GJ1996PLC028732)	100	-	-	-
Kurukshetra Expressway Private Limited (CIN : U45400HR2010PTC040303)	49.57	77.78	(47.17)	(23.38)

*Note: Total income includes Toll Revenue and other Revenue including Utility Shifting, Change of Scope, Interest income.

Your Company on an ongoing basis keeps testing all its investments for impairment. Based on such testing, your Company has decided to make provision for an impairment of ₹ 79.5 crores against loans and advances given to joint venture company namely Kurukshetra Expressway Private Limited. This was necessitated due to continuous shortfall in toll revenue in the past as also expected shortfall in the future.

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:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there is no material departure from the same;

(b) 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;

(c) 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;

(d) they have prepared the annual accounts for the financial year ended March 31, 2020 on a going concern basis;

(e) 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

(f) 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 the Corporate Governance Report. A Certificate of the CEO and CFO of the Company in terms of Regulation 17(8) of the Listing Regulations is also annexed.

Management Discussion and Analysis

Pursuant to Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis for the year ended March 31, 2020 forms an integral part of this Annual Report.

Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kamal Jain is liable to retire by rotation at the ensuing Annual General Meeting (AGM). Mr. Kamal Jain, being eligible offers himself for re-appointment. Your Directors recommend his re-appointment as Director of the Company. The brief resume of Mr. Kamal Jain and other relevant details are given in the accompanying Notice of AGM.

During the year under review, Mr. Manoj Tulsian resigned as Whole-time Director & CFO of the Company with effect from January 14, 2020 after close of business hours. The Board of Directors placed on record their sincere appreciation for the valuable contribution made by Mr. Manoj Tulsian during his tenure with the Company. Further, Mr. Vardhan Dharkar who joined the Company as President (Finance and Accounts) on December 25, 2019 was appointed as Chief Financial Officer of the Company with effect from February 10, 2020.

The Company has received necessary declaration from each Independent Director pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations.

As on date, Mr. Shailendra Kumar Tripathi, CEO & Dy. Managing Director, Mr. Vardhan Dharkar, Chief Financial Officer and Mr. Samir Raval, Company Secretary are the KMP of the Company. Details relating to remuneration of the Directors and KMP are mentioned in Annexure 5 of the Board's Report.

Performance Evaluation

Pursuant to the provisions of Section 134(3), Section 149(8) and Schedule IV of the Companies Act, 2013 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, details of which are provided in the 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, 2013 and other statutes.

The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at https://www.jmcprojects.com/investor/corporate_governance

Compliance with Secretarial Standards

The Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

Meetings of the Board

During the year, the Board met 5 (five) times, the details of which are provided in Corporate Governance Report.

Committees of the Board

The Board of Directors of your Company has constituted various Committees as follows:

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

Share Transfer Committee

Management Committee

The details with respect to the composition, powers, roles, terms of reference, number of meetings held, attendance at the meetings etc. of Statutory Committees are given in detail in the Corporate Governance Report.

Audit Committee

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013. 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.

Statutory Auditors & Auditors' Report

Based on the recommendations of the Audit Committee and the Board, members of the Company at the 30th AGM held on August 11, 2016 have approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a period of five consecutive years i.e. till the conclusion of 35th AGM. The requirement of ratification of appointment of Statutory Auditors at every AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018. Thus, M/s. B S R & Co. LLP will continue to hold office till the conclusion of 35th AGM of the Company.

The Auditor's Report on Standalone and Consolidated financial statements is a part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

During the year, the Statutory Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, M/s. Parikh & Associates, Practicing Company Secretaries had been appointed to undertake the secretarial audit of the Company for the financial year ended on March 31, 2020. The Secretarial Audit Report is annexed herewith as Annexure 2, which forms an integral part of this report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s. Parikh & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for the financial year ending March 31, 2021. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

Cost Accounts and Cost Audit

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 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 Members looking to the requirement of the Company and based upon recommendation of the Audit Committee, appointed M/s. S. K. Sahu & Associates, Cost Accountants (Firm Registration No. 100807), as an additional Cost Auditor of the Company on July 29, 2019 with a view to engage them for the Cost Audit of the cost records of the EIO Operations of the Company and for other Cost Compliance Certification for the financial year ended March 31, 2020. The remuneration of M/s. S. K. Sahu & Associates is to be ratified by the members at the 34th AGM of the Company. The requisite resolution for ratification of remuneration of the said Cost Auditor by the members of the Company has been set out in the Notice convening 34th AGM 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 (Firm Registration No. 000024) and M/s. S. K. Sahu & Associates, Cost Accountants (Firm Registration No. 100807) as the Cost Auditors of the Company to audit the cost records for the financial year ending March 31, 2021. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. As per the statutory requirement, the requisite resolutions for ratification of remuneration of the Cost Auditors by the members of the Company has been set out in the Notice convening 34th AGM of the Company.

During the year, the Cost Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

Particulars of Loans, Guarantees and Investments

Your Company has extended the support to the financial needs of Wholly Owned Subsidiaries, 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 Companies Act, 2013 are given in the note no. 34 to the standalone financial statements.

Stock Options

Your Company does not have any stock options scheme.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at https://www.jmcprojects.com/investor/corporate_governance. 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 for their review and approval.

There were no material related party transactions entered into 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 Companies Act, 2013 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.

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 on the Company's website at https://www.jmcprojects.com/investor/corporate_governance

Remuneration Policy

The Board of Directors has framed a Policy which lays down a framework in relation to remuneration of Directors, KMP and other employees of the Company. The salient features of this Policy is given in the Corporate Governance Report. The said Policy is available on the Company's website at https://www.jmcprojects.com/investor/corporate_governance

Particulars of Employees

The statement of disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the 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 Companies Act, 2013 read with Rule 5(2) and 5(3) of the Rules is provided in a separate annexure forming part of this Report. However, the Annual Report is being sent to the Members of the Company excluding the said annexure. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office as well as Corporate Office of your Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary of the Company.

Corporate Social Responsibility (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a CSR Committee, which comprises of

Mr. D. R. Mehta, Chairman, Mr. S. K. Tripathi and Mr. Kamal Jain as its members. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at https://www.jmcprojects.com/investor/corporate_governance

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

Extract of Annual Return

Pursuant to Section 92(3) 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 Annexure 5 and forms an integral part of this report. The Annual Return as referred in Section 134(3)(a) of the Companies Act, 2013 for the financial year ended March 31, 2020 shall be placed on the website of the Company at https://www.jmcprojects.com/investor/financials

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

Your Company gives significant emphasis on improvement in methods and processes in its areas of Construction and Operations. Your Company focuses on Research & Development across various functions in the Organisation. The primary focus of research is to continually refine the frequently used systems at our project sites to derive optimization, reduction in breakdowns, improve effectiveness and efficiency of use. All the above leads to get a competitive edge for any project.

The information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2020 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo has been annexed to this Report as Annexure 6 which forms an integral part of this report.

Business Responsibility Report

The SEBI has extended the applicability of Business Responsibility Report (BRR) to the top 1000 Companies by market capitalization from F.Y. 2019-20 and accordingly, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective has been annexed to this Report as Annexure 7 which forms an integral part of this report.

Public Deposits

During the year under review, your Company has not accepted any public deposits under Chapter V of the Companies Act, 2013.

Risk Management

Risk Management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach in addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the Company is exposed to are financial risks, commodity price risks, regulatory risks, human resource risks, strategic risks etc.

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

Internal Financial Control and its Adequacy

Your Company has implemented Internal Financial Controls over financial reporting through policies, procedures and guidelines. The controls are tested for its effectiveness. The approved schedule of powers is used to control the approval process for various activities, based on hierarchical value limits and segregation of duties.

A combination of these system enables your Company to maintain a robust design of controls and its operating effectiveness is ensured through periodical internal checks and audit. More details in respect to internal control system and its adequacy are given in Management Discussion and Analysis Report.

Human Resource Management

The employees of your Company are the bedrock of its success. Your Company is committed to provide a conducive, progressive, open, diverse and inclusive work environment to all the employees. The Company is focussed on building a talent-driven, high performance organization.

This year, your Company embarked on an organization transformation journey taking up several new initiatives directed towards business growth and automation. These initiatives involve –

- **Re-framing our Vision & Mission statements:** Your Company drew up new Vision & Mission statements to support the future direction of the organization. The Company set these with the involvement of all the key employees and leadership team through multiple meetings and facilitative discussions. The new Mission statement emerged for JMC as **"Building Infrastructure for Better Life."**
- **HR Technology:** The new SAP SuccessFactors HR services platform (HumanTree) has helped your Company in achieving employee connect across all Business Units, ease of access and promptness in HR services for all the employees. Your Company empowered employees for anytime anywhere learning by giving access to online learning modules. The HR/Admin policies of your Company are available on the HumanTree platform for reference of employees. Development of an HR BOT is under progress to improve employee experience and provide online support for HR & Admin related queries.
- **Digitization of employee records:** The Company has taken up digitization of all the personal files of its employees. This has helped your Company to manage the employee records in a better manner and go paperless.
- **Raising employee aspirations and productivity:** Your Company began F.Y. 2019 by focusing on optimizing its workforce and developing & mapping norms of workforce for various Business Units. This will result in higher synergy, agility and efficiency in teams.
- **Process Excellence Interventions:** Your Company brought in several interventions that involved building functional competence in our teams, simplifying work processes, improving quality and enhancing productivity through structured training programs.

Over and above this, your Company continues to focus on strengthening its talent processes through cadre and capability building interventions. This involved bringing in best-in-class talent in key roles, hiring and developing fresh talent from well-known institutes and building leadership capabilities at various levels through structured assessment and development centre interventions.

The well-being of workmen at sites is of prime importance to your Company. The Company ensured healthy and hygienic living conditions in workmen camps, regular health check-ups, engagement activities on an ongoing basis at all the sites. At the same time, your Company undertook skill development initiatives for workmen in coordination with Pradhan Mantri Kaushal Vikas Yojana (PMKVY), thereby developing trade-specific skills for workmen and helping them improve their employability and securing a better livelihood.

Your Company is committed towards equal opportunity for all of its employees. Your Company's Code of Conduct ensures that there is no bias towards gender, race, religion, ethnicity, nationality, age, disability, family status or sexual orientation.

The focus of the Human Resources function of your Company is on robust people practices, best-in-class work environment and to act as the prime drivers to support overall business growth.

As evidenced from feedback and increased followership on social media platforms like Glassdoor, Facebook, LinkedIn etc., all these initiatives and improvements by HR Team of your Company resulted in enhancing Employer Brand for external and internal talent as well as in improving the overall image of your Company in the eyes of the outside world.

Quality, Health & Safety Management System

Your Company has an established Integrated Management System comprising Quality Management System (QMS) confirming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and Occupational Health & Safety Management System (OHSMS) conforming to ISO 45001:2018 at all offices and projects. During the year under review, TUV-SUD Asia Pacific (TUV-SUD Group) has audited the Company's Management System and confirmed compliance to the requirement of the International Standards.

Your Company is adequately maintaining the system to ensure customer satisfaction in terms of quality and services, protection of Environment, safeguarding the occupational health, safety of all 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, latest technology equipment and IT software with uncompromising quality, environment, health and safety standards which are recognized by our clients / associates and Govt. bodies through awards / accreditations in recent past i.e. National Safety Council Awards, CIDC Vishwa Karma Awards for Best Construction Project and EHS, Global HR Excellence Award in training and development and Innovative retention strategy, Gold Award from RoSPA (UK), British Safety Council Merit Certificate International Award and OHSAI 4Star Award.

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 impacts 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. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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 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 19, 2020

Manish Mohnot
Non-Executive Director

Annexure 1

FORM AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Subsidiaries

(₹ in Crores)

Sr. No.	Particulars	Name of the Subsidiary			
		Brij Bhoomi Expressway Pvt. Ltd.	Wainganga Expressway Pvt. Ltd.	Vindhyachal Expressway Pvt. Ltd.	JMC Mining and Quarries Ltd.
1	Date since when Subsidiary was formed / acquired	December 06, 2010	June 02, 2011	January 16, 2012	February 01, 1996
2	Reporting currency & exchange rate	INR	INR	INR	INR
3	Share capital	*42.49	*99.71	*174.66	0.50
4	Reserves & Surplus	(60.63)	(193.18)	(29.09)	(0.31)
5	Total Assets	195.58	661.58	785.89	0.90
6	Total Liabilities	213.72	755.05	640.32	0.71
7	Investments	-	-	-	-
8	Turnover – from Operations	31.43	59.73	62.11	-
9	Profit before taxation	(6.72)	(34.96)	(17.94)	-
10	Provision for taxation (Deferred Tax)	(1.20)	0.32	7.00	-
11	Profit after taxation	(7.92)	(34.64)	(10.94)	-
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	100%

*Includes subordinate debt which is a part of sponsors equity from the Promoter of the Company.

(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, 2020.

Part "B": Associates and Joint Ventures

(₹ in Crores)

Sr. No.	Particulars	Name of Joint Venture Kurukshetra Expressway Pvt. Ltd.
1	Date since when Associate / Joint Venture was formed / acquired	March 29, 2010
2	Latest audited Balance Sheet Date	March 31, 2020
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
	Extent 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	(79.80)
7	Profit / (Loss) for the year	(47.17)
	i. Considered in Consolidation	(23.39)
	ii. Not Considered in Consolidation	(23.78)

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, JMC-Ramky JV, JMC – JWIL JV and JMC Laxmi Wilo JV are not consolidated as the same are considered as exception for proportionate consolidation as per para 28 of AS-27 "Financial Reporting of Interest in Joint Ventures" as explained in detail in Note no. 25 to the Consolidated Financial Statement.

For and on behalf of the Board of Directors

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Manish Mohnot
Non-Executive Director

Place: Mumbai
Date: May 19, 2020

Samir Raval
Company Secretary

Vardhan Dharkar
Chief Financial Officer

Annexure 2

FORM No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2020

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

To,
The Members,
JMC Projects (India) Limited

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the applicable 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 Bye-laws framed thereunder;

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company namely:-

(a) The 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; and

(c) The Building and other Construction Workers' Welfare Cess Act, 1996.

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

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

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

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

1. The members of the Company at the 33rd Annual General Meeting held on July 29, 2019 has resolved to grant authority to the Board of Directors for creation of charge, security etc. under Section 180(1)(a) of the Companies Act, 2013 for an amount up to ₹ 9,000 Crores.

2. The Board of Directors at its meeting held on October 16, 2019 approved the issuance of 1,000 Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of Face value of ₹ 10 lakh each, aggregating to ₹ 100 crores on private placement basis, which were allotted by the Management Committee on October 23, 2019.

For Parikh & Associates
Company Secretaries

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697B000257340

Place: Mumbai
Date: May 19, 2020

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

'Annexure A'

To,
The Members,
JMC Projects (India) Limited

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

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

For Parikh & Associates
Company Secretaries

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697B000257340

Place: Mumbai
Date: May 19, 2020

Annexure 3

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

1. Median Remuneration of Employees during the Financial year 2019-20: ₹ 4.94 lakh p.a.

2. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20:

Name of Director	Ratio
Mr. S. K. Tripathi	68.76
Mr. Manoj Tulsian	58.38
Mr. D. R. Mehta	5.87
Mr. S. R. Mehta	5.31
Mr. Hemant Modi	5.06
Ms. Anjali Seth	2.33

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

3. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2019-20.

Name of Director, CEO, CFO & CS	% increase
Mr. S. K. Tripathi, CEO & Dy. Managing Director	-4.39%
Mr. Manoj Tulsian, Whole-time Director & CFO (up to January 14, 2020)	0.96%
Mr. D. R. Mehta, Independent Director	-20.55%
Mr. S. R. Mehta, Independent Director	-21.64%
Mr. Hemant Modi, Director	-21.88%
Ms. Anjali Seth, Independent Director	-17.86%
Mr. Samir Raval, Company Secretary	15.8%
Mr. Vardhan Dharkar, Chief Financial Officer (w.e.f. February 10, 2020)	Not comparable, since appointed as CFO w.e.f. February 10, 2020

4. The percentage increase in the median remuneration of employees in the financial year 2019-20: 8.33%

   Median remuneration of the employees calculated based on remuneration paid for F.Y. 2019-20.

5. The number of permanent employees on the rolls of Company: 3,600 (as on 31st March, 2020)

6. 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 financial year 2019-20 was around 11.1% whereas average decrease in managerial remuneration was 4.9%. Increments in remuneration of employees are as per the appraisal / remuneration policy of the Company.

7. Affirmation that the remuneration is as per the remuneration policy of the company.

   The Nomination and Remuneration Committee of the Company has affirmed that the remuneration 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 19, 2020

Manish Mohnot
Non-Executive Director

Annexure 4

Annual Report on Corporate Social Responsibility (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. 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, includes CSR Philosophy, objectives, extent of CSR activities, CSR projects, programmes, implementation of CSR programmes, monitoring, reporting and disclosure of the said activities. The CSR policy of the Company is available on the Company's website at https://www.jmcprojects.com/investor/corporate_governance

In line with CSR Policy and in accordance with Schedule VII to the Act, the Company has undertaken CSR activities for promoting social welfare, education, health care, promotion of art and culture, eradicating hunger, poverty and malnutrition, environmental sustainability, promoting rural development project, promoting sports, promoting animal welfare etc.

2. The Composition of the CSR Committee:

The Board of Directors of the Company has constituted the CSR Committee of Directors consisting of Mr. D. R. Mehta, Chairman, Mr. Shailendra Kumar Tripathi and Mr. Kamal Jain as its members.

3. Average net profit of the Company for last three financial years: ₹ 9,011.93 lakh (Calculated as per CSR Rules).

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 180.24 lakh.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ 180.24 lakh.

(b) Amount unspent, if any: Nil

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

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) Project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overhead**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1	Wall Painting (water proof) and Power Coated Aluminum window work	Promoting Social Welfare (Education)	Vidya Prasarak Sanstha Vidyalaya, Balkum, Thane, Maharashtra	8,00,384	8,00,384	8,00,384	Direct Spending

(Amount 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) overhead	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
2	Contribution to Charitable Hospital for free, subsidised and affordable treatment to the poor & general public of village Balsamand and surrounding areas	Promoting Health Care	Chhabildas Memorial Foundation, Bengaluru, Karnataka	45,00,000	45,00,000	45,00,000	Through Chhabildas Memorial Foundation, Bengaluru
3	Contribution for the promotion and preservation of Art and Culture in the area of music	Promoting Art and Culture	MLR Convention Centre, Brigade Millennium, J. P. Nagar, Bengaluru, Karnataka	55,00,000	55,00,000	55,00,000	Through IME Trust, Bengaluru
4	Contribution for the residential school run for the differently abled students	Promoting Education	Netraheen Vikas Sansthan, Jodhpur, Rajasthan	5,00,000	5,00,000	5,00,000	Direct Spending
5	Contribution for elimination of Cancer	Promoting Health Care	Various Municipal public schools of Maharashtra	5,00,000	5,00,000	5,00,000	Through Cancer Patients Aid Association, Mumbai
6	Contribution for the Project of Book Publication on Ahimsa and Peace	Promoting Art & Culture	Prakrit Bharati Academy, Jaipur, Rajasthan	7,00,000	7,00,000	7,00,000	Through Prakrit Bharati Academy, Jaipur
7	Onetime food distribution to poor people	Eradicating hunger, poverty and malnutrition	Villages Khandlai and Kanti situated around MJIP project site at Jhabua, Madhya Pradesh	27,500	27,500	27,500	Direct spending
8	Organized awareness camp for "say to no for single use plastic" and distribution of cloth bags, Water filtration unit installed at Higher Secondary School	Ensuring environmental sustainability	Villages including Bagh, Padalya, Narvalli situated around MJIP project site at Jhabua, Madhya Pradesh	86,250	86,250	86,250	Direct spending
9	Reinstatement of village road submerged in back water of Narmada River, Rehabilitation of existing 1.5 KM long irrigation canal	Promoting Rural Development project	Villages including Chandankhedi, Khandlai and Kedi situated around MJIP project site at Jhabua, Madhya Pradesh	11,65,664	11,65,664	11,65,664	Direct spending
10	Organized Cricket Tournament and distribution of cricket kit to Govt. Boys Hostel	Promoting Sports	Villages including Bagh and Kanti situated around MJIP project site at Jhabua, Madhya Pradesh	35,108	35,108	35,108	Direct spending
11	Organized AIDS awareness camp	Promoting health care including preventive health care	Village Bagh situated around MJIP project site at Jhabua, Madhya Pradesh	11,500	11,500	11,500	Direct spending

(Amount 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) overhead	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
12	Organized Road Safety Week, distribution of road safety materials etc.	Promoting Road Safety Awareness (Education)	Villages including Bagh, Kukshi and Chandankhedi situated around MJIP project site at Jhabua, Madhya Pradesh	60,672	60,672	60,672	Direct spending
13	Contribution towards set up of hydroponic grass growing system	Promoting Animal Welfare	Pannalal Goshala Parmarth Trust, Jodhpur, Rajasthan	7,00,000	7,00,000	7,00,000	Pannalal Goshala Parmarth Trust, Rajasthan
14	Donating Ambulance to Govt. Hospital	Promoting Health Care	Taluk Health Officer, Bangalore East Taluk, Bengaluru, Karnataka	17,28,901	17,28,901	17,28,901	Direct spending
15	Donating Ambulance to Govt. Hospital	Promoting Health Care	Government Area Hospital Golconda, Hyderabad, Telangana	14,46,211	14,46,211	14,46,211	Direct spending
16	Restoration of three toilets separately for Boys and Girls	Promoting Social Welfare (Education)	Government High School, Borigumma, Odisha	2,75,000	2,75,000	2,75,000	Direct spending
		Total (₹)		**1,80,37,190**	**1,80,37,190**	**1,80,37,190**	

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:** N.A.

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

Place: Mumbai
Date: May 19, 2020

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Annexure 5

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2020

[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 05, 1986
iii)	Name of the Company	JMC Projects (India) Limited
iv)	Category/Sub-category of the Company	Company limited by shares / Non-Government Company
v)	Address of the Registered Office and contact details	A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380015, Telephone: +91–79–68161500, Fax: +91–79–68161560, E-mail ID: cs@jmcprojects.com, Website: www.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 – 1 (ABC-1), Near St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad – 380009, Tel. & Fax: +91–79–26465179, E-mail ID: ahmedabad@linkintime.co.in, Website: www.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	410	64
2	Construction of roads and railways	421	18
3	Construction of utility projects	422	18

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN	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	67.36*	2(46)

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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	Vindhyachal 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, Haryana -123401	U45400HR2010PTC040303	Associate	49.57	2(6)

*Kalpataru Power Transmission Ltd. (KPTL) has notified acquisition of Company's shares in March, 2020 under SEBI (PIT) Regulations, 2015 and the Company has also informed the same to Stock Exchanges. Such acquisition has increased KPTL's holding to 11,37,57,395 Equity Shares (67.75%) as on 31.03.2020. However, as per Beneficial Owners (BO) Data received from Depositories, KPTL's shareholding as on 31.03.2020 is 11,30,96,956 Equity Shares (67.36%). In this report, shareholding as per BO Data has been considered.

IV. Share Holding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of shares of ₹ 2/- each held at the beginning of the year (i.e. as on April 01, 2019)				No. of shares of ₹ 2/- each held at the end of the year (i.e. as on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1 Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11,28,14,405	-	11,28,14,405	67.19	11,30,96,956	-	11,30,96,956	67.36	0.17
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	**11,28,14,405**	**-**	**11,28,14,405**	**67.19**	**11,30,96,956**	**-**	**11,30,96,956**	**67.36**	**0.17**
2 Foreign									
a) NRIs/Individual	-	-	-	-	-	-	-	-	-
b) Other – Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total of Promoter (A)=(A)(1)+(A)(2)	**11,28,14,405**	**-**	**11,28,14,405**	**67.19**	**11,30,96,956**	**-**	**11,30,96,956***	**67.36***	**0.17**

Category of Shareholders	No. of shares of ₹ 2/- each held at the beginning of the year (i.e. as on April 01, 2019)				No. of shares of ₹ 2/- each held at the end of the year (i.e. as on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public shareholding									
1 Institutions									
a) Mutual Funds	2,72,40,805	-	2,72,40,805	16.22	3,10,06,275	-	3,10,06,275	18.47	2.25
b) Banks / FI	35,642	-	35,642	0.02	35,246	-	35,246	0.02	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap. Fund	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investor	18,12,330	-	18,12,330	1.08	8,45,502	-	8,45,502	0.50	(0.58)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) **Any other** Alternate Investment Fund	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**2,90,88,777**	**-**	**2,90,88,777**	**17.32**	**3,18,87,023**	**-**	**3,18,87,023**	**18.99**	**1.67**
Non-Institutions									
a) Bodies Corp.									
i) Indian	35,93,229	11,755	36,04,984	2.15	33,06,493	11,750	33,18,243	1.98	(0.17)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual shareholders holding nominal share capital:									
i) up to ₹ 1 lakh	1,16,53,943	3,19,805	1,19,73,748	7.13	1,05,40,519	2,15,535	1,07,56,054	6.41	(0.72)
ii) in excess of ₹ 1 lakh	59,44,195	-	59,44,195	3.54	47,57,382	-	47,57,382	2.83	(0.71)
c) Others (specify)									
IEPF	1,07,675	-	1,07,675	0.06	1,23,302	-	1,23,302	0.07	0.01
HUF	7,12,258	-	7,12,258	0.42	6,08,439	-	6,08,439	0.36	(0.06)
Non Resident Indians (Non Repat)	6,22,058	250	6,22,308	0.37	3,49,249	250	3,49,499	0.21	(0.16)
Non Resident Indians (Repat)	28,95,164	-	28,95,164	1.72	28,27,023	-	28,27,023	1.68	(0.04)
Clearing Members	1,36,406	-	1,36,406	0.08	1,76,249	-	1,76,249	0.11	0.03
NBFCs Registered with RBI	5,250	-	5,250	0.00	5,000	-	5,000	0.00	0.00
Sub-total (B)(2)	**2,56,70,178**	**3,31,810**	**2,60,01,988**	**15.49**	**2,26,93,656**	**2,27,535**	**2,29,21,191**	**13.65**	**(1.84)**
Total Public Holding (B)=(B)(1)+(B)(2)	**5,47,58,955**	**3,31,810**	**5,50,90,765**	**32.81**	**5,45,80,679**	**2,27,535**	**5,48,08,214**	**32.64**	**(0.17)**
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**16,75,73,360**	**3,31,810**	**16,79,05,170**	**100**	**16,76,77,635**	**2,27,535**	**16,79,05,170**	**100**	**0.00**

*Kalpataru Power Transmission Ltd. (KPTL) has notified acquisition of Company's shares in March, 2020 under SEBI (PIT) Regulations, 2015 and the Company has also informed the same to Stock Exchanges. Such acquisition has increased KPTL's holding to 11,37,57,395 Equity Shares (67.75%) as on 31.03.2020. However, as per Beneficial Owners (BO) Data received from Depositories, KPTL's shareholding as on 31.03.2020 is 11,30,96,956 Equity Shares (67.36%). In this report, shareholding as per BO Data has been considered.

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. as on April 01, 2019)			Shareholding at the end of the year (i.e. as on March 31, 2020)			% change in shareholding during the year
		No. of Shares of ₹ 2/- each	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares of ₹ 2/- each	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Kalpataru Power Transmission Limited	11,28,14,405	67.19	-	11,30,96,956	67.36	-	0.17

iii) Change in Promoters' Shareholding

Sr. 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
	At the beginning of the year i.e. as on April 01, 2019	11,28,14,405	67.19	11,30,96,956	67.36
1	Date wise increase / decrease in Promoter's shareholding during the year	**Date of Transaction**	**No. of Shares acquired**	**No. of Shares held**	**% of total shares of the Company**
		20.03.2020	1,94,566	11,30,08,971	67.31
		27.03.2020	17,874	11,30,26,845	67.32
		31.03.2020	70,111	11,30,96,956	67.36
	At the end of the year i.e. as on March 31, 2020	11,30,96,956	67.36	11,30,96,956	67.36

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

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2019)		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 ₹ 2/- each	% of total shares of the Company				No. of Shares of ₹ 2/- each	% of total shares of the Company
1	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	1,50,90,880	8.99	08.11.2019	52,300	Transfer	1,51,43,180	9.02
				22.11.2019	34,600	Transfer	1,51,77,780	9.04
				14.02.2020	2,00,000	Transfer	1,53,77,780	9.16
				31.03.2020	-	**Closing**	**1,53,77,780**	**9.16**
2	Kotak Small Cap Fund	66,42,154	3.96	05.04.2019	46,722	Transfer	66,88,876	3.98
				12.04.2019	2,07,519	Transfer	68,96,395	4.11
				26.04.2019	3,944	Transfer	69,00,339	4.11
				03.05.2019	15,000	Transfer	69,15,339	4.12
				10.05.2019	2,669	Transfer	69,18,008	4.12
				17.05.2019	9,362	Transfer	69,27,370	4.13
				24.05.2019	40,958	Transfer	69,68,328	4.15
				07.06.2019	50,049	Transfer	70,18,377	4.18
				14.06.2019	15,876	Transfer	70,34,253	4.19
				21.06.2019	70,398	Transfer	71,04,651	4.23
				05.07.2019	12,121	Transfer	71,16,772	4.24
				12.07.2019	32,516	Transfer	71,49,288	4.26
				19.07.2019	20,000	Transfer	71,69,288	4.27
				26.07.2019	23,622	Transfer	71,92,910	4.28
				02.08.2019	29,638	Transfer	72,22,548	4.30
				09.08.2019	1,00,000	Transfer	73,22,548	4.36
				23.08.2019	6,392	Transfer	73,28,940	4.36
				30.08.2019	59,978	Transfer	73,88,918	4.40
				06.09.2019	22	Transfer	73,88,940	4.40
				13.09.2019	5,50,000	Transfer	79,38,940	4.73
				20.09.2019	31,860	Transfer	79,70,800	4.75
				27.09.2019	26,711	Transfer	79,97,511	4.76
				04.10.2019	25,000	Transfer	80,22,511	4.78
				11.10.2019	48,807	Transfer	80,71,318	4.81

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2019)		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 ₹ 2/- each	% of total shares of the Company				No. of Shares of ₹ 2/- each	% of total shares of the Company
				18.10.2019	9,526	Transfer	80,80,844	4.81
				25.10.2019	22,304	Transfer	81,03,148	4.83
				01.11.2019	2,00,000	Transfer	83,03,148	4.95
				08.11.2019	32,845	Transfer	83,35,993	4.97
				15.11.2019	39,223	Transfer	83,75,216	4.99
				13.12.2019	40,503	Transfer	84,15,719	5.01
				20.12.2019	35,035	Transfer	84,50,754	5.03
				27.12.2019	41,887	Transfer	84,92,641	5.06
				31.12.2019	13,522	Transfer	85,06,163	5.07
				03.01.2020	293	Transfer	85,06,456	5.07
				10.01.2020	25,000	Transfer	85,31,456	5.08
				17.01.2020	34,868	Transfer	85,66,324	5.10
				24.01.2020	64,277	Transfer	86,30,601	5.14
				14.02.2020	45,000	Transfer	86,75,601	5.17
				28.02.2020	75,000	Transfer	87,50,601	5.21
				06.03.2020	1,61,991	Transfer	89,12,592	5.31
				13.03.2020	75,000	Transfer	89,87,592	5.35
				20.03.2020	50,000	Transfer	90,37,592	5.38
				27.03.2020	30,000	Transfer	90,67,592	5.40
				31.03.2020	**-**	**Closing**	**90,67,592**	**5.40**
3	Tata Mutual Fund – Tata Small Cap Fund	15,91,000	0.95	12.04.2019	1,00,000	Transfer	16,91,000	1.01
				17.05.2019	25,000	Transfer	17,16,000	1.02
				12.07.2019	(31,340)	Transfer	16,84,660	1.00
				02.08.2019	25,000	Transfer	17,09,660	1.02
				09.08.2019	25,000	Transfer	17,34,660	1.03
				30.08.2019	18,000	Transfer	17,52,660	1.04
				06.09.2019	(1,000)	Transfer	17,51,660	1.04
				13.09.2019	(2,51,660)	Transfer	15,00,000	0.89
				27.09.2019	65,200	Transfer	15,65,200	0.93
				11.10.2019	34,800	Transfer	16,00,000	0.95
				01.11.2019	75,000	Transfer	16,75,000	1.00
				08.11.2019	26,000	Transfer	17,01,000	1.01
				22.11.2019	5,00,000	Transfer	22,01,000	1.31
				13.12.2019	1,73,000	Transfer	23,74,000	1.41
				31.03.2020	**-**	**Closing**	**23,74,000**	**1.41**
4	Dr. Sanjeev Arora	23,72,575	1.41	**31.03.2020**	**-**	**Closing**	**23,72,575**	**1.41**
5	SBI Infrastructure Fund	27,82,820	1.66	05.04.2019	(3,85,521)	Transfer	23,97,299	1.43
				12.04.2019	(1,97,364)	Transfer	21,99,935	1.31
				17.05.2019	(1,20,000)	Transfer	20,79,935	1.24
				12.07.2019	(6,000)	Transfer	20,73,935	1.24
				04.10.2019	(54,505)	Transfer	20,19,430	1.20
				11.10.2019	(15,495)	Transfer	20,03,935	1.19
				29.11.2019	(98,000)	Transfer	19,05,935	1.14
				06.12.2019	2,61,682	Transfer	21,67,617	1.29
				13.12.2019	88,318	Transfer	22,55,935	1.34

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2019)		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 ₹ 2/- each	% of total shares of the Company				No. of Shares of ₹ 2/- each	% of total shares of the Company
				17.01.2020	(66,424)	Transfer	21,89,511	1.30
				24.01.2020	(3,41,400)	Transfer	18,48,111	1.10
				31.01.2020	(63,282)	Transfer	17,84,829	1.06
				07.02.2020	(368)	Transfer	17,84,461	1.06
				14.02.2020	4,38,474	Transfer	22,22,935	1.32
				31.03.2020	-	**Closing**	**22,22,935**	**1.32**
6	Edelweiss Trusteeship Co Ltd AC- Edelweiss MF AC- Edelweiss MID Cap Fund	5,52,404	0.33	17.05.2019	55,989	Transfer	6,08,393	0.36
				31.05.2019	2,47,868	Transfer	8,56,261	0.51
				05.07.2019	9,011	Transfer	8,65,272	0.52
				02.08.2019	1,53,356	Transfer	10,18,628	0.61
				13.09.2019	2,78,258	Transfer	12,96,886	0.77
				27.09.2019	25,285	Transfer	13,22,171	0.79
				01.11.2019	(2,08,159)	Transfer	11,14,012	0.66
				31.03.2020	-	**Closing**	**11,14,012**	**0.66**
7	Kiyana Real Estate Pvt. Ltd.	9,86,465	0.59	**31.03.2020**	-	**Closing**	**9,86,465**	**0.59**
8	Abhinav AshokKumar Daga	9,82,170	0.59	**31.03.2020**	-	**Closing**	**9,82,170**	**0.59**
9	Kedia Securities Private Limited	0	0.00	03.01.2020	2,00,000	Transfer	2,00,000	0.12
				10.01.2020	1,50,000	Transfer	3,50,000	0.21
				17.01.2020	65,000	Transfer	4,15,000	0.25
				24.01.2020	1,60,000	Transfer	5,75,000	0.34
				31.01.2020	1,25,000	Transfer	7,00,000	0.42
				07.02.2020	25,000	Transfer	7,25,000	0.43
				14.02.2020	1,72,000	Transfer	8,97,000	0.53
				21.02.2020	75,387	Transfer	9,72,387	0.58
				31.03.2020	-	**Closing**	**9,72,387**	**0.58**
10	ICICI Prudential Small Cap Fund	3,79,992	0.23	18.10.2019	49,670	Transfer	4,29,662	0.26
				25.10.2019	14,418	Transfer	4,44,080	0.26
				22.11.2019	2,36,561	Transfer	6,80,641	0.41
				13.12.2019	42,190	Transfer	7,22,831	0.43
				03.01.2020	8,844	Transfer	7,31,675	0.44
				10.01.2020	18,281	Transfer	7,49,956	0.45
				17.01.2020	1,00,000	Transfer	8,49,956	0.51
				31.03.2020	-	**Closing**	**8,49,956**	**0.51**
11	Sankaranarayanan Sangameswaran	5,53,530	0.33	07.06.2019	(39,446)	Transfer	5,14,084	0.31
				21.06.2019	(30,000)	Transfer	4,84,084	0.29
				29.06.2019	(1,09,537)	Transfer	3,74,547	0.22
				31.03.2020	-	**Closing**	**3,74,547**	**0.22**

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

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2019)		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 ₹ 2/- each	% of total shares of the Company				No. of Shares of ₹ 2/- each	% of total shares of the Company
1	Hemant Modi	4,95,070	0.29	**31.03.2020**	-	**Closing**	**4,95,070**	**0.29**
2	Samir Raval	85	0.00	**31.03.2020**	-	**Closing**	**85**	**0.00**

V. Indebtedness

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

(₹ in Crores)

Particulars Financial Year 2019-20	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	695.97	60.77	-	756.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.92	-	-	8.92
Total (i+ii+iii)	**704.89**	**60.77**	**-**	**765.66**
Change in Indebtedness during the financial year				
i) Addition	**253.74**	**150.00**	**-**	**403.74**
Principal amount	243.11	150.00	-	393.11
Interest due but not paid	-	-	-	-
Interest accrued but not due	10.63	-	-	10.63
ii) Reduction	**246.53**	**73.33**	**-**	**319.86**
Principal amount	237.61	73.33	-	310.94
Interest due but not paid	-	-	-	-
Interest accrued but not due	8.92	-	-	8.92
Net Change	**7.21**	**76.67**	**-**	**83.88**
Indebtedness at the end of the year				
i) Principal amount	701.47	137.44	-	838.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.63	-	-	10.63
Total (i+ii+iii)	**712.10**	**137.44**	**-**	**849.54**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		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)	195.88	194.50	390.38
	(b) Value of perquisites u/s 17(2) of IT Act, 1961	12.15	0.57	12.72
	(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	112.50	44.20	156.70
	Others – Committed Commission	-	36.17	36.17
5	Others – retirement benefits	19.15	12.98	32.13
	Total A	**339.68**	**288.42**	**628.10**

*Resigned with effect from the close of business hours on January 14, 2020.

Ceiling as per the Companies Act, 2013	Managerial Remuneration is within the limit of 10% of the net profit of the Company i.e. ₹ 1,240.71 lakhs, calculated as per Section 198 of the Companies Act, 2013.

B Remuneration to other Directors

1. Independent Directors

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Independent Directors			Total Amount
		Mr. D. R. Mehta	Mr. S. R. Mehta	Ms. Anjali Seth	
1	Fee for attending board and committee meetings	4.00	3.25	3.50	10.75
2	Commission	25.00	23.00	8.00	56.00
3	Others, please specify	-	-	-	-
	Total B(1)	**29.00**	**26.25**	**11.50**	**66.75**

2. Remuneration to other Non-Executive Director(s)

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors		
		Mr. Hemant Modi	Mr. Manish Mohnot	Mr. Kamal Jain
1	Fee for attending board and committee meetings	2.00	No sitting fees/commission paid to Promoter Directors.	
2	Commission	23.00		
3	Others, please specify	-		
	Total B(2)	**25.00**		
	****Total (B)=(B)(1)+(B)(2)**	**91.75**		

**Ceiling as per the Companies Act, 2013	Being 1% of the net profit of the Company i.e. ₹ 124.07 lakhs, calculated as per Section 198 of the Companies Act, 2013.
Total Managerial Remuneration (A + B)	₹ 719.85 lakhs (Total Managerial Remuneration is within the overall limit of 11% of the net profit of the Company i.e. ₹ 1,364.78 lakhs, calculated as per Section 198 of the Companies Act, 2013)

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Mr. Samir Raval, Company Secretary	Mr. Vardhan Dharkar, Chief Financial Officer*
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (IT Act, 1961)	36.80	21.70
	(b) Value of perquisites u/s 17(2) of IT Act, 1961	-	-
	(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	-	-
	Others – Committed Commission	-	-
5	Others		
	Variable pay	7.52	-
	Retirement benefits – PF, Gratuity & Super Annuation	2.65	1.49
	Total	**46.97**	**23.19**

*Appointed with effect from February 10, 2020.

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A COMPANY					
Penalty					
Punishment			Not Applicable		
Compounding					
B DIRECTORS					
Penalty					
Punishment			Not Applicable		
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Not Applicable		
Compounding					

For and on behalf of the Board of Directors

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Place: Mumbai
Date: May 19, 2020

Manish Mohnot
Non-Executive Director

Annexure 6

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A) Conservation of Energy:

- **Steps taken or impact on conservation of energy:**

  a. Production of concrete creates a large carbon footprint. Most of the Carbon dioxide equivalent of concrete can be attributed to cement. Part of the cement content in concrete can be replaced with pozzolanic material like Flyash, Ground Granulated Blast Slag (GGBS) in compliance with the contract and codal specifications. By using these pozzolanic materials in producing concrete for the Company's projects reduces the overall associated greenhouse emission. Since these additives are waste products of Thermal Power & Steel manufacturing industries, utilizing them in construction eliminates the need to dispose them as landfills. Therefore, these pozzolanic materials are effectively used as filler materials in Cement ensuring that strength of the structure is not affected while lowering the environmental impact of concrete. With the approval of client / Customer, the Company has been using more and more of pozzolanic material in construction projects across the country.

  b. The Company has been replacing existing conventional lighting system to Energy-efficient LED lighting systems. The Company has prioritized LED lighting systems for new project requirements.

  c. The Company continues phase-wise replacement of power consuming Transformer Welding machines with rectifier welding machines and now with new generation IGBT based welding machine leading to much saving in energy.

  d. The Company has also invested in VFDs & Multi stage pumps to improve energy efficiency in its operations.

  e. The Company is testing the efficacy of power saving equipment for conservation of energy. Trials have been conducted successfully in case of air-conditioning equipment.

  f. The Company is exploring digital solutions for automated switching off of unnecessary lighting during daytime and automated switching off of water pumps used for concrete curing and other construction purposes.

- **Steps taken by the Company for utilizing alternate sources of energy:**

  a. The Company has started using Solar renewable products such as Solar lights and Solar Blinkers to promote renewable energy options. Workmen camp area lighting is powered by solar energy now in multiple project sites.

- **Capital Investment on Energy Conservation Equipment:**

  a. Traditionally, construction industry in India has been using mechanical equipment at construction sites. The Company has taken a conscious decision to progressively replace the mechanical based equipment with more efficient, energy conserving hydraulic based equipment.

  b. Wherever possible, state electricity connections have been availed, to reduce the diesel consumption and opt for cleaner and more efficient power supply option.

B) Technology Absorption:

- **Efforts made towards Technology Absorption:**

  a. We have taken steps to digitize our systems and processes by the effective implementation of all our Business Processes like HR, Finance & Accounts, Procurement, Stores, Planning using ERP systems. A management Dashboard has been implemented to track key performance indicators on real time basis.

  b. Through Vehicle Tracking System, your Company has been able to improve utilization of the equipment. Fuel management system has been implemented on trial basis for wider coverage in the years ahead. Besides tracking availability, utilization and fuel consumption, digital tracking solution for the productivity of equipment is also being implemented.

- **Benefits derived like product improvement, cost reduction, product development or import substitution:**

  a. Streamlined and standard process that lead to uniformity in results, reduced waiting time.

  b. Reduction in cost of operations of equipment.

- **In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):**

  a. The details of technology imported: None

  b. The year of Import: N.A.

  c. Whether the technology been fully absorbed: N.A.

  d. If not fully absorbed, areas where absorption has not taken place and the reason thereof: N.A.

- **Expenditure incurred on Research and Development:** NIL

C) Foreign Exchange Earnings and Outgo:

(₹ in Crores)

Particulars	Year 2019-20	Year 2018-19
Foreign Exchange earned	62.99	50.06
Foreign Exchange used /outgo	59.48	125.82

For and on behalf of the Board of Directors

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Place: Mumbai
Date: May 19, 2020

Manish Mohnot
Non-Executive Director

Annexure 7

Business Responsibility Report

JMC Projects (India) Limited ('JMC or Company') is fully aware of and committed to fulfilling its economic, environmental and social responsibilities while conducting its business. JMC believes that the foundation of economic growth can be strengthened if the entire society is a part of the growth story. JMC emphasizes on improving social relations with the community in which it operates and generating economic value.

In accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Business Responsibility Report (BRR) has been prepared and is in alignment with the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India. This Report provides a broad overview of the activities carried out by JMC against the nine principles outlined in the NVGs.

Section A: General Information about the Company

1. Corporate Identity Number (CIN)	:	L45200GJ1986PLC008717
2. Name of the Company	:	JMC Projects (India) Limited
3. Registered Address	:	A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380015, Gujarat, India
4. Website	:	www.jmcprojects.com
5. Email ID	:	cs@jmcprojects.com
6. Financial Year reported	:	April 1, 2019 to March 31, 2020

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

JMC Projects (India) Limited is an EPC Company engaged in the business of Infrastructure (Highways, Flyovers, Elevated corridors, Metros, Railways, Bridges, Water Supply & Irrigation projects), Construction of Buildings (High-rise, Integrated Township, Residential, Commercial, IT Parks, Institutional, Hospital, Sports Complex, Tourism projects), Factories, Industrial Plants & Power Projects among others. JMC's integrated capabilities span the spectrum of 'EPC' solutions with Safety, Quality and on-time delivery as the 3 pillars.

Industrial Group*	Description
410	Construction of Buildings
421	Construction of roads and railways
422	Construction of utility projects

*As per National Industrial Classification – The Ministry of Statistics and Programme Implementation.

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

1. Construction of Residential, Commercial and Institutional Buildings and Factories;
2. Construction of Water Supply and Irrigation Projects;
3. Construction of Highways and Flyovers.

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5) –

JMC has undertaken business activity in 02 international locations which are Ethiopia and Sri Lanka.

(b) Number of National Locations

JMC is undertaking business activity in 105 national locations.

10. Markets served by the Company: Local/State/National/International: All

Section B: Financial Details of the Company

1. Paid up capital (INR)	:	₹ 33.58 Crores
2. Total turnover (INR)	:	₹ 3,713.03 Crores
3. Total profit after taxes (INR)	:	₹ 79 Crores

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2.28%

   In terms of Section 135 of the Companies Act, 2013, the Company has spent 2% of its average Net Profit of the previous three financial years on Corporate Social Responsibility.

5. **List of activities in which expenditure in 4 above has been incurred:**

   The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. During the year under review, the major CSR activities were carried out in the field of health care, education, art & culture, environmental sustainability, rural development project, animal welfare and social welfare etc.

   For detailed information regarding CSR Activities of the Company, you may refer Annexure 4 to the Board's Report.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes, the Company has 04 (Four) Wholly Owned Subsidiary (WOS) Companies in India out of which 3 (Three) are SPVs as on March 31, 2020.

2. **Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s).**

   The Subsidiary Companies do not participate in the Business Responsibility initiatives of the Parent Company.

3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

   Other entity / entities (e.g. suppliers, distributors etc.) do not participate in the Business Responsibility initiatives of the Company.

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**

   a) **Details of the Director / Directors responsible for implementation of the BR Policy / Policies:**

1. DIN Number	:	03156123
2. Name	:	Mr. S. K. Tripathi
3. Designation	:	CEO & Dy. Managing Director

   b) **Details of the BR head:**

No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Mr. Vardhan Dharkar
3	Designation	Chief Financial Officer
4	Telephone number	+91 22 30051500
5	E-mail id	vardhan.dharkar@jmcprojects.com

2. Principle-wise (as per NVGs) BR Policy / Policies:

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

Sr. No.	Questions	Ethics, Transparency and Accountability P1	Sustainable & safe Goods and Services P2	Well-being of all employees P3	Interests of all stakeholders, especially disadvantaged, Vulnerable and marginalized Stakeholders P4	Promote human rights P5	Protection of Environment P6	Policy Advocacy P7	Inclusive growth and equitable development P8	Provide value to customers and consumers P9
1	Do you have a policy/policies for....	Y	Y	Y	Y	N	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Policies are compliant of respective principles of NVGs, the Companies Act, 2013 and confirm to International standards of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, as applicable to respective policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	-	Y	Y	-	-	-	Y	-
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	-	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	All the policies except HR/QEHS Policies can be viewed at www.jmcprojects.com. HR/QEHS Policies are uploaded on the Company's Intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to relevant internal and external stakeholders, as applicable.								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	-	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	-	Y	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	-	Y	-	Y	Y

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	N.A.	N.A.	N.A.	N.A.	-	N.A.	-	N.A.	N.A.
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principles					-		-		
3	The Company does not have financial or manpower resources available for the task					-		-		
4	It is planned to be done within next six months					-		-		
5	It is planned to be done within the next one year					Y		Y		
6	Any other reason (please specify)					-		-		

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Company's Business Responsibility performance is assessed annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Report comprises the Company's 1st Business Responsibility Report as per the NVGs and as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report. The Company publishes BR Report annually. The Company currently does not publish a separate Sustainability Report.

The Hyperlink for viewing this Report is www.jmcprojects.com

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   JMC has adopted Code of Conduct for Directors and Senior Managerial Personnel. The members of the Board of Directors and the Senior Managerial Personnel of the Company are required to affirm annual compliance of this Code.

   The Ethics Policy & Code of Conduct serves as the guiding philosophy for all on-roll employees including Directors of the Company. Fair and just business dealings free from any extraneous consideration ought to be followed by all employees in their day to day work life. This Code requires the Directors and employees of the Company to act honestly, fairly, ethically and with integrity.

   The Company has in place Whistle Blower Policy which serves as a mechanism for its Directors and employees to report any genuine concerns and to freely communicate their concerns about illegal or unethical practices, actual or suspected fraud or violation of the Company's Ethics and Code of Conduct to the Whistle Blowing Investigation Committee. This Vigil Mechanism provides for adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year under review, the Company has received one complaint from its shareholder. The said complaint received from shareholder was satisfactorily resolved by the Company. The complaints received from the employees of the Company were resolved satisfactory by the management. Further, no Whistle Blower Complaints were received during the year under review.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) Recycling and Reusing of water through Sewage Treatment Plant and our treated water is used for horticulture purpose, flushing of toilets, construction activities etc.

   (b) At Company's construction projects, Company does Systematic bi-annual Environment monitoring (Noise level, Ambient Air quality, drinking water) through government authorized agencies.

   (c) Energy consumption – All operating equipments i.e. Batching Plant / Diesel Generator sets are in compliance with Environment Regulations. Hazardous wastes are being disposed through authorized Pollution Control Board Agencies.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Details of resource use:

   i. The Organization has achieved reduction in generation of waste, raw material and other resources through various initiatives like Environment awareness campaigns, training, monthly monitoring of hazardous & non-hazardous waste.

   ii. The Organization has reduced the consumption of energy by adoption of new techniques and alternate methods i.e. solar lights, use of LED bulbs which shows improved results every passing year.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company is into construction business and committed to integrate social, ethical and environmental performance factors while sourcing materials and selection of suppliers. All the construction materials and equipments are sourced responsibly with respect to requisite emission norms, safety, human rights and ethics, apart from conforming to the high standards set by various government and private clients in their tender documents.

Conformance to labour principle and related laws are mandatory qualifications for all the supply and services that are abide at respective sites. The Company also provides regular training to all the staff as per the site / office requirements on safe use of equipment, working place / site. It is ensured that quality of occupational health, safety and environment is adhered too.

The transportation of materials at various project sites is also optimized as per the project execution strategy, using reverse auction. Many of our project sites are at remote locations, therefore as per the permissible requirements, activities such as hiring of various services, sourcing of goods meeting expectations are encouraged from surrounded areas.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

JMC's ambition is to create more societal value through creating more and more opportunities – directly and indirectly by building the competitiveness of India and its local industry by encouraging procurement of material / services / transportation from local and small vendors thereby creating indirect economic impact. These steps have led to creation of employment opportunities and skill development of the local population.

Many of JMC's infrastructure projects are at remote locations and therefore, goods and services majorly in the form of hiring equipment and labour services as well as minor raw materials etc. are procured from local producers and surrounding areas as far as possible. The neighborhood community in operation sites vicinity are engaged as indirect workforce through Contractors under different categories based on their skill set.

However, being an EPC Company, project procurement involves Technology Oriented supplies and has to be done from client approved vendors, out of which most of them are not located near place of work of the Company. However, the Company encourages new and small size vendors and also represents from time to time to get such vendors approved from client.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company promotes recycling and the use of alternative materials. Production of concrete creates a large carbon footprint. Most of the Carbon dioxide equivalent of concrete can be attributed to cement. Part of the cement content in concrete can be replaced with pozzolanic material like Flyash, Ground Granulated Blast Slag (GGBS) in compliance with the contract and codal specifications. By using these pozzolanic materials in producing concrete for the Company's projects reduces the overall associated greenhouse emission. Since these additives are waste products of Thermal Power & Steel manufacturing industries, utilizing them in construction eliminates the need to dispose them as landfills. Therefore, these pozzolanic materials are effectively used as filler materials in Cement ensuring that strength of the structure is not affected while lowering the environmental impact of concrete. With the approval of client / customer, the Company has been using more and more of pozzolanic material in construction projects across the country.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:

The Company has total 3,600 employees as on March 31, 2020.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:**

   The Company has 811 employees hired on contractual basis as on March 31, 2020. However, they are on-rolls of the Company. The Company had 3,646 outsourced manpower as on March 31, 2020.

3. **Please indicate the number of permanent women employees:**

   The Company has 126 permanent women employees as on March 31, 2020.

4. **Please indicate the number of permanent employees with disabilities:**

   The Company has 01 permanent employee with disabilities as on March 31, 2020.

5. **Do you have an employee association that is recognized by the Management?**

   No, there is no employee association which is recognized by the management of the Company.

6. **What percentage of permanent employees are members of this recognized employee association?**

   Not Applicable

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. **What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?**

   (a) Permanent employees

   (b) Permanent women employees

   (c) Causal / Temporary / Contractual Employees

   (d) Employees with disabilities

   The Company organizes regular trainings for its employees. These trainings cover various areas – functional, technical and behavioral – for upgrading their skills. The trainings are organized across our administrative offices and sites to cover its employees at all locations. During the financial year 2019-20, the Company have covered more than 95% of its permanent employees/contract employees/ trainees/women employees through skill upgradation trainings, quality trainings and safety trainings.

   The Company covers all types of employees (permanent, contract, sub-contractor) in pre-joining safety induction. The Company have safety labs, assembly points in all the sites and a regular mock drill is conducted for all employees. Apart from this, various safety trainings are done throughout the year. The Company has done 4,343 man-days of training for permanent and contract employees. Similarly, the Company has also done 17,146 man-days of trainings for sub-contractors. A few of the trainings are:

   - Safety in Electrical work
   - Working at height
   - Safety in Blasting operation
   - Safety in Material Handling
   - Safety in Rigging and Erection
   - Safety in Welding and Gas-cutting work
   - Safety in Excavation, trenching and tunneling work
   - Scaffolding safety
   - Safety in Power tool
   - Safety in Confined space work.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. Employees are the internal stakeholders while shareholders, investors, regulators, clients, vendors, bankers, contractors and the community in vicinity of our project sites are the external stakeholders of the Company.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

Yes, the Company has mapped disadvantaged, vulnerable and marginalized stakeholders and is actively working with them towards inclusive growth. The Company implements Corporate Social Responsibility (CSR) measures focused on benefitting the disadvantaged, vulnerable and marginalized communities at or near its project sites.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the CSR initiatives of the Company are focused on benefitting the disadvantaged, vulnerable and marginalized communities at or near its project sites. Few such activities includes promoting social welfare, education, eradicating hunger, poverty and malnutrition, environmental sustainability, promoting rural development project, promoting sports, promoting health care including preventive health care etc.

An Annual Report on CSR activities carried out by the Company is annexed as Annexure 4 to the Board's Report.

Principle 5: Businesses should respect and promote human rights

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

JMC's Corporate Human Rights Policy shall be implemented in Financial Year 2020-21.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

The Company has not received any stakeholder complaints in the past financial year.

Principle 6: Business should respect, protect and make effort to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

JMC is committed to conserving of natural resources and minimizing potential harmful environmental effects resulting from its construction activities. The Environmental, Occupational Health & Safety Policy (EOHS Policy) of the Company covers the Company and its Contractors & all other relevant stakeholders. The Policy encourages the Company to consolidate and improve environmental performance through formulation and implementation of environment protection procedures and practices in its operations.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

Yes, JMC is committed to control the emissions and keeps it well below the allowable limits. The Company emphasizes on optimizing the use of natural resources. JMC took an initiative for plantation and successfully planted across PAN India around 4,289 Saplings in the Financial Year 2019-20.

The Company as a continuous ongoing activity uses energy efficient machineries and processes at project sites optimizing the use of natural resources on an ongoing basis. The details of such initiatives undertaken by the Company are provided in Annexure 6 – Conservation of Energy & Technology Absorption to the Board's Report.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, every Project has its Environmental Impact Assessment and applicable Consent to Establish / Consent to Operate.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Organization is committed for continual improvement of environmental performance by setting objectives and targets for prevention of pollution. Drinking water network & related structure projects and irrigation projects are not related to Clean Development Mechanism. So, it is not applicable to the Company. However, the Company follows guidelines / applicable laws / conditions of State Pollution Control Board i.e. CTE & CTO for Water Treatment Plant & Batching Plant and Environment Clearance for irrigation projects. As per the Consent / Environment clearance conditions, the Company submits the Compliance Reports i.e. Environment Compliance Report, Environment Statements, Environment Monitoring Reports (Ambient Air, Noise level, Surface water & drinking water), Solid Water Management, Dust Control, Greenbelt development etc.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.**

   Yes, at few projects we have undergone implementation of solar lights and going forward to implement at all our projects. The details of such initiatives undertaken by the Company are provided in Annexure 6 – Conservation of Energy & Technology Absorption to the Board's Report.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes, the emissions / waste generated are within the permissible limits given by CPCB/SPCB for the financial year being reported.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   There are no show cause / legal notices received from CPCB / SPCB during the financial year 2019-20.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**

   Yes, the Company is a member of the following key associations:

   - Construction Industry Development Council
   - Construction Federation of India
   - National Highways Builders Federation
   - Bombay Chamber of Commerce
   - Project Exports Promotion Council of India

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   JMC doesn't engage in any form of lobbying activities. The Public Advocacy Policy will be implemented in Financial Year 2020-21.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.**

   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. 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, includes CSR Philosophy, objectives, extent of CSR activities, CSR projects, programmes, implementation of CSR programmes, monitoring, reporting and disclosure of the said activities. The CSR policy of the Company is available on the Company's website at https://www.jmcprojects.com/investor/corporate_governance

   In line with CSR Policy and in accordance with Schedule VII to the Companies Act, 2013, the Company has undertaken CSR activities for promoting social welfare, education, health care, promotion of art and culture, eradicating hunger, poverty and malnutrition, environmental sustainability, promoting rural development project, promoting sports, promoting animal welfare etc.

Detailed Report on CSR Activities is attached as Annexure 4 to the Board's Report.

2. **Are the programmes/projects undertaken through in-house team / own foundation /external NGO/ government structures /any other Organisation?**

   The Company follows multiple models for implementing its CSR initiatives. The Company has undertaken CSR Projects directly and/or through External Registered Trusts, NGOs and Societies.

3. **Have you done any impact assessment of your initiative?**

   The Company undertakes impact assessment on a continuous basis and assess the benefits gained to the community through its CSR initiatives. Also the External Registered Trusts, NGOs and Societies through which Company carries out its CSR initiatives have done Impact assessment of the CSR Projects/Programmes.

4. **What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   The Company's direct monetary contribution to community development projects in Financial Year 2019-20 was ₹ 180.37 lakhs. An Annual Report on details of projects undertaken as CSR activities is annexed as Annexure 4 to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

   Yes, the initiatives undertaken under CSR activities are tracked to determine outcome achieved and benefits to the Community. External Trusts, NGOs and Societies through which Company undertakes some of its initiatives have a track record of various years in performing such activities and based on ongoing feedback received by them from beneficiaries of its existing Programs, JMC carries its initiatives through such Trusts, NGOs and Societies which leads to a successful adoption by the beneficiary Community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What Percentage of customer complaints / consumer cases are pending as on the end of financial year?**

   All customer complaints are addressed promptly, except in case of some ongoing closure actions that are in progress as per the agreed timelines at the time of publishing this report, percentage of which is only 12.80%.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   Not Applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There are no cases filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   Yes, the Company conducts yearly survey. JMC is committed to provide services which consistently comply with agreed contractual requirements and in a manner that results in high degree of client satisfaction.

The Company has received various EHS Awards in the Financial Year 2019-20 as under.

RoSPA (4-International Awards)	
CUBX	Civil & Finishes Package for "Sattva Park Cubix, Phase-01, Commercial, Bengaluru"
MGST	Civil works including Finishing at Proposed Commercial Development, "Construction of Megasoft" at Hyderabad
APA1	Construction of Civil & Structural Works and associate External Development works, Andhra Pradesh
RECG	Construction and Development of Rural Electrification Corporation World Head Quarter Building at Sector 29, Gurgaon, Haryana

British Safety Council – BSI (5-International Merit Awards)	
PHFL	Proposed Residential Building civil structure and finishing works "Prestige High Fields" at Hyderabad
RMAZ	Main Civil Works for the Construction of "RMZ Ecoworld – Commerical Development", Bangalore
PSRT	Civil Works at Prestige RMZ Startech, Bangalore
SRMA	Civil Works of proposed construction of Phase 2 (core & shell) – SRM University, Amravathi, AP. Boys Hostel & Work Shop, Amravathi, Telangana
VBCT	Civil & PHE works for Residential Towers at VB City, Turakapalli, Alwal, Telangana

CIDCVK Awards (12-National Awards)	
KVNN	Civil Works including Waterproofing, Gypsum, Allied works of proposed Residential Project "Kalpataru Vista" at Sector 128, Noida
THLV	Civil works for proposed Construction of Residential Project consisting of 6 Towers (B1,B2,B3,B4,B5 & A1) at Gurgaon, Haryana
RECG	Construction and Development of Rural Electrification Corporation World Head Quarter Building at Sector 29, Gurgaon, Haryana
TSL2	Misc Civil Work of Phase 2 at TATA Steel, Kalinganagar Project, Odisha and Piling Work Civil work related to RMHS, Odisha
NTPC	Township Package for Gadarwara Super Thermal Power Project Stage-I, Gadarwada, Narshingpur
GSL1	Construction Works Phase 3B of GSL Modernisation Plan, Goa
HNG1	Construction of Hiranandani Glengate – Residential Apartment at Hebbal, Bangalore
PLRG	Civil & Finishing works at proposed Residential Development, "Prestige Lake Ridge", Bangalore
MGST	Civil works including Finishing at Proposed Commercial Development, "Construction of Megasoft" at Hyderabad
APA1	Construction of Civil & Structural Works and associate External Development works, Andhra Pradesh
PHFL	Proposed Residential Building civil structure and finishing works "Prestige High Field", Hyderabad
CUBX	Civil & Finishes Package for "Sattva Park Cubix, Phase-01, Commercial, Bengaluru"

OHSAI Awards (2-Four Star Awards)	
KLIP	Construction of SMP work for 4 building at Immensa & 7 building at Phase 3 with associated podium and ancillary works, Mumbai
ATTP	Civil & structural works for parcel towers 2A & 2B and related works in Adhiraj Residential Township Project at Taloja, Navi Mumbai

Ministry of Labour & Employment (15 National Safety Award in recognition from government)	
VITA	Civil works of VIT Central Block, Andhra Pradesh
BRNR	Construction of Brigade North Ridge – Residential Apartment, Bangalore
PHRL	Construction of Prestige Hilton Hotel Residential Complex, Bangalore
PSPN	Prestige Spencers Heights, Bangalore
PLSH	Infrastructure Works at Prestige Lakeside Habitat, Gunjur, Bangalore
PFLN	Construction of Prestige Falcon City Residential Apartment, Bangalore
BBFL	Construction & Management of civil, structural, finishes and external development works and management of services (NSC) for proposed commercial office building Zone B & Zone C (SEZ) for Brigade Tech Gardens, Bangalore
IVYL	Construction of Prestige Ivy League, Kondapur, Hyderabad
NHRW	New Haven Ribbon Walk, Chennai
PHHL	Construction of Prestige Hilton Hotel, Bangalore
PPEB	Logistic Warehouse and Morph Factory PEB works, Bangalore

Client Appreciation	
EMGG	Civil Structure, Finishing Works for "Gurgaon Green" Project at Sector – 102, Gurgaon
PAMT	Proposed residential building civil structure, finishing works, MEP works & External Development – Purva Amaithi at Coimbatore
MCFO	Four Laning of Madurai-Chettikulam Section of NH-785 from Madurai (Km 0/000) to Chettikulam (7/300) on EPC mode under Bharatmala Pariyojna Phase-I, Tamil Nadu
MJIP	Narmada – Jhabua – Petlawad – Thandalasardarpur Micro Irrigation Scheme, Jhabua, Madhya Pradesh

For and on behalf of the Board of Directors

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Place: Mumbai
Date: May 19, 2020

Manish Mohnot
Non-Executive Director

Corporate Governance Report

Corporate Governance is a set of defined principles, processes and systems which governs a Company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. The Company believes that business excellence is the reflection of the professionalism 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 (hereinafter 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 and continuously strives 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 with the Code of Conduct adopted by the Company.

1 Board of Directors

1.1 Composition

As on March 31, 2020, the Board of Directors consists of 7 (seven) Directors, of which 3 (three) are Independent Directors including a Woman Director, 3 (three) are Non-Executive and Non-Independent and 1 (one) is Executive Director. The Chairman of the Board is a Non-Executive Independent Director. The composition of the Board is in compliance with the provisions of the Companies Act, 2013 (the 'Act') and Regulation 17 of the Listing Regulations.

The names and category of the Directors, their outside Directorships, their other Membership and Chairmanship of Board Committees as on March 31, 2020 are mentioned hereunder.

Name & DIN of Director	Designation	Category	No. of Directorship in other Companies[1]	Position in outside Committees[2]		No. of Shares held in the Company
				Chairman	Member	
Mr. Devendra Raj Mehta 01067895	Chairman	Independent, Non-Executive	6	Nil	2	Nil
Mr. Shailendra Raj Mehta 02132246	Director	Independent, Non-Executive	4	Nil	1	Nil
Ms. Anjali Seth 05234352	Director	Independent, Non-Executive	7	2	2	Nil
Mr. Shailendra Kumar Tripathi 03156123	CEO & Dy. Managing Director	Executive	Nil	Nil	Nil	Nil
Mr. Hemant Modi 00171161	Director	Non-Independent, Non-Executive	2	Nil	Nil	4,95,070
Mr. Kamal Jain 00269810	Director	Promoter, Non-Executive	9	Nil	Nil	Nil
Mr. Manish Mohnot 01229696	Director	Promoter, Non-Executive	5	Nil	1	Nil

[1] Including Private Companies, but excluding Foreign Companies and Section 8 Companies.
[2] Represents Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of Public Companies only.

Names of the Listed Entities where the Director(s) of the Company i.e. JMC Projects (India) Limited is a Director and the category of Directorship:

Sr. No.	Name & DIN of Director	Name of the Listed Entity	Designation	Category
1	Mr. Devendra Raj Mehta 01067895	Poly Medicure Limited	Chairman	Independent, Non-Executive Director
		Jain Irrigation Systems Limited	Director	Independent, Non-Executive Director
		Glenmark Pharmaceuticals Limited	Director	Independent, Non-Executive Director
2	Mr. Shailendra Raj Mehta 02132246	Poly Medicure Limited	Director	Independent, Non-Executive Director
3	Ms. Anjali Seth 05234352	Kalpataru Power Transmission Limited	Director	Independent, Non-Executive Director
		Endurance Technologies Limited	Director	Independent, Non-Executive Director
		Centrum Capital Limited	Director	Independent, Non-Executive Director
		Caprihans India Limited	Director	Independent, Non-Executive Director
		Nirlon Limited	Director	Independent, Non-Executive Director
4	Mr. Shailendra Kumar Tripathi 03156123	Nil	Nil	Nil
5	Mr. Hemant Modi 00171161	Nil	Nil	Nil
6	Mr. Kamal Jain 00269810	Nil	Nil	Nil
7	Mr. Manish Mohnot 01229696	Kalpataru Power Transmission Limited	Managing Director & CEO	Executive Director

There are no inter-se relationships between the Board members. In the opinion of the Board, the Independent Directors fulfills the conditions as specified in Listing Regulations and are independent of the management.

Attention of the members is invited to the relevant item of the Notice of the Annual General Meeting (AGM) seeking their approval for re-appointment of Director, who is retiring by rotation and being eligible, offers himself for re-appointment. Relevant information as required under the Listing Regulations is appended in the AGM Notice.

1.2 List of core skills/expertise/competencies as identified by the Board of Directors of the Company along with the names of Directors as required in the context of Company's business and sector for it to function effectively and those actually available with the Board.

Skills/expertise/competence	Whether available with the Board or not?	Name of Director having skill / expertise /competence
Industry knowledge/experience (EPC Industry)		
Experience	Yes	Mr. S. K. Tripathi
		Mr. Hemant Modi
		Mr. Manish Mohnot
Industry knowledge	Yes	Mr. S. K. Tripathi
		Mr. Hemant Modi
		Mr. Manish Mohnot
Understanding of relevant laws, rules, regulation and policy	Yes	Mr. S. K. Tripathi
		Mr. Hemant Modi
		Ms. Anjali Seth
International Experience	Yes	Mr. S. K. Tripathi
		Mr. Manish Mohnot
Contract management	Yes	Mr. Hemant Modi
Technical skills/experience		
Accounting and Finance	Yes	Mr. D. R. Mehta
		Mr. Kamal Jain
		Mr. Manish Mohnot
Business Development	Yes	Mr. S. K. Tripathi
		Mr. Manish Mohnot
Information Technology	Yes	Mr. S. K. Tripathi
		Mr. Manish Mohnot
Talent Management	Yes	Mr. S. R. Mehta
Leadership	Yes	Mr. D. R. Mehta
Compliance and risk	Yes	Mr. D. R. Mehta
		Mr. S. R. Mehta
Legal	Yes	Ms. Anjali Seth
Business Strategy	Yes	Mr. S. R. Mehta
Behavioral Competencies		
Integrity and ethical standards	Yes	All Directors
Mentoring abilities	Yes	Mr. S. R. Mehta
Interpersonal relations	Yes	Mr. S. K. Tripathi

1.3 Board Meetings and attendance

During the year, the Board met 5 (five) times on May 08, 2019, July 29, 2019, October 16, 2019, November 05, 2019 and February 10, 2020. The maximum gap between any two Board Meetings was less than one hundred and 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 Director's attendance in Board Meetings held during the financial year 2019-20 and in the last AGM are as under.

Name of Director	No. of Board Meetings attended/ held	Attendance at last AGM held on July 29, 2019
Mr. Devendra Raj Mehta	5 / 5	Yes
Mr. Shailendra Raj Mehta	4 / 5	No
Mr. Shailendra Kumar Tripathi	5 / 5	Yes
Mr. Manoj Tulsian#	4 / 4	Yes
Mr. Hemant Modi	4 / 5	Yes
Mr. Kamal Jain	3 / 5	No
Mr. Manish Mohnot	5 / 5	Yes
Ms. Anjali Seth	5 / 5	Yes

#Resigned as a Whole-time Director & CFO of the Company with effect from January 14, 2020 after close of business hours.

1.4 Separate Meeting of Independent Directors

Pursuant to Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, the Independent Directors met on May 08, 2019 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 and Non-Executive Directors. The Independent Directors also discussed on 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.

1.5 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 at https://www.jmcprojects.com/investor/corporate_governance

1.6 Code of Conduct

The Board has laid down the code of conduct for all the Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at https://www.jmcprojects.com/investor/corporate_governance. All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2020 and a declaration to this effect duly signed by CEO & Dy. Managing Director of the Company is appended to this report.

1.7 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 and also to assess the steps taken by the Company to rectify instances of non-compliances, if any.

1.8 Prevention of Insider Trading

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Securities of the Company. The Company Secretary is the Compliance Officer for the purpose of this Code. During the year, the Company has taken action against those Insiders, who have violated the Insider Trading Code of the Company and the said violation has been duly reported to the SEBI by the Company.

2 Audit Committee

As on March 31, 2020, the Audit Committee comprises of 4 (four) members. All members of the Audit Committee are Non-Executive Directors, out of whom 3 (three) are Independent Directors. The Committee met 4 (four) times during the year viz. May 08, 2019, July 29, 2019, November 05, 2019 and February 10, 2020. The maximum gap between any two Committee Meetings was less than one hundred and 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 financial year are as under.

Name of Member	Category	No. of Meetings	
		Attended	Held
Mr. Devendra Raj Mehta, Chairman	Independent, Non-Executive	4	4
Mr. Shailendra Raj Mehta	Independent, Non-Executive	3	4
Mr. Kamal Jain	Non-Executive	3	4
Ms. Anjali Seth	Independent, Non-Executive	4	4

The Chairman of the Audit Committee has attended the last AGM of the Company held on July 29, 2019. 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 Auditors, Internal Auditors 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 includes; oversight of financial reporting process, review of financial results and related information, approval of related party transactions, review of internal financial controls, risk management, performance of statutory and internal auditors, audit process, relevant compliances, appointment and payment to auditors etc.

3 Nomination and Remuneration Committee

As on March 31, 2020, Nomination and Remuneration Committee comprises of 3 (three) Non-Executive Directors, out of whom 2 (two) Directors are Independent Directors. The Committee met 2 (two) times during the year viz. May 08, 2019 and February 10, 2020. 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 financial year are as under.

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

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 includes formulation of remuneration policy, set criteria for determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of performance of independent directors & 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 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 2019–20 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, sitting fees etc. of the Directors for the Financial Year ended March 31, 2020 are as under.

(₹ in lakhs)

Name of Director	Category	Remuneration components				
		Salary	Perquisites & retirement benefits	Commission/Profit Linked Incentive	Sitting fees	Total Amount
Mr. D. R. Mehta	Independent, Non-Executive	Nil	Nil	25.00	4.00	29.00
Mr. S. R. Mehta	Independent, Non-Executive	Nil	Nil	23.00	3.25	26.25
Mr. S. K. Tripathi	Executive	195.88	31.30	112.50	Nil	339.68
Mr. Manoj Tulsian#	Executive	194.50	13.55	80.37	Nil	288.42
Mr. Hemant Modi	Non-Independent, Non-Executive	Nil	Nil	23.00	2.00	25.00
Mr. Kamal Jain	Promoter, Non-Executive	Nil	Nil	Nil	Nil	Nil
Mr. Manish Mohnot	Promoter, Non-Executive	Nil	Nil	Nil	Nil	Nil
Ms. Anjali Seth	Independent, Non-Executive	Nil	Nil	8.00	3.50	11.50

Resigned as a Whole-time Director & CFO of the Company with effect from January 14, 2020 after close of business hours.

Service Contracts, notice period, severance fees

(a) 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 May 08, 2019 for a period of 3 (three) years w.e.f. October 22, 2019 on the terms and conditions approved by the members at the 33rd AGM held on July 29, 2019. The Agreement dated May 08, 2019 was executed between the Company and Mr. S. K. Tripathi. The term provides for the termination of contract by either party after giving six months' notice in writing or salary in lieu thereof to the other party.

(b) 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 08, 2019 for a period of 3 (three) years w.e.f. May 27, 2019 on the terms and conditions approved by the members at the 33rd AGM held on July 29, 2019. The Agreement dated May 08, 2019 was executed between the Company and Mr. Manoj Tulsian. The term provides for the termination of contract by either party after giving six months' notice in writing or salary in lieu thereof to the other party. However, as per one of the terms of agreement, the shorter written notice of resignation given by Mr. Manoj Tulsian was accepted by the management consequent upon reaching mutual agreement between the parties. There was no severance fees paid by the Company.

Remuneration of Mr. S. K. Tripathi and Mr. Manoj Tulsian comprises of fixed and performance linked incentive components. Profit linked incentive / Commission 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, critical project's performance etc. as per the Remuneration Policy.

The Board of Directors of the Company approved payment of commission to the Non-Executive Directors (excluding Promoter Directors) of the Company in recognition of their performance during the financial year 2019-20, not exceeding in aggregate 1% of net profits of the Company calculated under Section 198 of the Act.

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

None of the 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, Key Managerial Personnel and other employees of the Company.

The Policy describes various aspects and guiding factors in determining the remuneration of Directors, Key Managerial Personnel 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 to run the Company successfully and align the growth of the Company and development. The broad provisions of the Remuneration Policy are summarized here under.

a) Nomination and Remuneration Committee has important role in monitoring 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 matters of the Company.

e) Commission payable to Executive Directors shall be determined based on appointment terms, performance criteria as the Board may consider appropriate keeping in view the performance of the Company, performance by Executive Director, achievements, critical project's performance etc. based on the recommendations of 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 other relevant factors.

The Remuneration Policy is available on the website of the Company at https://www.jmcprojects.com/investor/corporate_governance

4.2 Criteria for payment to Non-Executive / Independent Directors

Non-Executive Directors (excluding Promoter 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 and 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 Directors (excluding Promoter Directors) is decided, keeping in view the recommendation of Nomination and Remuneration Committee, based on number of factors including attendance in the meetings, contribution in the Board and Committee meetings, involvement in decision-making process etc.

5 Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees, inter-alia, timely redressal of security holders grievances such as issues involving transfer and transmission of shares, issue of new/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 suggests several measures for improvement, if necessary. The Committee comprises of 4 (four) directors out of which Chairman is a Non-Executive Director. The Committee met 4 (four) times during the financial year viz. May 08, 2019, July 29, 2019, November 05, 2019 and February 10, 2020.

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

Name of Member	Category	No. of Meetings	
		Attended	Held
Mr. Kamal Jain, Chairman	Non-Executive Director	3	4
Mr. S. K. Tripathi	CEO & Dy. Managing Director	4	4
Mr. Manish Mohnot	Non-Executive Director	4	4
Ms. Anjali Seth	Independent, Non-Executive	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 had received 1 (one) complaint, which was timely resolved to the satisfaction of the Complainant and there was no investor complaint pending as on March 31, 2020. The status of complaints, if any is periodically reported to the Committee.

6 Corporate Social Responsibility Committee

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (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 an Independent Director. During the year, the Committee met 4 (four) times viz. May 08, 2019, July 29, 2019, November 05, 2019 and February 10, 2020.

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

Name of Member	Category	No. of Meetings	
		Attended	Held
Mr. D. R. Mehta, Chairman	Independent, Non-Executive Director	4	4
Mr. S. K. Tripathi	CEO & Dy. Managing Director	4	4
Mr. Kamal Jain	Non-Executive Director	3	4

7 Other Committees

The Board has constituted Management Committee to look into various routine business matters; Share Transfer Committee to look after the transfer / transmission of shares, issue of duplicate shares etc.; and Risk Management Committee to ascertain & minimize risk, to take appropriate decisions for regular assessment and minimization of risks.

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 are as under:

Sr. No.	Particulars	Regulations	Brief description of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(1A)	Appointment or continuation of Non-Executive Director who has attained the age of seventy five years	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(2A)	Quorum of Board Meeting	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 & Minimization and Risk Management Plan	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
		17(11)	Recommendation of Special Business by the Board	Yes
		17A	Maximum number of Directorships	Yes

Sr. No.	Particulars	Regulations	Brief description of the Regulations	Compliance Status (Yes/No/N.A.)
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the AGM	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(2A)	Quorum of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	No*
		19(3A)	Committee Meeting once a year	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1),(2) & (2A)	Composition of Stakeholders Relationship Committee	Yes
		20(3)	Presence of the Chairman of the Committee at the AGM	No**
		20(3A)	Committee Meeting once a year	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) & (3)	Composition of Risk Management Committee	N.A.
		21(3A)	Committee Meeting once a year	N.A.
		21(4)	Role of the Committee	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transactions	23(1),(5),(6), (7) & (8)	Policy for Related Party Transactions	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all related party transactions and review of transactions by the Committee	Yes
		23(1A) & (4)	Approval for Material Related Party Transactions	N.A.
		23(9)	Disclosures of related party transactions on a consolidated basis	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	N.A.
		24(2),(3), (4), (5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	Yes
		24(A)	Secretarial Audit	Yes
9	Obligations with respect to Independent Directors	25(1) & (2)	Alternative Directorship & Tenure of Independent Directors	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(6)	Filling the vacancy of Independent Director created by resignation or removal	N.A.
		25(7)	Familiarization of Independent Directors	Yes
		25(8) & (9)	Declaration and confirmation by Independent Directors	Yes
		25(10)	D and O Insurance	Yes

Sr. No.	Particulars	Regulations	Brief description of the Regulations	Compliance Status (Yes/No/N.A.)
10	Obligations with respect to employees including senior management, key managerial persons, Directors and Promoters	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct by 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 conflict of interest	Yes
		26(6)	Agreement in connection with dealings in the securities	N.A.
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

*Mr. S. R. Mehta, Independent Director & Chairman of Nomination and Remuneration Committee had expressed his inability to attend the 33rd AGM held on July 29, 2019 and therefore, he had authorized Mr. Manish Mohnot as his authorized representative for 33rd AGM.

**Mr. Kamal Jain, Non-Executive Director & Chairman of Stakeholders Relationship Committee had expressed his inability to attend the 33rd AGM held on July 29, 2019 and therefore, he had authorized Ms. Anjali Seth as his authorized representative for 33rd AGM.

9 General Body Meetings

i. Annual General Meeting:

Details of last three Annual General Meetings are given herein below.

AGM	Financial Year	Date	Time	Venue of AGM
33rd AGM	2018-19	July 29, 2019	03.00 p.m.	H. T. Parekh Convention Centre, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015
32nd AGM	2017-18	August 06, 2018	03.30 p.m.	ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad – 380009
31st AGM	2016-17	August 10, 2017	03.00 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
July 29, 2019	Re-appointment of Mr. D. R. Mehta (DIN: 01067895) as an Independent Director of the Company.
	Re-appointment of Mr. Shailendra Raj Mehta (DIN: 02132246) as an Independent Director of the Company.
	Re-appointment of Ms. Anjali Seth (DIN: 05234352) as an Independent Director of the Company.
	Authority to the Board of Directors for creation of charge, security etc. under Section 180(1)(a) of the Companies Act, 2013.
August 06, 2018	Issue of Non-Convertible Debentures on a Private Placement basis.
	Alteration of Articles of Association of the Company.
	Continuation of Directorship of Mr. D. R. Mehta (DIN: 01067895), Independent Non-Executive Director of the Company.
August 10, 2017	Issue of Non-Convertible Debentures on a Private Placement basis.

iii. Details of Postal Ballot:

No special resolution was passed through postal ballot during the financial year ended March 31, 2020. There is no special resolution proposed to be transacted 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 interest 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 at https://www.jmcprojects.com/investor/corporate_governance

b. 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 at https://www.jmcprojects.com/investor/corporate_governance

c. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the applicable mandatory requirements under various Regulations of the Listing Regulations. The Company has obtained a Certificate from M/s. Parikh & Associates, Practicing Company Secretaries to this effect and the same is annexed to this Report.

The Company has complied with non-mandatory requirements of Listing Regulations as follows:

(i) The Board: The Chairman of the Company is a Non-Executive Chairman; (ii) Shareholder Rights: The quarterly, half-yearly and annual financial results are published in newspapers, uploaded on Company's website; (iii) Modified Opinion(s) in Audit Report: The Auditor's opinion on the Financial Statements is unmodified; (iv) Separate posts of Chairperson and CEO: The positions of the Chairman and the CEO & Dy. Managing Director in the Company are separate; and (v) Reporting of Internal Auditor: The Internal Auditor of the Company reports directly to the Audit Committee.

d. 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.

Disclosure pertaining to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 are as under:

1. Risk Management Policy of the Company with respect to commodities including through hedging: The Company has in place framework to manage commodity risk. The Company's business mainly requires raw materials such as Reinforcement Steel, Readymade Concrete, Structural Steel, Pipe and Pipe Fittings, Cement etc. The prices of these raw materials are varied due to supply demand mismatch, competition, production levels etc. The Company currently manages such risk through the fixation of base price of major raw materials in contract with customers. The contract also provides for general escalation clause based on the wholesale price index of materials, whereby the risk of fluctuation in the input cost is passed on to the Client.

2. Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:

   a. Total exposure of the Company to material commodities in INR: ₹ 1,321 Crores

   b. Exposure of the Company to various material commodities:

Commodity Name	Exposure in INR towards the particular commodity (₹ in Crores)	Exposure in Quantity terms towards the particular commodity	Risk Exposure towards the particular commodity	% of such exposure hedged through commodity derivatives				
				Domestic market		International market		Total
				OTC	Exchange	OTC	Exchange	
Reinforcement Steel	472	1,23,545 (MT)	Covered in Contract terms	–	–	–	–	–
Readymade Concrete	252	9,90,066 (M3)		–	–	–	–	–
Structural Steel	238	59,289 (MT)		–	–	–	–	–
Pipe and Pipe Fittings	203	49,621 (MT)		–	–	–	–	–
Cement	156	3,42,799 (MT)		–	–	–	–	–

   c. Commodity risks faced by the Company during the year and how they have been managed:

   The Company has not faced any commodity risks during the year under review due to the reason(s) mentioned at serial number 1 above.

e. 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 2019-20 and there is no pending utilization of any of its earlier issue proceeds as on March 31, 2020.

During the year under review, the Company has issued and allotted 1,000 Nos. of 10.55% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹ 10,00,000/- (Rupees Ten Lakh Only) each, for an aggregate nominal value of ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) on private placement basis. The said NCDs are listed on Wholesale Debt Market Segment of BSE Limited. Further, the Company has fully utilized the proceeds of issue of said NCDs for the purposes as mentioned in the offer document.

f. CEO & CFO Certification

The CEO & Dy. Managing Director and Chief Financial Officer 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, 2020.

g. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of LODR Regulations: This Regulation is not applicable to the Company as the Company has not raised any funds through preferential allotment or qualified institutions placement.

i. Certificate under Regulation 34(3) of the Listing Regulations

The Company has obtained a Certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations from M/s. Parikh & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. The said certificate has been annexed with this Report.

j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

k. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details relating to fees paid to the statutory auditors are given in Note 21(b)(i) to the Standalone Financial Statements.

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year 2019-20: Nil

b. number of complaints disposed of during the financial year 2019-20: N.A.

c. number of complaints pending as on end of the financial year 2019-20: N.A.

m. Details of Credit Ratings obtained by the Company

Instrument/Facilities	Ratings CARE Ratings Limited
Long term Facilities (for Term Loans & NCDs)	A+; Stable
Short term Facilities (for short term facilities)	A1+

During the year under review, there have been no revisions in Credit Rating obtained by the Company.

11 Means of Communication

a) Newspapers: The extract of Quarterly, Half-yearly and Annual Financial Results of the Company are published in Economic Times – English and Gujarati edition.

b) Website of the Company: The Company's website www.jmcprojects.com contains a separate dedicated section "Investors" where all relevant information for the shareholders is available. Quarterly, Half-yearly and Annual Financial Results, disclosures and filings with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company is also available on the Company's website. The Annual Report of the Company is uploaded on the website of the Company.

c) Disclosures: The Company disseminates 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 in a timely manner.

d) 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 and Book Closure:

Date and time of AGM: August 11, 2020 at 11.00 a.m. IST

Venue of AGM: There is no requirement to have a venue for the AGM as the Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 05, 2020. For details, please refer to the Notice of 34th AGM.

Book Closure Period: August 06, 2020 to August 11, 2020 (both days inclusive)

b) Financial Year: April 01 to March 31

c) Financial Results:

First Quarter Results	: by August 14
Half-Year Results	: by November 14
Third Quarter Results	: by February 14
Annual Results	: by May 30

d) Dividend Payment Date: Dividend of Re. 0.70 per equity share, if approved by the members will be paid on or after August 17, 2020.

e) Listing on Stock Exchanges:

(i) 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, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

Stock Code/Symbol: BSE – 522263,
NSE – JMCPROJECT

ISIN Number: INE890A01024

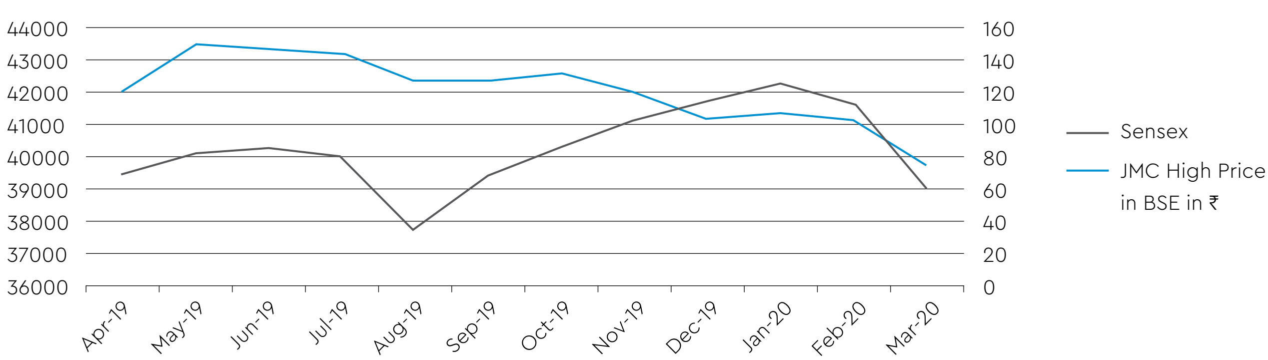
(ii) The Non-Convertible Debentures are listed on the Wholesale Debt Market segment of BSE Limited.

f) Payment of Listing Fees: The Company has paid annual listing fees for the financial year 2020-21 to the BSE and NSE within stipulated time.

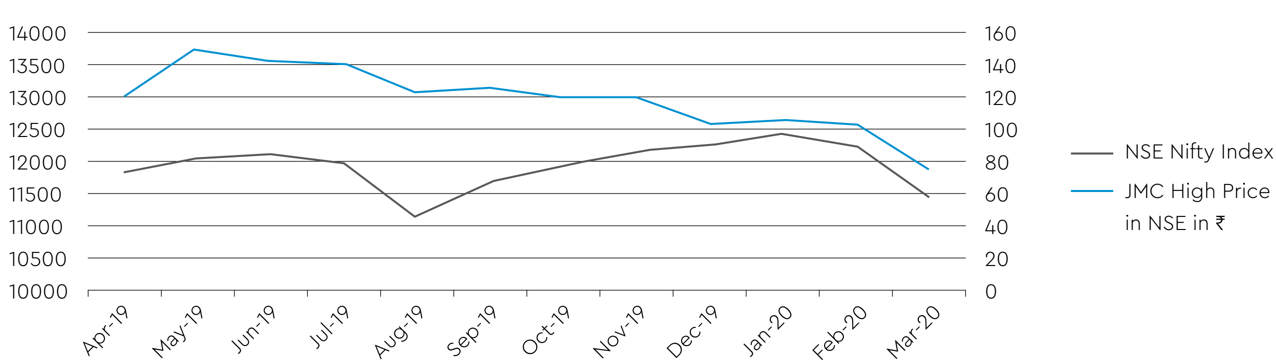
g) Market Price Data: The monthly high and low price of equity shares traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as under.

Month	BSE				NSE			
	Share Price (in ₹)		Sensex		Share Price (in ₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-19	122.00	108.00	39487.45	38460.25	121.35	112.50	11856.15	11549.10
May-19	150.00	108.05	40124.96	36956.10	150.50	107.10	12041.15	11108.30
Jun-19	147.00	116.20	40312.07	38870.96	142.45	117.05	12103.05	11625.10
Jul-19	144.45	115.70	40032.41	37128.26	141.40	115.25	11981.75	10999.40
Aug-19	127.90	108.00	37807.55	36102.35	124.00	107.00	11181.45	10637.15
Sep-19	127.70	109.10	39441.12	35987.80	128.00	111.00	11694.85	10670.25
Oct-19	132.10	95.35	40392.22	37415.83	120.00	95.10	11945.00	11090.15
Nov-19	120.90	99.35	41163.79	40014.23	120.90	99.15	12158.80	11802.65
Dec-19	104.20	92.30	41809.96	40135.37	104.00	92.40	12293.90	11832.30
Jan-20	107.80	96.60	42273.87	40476.55	107.70	96.00	12430.50	11929.60
Feb-20	102.30	70.80	41709.30	38219.97	102.90	70.40	12246.70	11175.05
Mar-20	76.00	29.50	39083.17	25638.90	75.10	29.50	11433.00	7511.10

JMC Share price vs. BSE Sensex – April 2019 to March 2020



JMC Share price vs. NSE Nifty – April 2019 to March 2020



h) Share Transfer System: As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialised form with the depositories. In view of the same, members are advised to dematerialize shares held by them in physical form.

Applications for transfer of shares in physical form (relating to the transfer deeds lodged prior to April 01, 2019 and re-lodged thereafter) are processed by the Company's Registrar & Transfer Agent viz. M/s. Link Intime India Pvt. Ltd. The Company has constituted Share Transfer Committee to look after the transfer / transmission of shares, issue of duplicate shares and allied matters. The transfer of shares in physical form (relating to the transfer deeds lodged prior to April 01, 2019 and re-lodged thereafter) 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 certificate from Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal etc. as required under Regulation 40(9) of the Listing Regulations and the same were submitted to the Stock Exchanges.

A Company Secretary in Practice carried out an Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. The Audit confirms that the total issued / listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form. The Reconciliation of Share Capital Audit Report issued by the Company Secretary in Practice in this regard is submitted to the Stock Exchanges on a quarterly basis.

i) Distribution of Equity Shareholding as on March 31, 2020

No. of Shares of ₹ 2/- each	Shareholders		Equity Shares	
	Number	% of total Shareholders	Number	% of total Shares
Up to 500	8,608	67.74	13,70,678	0.82
501 – 1000	1,777	13.98	13,75,076	0.82
1001 – 2000	930	7.32	13,73,874	0.82
2001 – 3000	476	3.75	11,97,488	0.71
3001 – 4000	204	1.61	7,21,204	0.43
4001 – 5000	159	1.25	7,50,994	0.45
5001 – 10000	283	2.23	21,12,253	1.26
10001 and above	271	2.13	15,90,03,603	94.70
Total	**12,708**	**100.00**	**16,79,05,170**	**100.00**

j) Shareholding Pattern as on March 31, 2020

Sr. No.	Category	No. of Shares held	% of Shares held
A	**Promoter and Promoter Group Shareholding**		
	Indian	11,30,96,956	67.36
	Foreign	-	-
B	**Public Shareholding**		
	1. Institutions		
	Mutual Funds	3,10,06,275	18.47
	Foreign Portfolio Investors	8,45,502	0.50
	Financial Institutions / Banks	35,246	0.02
	2. Non-Institutions		
	Individuals & HUFs	1,61,21,875	9.60
	Bodies Corporate	33,18,243	1.98
	NRIs	31,76,522	1.89
	Clearing Members	1,76,249	0.11
	NBFCs registered with RBI	5,000	0.00
	Investor Education and Protection Fund	1,23,302	0.07
	Total	**16,79,05,170**	**100.00**

k) Dematerialization of Shares and Liquidity:

Total 99.86% shares were held in dematerialized form as on March 31, 2020. The shares of the Company are frequently traded on both the Stock Exchanges.

l) Outstanding GDRs / ADRs / Warrants 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, 2020.

m) Equity Shares in suspense account: During the year under review, the Company has transferred 42,140 equity shares to the Unclaimed securities suspense account. Further disclosure in this regard are as under:

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil

During the year under review, the Company has transferred total 42,140 equity shares of 55 shareholders to the Unclaimed securities suspense account.

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

(c) number of shareholders to whom shares were transferred from suspense account during the year: Nil

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 55 shareholders holding total 42,140 equity shares.

(e) It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such share(s) claims the share(s).

n) 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.

o) Debenture Trustee:

Catalyst Trusteeship Limited

Registered Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Tel: 020 25280081, Fax: 020 25280275, E-mail: dt@ctltrustee.com, Website: www.catalysttrustee.com

p) Address for Communication:

Registered Office: A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380015, Gujarat, India. CIN: L45200GJ1986PLC008717, Tel: 079 68161500, Fax: 079 68161560, E-mail: cs@jmcprojects.com

Corporate Office: 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai – 400055. Tel: 022 30051500, Fax: 022 30051555, E-mail: cs@jmcprojects.com

Registrar & Share Transfer Agent: Link Intime India Pvt. Ltd. Unit: JMC Projects (India) Limited, Office No. 506 to 508, 5th Floor, Amarnath Business Centre-1 (ABC-1), Near St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad – 380009, Tel & Fax: 079 26465179, E-mail: ahmedabad@linkintime.co.in

Declaration in Respect of Code of Conduct

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 for Directors & Senior Managerial Personnel of the Company laid down for them for the financial year ended March 31, 2020.

Date: May 19, 2020
Place: Mumbai

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Certificate of Non-Disqualification of Directors

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
JMC PROJECTS (INDIA) LIMITED
A-104, Shapath 4, Opp. Karnavati Club,
S. G. Road, Ahmedabad 380015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **JMC Projects (India) Limited** having CIN **L45200GJ1986PLC008717** and having registered office at A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Hemant Ishwarlal Modi	00171161	05/06/1986
2.	Kamal Kishore Jain	00269810	05/02/2005
3.	Devendra Raj Mehta	01067895	11/12/2008
4.	Manish Dashrathmal Mohnot	01229696	29/05/2009
5.	Shailendra Raj Mehta	02132246	08/02/2012
6.	Shailendra Kumar Tripathi	03156123	22/10/2011
7.	Anjali Karamnarayan Seth	05234352	17/05/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Sarvari Shah
FCS: 9697 CP: 11717
Mumbai, May 19, 2020
UDIN: F009697B000257307

Practising Company Secretaries' Certificate on Corporate Governance

TO THE MEMBERS OF
JMC PROJECTS (INDIA) LIMITED

We have examined the compliance of the conditions of Corporate Governance by JMC Projects (India) Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

For Parikh & Associates
Practising Company Secretaries

Sarvari Shah
Partner
FCS: 9697 CP: 11717
Mumbai, May 19, 2020
UDIN: F009697B000257428

CEO-CFO Certificate

To,
The Board of Directors
JMC PROJECTS (INDIA) LIMITED

Subject: Certificate on financial statements for the financial year ended March 31, 2020 pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Shailendra Kumar Tripathi, CEO and Dy. Managing Director and Vardhan Dharkar, Chief Financial Officer, have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2020 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 are no significant changes in internal control over financial reporting during the year;

(ii) There are no significant changes in accounting policies during the year; and

(iii) There are 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**

Shailendra Kumar Tripathi
CEO & Dy. Managing Director

Vardhan Dharkar
Chief Financial Officer

Place: Mumbai
Date: May 19, 2020

Independent Auditors' Report

To the Members of
JMC Projects (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of JMC Projects (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Ethiopia and Sri Lanka and other auditors of the Company's six unincorporated joint ventures in India (hereinafter referred to as 'Standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd..)

Key Audit Matters (Contd..)

Description of Key Audit Matters

Recognition of contract revenue, margin and related receivables

See Note 16 to the standalone financial statements

The Key audit matters	How the matter was addressed in our audit
The Company enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. The accounting standard requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognised and measured as provisions. The Company is recognising contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on Company's estimates of the final outcome of each contract, and involves judgment, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages. We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant judgment. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations, etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period.	Our procedures included the following: • Assessed compliance of the Company's policies in respect of revenue recognition with the applicable accounting standards. • We selected a sample of contracts to test, using a risk-based criteria's which included individual contracts with: – significant revenue recognised during the year; – significant accrued value of work done balances held at the year-end; or – low profit margins/no profit margins. • Obtained an understanding of Company's process for analysing long term contracts, the risk associated with the contract and any key judgments. • Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence. • Verified underlying documents such as original contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. • Evaluating the outcome of previous estimates and agreeing the actual cost after the year end to the forecasted costs for the period. • Evaluated the status of trade receivables on sample basis which are past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through inquiry with management. • Considered the adequacy of disclosures made in note 39 to the Company's standalone financial statements in respect of these judgments and estimates.

Independent Auditors' Report (Contd..)

Key Audit Matters (Contd..)

Description of Key Audit Matters (Contd..)

Recoverability of carrying value of investment See Note 6(a) and 6(c) to the standalone financial statements	
The Key audit matters	**How the matter was addressed in our audit**
The assessment of recoverable amount of the Company's investment in and loans receivable from subsidiaries and joint venture involves significant judgment. The investments are carried at cost less any diminution in value of such investments and tested for impairment at each reporting date. These includes assumptions such as projected cash flows, discount rates, current work in hand, future contract wins/ future business plan, claims, recoverability of certain receivables as well as economic assumption such as growth rate. We focused on this area as a key audit matter due to judgment involved in forecasting future cash flows and the selection of assumptions.	Our procedures included the following: • Evaluated the design and implementation and testing operating effectiveness of controls over the management review process of impairment assessment. • Evaluated the net worth and past performance of the Company to whom loans given or investments made. • Compared the carrying amount of the investment with the expected value of the business based on the discounted cash flow analysis. • Assessed the key assumptions of independent valuation obtained by the Company. Compared the previous forecast to actual results to assess the Company's ability to forecast accurately. • Performed sensitivity analysis on Key assumptions including discount rates and estimated future growth. • We checked the loans advanced / repaid in relation to these loans during the year through to bank statement. • Obtained external confirmation to evaluate completeness and existence of loans given or investments made in the subsidiaries on 31 March 2020. • Evaluated accuracy of disclosure in the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in

Independent Auditors' Report (Contd..)

Management's and Board of Directors' Responsibility for the Standalone Financial Statements (Contd..)

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

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (Contd..)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Contd..)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the standalone financial statements of two branches and six unincorporated joint ventures included in the standalone financial statements of the Company whose standalone financial statements reflect total assets of Rs. 80,252 lakhs as at 31 March 2020 and the total revenue of Rs. 82,419 lakhs for the year ended on that date, as considered in the standalone financial statements. These branches and unincorporated joint ventures have been audited by the branch and unincorporated joint venture 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 and unincorporated joint ventures, is based solely on the report of such branches and unincorporated joint ventures auditors.

The two branches located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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

2. (A) As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The reports on the accounts of the branch offices and unincorporated joint ventures of the Company audited under Section 143(8) of the Act by branch auditors and unincorporated joint venture auditors have been sent to us and have been properly dealt with by us in preparing this report.

   (d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account and with the returns received from the branches and unincorporated joint ventures not visited by us.

Independent Auditors' Report (Contd..)

Report on Other Legal and Regulatory Requirements (Contd..)

(e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

(f) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements – Refer Note 25 to the standalone 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. The Company did not have any material foreseeable losses on derivative contracts – Refer Note 29 to the standalone 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; and

iv. The disclosure in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABG4848

Mumbai
19 May 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets and investment properties by which the fixed assets 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. In accordance with the policy, the Company has physically verified its fixed assets and investment properties during the year and we are informed that no material discrepancies were noticed on such verification.

(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 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) The Company has granted interest free unsecured loans to five companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

i) According to the information and explanations given to us, in our opinion, the terms and conditions on which the unsecured loans have been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

ii) According to the information and explanations given to us, the unsecured loans granted to companies are repayable on demand. The borrowers have been regular in payment of principal and interest (if any) as demanded.

iii) There are no overdue amounts of more than 90 days in respect of the loans granted by the Company.

(iv) 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 complied with the provisions of Section 186 of the Act with respect to the investments made.

(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 Income-tax, Duty of customs, Goods and Service tax, Entry tax, Local body tax, Property tax, Cess and other material statutory dues have been regularly deposited during the year with

Annexure A to the Independent Auditors' Report – 31 March 2020 (Contd..)

the appropriate authorities after considering the extension of due date granted for Goods and Service tax, Income-tax and Profession tax for payment of such dues for the month of March 2020. The amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance and Profession tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in a few cases.

According to the information and explanations given to us, no material undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Goods and Service tax, Entry tax, Local body tax, Property tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Also, refer note 25 to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of Goods and Service tax, Duty of customs and Duty of excise which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, there are no dues of Income-tax, Service tax and Value added tax as at 31 March 2020, 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 not Deposited Under Disputes	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Tax, Penalty and Interest	1,154.44	1,067.86	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
		551.40	551.40	2015-16	Commissioner, Ahmedabad
		93.59	93.59	2015-16	Commissioner, Ahmedabad
		710.60	657.30	2014-15	Commissioner, Ahmedabad
		98.19	90.82	2012-13 to 2015-16	Commissioner, Ahmedabad
		176.23	163.01	2011-12 to 2015-16	Commissioner, Ahmedabad
		239.00	239.00	2015-16 to June 2017	Principal Commissioner, Ahmedabad
		39.56	39.56	April 2015 to June 2017	Assistant Commissioner, Ahmedabad
		2.50	2.50	2012-13 to 2016-17	Assistant Commissioner, Ahmedabad
		15.22	15.22	2017-18	Assistant Commissioner, Goa

Annexure A to the Independent Auditors' Report – 31 March 2020

(INR in lakhs)

Name of the Statute	Nature of the Dues	Amount Demanded	Amount not Deposited Under Disputes	Period to which amount relates	Forum where dispute is pending
The West Bengal VAT Act, 2003	Tax, Penalty and Interest	96.51	57.55	2014-15	West Bengal Commercial Taxes Appellate and Revisional Board
		134.80	105.80	2009-10	West Bengal Commercial Taxes Appellate and Revisional Board
		38.41	34.78	2017-18	CIT (Appeals)
		251.00	241.00	2015-16	CIT (Appeals)
Madhya Pradesh VAT Act, 2002	Tax, Penalty and Interest	106.08	0.82	2014-15	Additional Commissioner Appeals
		65.00	15.30	2015-16	Additional Commissioner Appeals
Gujarat VAT Act, 2003		272.17	261.72	2006-07	Gujarat VAT Tribunal
Maharashtra VAT Act, 2002		75.44	2.75	2013-14	Additional Commissioner Appeals
Maharashtra VAT Act, 2002		164.82	16.64	2012-13	Maharashtra VAT Tribunal
Maharashtra VAT Act, 2002		495.91	274.82	2014-15	Learned Joint Commissioner
New Delhi VAT matter		772.53	489.10	2012-13 & 2013-14	Objection Hearing Authority Sales Tax department Delhi
Chhattisgarh VAT matter		151.10	17.36	2012-13	Appellate Authority
Andhra Pradesh VAT matter		174.00	-	2007-08 & 2008-09	Andhra Pradesh High Court
Income Tax Act, 1961		771.87	771.87	2006-07 to 2011-12	Income Tax Appellate Tribunal
		125.19	125.19	2009-10	Income Tax Appellate Tribunal
		19.70	19.70	2010-11	Income Tax Appellate Tribunal
		10.03	10.03	2004-05	Supreme Court
		433.24	433.24	2016-17	CIT (Appeals)

(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 financial institution, bank and dues to debenture holders. As per RBI Notification having reference RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the Company has availed the benefit of moratorium on payment of unpaid installments for the month of March 2020. The Company did not have any outstanding loans and borrowings to Government 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 during the year for the purpose for which they are raised.

Annexure A to the Independent Auditors' Report – 31 March 2020 (Contd..)

(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 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.

(xvi) 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
UDIN: 20105317AAAABG4848

Mumbai
19 May 2020

Annexure B to the Independent Auditors' Report – 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of JMC Projects (India) Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (' hereinafter referred to as 'the Act').

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the relevant branches and unincorporated joint ventures 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 Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditors' Report – 31 March 2020 (Contd..)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to standalone financial statements in so far as it relates to overseas branches and unincorporated joint ventures which are incorporated in India is based on the corresponding reports of the auditors of such overseas branches and unincorporated joint ventures. Our opinion is not modified in respect of this matter.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABG4848

Mumbai
19 May 2020

Standalone Balance Sheet

as at 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	55,516.24	48,907.80
Capital work-in-progress	3	1,054.17	319.59
Right-of-use asset	40	3,774.62	–
Investment property	4	82.13	82.13
Intangible assets	5 (a)	650.96	883.53
Intangible assets under development	5 (b)	12.15	–
Financial assets			
Investments	6 (a)	41,638.49	41,638.49
Trade receivables	6 (b)	8,636.51	3,336.78
Loans	6 (c)	1,248.59	1,129.41
Other financial assets	6 (e)	814.16	916.71
Deferred tax assets (net)	7	4,745.98	3,625.85
Other non-current assets	8	413.47	464.32
Total non-current assets	**(A)**	**118,587.47**	**101,304.61**
Current assets			
Inventories	9	24,120.94	24,805.91
Financial assets			
Trade receivables	6 (b)	90,966.07	92,260.82
Cash and cash equivalents	6 (d)	4,568.27	7,691.75
Bank balances other than above	6 (d)	814.67	8.53
Loans	6 (c)	43,243.22	35,299.47
Other financial assets	6 (e)	4,662.55	2,561.53
Current tax assets (net)	10	1,723.68	1,374.32
Other current assets	11	135,084.72	129,014.75
Total current assets	**(B)**	**305,184.12**	**293,017.08**
Total assets	**(A+B)**	**423,771.59**	**394,321.69**

Standalone Balance Sheet (Contd..)

as at 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Equity and liabilities			
Equity			
Equity share capital	12(a)	3,358.10	3,358.10
Other Equity			
Reserves and surplus	12(b)	93,547.90	88,884.18
Other reserves	12(c)	85.49	85.49
Equity attributable to owners the Company	**(A)**	**96,991.49**	**92,327.77**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13(a)	49,692.70	39,042.95
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13(e)	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(e)	14,288.99	14,127.67
Lease liabilities	13(d)	2,289.24	–
Other financial liabilities	13(c)	21.62	24.62
Provisions	14	4,398.60	4,607.17
Other non-current liabilities	15	28,810.17	39,203.24
Total non-current liabilities	**(B)**	**99,501.32**	**97,005.65**
Current liabilities			
Financial liabilities			
Borrowings	13(b)	23,136.66	26,789.00
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13(e)	3,288.10	1,168.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(e)	112,974.95	116,053.44
Lease liabilities	13(d)	1,603.94	–
Other financial liabilities	13(c)	35,560.01	33,531.26
Other current liabilities	15	48,634.51	26,761.65
Provisions	14	2,080.61	684.92
Total current liabilities	**(C)**	**227,278.78**	**204,988.27**
Total liabilities	**(D = B+C)**	**326,780.10**	**301,993.92**
Total equity and liabilities	**(A+D)**	**423,771.59**	**394,321.69**
Significant accounting policies	2		
Notes to the standalone financial statements	3 to 42		

The accompanying notes form an integral part of these standalone 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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Mumbai
19 May 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Revenue from operations	16	371,303.01	325,285.62
Other income	17	2,743.76	2,478.65
Total income		**374,046.77**	**327,764.27**
Expenses			
Cost of materials consumed	18	175,336.34	141,686.95
Employee benefits expense	19	34,641.84	30,255.51
Construction expense	21(a)	106,171.97	108,882.56
Finance costs	22	12,516.98	9,506.44
Depreciation and amortisation expense	20	11,733.94	7,813.01
Expected credit loss provision for loans and advances given to JV	35 (A) (i)	7,947.06	–
Other expenses	21(b)	14,017.38	10,767.83
Total expenses		**362,365.51**	**308,912.30**
Profit from ordinary activities before tax		**11,681.26**	**18,851.97**
Tax expense	24		
- Current tax		4,865.42	4,691.04
- Deferred tax (credit)		(1,079.76)	(52.17)
Total tax expense		**3,785.66**	**4,638.87**
Profit for the year		**7,895.60**	**14,213.10**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of post-employment benefit obligations		(204.88)	(32.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss		44.41	8.26
B. Items that will be reclassified subsequently to profit or loss			
(i) Exchange differences in translating foreign operations		(1,921.11)	731.33
(ii) Income tax relating to items that will be reclassified to profit or loss		416.42	(186.89)
Other comprehensive income for the year, net of tax		**(1,665.16)**	**520.38**
Total comprehensive income for the year		**6,230.44**	**14,733.48**
Earnings per equity share (Face Value per share INR 2 each)			
Basic earnings per share	30	4.70	8.47
Diluted earnings per share		4.70	8.47
Significant accounting policies	2		
Notes to the standalone financial statements	3 to 42		

The accompanying notes form an integral part of these standalone 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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Mumbai
19 May 2020

Standalone Statement of Cash Flows

for the year ended 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax from continuing operations	11,681.26	18,851.97
Profit before tax	**11,681.26**	**18,851.97**
Adjustments for:		
Depreciation and amortisation expense	11,733.94	7,813.01
Loss on sale of property, plant and equipment	114.07	199.81
(Gain) on disposal of property, plant and equipment	(16.35)	–
Sundry balances written back	(94.18)	(50.56)
Rent income	(617.53)	(472.80)
Provision for expected credit loss and others	1,718.91	85.72
Finance income (including fair value change in financial instruments)	(2,005.77)	(1,944.85)
Finance costs (excluding fair value change in financial instruments)	13,042.27	10,245.69
Net exchange differences	2.50	(2.46)
Expected credit loss provision for loans and advances given to JV	7,947.06	–
Operating profit before working capital adjustments	**43,506.18**	**34,725.53**
Adjustments for:		
(Decrease)/increase in trade payables	(623.83)	37,803.27
(Decrease)/increase in long-term provisions	(191.21)	270.70
Increase in short-term provisions	1,205.17	24.25
Increase in other current liabilities	23,608.59	2,122.53
(Decrease) in other long-term liabilities	(12,308.12)	(3,485.95)
(Increase) in trade receivables	(6,145.79)	(19,381.22)
Decrease/(Increase) in inventories	684.97	(5,576.79)
(Increase) in long-term loans and advances	(119.18)	(427.87)
(Increase) in short-term loans and advances	(2,392.97)	(252.95)
(Increase) in other current assets	(11,393.87)	(27,096.68)
(Increase)/decrease in other non-current assets	(0.94)	1,516.78
Cash generated from operating activities	**35,829.00**	**20,241.60**
Income taxes paid, net of refund received	78.69	(796.82)
Net cash flows from operating activities	**35,907.69**	**19,444.78**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(18,618.31)	(15,043.51)
Loans to related parties	(7,846.41)	(4,102.60)
Loans to parties other than related parties	(5,651.43)	–
Rent received	617.53	472.80
Proceeds from sale of property, plant and equipment	531.73	–
Deposits with banks (more than 3 months of original maturity)	(2,378.56)	(859.22)
Interest received	1,929.08	1,741.67
Net cash (used in) investing activities	**(31,416.37)**	**(17,790.86)**

Standalone Statement of Cash Flows (Contd..)

for the year ended 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Cash flows from financing activities		
Proceeds from borrowings	40,373.85	19,132.50
Repayment of borrowings	(31,987.78)	(16,225.26)
Changes in unpaid dividend accounts	(0.30)	0.87
Interest paid (excluding fair value change in financial instruments)	(13,042.27)	(10,245.69)
Dividends paid to company's shareholders (including tax thereon)	(1,416.93)	(1,214.51)
Repayment of lease liability	(1,541.37)	-
Net cash flow (used in) financing activities	**(7,614.80)**	**(8,552.09)**
Net (decrease) in cash and cash equivalents	**(3,123.48)**	**(6,898.17)**
Cash and cash equivalents at the beginning of the year	7,691.75	14,589.92
Cash and cash equivalents at end of the year	**4,568.27**	**7,691.75**

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)

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents (refer note 6 (d))	4,568.27	7,691.75
Bank overdrafts	-	-
Balance as per standalone statement of cash flows	**4,568.27**	**7,691.75**

Movement in borrowings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2019	Cash Flows	Non-cash changes (Exchange rate difference)	31 March 2020
Long term borrowings (refer note 13 (a))	49,776.39	12,040.91	-	**61,817.30**
Short term borrowings (refer note 13 (b))	26,789.00	(3,654.84)	2.50	**23,136.66**
Total borrowings	**76,565.39**	**8,386.07**	**2.50**	**84,953.96**

The accompanying notes form an integral part of these standalone 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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Mumbai
19 May 2020

Standalone Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2020

A. Equity Share Capital*

(Currency: Indian rupees in lakhs)

Particulars	Amount
As at 31 March 2018	3,358.10
Change in equity share capital during 2018–19	–
As at 31 March 2019	**3,358.10**
Change in equity share capital during 2019–20	–
As at 31 March 2020	**3,358.10**

B. Other Equity*

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company							
	Reserves and Surplus				Other reserves	Other Comprehensive Income		Total attributable to owners of the Company
	Securities Premium	Debenture redemption reserve	Retained Earnings	General Reserves		Acturial loss on Defined Plan Liability	Exchange differences of foreign operations	
Balance at 1 April 2018	35,332.22	–	35,569.52	4,865.38	85.49	(86.70)	(224.88)	75,541.03
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	–	–	14,213.10	–	–	–	–	14,213.10
Other comprehensive income (net of tax)	–	–	–	–	–	(24.06)	544.44	520.38
Total comprehensive income	**–**	**–**	**14,213.10**	**–**	**–**	**(24.06)**	**544.44**	**14,733.48**
Transactions with owners in their capacity as owners:								
Ind AS 115 – reversal of discounting of receivable and payable	–	–	(90.33)	–	–	–	–	(90.33)
Dividends paid (including tax thereon)	–	–	(1,214.51)	–	–	–	–	(1,214.51)
Appropriations during the year	–	541.89	(766.89)	225.00	–	–	–	–
Balance at 31 March 2019	**35,332.22**	**541.89**	**47,710.89**	**5,090.38**	**85.49**	**(110.76)**	**319.56**	**88,969.67**

Standalone Statement of Changes in Equity (SOCIE) (Contd..)

for the year ended 31 March 2020

B. Other Equity* (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company							
	Reserves and Surplus				Other reserves	Other Comprehensive Income		Total attributable to owners of the Company
	Securities Premium	Debenture redemption reserve	Retained Earnings	General Reserves		Acturial loss on Defined Plan Liability	Exchange differences of foreign operations	
Balance at 1 April 2019	**35,332.22**	**541.89**	**47,710.89**	**5,090.38**	**85.49**	**(110.76)**	**319.56**	**88,969.67**
Total comprehensive income for the year ended 31 March 2020								
Profit for the year	–	–	7,895.60	–	–	–	–	7,895.60
Other comprehensive income (net of tax)	–	–	–	–	–	(160.47)	(1,504.69)	(1,665.16)
Total comprehensive income	**–**	**–**	**7,895.60**	**–**	**–**	**(160.47)**	**(1,504.69)**	**6,230.44**
Transactions with owners in their capacity as owners:								
Lease Accounting Impact	–	–	(149.79)	–	–	–	–	(149.79)
Dividends paid (including tax thereon)	–	–	(1,416.93)	–	–	–	–	(1,416.93)
Appropriations during the year	–	226.56	(451.56)	225.00	–	–	–	–
Balance at 31 March 2020	**35,332.22**	**768.45**	**53,588.21**	**5,315.38**	**85.49**	**(271.23)**	**(1,185.13)**	**93,633.39**

*The above statement of changes in equity should be read in conjunction with the accompanying note 12 to the standalone financial statements.

The accompanying notes form an integral part of these standalone 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
19 May 2020

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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Notes to the Standalone Financial Statements

for the year ended 31 March 2020

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 equity shares of the Company are listed on Bombay Stock Exchange of India Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

1 Basis of preparation and measurement

(a) Statement of compliance

These Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions and amendments, as applicable. The Standalone Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

These standalone financial statements were authorised for issue by the Company's Board of Directors on 19 May 2020.

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

(b) Functional and presentation currency

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

(c) Basis of measurement

The standalone 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 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:

(i) Estimation of total contract revenue and costs for revenue recognition (Refer note 39)

(ii) Estimation of useful life of property, plant and equipment, Investment property and intangibles (Refer point 2 (l) , 2 (m) and 2 (n))

(iii) Estimation of provision for defect liability period, onerous contracts and liquidated damages, if any (Refer note 29)

(iv) Estimation of defined benefit obligation (Refer note 31)

(v) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used (Refer note 7)

(vi) Impairment of financial assets (i.e. expected credit loss on trade receivables and retention money receivable) (Refer note 35)

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

1 Basis of preparation and measurement (Contd..)

(d) Use of estimates and judgements (Contd..)

(vii) Impairment of accrued value of work done (Refer note 35)

(viii) Impairment of financial liabilities (i.e. retention money payable and advances from clients) (Refer note 35)

(ix) Estimation on discounting of lease liability on application of Ind AS 116 (Refer Note 40)

(e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for financial instruments. 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 Chief Financial Officer (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. 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 (CODM). 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 (CEO), the chief financial officer (CFO) and the manager for corporate planning. Refer note 36 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 balance sheet 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.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(a) Segment reporting (Contd..)

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 statement of 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 standalone 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 the statement of 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 other comprehensive income.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(b) Foreign currency (Contd..)

(ii) Foreign operations (Contd..)

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 (if any) are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(c) Revenue recognition

(i) Construction Revenue

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for construction of highways, water pipeline projects, construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue from works 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

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(c) Revenue recognition (Contd..)

(i) Construction Revenue (Contd..)

estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

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

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Operation and maintenance income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

Advances from customers, progress payments, amount due from and due to customers and retention money receivable

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

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(c) Revenue recognition (Contd..)

(i) Construction Revenue (Contd..)

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

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (costs plus attributable profits) for the contract work performed till date.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

Revenue is net off taxes, duties and cess.

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 (EIR).

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 standalone 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 of current and deferred tax. It is recognised in standalone statement of profit and 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 standalone 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

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(d) Income tax (Contd..)

(i) Current tax (Contd..)

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 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

(a) Definition of leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(e) Leases (Contd..)

(a) Definition of leases (Contd..)

represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(b) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(e) Leases (Contd..)

(b) As a lessee (Contd..)

rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate over a period of lease term. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the standalone statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' / separately from other assets in the standalone financial statement and lease liabilities in 'financial liabilities' in the standalone financial statement.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS 17

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's standalone financial statement. Payments made under operating leases were recognised in the standalone financial statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(c) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(e) Leases (Contd..)

(c) As a lessor (Contd..)

to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

(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-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 standalone 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 expected credit loss.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(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 weighted average costs (WAC) (Refer note 9). 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 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 standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

3. Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(j) Financial instruments (Contd..)

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 standalone 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

4. Accrued value of work done

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

i. Trade receivables which do not contain a significant financing component.

ii. Accrued value of work done which do not contain a significant financing component.

iii. Retention money receivables.

iv. All lease receivables resulting from transactions.

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.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(j) Financial instruments (Contd..)

(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 standalone statement of profit and 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 recognised in OCI. These gains/loss are not subsequently transferred to the standalone financial statement of 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 standalone 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 the statement of profit and loss when the liabilities are derecognised.

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 the standalone statement of profit and loss.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(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 the standalone statement of profit and loss during the reporting period in which they are incurred.

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:

Class of assets	Useful life as per Schedule II
• Office building	60 years
• Store building	3 years
• Plant and equipment	10-15 years
• Furniture and fixtures	10 years
• Vehicles	8-10 years
• Office equipment	3-10 years
• Electrical installation	10 years

Assets costing less than INR 20,000 are depreciated at 100% in the year of purchase / acquisition.

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 the statement of profit and 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.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(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 the standalone statement of profit and loss.

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.

(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 3-5 years

(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 the statement of profit and loss

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(p) Borrowings (Contd..)

over the period of the borrowings using the effective interest method (EIR). 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.

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 the statement of profit and loss as other gains/(losses).

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 the statement of profit and 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 and contingent asset / liabilities

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.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(s) Employee benefits (Contd..)

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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but are disclosed in the notes to the standalone financial statements when economic inflow is probable.

(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 the standalone statement of profit and 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.

(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 standalone 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 (OCI). They are included in actuarial loss on defined plan liability in the statement of changes in equity and in the balance sheet.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(s) Employee benefits (Contd..)

(iii) Post-employment benefits (Contd..)

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

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds and employee state insurance corporation (ESIC) as per local regulations. The 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 the statement of profit and 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.

(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.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(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.

(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 statement of cash flows are prepared using the Indirect method, whereby profit / loss 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 Company are segregated.

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.

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.

(x) Onerous contract

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

(y) Interests in Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When an entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

Transactions with the Joint operation by Company are recognized in the financial statements only to the extent of other parties' interests in the joint operation.

(z) Change in significant accounting policies

The Company has applied Ind AS 116, which replaces Ind AS 17 Leases and the related interpretations from 1 April 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information throughout these financial statements has not been restated to refelect the requirements of the new standard and continues to be reported under Ind AS 17 Leases.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(z) Change in significant accounting policies (Contd..)

Effective April 1, 2019, the Company has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on April 1, 2019 using the modified retrospective method and the impact to retained earnings is amounted to INR 149.79 lakhs. Accordingly, the comparatives have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 2,271.20 lakhs and the corresponding lease liability of INR 2,420.99 lakhs. The effect of this adoption on the profit for the year and earning per share has not been significant.

(aa) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

(ab) 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 in the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

3 Property, plant and equipment

(Currency: Indian rupees in lakhs)

Particulars	Office building	Store building	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation	Total	Capital work-in- progress
Year ended 31 March 2019									
Gross carrying amount									
Balance at 1 April 2018	206.77	1,512.98	46,454.22	908.53	3,451.11	1,558.90	236.70	54,329.21	12.18
Exchange differences	–	–	87.29	0.07	64.20	1.23	–	152.79	0.19
Additions	14.00	5,386.78	9,544.26	81.42	169.88	389.10	42.87	15,628.31	319.59
Disposals	–	–	(1,002.06)	–	(96.43)	(0.43)	–	(1,098.92)	(12.37)
Balance as at 31 March 2019 (gross carrying amount)	**220.77**	**6,899.76**	**55,083.71**	**990.02**	**3,588.76**	**1,948.80**	**279.57**	**69,011.39**	**319.59**
Accumulated depreciation									
Opening accumulated depreciation	11.29	387.70	11,075.23	170.22	990.11	698.57	48.40	13,381.52	–
Depreciation for the year	3.78	499.65	5,950.47	125.19	492.31	400.57	31.09	7,503.06	–
On disposals	–	–	(731.17)	–	(70.15)	(0.41)	–	(801.73)	–
Exchange differences	–	–	7.30	(0.09)	13.51	0.02	–	20.74	–
Balance as at 31 March 2019 (accumulated depreciation)	**15.07**	**887.35**	**16,301.83**	**295.32**	**1,425.78**	**1,098.75**	**79.49**	**20,103.59**	**-**
Net carrying amount	205.70	6,012.41	38,781.88	694.70	2,162.98	850.05	200.08	48,907.80	319.59
Year ended 31 March 2020									
Gross carrying amount									
Balance at 1 April 2019	220.77	6,899.76	55,083.71	990.02	3,588.76	1,948.80	279.57	69,011.39	319.59
Exchange differences	–	(15.51)	(263.46)	(1.12)	(164.65)	(4.98)	–	(449.72)	–
Additions	–	5,284.82	11,379.04	–	161.08	288.07	19.02	17,132.03	1,043.53
Disposals	–	–	(1,467.22)	–	(100.38)	–	–	(1,567.60)	(308.95)
Balance as at 31 March 2020 (gross carrying amount)	**220.77**	**12,169.07**	**64,732.07**	**988.90**	**3,484.81**	**2,231.89**	**298.59**	**84,126.10**	**1,054.17**
Accumulated depreciation									
Opening accumulated depreciation	15.07	887.35	16,301.83	295.32	1,425.78	1,098.75	79.49	20,103.59	–
Depreciation for the year	3.98	2,344.82	6,752.89	130.37	420.24	424.28	31.47	10,108.05	–
On disposals	–	–	(1,277.81)	–	(77.75)	–	–	(1,355.56)	–
Exchange differences	–	(2.81)	(145.36)	(0.59)	(94.61)	(2.85)	–	(246.22)	–
Balance as at 31 March 2020 (accumulated depreciation)	**19.05**	**3,229.36**	**21,631.55**	**425.10**	**1,673.66**	**1,520.18**	**110.96**	**28,609.86**	**-**
Net carrying amount	**201.72**	**8,939.71**	**43,100.52**	**563.80**	**1,811.15**	**711.71**	**187.63**	**55,516.24**	**1,054.17**

For property, plant and equipment secured against borrowings, refer note 13 (a) and 13 (b) of the standalone financial statements.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

4 Investment properties (at cost)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Cost or deemed cost (gross carrying amount)		
Opening gross carrying amount / deemed cost	82.13	82.13
Additions	–	–
Balance as at 31 March (gross carrying amount)	**82.13**	**82.13**
Accumulated depreciation		
Opening accumulated depreciation	–	–
Depreciation for the year	–	–
Balance as at 31 March (accumulated depreciation)	**–**	**–**
Net carrying amount	**82.13**	**82.13**

Fair value

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Investment properties	1,692.90	1,443.02

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 Financial Statements (Contd..)

as at 31 March 2020

5 (a) Intangible assets

(Currency: Indian rupees in lakhs)

Particulars	Computer software
Year ended 31 March 2019	
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2018	1,533.94
Additions	17.11
Balance as at 31 March 2019 (gross carrying amount)	**1,551.05**
Accumulated depreciation	
Opening accumulated amortisation	357.57
Amortisation for the year	309.95
Balance as at 31 March 2019 (accumulated amortisation)	**667.52**
Net carrying amount	883.53
Year ended 31 March 2020	
Gross carrying amount	
Balance at 1 April 2019	**1,551.05**
Additions	32.76
Balance as at 31 March 2020 (gross carrying amount)	**1,583.81**
Accumulated depreciation	
Opening accumulated amortisation	667.52
Amortisation for the year	265.33
Balance as at 31 March 2020 (accumulated amortisation)	**932.85**
Net carrying amount	**650.96**

5 (b) Intangible assets under development

(Currency: Indian rupees in lakhs)

Particulars	Amount
Year ended 31 March 2019	
Cost or deemed cost	
Balance at 1 April 2018	–
Additions	–
Disposals	–
Balance as at 31 March 2019	**–**
Year ended 31 March 2020	
Gross carrying amount	
Balance at 1 April 2019	**–**
Additions	12.15
Disposals	–
Balance as at 31 March 2020 (gross carrying amount)	**12.15**

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

6 Financial assets

(a) Non-current investments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Investment in equity instruments at amortised cost*		
Unquoted		
In equity shares of subsidiary companies, fully paid up		
- JMC Mining and Quarries Limited	50.00	50.00
500,000 (31 March 2019: 500,000) equity shares of INR 10/- each fully paid up		
- Brij Bhoomi Expressway Private Limited	2,275.71	2,275.71
22,757,050 (31 March 2019: 22,757,050) equity shares of INR 10/- each fully paid up		
Out of above (a) 11,606,070 (31 March 2019: 11,606,070) shares are pledged in favour of bankers of this subsidiary and, (b) 5,916,820 (31 March 2019: NIL) shares are pledged in favour of debenture trustee.		
- Wainganga Expressway Private Limited	3,030.81	3,030.81
30,000,000 (31 March 2019: 30,000,000) equity shares of INR 10/- each fully paid up		
Out of above 15,300,000 (31 March 2019: 15,300,000) shares are pledged in favour of bankers of this subsidiary.		
(Investment in equity instrument of Wainganga Expressway Private Limited includes INR 30.81 lakhs (31 March 2019: INR 30.81 lakhs) arising on initial recognition of financial gurantee, given by the company on behalf of Wainganga Expressway Private Limited, at fair value.)		
- Vindhyachal Expressway Private Limited	2,750.05	2,750.05
27,050,050 (31 March 2019: 27,050,050) equity shares of INR 10/- each fully paid up		
Out of above 13,795,500 (31 March 2019: 13,795,500) shares are pledged in favour of bankers of this subsidiary.		
(Investment in equity instrument of Vindhyachal Expressway Private Limited includes INR 45.04 lakhs (31 March 2019: INR 45.04 lakhs) arising on initial recognition of financial gurantee, given by the company on behalf of Vindhyachal Expressway Private Limited, at fair value.)		
Investments in Joint ventures*		
- Kurukshetra Expressway Private Limited	9,826.62	9,826.62
Investment in financial instrument representing subordinated debt of subsidiary companies**		
- Brij Bhoomi Expressway Private Limited	1,973.30	1,973.30
- Wainganga Expressway Private Limited	6,971.00	6,971.00
- Vindhyachal Expressway Private Limited	14,761.00	14,761.00
Total (equity instruments)	**41,638.49**	**41,638.49**
Total non-current investments	**41,638.49**	**41,638.49**
Aggregate amount of quoted investments and market value thereof	–	–
Aggregate amount of unquoted investments	41,638.49	41,638.49
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.

**As per the resolution passed by the board of directors on 7 February 2018, advance against equity of INR 23,705 lakhs which is convertible into fixed number of equity shares on mutual consent between the Company and its subsidiaries have been recorded as deemed investments.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

6 Financial assets (Contd..)

(b) Trade receivables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Trade receivables		
Debts outstanding over six months from due date of payment	22,008.18	14,102.02
Other debts includes retention money	75,959.26	79,156.70
Receivables from related parties	8,181.23	8,987.50
	106,148.67	**102,246.22**
Less: provision for expected credit loss (refer note 35 (A) (i))	(6,546.09)	(6,648.62)
Total receivables	**99,602.58**	**95,597.60**
Non current	**8,636.51**	**3,336.78**
Current	**90,966.07**	**92,260.82**

Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	106,148.67	102,246.22
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Doubtful	-	-
Total	**106,148.67**	**102,246.22**
Provision for expected credit loss	(6,546.09)	(6,648.62)
Total trade receivables	**99,602.58**	**95,597.60**

- For terms and conditions of receivables owing from related parties, refer note 32 of standalone financial statements.
- For receivables secured against borrowings, refer note 13 (b) and 35 (C) of the standalone financial statements.
- The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 35 (A) (i) and 35 (A) (iii) of the standalone financial statements.

(c) Loans

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
To related parties:				
Loans to subsidaries and Joint venture*	40,671.93	-	32,825.53	-
To parties other than related parties:				
Security deposits	4,866.92	1,248.59	2,473.94	1,129.41
Other loans and advances	5,651.43	-	-	-
Total	**51,190.28**	**1,248.59**	**35,299.47**	**1,129.41**
Expected credit loss provision for loans and advances given to JV (refer note 35 (A) (i))	(7,947.06)	-	-	-
Total loans	**43,243.22**	**1,248.59**	**35,299.47**	**1,129.41**

*Loans to subsidaries and Joint venture

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

6 Financial assets (Contd..)

(c) Loans (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
- JMC Mining and Quarries Limited	71.20	–	71.20	–
- Brij Bhoomi Expressway Private Limited	3,346.74	–	3,081.74	–
- Wainganga Expressway Private Limited	9,177.10	–	7,233.31	–
- Vindhyachal Expressway Private Limited	8,134.85	–	6,141.85	–
- Kurukshetra Expressway Private Limited	19,942.04	–	16,297.43	–
Total	**40,671.93**	**–**	**32,825.53**	**–**
Expected credit loss provision for loans and advances given to JV (refer note 35 (A) (i))	(7,947.06)	–	–	–
Total	**32,724.87**	**–**	**32,825.53**	**–**

Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Loans receivables considered good – secured	–	–	–	–
Loans receivables considered good – unsecured	51,190.28	1,248.59	35,299.47	1,129.41
Loans receivables which have significant increase in credit risk	–	–	–	–
Loans receivables – credit impaired	–	–	–	–
Doubtful	–	–	–	–
Total	**51,190.28**	**1,248.59**	**35,299.47**	**1,129.41**
Expected credit loss provision for loans and advances given to JV (refer note 35 (A) (i))	(7,947.06)	–	–	–
Total loans	**43,243.22**	**1,248.59**	**35,299.47**	**1,129.41**

(d) Cash and cash equivalents

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	4,519.89	7,543.12
- in demand deposits (with less than 3 months of original maturity)	–	111.95
Cash on hand	48.38	36.68
Total cash and cash equivalents	**4,568.27**	**7,691.75**

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

6 Financial assets (Contd..)

Bank balances other than above

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Bank balances other than above		
- Unpaid dividend accounts	8.83	8.53
Bank deposits (original maturity more than 3 months but less than 12 months)	805.84	–
Total bank balances other than above	**814.67**	**8.53**

(e) Other financial assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Accrued interest on fixed deposits	462.40	41.37	78.02	–
Bank deposits (original maturity more than 12 months)	4,200.15	772.79	2,483.51	916.71
Total other financial assets	**4,662.55**	**814.16**	**2,561.53**	**916.71**

7 Deferred tax asset (net)

(Currency: Indian rupees in lakhs)

Particulars	1 April 2019	Recognised in the statement of profit or loss	Recognised in OCI	Other	31 March 2020
Deferred tax (liabilities)/ assets in relation to:					
Property, plant and equipment	262.69	(179.23)	–	–	83.46
Expenses deductible/ Income taxable in other accounting period	992.06	(499.66)	–	–	492.40
Provision for expected credit loss on trade receivables, retention and accrued value of work done	2,323.30	(234.76)	–	–	2,088.54
Impact of lease accounting (As per IND As 116)	–	37.70	–	–	37.70
Provision for expected credit loss for loans and advances given to JV	–	2,000.12	–	–	2,000.12
Related to employee benefits	–	(44.41)	44.41	–	–
Fair value of financial assets and liabilities through profit and loss account	47.80	–	–	(4.04)	43.76
Tax assets	**3,625.85**	**1,079.76**	**44.41**	**(4.04)**	**4,745.98**

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

7 Deferred tax asset (net) (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	1 April 2018	Recognised in the statement of profit or loss	Recognised in OCI	Other	31 March 2019
Deferred tax (liabilities)/ assets in relation to:					
Property, plant and equipment	101.61	161.08	–	–	262.69
Expenses deductible/ Income taxable in other accounting period	1,017.92	(25.86)	–	–	992.06
Provision for expected credit loss on trade receivables, retention and accrued value of work done	2,292.43	30.87	–	–	2,323.30
Related to employee benefits	–	(8.26)	8.26	–	–
Fair value of financial assets and liabilities through profit and loss account	105.66	(105.66)	–	47.80	47.80
Tax assets	**3,517.62**	**52.17**	**8.26**	**47.80**	**3,625.85**

8 Other non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Capital advances	140.73	151.14
Prepaid expenses	272.74	313.18
Total other non-current assets	**413.47**	**464.32**

9 Inventories

(at lower of cost or net realisable value)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Construction material	22,673.90	22,548.55
Spares, tools and stores	1,447.04	2,257.36
Total inventories	**24,120.94**	**24,805.91**

10 Current tax assets (net)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Advance income tax (net of provision for tax INR 13,409.15 lakhs (31 March 2019 : INR 12,185.19 lakhs))	1,723.68	1,374.32
Total current tax assets (net)	**1,723.68**	**1,374.32**

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

11 Other current assets

(unsecured and considered good)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Amount due from customers on construction contract (refer note 39)	37,385.24	32,349.59
Accrued value of work done (net of advances) (refer note 39)	71,249.47	67,600.81
Advance to suppliers	14,401.71	16,947.21
Advance GST / VAT / entry tax (net)	12,963.03	12,673.46
Prepaid expenses	645.45	887.78
Advances to employees	189.53	160.42
Cenvat credit receivable	2.61	2.62
	136,837.04	**130,621.89**
Less : Provision for expected credit loss on accrued value of work done (refer note 35 (A) (i))	(1,752.32)	(1,607.14)
Total other current assets	**135,084.72**	**129,014.75**

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
As at 1 April 2018	350.00	3,500.00
Increase during the year	–	–
As at 31 March 2019*	1,750.00	3,500.00
Increase during the year	–	–
As at 31 March 2020	**1,750.00**	**3,500.00**

(i) Movements in equity share capital

(Currency: Indian rupees in lakhs)

Particulars	Number of shares (in lakh)	Equity share capital (par value)
As at 1 April 2018	335.81	3,358.10
Increase during the year	–	–
As at 31 March 2019*	1,679.05	3,358.10
Increase during the year	–	–
As at 31 March 2020	**1,679.05**	**3,358.10**

*During the previous year, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from INR 10/- each to INR 2/- each. The Record date for the said sub-division was kept on 5 October 2018. Consequently, the Company has issued total 167,905,170 equity shares of INR 2/- each in lieu of 33,581,034 equity shares of INR 10/- each.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

12 Equity share capital and other equity (Contd..)

(a) Equity share capital (Contd..)

Terms and rights attached to equity shares :

The Company has only one class of equity shares having par value of INR 2/- per share (31 March 2019: INR 2/- 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 2020	31 March 2019
Kalpataru Power Transmission Limited*	2,261.94	2,256.29

*Kalpataru Power Transmission Ltd. (KPTL) has notified acquisition of Company's shares in March, 2020 under SEBI (PIT) Reg., 2015 and the Company has also informed the same to Stock Exchanges. Such acquisition has increased KPTL's holding to 113,757,395 Equity Shares (67.75%) as on 31 March 2020. However, as per data of Beneficial Owner (BO) received from the Depositories, KPTL's shareholding as at 31 March 2020 is reflected as 113,096,956 Equity Shares (i.e. 67.36%). The shareholding mentioned in these financial statement is as per BO Data received from the Depositories.

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

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Equity shares of INR 2/- each fully paid*				
Kalpataru Power Transmission Limited, the Holding Company**	1,130.97	67.36%	1,128.15	67.19%
HDFC Trustee Company Limited	153.78	9.16%	150.90	8.99%
Kotak Small Cap Fund	90.68	5.40%	66.42	3.96%

*During the previous year, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from INR 10/- each to INR 2/- each. The Record date for the said sub-division was kept on 5 October 2018. Consequently, the Company has issued total 167,905,170 equity shares of INR 2/- each in lieu of 33,581,034 equity shares of INR 10/- each.

**Kalpataru Power Transmission Ltd. (KPTL) has notified acquisition of Company's shares in March, 2020 under SEBI (PIT) Reg., 2015 and the Company has also informed the same to Stock Exchanges. Such acquisition has increased KPTL's holding to 113,757,395 Equity Shares (67.75%) as on 31 March 2020. However, as per data of Beneficial Owner (BO) received from the Depositories, KPTL's shareholding as at 31 March 2020 is reflected as 113,096,956 Equity Shares (i.e. 67.36%). The shareholding mentioned in these financial statement is as per BO Data received from the Depositories.

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

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020 Number of shares (in lakhs)	31 March 2019 Number of shares (in lakhs)
Aggregate number of shares issued for consideration other than cash	-	-

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

12 Equity share capital and other equity (Contd..)

(b) Reserves and surplus

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Securities premium	35,332.22	35,332.22
Debenture redemption reserve	768.45	541.89
Retained earnings	52,131.85	47,919.69
General reserves	5,315.38	5,090.38
Total reserves and surplus	**93,547.90**	**88,884.18**

(i) Securities premium

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	35,332.22	35,332.22
Increase during the year	–	–
Closing balance	**35,332.22**	**35,332.22**

(ii) Debenture redemption reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	541.89	–
Transfer from profit and loss account (surplus)	226.56	541.89
Closing balance	**768.45**	**541.89**

(iii) Retained earnings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	47,919.69	35,257.94
Net profit for the year	7,895.60	14,213.10
Items of other comprehensive income		
- Remeasurements of post-employment benefit obligation, net of tax	(160.47)	(24.06)
- Exchange differences of foreign operations, net of tax	(1,504.69)	544.44
Ind AS 115 – reversal of discounting of receivable and payable	–	(90.33)
Ind AS 116 – Lease Accounting Impact	(149.79)	–
Transfer to general reserve	(225.00)	(225.00)
Transfer to debenture redemption reserve	(226.56)	(541.89)
Dividends paid (including tax thereon)	(1,416.93)	(1,214.51)
Closing balance	**52,131.85**	**47,919.69**

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

12 Equity share capital and other equity (Contd..)

(b) Reserves and surplus (Contd..)

(iv) General reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	5,090.38	4,865.38
Transfer from profit and loss account (surplus)	225.00	225.00
Closing balance	**5,315.38**	**5,090.38**

Nature and purpose of reserves

(i) Securities premium

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 under the provisions of the Companies Act, 2013 and rules framed thereunder, which is available for payment of dividend for the purpose of redemption of debentures.

(iii) General reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(c) Other reserves

(Currency: Indian rupees in lakhs)

Particulars	Amount
As at 1 April 2018	85.49
Increase during the year	–
As at 31 March 2019	85.49
Increase during the year	–
As at 31 March 2020	**85.49**

Nature and purpose of 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 Financial Statements (Contd..)

as at 31 March 2020

13 Financial liabilities

(a) Non-current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2020 Non-current	31 March 2020 Current	31 March 2019 Non-current	31 March 2019 Current
Secured							
Debentures							
1,500, 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of INR 1,000,000/- each.		Please refer note 13 (a) 1	9.95%	14,965.76	874.39	14,937.62	883.23
Term loans from banks							
Rupee loan							
- from banks		Please refer note 13 (a) 2		15,702.91	4,333.73	11,805.14	2,795.20
- from NBFC		Please refer note 13 (a) 3		7,407.54	4,682.80	8,725.90	4,400.58
Vehicle / equipment loans		Please refer note 13 (a) 4	9.40% to 10.75%	52.16	53.52	85.40	65.82
				38,128.37	**9,944.44**	**35,554.06**	**8,144.83**
Unsecured							
Debentures							
1,000, 10.55%, Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of INR 1,000,000/- each.		Please refer note 13 (a) 1	10.55%	9,955.26	176.52	–	–
Term loans							
Rupee loan							
- from banks	30-Oct-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.	1,508.54	1,929.12	3,488.89	2,588.61
- from NBFC		Please refer note 13 (a) 3		100.53	74.52	–	–
				11,564.33	**2,180.16**	3,488.89	2,588.61
Amount disclosed under the head "Other current financial liabilities"							
Current maturities of long-term debt (included in note 13 (c))				–	(11,061.92)	–	(9,841.49)
Interest accrued (included in note 13 (c))				–	(1,062.68)	–	(891.95)
				–	(12,124.60)	–	(10,733.44)
Total non-current borrowings				**49,692.70**	**–**	**39,042.95**	**–**

As per RBI Notification having reference RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the Company has availed the benefit of moratorium on payment of unpaid installments for the month of March 2020.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

1 Debentures

1,500, 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs)

(a) 1,500, 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of INR 1,000,000/- (Rupees Ten Lakh Only) each, for an aggregate nominal value of INR 15,000 lakhs divided in Series I Debentures (300 Nos.), Series II Debentures (450 Nos.) and Series III Debentures (750 Nos.) on private placement basis. The said NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

Due date and amount for the repayment of principal of Non-Convertible Debentures (NCDs) is as follows :

(Currency: Indian rupees in lakhs)

Particulars	(₹ in Lakhs)	Date
- 9.95% Series III NCDs issued on August 28, 2018	7,500	August 28, 2023
- 9.95% Series II NCDs issued on August 28, 2018	4,500	August 27, 2022
- 9.95% Series I NCDs issued on August 28, 2018	3,000	August 27, 2021

(b) Interest on debentures is payable anually @ 9.95%. Accrued interest upto 31 March 2020 is INR 884.90 lakhs (31 March 2019 is INR 883.23 lakhs) and the same is due on 28 August 2020.

(c) Unamortised cost related to debenture of INR 44.75 lakhs (31 March 2019 is INR 62.38 lakhs) has been reduced from the borrowings.

(d) NCDs secured against 5,916,820 equity shares constituting 26% of the paid up equity capital of Brij Bhoomi Expressway Private Limited (refer note: 6(a))

1,000, 10.55%, Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs)

(a) 1,000, 10.55% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of INR 1,000,000/- (Rupees Ten Lakh Only) each, for an aggregate nominal value of INR 10,000 lakhs on private placement basis. The said NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

Due date and amount for the repayment of principal of Non-Convertible Debentures (NCDs) is as follows :

(Currency: Indian rupees in lakhs)

Particulars	(₹ in Lakhs)	Date
- 10.55% NCDs issued on October 23, 2019	10,000	October 21, 2022

(b) Interest on debentures is payable quarterly @ 10.55%. Accrued interest upto 31 March 2020 is INR 198.89 lakhs (31 March 2019: INR Nil) and the same is due on 23 April 2020.

(c) Unamortised cost related to debenture of INR 67.11 lakhs (31 March 2019: INR Nil lakhs) has been reduced from the borrowings.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

2 Rupee loans from banks

(i) Term loan from a bank amounting to INR 1,164.29 lakhs (31 March 2019: INR 1,829.65 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments with 30 September 2021 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 10,968.74 lakhs (31 March 2019: INR 12,487.49 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter, with 30 September 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.

(iii) Term loan from a bank amounting to INR 79.43 lakhs (31 March 2019: INR 153.80 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in July 2021 with varying interest rate linked to base rate of bank from time to time.

(iv) Term loan from a bank amounting to INR 583.26 lakhs (31 March 2019: INR 129.40 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in July 2023 with varying interest rate linked to base rate of bank from time to time.

(v) Term loan from a bank amounting to INR 2,500 lakhs (31 March 2019: INR NIL) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments with 30 November 2022 as maturity date with varying interest rate linked to base rate of bank from time to time.

(vi) Term loan from a bank amounting to INR 2,500 lakhs (31 March 2019: INR NIL) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in unequal quarterly instalments with 31 March 2025 as maturity date with varying interest rate linked to base rate of bank from time to time.

(vii) Term loan from a bank amounting to INR 240.92 lakhs (31 March 2019: INR NIL) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal monthly instalments with 31 October 2023 as maturity date with varying interest rate linked to base rate of bank from time to time.

(viii) Term loan from a bank amounting to INR 2,000 lakhs (31 March 2019: INR NIL) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in equal quarterly instalments with 31 March 2024 as maturity date with varying interest rate linked to base rate of bank from time to time.

3 Rupee loans from NBFC

(i) Term loan from NBFC amounting to INR 3,060.00 lakhs (31 March 2019: INR 4,860.00 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 18 unequal quarterly instalments to be paid at the end of each financial quarter, with 31 December 2020 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

3 Rupee loans from NBFC (Contd..)

(ii) Term loan from NBFC amounting to INR 2,812.50 lakhs (31 March 2019: INR 3,750.00 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, 31 March 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(iii) Term loan from NBFC amounting to INR 6.24 lakhs (31 March 2019: INR 14.80 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 14 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(iv) Term loan from NBFC amounting to INR 156.26 lakhs (31 March 2019: INR 405.25 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment 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.

(v) Term loan from NBFC amounting to INR NIL (31 March 2019: INR 114.27 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(vi) Term loan from NBFC amounting to INR NIL (31 March 2019: INR 126.94 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(vii) Term loan from NBFC amounting to INR 1,055.34 lakhs (31 March 2019: INR 1,355.22 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 equal quarterly instalments with interest payable quarterly at varying interest rate linked to base rate of NBFC from time to time.

(viii) Term loan from NBFC amounting to INR 2,500.00 lakhs (31 March 2019: INR 2,500.00 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, 31 March 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(ix) Term loan from NBFC amounting to INR 2,500.00 lakhs (31 March 2019: INR INR NIL) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, 30 June 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(x) Term loan from NBFC amounting to INR 175.05 lakhs (31 March 2019: INR NIL) is unsecured. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

4 Vehicle / equipment loans

Loans of INR 105.68 lakhs (31 March 2019: INR 151.22 lakhs) are secured by way of charge on specific equipment 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 Standalone Financial Statements (Contd..)

as at 31 March 2020

13 Financial liabilities (Contd..)

(b) Current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2020	31 March 2019
Loans repayable on demand					
Secured					
From banks*	Roll over facility	Roll over working capital facility renewed anually	MCLR + Margin	23,136.66	26,789.00
Current borrowings				23,136.66	26,789.00

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

(a) First charge against hypothecation of stocks, work in progress, stores and spares, trade receivables, book debts, cash and cash equivalents and other current assets.

(b) Second charge on all movable Property, plan and equipments of the Company.

(c) First charge on the office premises of the Company.

(c) Other financial liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Non-current		
Security deposit accepted	21.62	24.62
Total other non-current financial liabilities	**21.62**	**24.62**
Current		
Term loans from banks and NBFCs (refer note 13 (a) 2 and 13 (a) 3)	11,008.40	9,775.67
Loan against vehicles / equipment (refer note 13 (a) 4)	53.52	65.82
Interest accrued but not due on borrowings	1,062.68	891.95
Unclaimed dividend	8.83	8.53
Unclaimed matured fixed deposits and interest thereon	3.42	3.04
Security deposits	16,666.17	15,760.97
Payables for capital goods (including dues of micro enterprises and small enterprises INR 186.44 lakhs (31 March 2019 : INR NIL)) (refer note 33)	2,831.00	3,483.91
Payable to employees (including provisions)	3,925.99	3,541.37
Total other current financial liabilities	**35,560.01**	**33,531.26**

(d) Lease liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Non-current		
Lease liabilities (refer note 40)	2,289.24	–
Total non-current lease liabilities	**2,289.24**	**–**
Current		
Lease liabilities (refer note 40)	1,603.94	–
Total current lease liabilities	**1,603.94**	**–**

Notes to the Standalone Financial Statements (Contd..)

as at 31 March 2020

13 Financial liabilities (Contd..)

(e) Trade payables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Non-current		
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,288.99	14,127.67
Total non-current trade payables	**14,288.99**	**14,127.67**
Current		
Acceptance	22,001.14	15,304.03
Total outstanding dues of micro enterprises and small enterprises (refer note 33)	3,288.10	1,168.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	90,973.81	100,749.41
Total current trade payables	**116,263.05**	**117,221.44**

14 Provisions

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020			31 March 2019		
	Current	Non-current	Total	Current	Non-current	Total
Defect liability period expenses (refer note 29)	1,459.59	1,920.74	3,380.33	135.27	2,620.95	2,756.22
Provision for onerous contracts (refer note 29)	–	–	–	14.38	–	14.38
Provision for gratuity (refer note 31)	343.36	1,660.97	2,004.33	332.30	1,352.09	1,684.39
Leave obligations (refer note 31)	277.66	816.89	1,094.55	202.97	634.13	837.10
Total provisions	**2,080.61**	**4,398.60**	**6,479.21**	**684.92**	**4,607.17**	**5,292.09**

15 Other liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020			31 March 2019		
	Current	Non-current	Total	Current	Non-current	Total
Amount due to customers under construction contracts (refer note 39)	16,046.88	–	16,046.88	6,910.97	–	6,910.97
Advance from clients	30,797.19	28,786.60	59,583.79	17,015.19	39,170.61	56,185.80
Deferred guarantee commission	8.83	23.57	32.40	9.70	32.63	42.33
Other statutory liabilities*	1,570.87	–	1,570.87	2,443.50	–	2,443.50
Other current liabilities	210.74	–	210.74	375.23	–	375.23
Book overdrafts with bank	–	–	–	7.06	–	7.06
Total	**48,634.51**	**28,810.17**	**77,444.68**	**26,761.65**	**39,203.24**	**65,964.89**

*The Company has availed the extension of due date granted for the payment of Goods and Service tax, Income-tax and Profession tax dues for the month of March 2020.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

16 Revenue from operations

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Contract revenue	358,133.61	277,100.87
Accrued value of work done (uncertified bills)	13,169.40	48,184.75
Total revenue from continuing operations	**371,303.01**	**325,285.62**

17 Other income

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Interest income		
- from fixed deposits	337.05	900.35
- from others	1,668.72	1,044.50
Other non operating income		
- Rent income	617.53	472.80
- Liabilities written back	94.18	50.55
- Guarantee commission	9.93	10.45
Other gains and losses		
- Net gain on sale of Property, plant and equipment	16.35	-
Total other income	**2,743.76**	**2,478.65**

18 Cost of materials consumed

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Raw materials at the beginning of the year	22,548.55	17,759.10
Add: Purchases during the year	177,801.72	148,605.43
Less: Scrap sales made during the year	(2,340.03)	(2,129.03)
Less: Raw material at the end of the year	(22,673.90)	(22,548.55)
Total cost of materials consumed	**175,336.34**	**141,686.95**

19 Employee benefit expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Salaries, wages and bonus	30,978.99	26,560.67
Contribution to provident fund and other statutory fund	2,031.21	2,207.15
Staff welfare expenses	1,631.64	1,487.69
Total employee benefit expense	**34,641.84**	**30,255.51**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

20 Depreciation and amortisation expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (refer note 3)	10,108.05	7,503.06
Depreciation of right-of-use asset (refer note 40)	1,360.56	–
Amortisation of intangible assets (refer note 5(a))	265.33	309.95
Total depreciation and amortisation expense	**11,733.94**	**7,813.01**

21 (a) Construction expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Work charges	56,329.95	60,760.29
Composite work charges	19,064.34	18,222.00
Consumption of spares, tools and stores	1,961.12	2,241.03
Machinery – running and maintenance expenses	5,927.52	5,566.22
Electricity charges	2,439.83	2,030.00
Rent and hire charges	7,772.70	7,314.32
Security expenses	2,164.56	1,944.56
Site expenses	10,543.70	10,749.89
Provision for onerous contracts (refer note 29)	(14.38)	(38.94)
Defect liability period expenses (refer note 29)	(17.37)	93.19
Total construction expense	**106,171.97**	**108,882.56**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

21 (b) Other expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Building and general repairs	91.96	137.32
Vehicle maintenance charges	200.30	200.90
Travelling expenses	1,729.32	1,689.55
Conveyance expenses	96.06	100.52
Insurance charges	774.79	730.36
Printing and stationery expenses	251.72	267.82
Office rent	601.75	1,132.78
Office expenses	358.66	289.73
Postage and telephone charges	271.41	316.41
Professional and legal charges	1,884.08	1,903.99
Auditor's remuneration (refer note 21 (b) (i) below)	103.01	92.51
Rates and taxes	3,899.88	2,437.13
Advertisement expenses	10.58	38.31
Computer and IT expenses	768.99	842.90
Bank commission and charges	2,115.29	1,638.83
Training expenses	42.33	64.13
Loss on assets lost / sold	114.07	199.81
Exchange rate variation expense	(3,592.03)	(2,742.67)
Sitting fees and commission to non-executive directors	91.75	116.00
Provision for expected credit loss	2,139.82	393.64
Provision for expected credit loss on accrued value of work done	145.18	387.00
Contribution to political party	500.00	–
Corporate social responsibility expenditure (refer note 21 (b) (ii) below)	180.37	97.46
Sundry expenses	1,238.09	433.40
Total other expenses	**14,017.38**	**10,767.83**

(i) Details of payments to auditor's (excluding taxes)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Payment to auditor's		
As auditor:		
Audit fee	82.00	55.00
In other capacities		
Certification fees	17.10	31.90
Re-imbursement of expenses	3.91	5.61
Total payments to auditors	**103.01**	**92.51**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

21 (b) Other expenses (Contd..)

(ii) Corporate social responsibility expenditure

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
A. Gross amount required to be spent by the Company	180.24	91.53
B. Amount spent during the year on:		
(i) Construction/acquisition of any assets	–	–
(ii) On purpose other than (i) above	180.37	97.46
C. Related party transactions in relation to Corporate Social Responsibility	–	–

22 Finance costs

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss	12,151.25	9,378.53
Other borrowing costs, net	346.20	(246.31)
Exchange differences regarded as an adjustment to borrowing costs	19.53	374.22
Interest on unwinding of discount	–	–
Total finance costs	**12,516.98**	**9,506.44**

23 Estimation of uncertainties relating to the global health pandemic – COVID-19:

The Company has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

24 Income tax expense

(a) Amounts recognised in the standalone statement of profit and loss :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Income tax expense		
Current tax		
Current tax on profits for the year	4,865.42	4,691.04
Total current tax expense	**4,865.42**	**4,691.04**
Deferred tax		
(Increase) in deferred tax assets	(1,079.76)	(52.17)
Total deferred tax expense	**(1,079.76)**	**(52.17)**
Income tax expense	3,785.66	4,638.87
Income tax expense is attributable to:		
Profit from continuing operations	3,785.66	4,638.87
	3,785.66	**4,638.87**

(b) Amounts recognised in other comprehensive income (OCI) :

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit liability/(asset)	(204.88)	44.41	(160.47)	(32.32)	8.26	(24.06)
Exchange difference in translating foreign operations	(1,921.11)	416.42	(1,504.69)	731.33	(186.89)	544.44
	(2,125.99)	**460.83**	**(1,665.16)**	**699.01**	**(178.63)**	**520.38**

(c) Reconciliation of income tax expenses with the accounting profit :

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2020 Amount	For the year ended 31 March 2019 Amount
Profit before tax	11,681.26	18,851.97
Tax using the Company's domestic tax rate (Current Year Tax Rate 25.168 % / Previous Year Tax Rate 34.94 %) :	2,939.94	6,586.88
Tax effect of adjustment to reconcile reported income tax expenses		
Income exempt-share of profit/loss on investment in JV	57.53	30.83
Profit allowance claimed u/s 80IA of the Income-tax Act, 1961	–	(1,721.25)
Reinstatement of deferred tax assets at prevailing rate	1,014.08	–
Others	(225.89)	(257.59)
Income tax expenses recognised in the standalone statement of profit and loss	**3,785.66**	**4,638.87**

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act , 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised tax expenses for the year ended and re-measured its deferred tax assets basis the rate prescribed in the said section.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

25 Contingent liabilities in respect of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
A. Bank guarantees	2.50	1.50
B. Guarantees given in respect of performance of contracts of subsidiaries, joint ventures and unincorporated joint ventures in which Company is one of the member / holder of substantial equity	52,163.75	40,227.36
C. Guarantee given in favour of a subsidiary for loan obtained by them	2,768.00	2,768.00
D. Claims against the Company not acknowledged as debts	1,402.62	896.01
E. Show cause notice issued by service tax authorities	5,586.45	5,571.23
F. Trichy madurai road project royalty matter	39.87	39.87
G. Disputed income-tax demand in appeal before appellate authorities	1,215.14	797.05
H. Disputed income-tax demand of joint ventures in appeal before appellate authorities	144.90	144.90
I. Disputed VAT demand in appeal before appellate authorities	2,797.61	3,067.14

Note:

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

26 The management is of the opinion that as on the date of balance sheet, 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.

27 Capital and other commitments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,732.86	3,225.59

28 In the managment opinion, 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 standalone financial statements.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

29 The disclosure in respect of provisions is as under :

(Currency: Indian rupees in lakhs)

Particulars	Defect liability period	Onerous contracts
Balance at 1 April 2018	2,663.03	53.32
Additions during the year	762.22	168.84
Utilisation during the year	(326.29)	–
Reversal (withdrawn as no longer required)	(342.74)	(207.78)
As at 31 March 2019	**2,756.22**	**14.38**
Additions during the year	2,179.02	115.19
Utilisation during the year	(242.14)	–
Reversal (withdrawn as no longer required)	(681.26)	(129.57)
Discounting	(631.51)	–
As at 31 March 2020	**3,380.33**	**–**
Non-current	1,920.74	–
Current	1,459.59	–

Provision for defect liability period expense - The Company has made provision for expenses during 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 115 and Ind AS 37 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 2020	31 March 2019
i) Net profit after tax as per standalone statement of profit and loss attributable to equity shareholders (INR in lakhs)	7,895.60	14,213.10
ii) Weighted average number of equity shares used as denominator for calculating EPS (Nos.)	167,905,170	167,905,170
iii) Basic and diluted earnings per share (in INR)	4.70	8.47
iv) Face value per equity share (in INR)	2.00	2.00

*During the previous year, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from INR 10/- each to INR 2/- each. The Record date for the said sub-division was kept on 5 October 2018. Consequently, the Company has issued total 167,905,170 equity shares of INR 2/- each in lieu of 33,581,034 equity shares of INR 10/- each.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

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 1,416.23 lakhs (31 March 2019: INR 1,206.57 lakhs) for Provident Fund contributions and INR 41.85 lakhs (31 March 2019: INR 61.83 lakhs) for Superannuation contributions in the Standalone Statement of Profit and 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 standalone financial statements as at 31 March 2020.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

31 Retirement benefits (Contd..)

b. Defined benefit plan

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
i Change in benefit obligations:		
Projected benefit obligation at the beginning of the year	1,693.45	1,472.86
Service cost	271.24	248.10
Interest cost	109.63	96.69
Actuarial (gain) / loss		
- changes in demographic assumptions	–	–
- changes in financial assumptions	84.68	6.93
- experience adjustments	96.78	5.54
Benefits paid	(203.00)	(136.67)
Projected benefit obligation at the end of the year	**2,052.78**	**1,693.45**
ii Change in plan assets:		
Fair value of plan assets at the beginning of the year	9.07	41.91
Expected return on plan assets	2.81	3.67
Employer's contribution	263.00	120.00
Benefit paid	(203.00)	(136.67)
Actuarial gain / (loss)	(23.43)	(19.84)
Fair value of plan assets at the end of the year	**48.45**	**9.07**
iii Net gratuity cost for the year ended		
Service cost	271.24	248.10
Interest of defined benefit obligation	109.63	96.69
Expected return on plan assets	(2.81)	(3.67)
Net actuarial loss recognised in the year	204.89	32.32
Net gratuity cost	582.95	373.44
Actual return on plan assets	**(20.62)**	**(16.17)**
iv Amount recognised in the standalone balance sheet:		
Liability at the end of the year	2,052.78	1,693.45
Fair value of plan assets at the end of the year	48.45	9.07
Amount recognised in standalone balance sheet	**2,004.33**	**1,684.38**
v Assumptions used in accounting for the gratuity plan:		
Discount rate	6.20%	7.20%
Salary escalation rate	6.00%	6.00%
Expected rate of return on plan assets	6.20%	7.20%
Attrition rate	17.00%	17.00%

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

31 Retirement benefits (Contd..)

b. Defined benefit plan (Contd..)

Employee benefits

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Net defined benefit liability - gratuity	2,004.33	1,684.39
Total employee benefit liability	**2,004.33**	**1,684.39**
Non- current	1,660.97	1,352.09
Current	343.36	332.30

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 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	2,009.54	2,097.94	1,659.36	1,729.02
Salary escalation rate (0.50% movement)	2,091.44	2,015.41	1,723.59	1,664.26
Attrition rate (1% movement)	2,045.02	2,060.63	1,690.71	1,696.00

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 2020	31 March 2019
Year 1	391.81	341.37
Year 2	327.28	298.27
Year 3	387.58	301.35
Year 4	405.14	366.06
Year 5	441.85	383.51
Next 5 years	1,903.65	1,728.11

c. Compensated absence

Compensated absence for employee benefits of INR 1,094.55 lakhs for the year ended 31 March 2020 (31 March 2019 : INR 837.10 lakhs) expected to be paid in exchange for the services is recognised as an expense during the year and and included in "Employee benefits expense" in the Standalone Statement of Profit and Loss. The following table provides details in relation to compensated absences.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Liability for compensated absences	1,094.55	837.10
Total employee benefit liability	**1,094.55**	**837.10**
Non- current	816.89	634.13
Current	277.66	202.97

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

32 Related party disclosure

Kalpataru Power Transmission Limited	Holding Company
Subsidiary, Fellow Subsidiary Companies	**Nature of Relationship**
JMC Mining and Quarries Limited	Subsidiary Company
Brij Bhoomi Expressway Private Limited	Subsidiary Company
Wainganga Expressway Private Limited	Subsidiary Company
Vindhyachal Expressway Private Limited	Subsidiary Company
Energylink (India) Limited	Subsidiary of Holding Company
Shree Shubham Logistics Limited	Subsidiary of Holding Company
Amber Real Estate Limited	Subsidiary of Holding Company
Adeshwar Infrabuild Limited	Subsidiary of Holding Company
Kalpataru Power Transmission Sweden AB	Subsidiary of Holding Company
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary of Holding Company
Kalpataru Power Transmission – USA, INC.	Subsidiary of Holding Company
Alipurduar Transmission Limited	Subsidiary of Holding Company
LLC Kalpataru Power Transmission Ukraine	Subsidiary of Holding Company
Kalpataru Power DMCC, UAE	Subsidiary of Holding Company
Saicharan Properties Limited	Subsidiary of Holding Company
Kalpataru Metfab Private Limited	Subsidiary of Holding Company
Kalpataru Satpura Transco Private Limited	Subsidiary of Holding Company
Punarvasu Financials Services Private Limited	Subsidiary of Holding Company
Kalpataru IBN Omairah Company Limited	Subsidiary of Holding Company
Kohima Mariani Transmission Limited	Subsidiary of Holding Company
Joint Ventures (with whom transactions have taken place during the year)	**Nature of Relationship**
Kurukshetra Expressway Private Limited	Joint Venture
Key Managerial Personnel (KMP) (with whom transactions have taken place during the year)	**Nature of Relationship**
Mr. Shailendra Tripathi	CEO & Dy. Managing Director
Mr. Manoj Tulsian (upto 14 January 2020)	Whole-time Director & CFO
Mr. D. R. Mehta	Non-Executive Director
Mr. Shailendra Raj Mehta	Non-Executive Director
Mr. Hemant Modi	Non-Executive Director
Ms. Anjali Seth	Non-Executive Director
Mr. Vardhan Dharkar (w.e.f 10 February 2020) (w.e.f 25 December 2019 – upto 9 February 2020 : as Key Managerial Personnel)	Chief Financial Officer
Enterprises over which significant influence exercised with whom company has transactions (EUSI)	**Nature of Relationship**
Kalpataru Limited	Significant influence of KMP's
Kalpataru Properties Thane Private Limited	Significant influence of KMP's
Kiyana Ventures LLP	Significant influence of KMP's
Kalpataru Urbanscape LLP	Significant influence of KMP's
Agile Real Estate Private Limited	Significant influence of KMP's
Abacus Real Estate Real Private Limited	Significant influence of KMP's
Kalpataru Retail Ventures Private Limited	Significant influence of KMP's
K C Holdings Private Limited	Significant influence of KMP's
Kalpataru Foundation	Significant influence of KMP's

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

32 Related party disclosure (Contd..)

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Subsidiary, Fellow Subsidiary Companies	Joint Ventures	KMP	EUSI
I.	**Transactions during the Year**					
1	Guarantee commission expenses	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	-
2	Other expenses	**8.85**	**-**	**-**	**-**	**65.83**
		(7.02)	-	-	-	(20.82)
3	Rent paid	**123.51**	**-**	**-**	**-**	**940.34**
		(121.49)	-	-	-	(776.39)
4	Sub-contract charges paid	**247.24**	**-**	**-**	**-**	**-**
		(1,044.13)	-	-	-	-
5	Other Income	**170.35**	**-**	**-**	**-**	**-**
		(116.03)	-	-	-	-
6	Contract revenue	**-**	**-**	**-**	**-**	**5,569.82**
		-	-	-	-	(17,570.12)
7	Guarantee commission income	**-**	**9.93**	**-**	**-**	**-**
		-	(10.45)	-	-	-
8	Managerial remuneration	**-**	**-**	**-**	**776.44**	**-**
		-	-	-	(756.98)	-
II.	**Balance as on 31 March 2020**					
1	Trade receivables#	**300.03**	**322.69**	**1.29**	**-**	**7,557.23**
		(114.47)	(346.29)	(67.19)	-	(8,459.55)
2	Liabilities at the end of the year	**1,032.67**	**-**	**-**	**271.87**	**48.98**
		(1,663.84)	-	-	(354.00)	(27.41)
3	Loans and advances given	**20.24**	**20,739.39**	**11,994.97**	**-**	**3,068.37**
		(20.24)	(16,528.11)	(16,297.42)	-	(438.37)
4	Advance taken from clients^	**-**	**3,644.11**	**-**	**-**	**1,141.85**
		-	(3,644.11)	-	-	(2,275.37)
5	Investments	**-**	**31,811.85**	**9,826.62**	**-**	**-**
		-	(31,811.85)	(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 equivalent to those that prevail in arm's length transactions. For year ended 31 March 2020, the company has not recorded any specific impairment of receivables relating to the amounts owned by related parties (31 March 2019: 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 oustanding with the related parties are unsecured.

Figures shown in brackets represent corresponding amounts of previous year.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

32 Related party disclosure (Contd..)

Key management personnel compensation comprised the following:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Short-term employee benefits	455.58	362.08
Post-employment benefits	36.24	28.90
Sitting fee	12.75	12.00
Commission	271.87	354.00
Total	**776.44**	**756.98**

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 Micro and small enterprises

The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Principal amount and interest due thereon remaining unpaid to supplier at the end of the accounting year (refer note 13 (c) and 13 (e))	3,474.54	1,168.00
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 each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year, and	47.91	62.70
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

34 Information as required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, and section 186(4) of the Companies Act 2013 with regard to Loans to Subsidiaries which are without interest and having no repayment schedule are as under:

(Currency: Indian rupees in lakhs)

Subsidiary Companies	As at 31 March 2020	Maximum balance during the year	As at 31 March 2019	Maximum balance during the year
1 Brijbhoomi Expressway Private Limited	3,346.74	3,346.74	3,081.74	3,381.74
2 Wainganga Expressway Private Limited	9,177.10	9,177.10	7,233.31	7,233.31
3 Vindhyachal Expressway Private Limited	8,134.85	8,134.85	6,141.85	6,141.85
4 JMC Mining and Quarries Limited	71.20	71.20	71.20	71.20

Note :

1 For details of Investment made by the Company refer note : 6 (a). For details of gurantees given refer note : 25.

2 All loans given and guarantees provided are for the purposes of the business.

35 Financial instruments – Fair values and risk management

A. Risk management framework

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and market 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.

The Company has exposure to the following risks arising from financials instruments :

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk (including currency and interest rate risk)

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty 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 provision for expected credit loss and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

In assessing the recoverability of receivables and other financial assets, the Company has considered internal and external information upto the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments - Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(i) Credit risk (Contd..)

Trade 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 (including retention money) is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	
	31 March 2020	31 March 2019
Neither past due nor impaired	26,747.56	2,656.11
Past due but not impaired		
Upto 180 days	38,460.72	59,557.72
From 181 days to 1 year	16,800.81	25,797.41
From 1 year to 2 years	14,929.89	7,501.87
From 2 year to 3 years	3,964.66	2,292.34
Above 3 years	5,245.03	4,440.77
	106,148.67	**102,246.22**

Expected credit loss assessment for customers as at the reporting date

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 31 March 2020 mainly due to time value of money.

On the above basis, the Company estimates the following provision matrix at the reporting date on:

(a) Trade receivables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
	Default rate	Default rate
Upto 180 days	1.04%	0.21%
From 181 days to 1 year	6.90%	5.03%
From 1 year to 2 years	13.97%	16.56%
From 2 year to 3 years	43.45%	64.05%
Above 3 years	100.00%	100.00%

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(i) Credit risk (Contd..)

(b) Retention debtors

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020 Default rate	31 March 2019 Default rate
From 1 year to 2 years	6.24%	6.24%
From 2 year to 3 years	12.04%	12.04%
Above 3 years	19.31%	19.31%

Accrued value of work done

As at 31 March 2020 and 31 March 2019, the Company has accrued value of work done and amounts due on account of construction contracts. The Company has recognised a provision of INR 1,752.32 lakhs (31 March 2019: INR 1,607.14 lakhs). Apart from the provision recognised, the Company does not perceive any credit risk pertaining to accrued value of work done and amount due on account of construction contract.

The movement in the provision for expected credit loss in respect of trade receivables (including retention money) and accrued value of work done during the year is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Trade receivables*	Accrued value of work done
Balance as at 1 April 2018	6,524.00	1,220.14
Provision recognised	393.64	387.00
Amount utilised	(269.02)	–
Balance as at 31 March 2019	6,648.62	1,607.14
Provision recognised	2,139.82	145.18
Amount utilised	(2,242.35)	–
Balance as at 31 March 2020	**6,546.09**	**1,752.32**

*Includes retention money receivable

Cash and cash equivalents

The Company held cash and cash equivalents which comprises of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Balance with banks	4,519.89	7,543.12
in demand deposits (with less than 3 months of original maturity)	–	111.95
Cash on hand	48.38	36.68
Total cash and cash equivalents	**4,568.27**	**7,691.75**

The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments - Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(i) Credit risk (Contd..)

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 2020 and 31 March 2019, the Company has issued guarantees 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 2020 and 31 March 2019. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Loans, investments in group companies

During the year ended 31 March 2020, the Company has given unsecured loans to its subsidiaries and joint venture. The Company does not perceive any credit risk pertaining to loans given to subsidiaries except on the loan given to Kurukshetra Expressway Private Limited, Joint Venture Company. As required by Indian Accounting Standard 109 "Financial Instruments", Management has performed an impairment assessment of the recoverable amount based on discounted cash flows, which have been determined by external valuation experts. The determination of the discounted cash flows involves significant management judgement and estimates on the valuation methodology and various assumptions including related to growth rates, discount rates, etc. Further, management believes that the above assessment based on value in use appropriately reflects the recoverable amount of loans. Based on this assessment and the valuation reports obtained from independent valuer, provision for expected credit loss has been recognised in the standalone statement of profit and loss amounted to INR 7,947.06 lakhs on the loans given to its joint venture.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

(ii) 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 in the form of loans from banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(ii) Liquidity risk (Contd..)

As of 31 March 2020, the Company had working capital (Total current assets – Total current liabilities) of INR 77,905.34 lakhs including cash and cash equivalents of INR 4,568.27 lakhs. These cash and cash equivalents include investments in term deposits (i.e. bank certificates of deposits having original maturities of less than 3 months) of INR NIL. As of 31 March 2019, the Company had working capital of INR 88,028.81 lakhs, including cash and cash equivalents of INR 7,691.75 lakhs. These cash and cash equivalents include investments in term deposits (i.e. bank certificates of deposits having original maturities of less than 3 months) of INR 111.95 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 maturites are essential for the understanding of the timing of the cash flows.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020					
	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	84,953.96	97,106.97	41,231.88	19,327.06	36,548.03	–
Trade payables (dues of micro enterprises and small enterprises)	3,288.10	3,288.10	3,288.10	–	–	–
Trade payables (dues of creditors other than micro enterprises and small enterprises)	127,263.94	127,263.94	112,974.95	9,515.79	4,773.20	–
Lease liabilities	3,893.18	4,326.40	1,866.79	1,491.65	967.96	–
Other financial liabilities	23,457.04	23,457.04	23,435.42	21.62	–	–

(Currency: Indian rupees in lakhs)

Particulars	31 March 2019					
	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	76,565.39	83,763.44	37,792.27	17,876.91	28,094.26	–
Trade payables (dues of micro enterprises and small enterprises)	1,168.00	1,168.00	1,168.00	–	–	–
Trade payables (dues of creditors other than micro enterprises and small enterprises)	130,181.11	130,181.11	116,056.44	3,813.36	10,314.31	–
Other financial liabilities	22,822.44	22,822.44	22,797.82	24.62	–	–

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(iii) 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.

(a) 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, Euro, Ethiopian Birr and Sri Lankan Rupee against the respective functional currencies of the Company and its branches.

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)

Particulars	31 March 2020				31 March 2019		
	USD	EUR	ETB	LKR	USD	ETB	LKR
Trade receivables	–	–	2,011.64	66.56	–	1,700.65	706.27
Payables for Capital Goods	–	–	(0.76)	–	–	(27.71)	–
Trade payables	(614.16)	(174.65)	(1,162.02)	(157.84)	(123.22)	(1,876.84)	(117.63)
Net statement of financial position exposure	**(614.16)**	**(174.65)**	**848.86**	**(91.28)**	**(123.22)**	**(203.90)**	**588.64**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments - Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(iii) Market risk (Contd..)

(a) Currency risk (Contd..)

Sensitivity analysis

A 10% strenghtening / 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 balance sheet.

(Currency: Indian rupees in lakhs)

Effect in INR lakhs	Profit or loss	
	Strengthening	Weakening
31 March 2020		
USD	(61.42)	61.42
EUR	(17.46)	17.46
ETB	84.89	(84.89)
LKR	(9.13)	9.13
	(3.12)	**3.12**

(Currency: Indian rupees in lakhs)

Effect in INR lakhs	Profit or loss	
	Strengthening	Weakening
31 March 2019		
USD	(12.32)	12.32
ETB	(20.39)	20.39
LKR	58.86	(58.86)
	26.15	**(26.15)**

(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 13 (a) & 13 (b) of these standalone 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 Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(iii) Market risk (Contd..)

(b) Interest rate risk (Contd..)

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 year end balances are not necessarily representative of the average debt outstanding during the year.

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	**100 bp decrease**
As at 31 March 2020		
Secured		
Non-Convertible Debentures (NCDs)	(158.40)	158.40
Rupee Loans – From Banks	(200.37)	200.37
Rupee Loans – From NBFC's	(120.90)	120.90
Vehicle loans	(1.06)	1.06
Working Capital Loans Repayable on Demand from Banks	(231.37)	231.37
	(712.10)	**712.10**
Unsecured		
Non-Convertible Debentures (NCDs)	(101.32)	101.32
Rupee Loans – From Banks	(34.38)	34.38
Rupee Loans – From NBFC's	(1.75)	1.75
	(137.45)	**137.45**
Sensitivity (net)	**(849.55)**	**849.55**

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	**100 bp decrease**
As at 31 March 2019		
Secured		
Non-Convertible Debentures (NCDs)	(158.21)	158.21
Rupee Loans – From Banks	(146.00)	146.00
Rupee Loans – From NBFC's	(131.26)	131.26
Vehicle loans	(1.51)	1.51
Working Capital Loans Repayable on Demand from Banks	(267.89)	267.89
	(704.87)	**704.87**
Unsecured		
Rupee Loans – From Banks	(60.78)	60.78
Rupee Loans – From NBFC's	–	–
	(60.78)	**60.78**
Sensitivity (net)	**(765.65)**	**765.65**

(Note: The impact is indicated on the profit/loss and equity before tax basis).

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

B. Fair values

(i) 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 2020	Carrying amount of financial assets/ liabilities				Fair value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Financial assets								
(i) Investments	41,638.49	–	–	41,638.49	–	–	–	–
(ii) Trade receivables	99,602.58	–	–	99,602.58	–	–	–	–
(iii) Loans	44,491.81	–	–	44,491.81	–	–	–	–
(iv) Cash and cash equivalents	4,568.27	–	–	4,568.27	–	–	–	–
(v) Bank balances other than above	814.67	–	–	814.67	–	–	–	–
(vi) Others	5,476.71	–	–	5,476.71	–	–	–	–
	196,592.53	**–**	**–**	**196,592.53**	**–**	**–**	**–**	**–**
Financial liabilities								
(i) Borrowings	84,953.96	–	–	84,953.96	–	–	–	–
(ii) Trade payables (dues of micro enterprises and small enterprises)	3,288.10	–	–	3,288.10	–	–	–	–
(iii) Trade payables (dues of creditors other than micro enterprises and small enterprises)	127,263.94	–	–	127,263.94	–	–	–	–
(iv) Lease liabilities	3,893.18	–	–	3,893.18	–	–	–	–
(v) Other financial liabilities	23,457.04	–	–	23,457.04	–	–	–	–
	242,856.22	**–**	**–**	**242,856.22**	**–**	**–**	**–**	**–**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

B. Fair values (Contd..)

(i) Accounting classification and fair values (Contd..)

(Currency: Indian rupees in lakhs)

31 March 2019	Carrying amount of financial assets/ liabilities				Fair value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Financial assets								
(i) Investments	41,638.49	–	–	41,638.49	–	–	–	–
(ii) Trade receivables	95,597.60	–	–	95,597.60	–	–	–	–
(iii) Loans	36,428.88	–	–	36,428.88	–	–	–	–
(iv) Cash and cash equivalents	7,691.75	–	–	7,691.75	–	–	–	–
(v) Bank balances other than above	8.53	–	–	8.53	–	–	–	–
(vi) Others	3,478.24	–	–	3,478.24	–	–	–	–
	184,843.49	**–**	**–**	**184,843.49**	**–**	**–**	**–**	**–**
Financial liabilities								
(i) Borrowings	76,565.39	–	–	76,565.39	–	–	–	–
(ii) Trade payables (dues of micro enterprises and small enterprises)	1,168.00	–	–	1,168.00	–	–	–	–
(iii) Trade payables (dues of creditors other than micro enterprises and small enterprises)	130,181.11	–	–	130,181.11	–	–	–	–
(iv) Other financial liabilities	22,822.44	–	–	22,822.44	–	–	–	–
	230,736.94	**–**	**–**	**230,736.94**	**–**	**–**	**–**	**–**

(ii) 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

(Currency: Indian rupees in lakhs)

Type	Valuation technique
Retention receivables and payable	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 Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments - Fair values and risk management (Contd..)

C. Master netting

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 2020 and 31 March 2019.

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross amounts	Financial instrument collateral	Net amount
31 March 2020			
Financial assets			
(i) Investments	41,638.49	-	41,638.49
(ii) Trade receivables	99,602.58	-	99,602.58
(iii) Cash and cash equivalents	4,568.27	-	4,568.27
(iv) Bank balances other than above	814.67	-	814.67
(v) Loans	44,491.81	-	44,491.81
(vi) Others	5,476.71	-	5,476.71
Total	**196,592.53**	**-**	**196,592.53**
Financial liabilities			
(i) Borrowings	84,953.96	-	84,953.96
(ii) Trade payables (dues of micro enterprises and small enterprises)	3,288.10	-	3,288.10
(iii) Trade payables (dues of creditors other than micro enterprises and small enterprises)	127,263.94	-	127,263.94
(iv) Lease liabilities	3,893.18		3,893.18
(v) Other financial liabilities	23,457.04	-	23,457.04
Total	**242,856.22**	**-**	**242,856.22**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

35 Financial instruments – Fair values and risk management (Contd..)

C. Master netting (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross amounts	Financial instrument collateral	Net amount
31 March 2019			
Financial assets			
(i) Investments	41,638.49	–	41,638.49
(ii) Trade receivables	95,597.60	–	95,597.60
(iii) Cash and cash equivalents	7,691.75	(1,983.09)	5,708.66
(iv) Bank balances other than above	8.53	–	8.53
(v) Loans	36,428.88	–	36,428.88
(vi) Others	3,478.24	–	3,478.24
Total	**184,843.49**	**(1,983.09)**	**182,860.40**
Financial liabilities			
(i) Borrowings	76,565.39	(1,983.09)	74,582.30
(ii) Trade payables (dues of micro enterprises and small enterprises)	1,168.00	–	1,168.00
(iii) Trade payables (dues of creditors other than micro enterprises and small enterprises)	130,181.11	–	130,181.11
(iv) Other financial liabilities	22,822.44	–	22,822.44
Total	**230,736.94**	**(1,983.09)**	**228,753.85**

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 Financial Statements (Contd..)

for the year ended 31 March 2020

36 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 2020	31 March 2019
India	358,893.66	314,983.01
All foreign countries		
Ethiopia	12,400.71	9,858.29
Sri Lanka	8.64	444.32
Total	**371,303.01**	**325,285.62**

ii) Non-current assets*

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
India	101,660.59	90,202.31
All foreign countries		
Ethiopia	3,507.52	4,019.00
Sri Lanka	36.87	120.67
Total	**105,204.98**	**94,341.98**

*Non-current assets exclude trade receivables, deferred tax assets and employee benefits assets.

B. Information about major customers

Revenues from one customer of India represented approximately INR 52,703.88 lakhs (31 March 2019: INR 56,802.71 lakhs) of the Company's total revenues.

37 Loans and borrowings

Breach of loan covenants

Under the terms of the major borrowing facilities, the company is required to comply with the few financial covenants. The company has complied with these covenants throughout the year ended 31 March 2020.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

38 Proposed dividend

The Board of Directors at its meeting held on 19 May 2020 have recommended a payment of final dividend of INR 0.70/- per share (31 March 2019 : INR 0.70/- per share) of face value of INR 2.00/- each for the financial year ended 31 March 2020 (31 March 2019 : INR 2.00/- per share). The same amounts to INR 1,175.34 lakhs (31 March 2019 : INR 1,175.34 lakhs).

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

39 Disclosure as per Ind AS 115

(a) The Company undertakes Engineering, Procurement and Construction business. The type of work in the contracts with the customers involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. During the previous year the Company has recognised the cumulative effect of applying Ind AS 115 as an adjustment to the opening balance at 1 April 2018.

(b) Disaggreagtion of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Primary geographical markets		
India	358,893.66	314,983.01
Ethiopia	12,400.71	9,858.29
Sri Lanka	8.64	444.32
Total	**371,303.01**	**325,285.62**

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Receivables which are included in trade and other receivables net off provision (refer note : 35 (A) (i))	99,602.58	95,597.60
Contract assets		
- Amount due from customers on construction contract	37,385.24	32,349.59
- Accrued value of work done net off provision (refer note : 35 (A) (i))	69,497.15	65,993.67
Contract liabilities		
- Amount due to customers under construction contracts	16,046.88	6,910.97
- Advance from clients	59,583.79	56,185.80

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

39 Disclosure as per Ind AS 115 (Contd..)

(c) Contract balances (Contd..)

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amount due from customers on construction contract represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amount due to customers under construction contracts represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

Significant changes in contract asset and contract liabilities balances during the year are as follows:

(Currency: Indian rupees in lakhs)

Particulars		31 March 2020	31 March 2019
Due from contract customers:			
At the beginning of the reporting period (Para 116 (a))		32,349.59	26,377.65
Cost incurred plus attributable profits on contracts-in-progress		496,569.89	854,975.68
Progress billings made towards contracts-in-progress		(491,534.24)	(849,003.74)
Due from contract customers impaired during the reporting period (Para 118)		–	–
Significant change due to other reasons (Eg. Business acquisition etc.)		–	–
At the end of the reporting period (Para 116 (a))	(A)	37,385.24	32,349.59
Due to contract customers:			
At the beginning of the reporting period (Para 116 (a))		(6,910.97)	(8,165.18)
Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))		456,208.11	245,879.86
Progress billings made towards contracts-in-progress		(465,344.02)	(244,625.65)
Significant change due to other reasons (Para 118)		–	–
(Eg. Business acquisition etc.)			
At the end of the reporting period (Para 116 (a))	(B)	(16,046.88)	(6,910.97)
Total	**(A+B)**	**21,338.36**	**25,438.62**

As on 31 March 2020, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is INR NIL (31 March 2019 : INR NIL).

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

39 Disclosure as per Ind AS 115 (Contd..)

(d) Performamce obligation

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for construction of highways, water pipeline projects, construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

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 Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020:

(Currency: Indian rupees in lakhs)

Particulars	Mar-21	Mar-22	2023-2026	Total
Contract revenue	466,170.66	358,220.01	69,222.23	893,612.90
Total	**466,170.66**	**358,220.01**	**69,222.23**	**893,612.90**

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

39 Disclosure as per Ind AS 115 (Contd..)

(e) Reconciliation of revenue recognised in the standalone statement of profit and loss

The following table discloses the reconciliation of amount of revenue recognised as at 31 March 2020:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Contract price of the revenue recognised	371,303.01	325,285.62
Add: Performance bonus	–	–
Add: Incentives	–	–
Less: Liquidated damages	–	–
Revenue recognised in the standalone statement of profit and loss	**371,303.01**	**325,285.62**

(f) The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. Hence, during the previous year, the Company has elected the option of the modified retrospective approach and there was no material impact on the measurement of revenue and retained earnings as of 1 April 2018. The presentation of certain contract related balances have been changed in the previous year and presented the same in compliance with the requirements of Ind AS 115.

40 Disclosure as per Ind AS 116

The Company has applied Ind AS 116, which replaces Ind AS 17 Leases and the related interpretations from 1 April 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard and continues to be reported under Ind AS 17 Leases.

1. As a lessee

a. Right-of-use assets

Property, plant and equipment' comprises owned and leased assets that do not meet the definition of investment property. The rights of use asset for lease assets is recognised under the following heads

(Currency: Indian rupees in lakhs)

Particulars	Gross block				Depreciation				Net block
	Recognised on the date of Transition to Ind AS 116	Additions	Deductions	As at 31 Mar 2020	Recognised on the date of Transition to Ind AS 116	For the Year	Deductions	As at 31 Mar 2020	As at 31 Mar 2020
Office building	1,219.45	2,568.18	(698.38)	3,089.25	–	749.92	(308.40)	441.52	2,647.73
Store building	722.84	713.21	(52.90)	1,383.15	–	524.83	(25.47)	499.36	883.79
Plant and equipments	328.91	–	–	328.91	–	85.81	–	85.81	243.10
Total right-of-use assets	**2,271.20**	**3,281.39**	**(751.28)**	**4,801.31**	**–**	**1,360.56**	**(333.87)**	**1,026.69**	**3,774.62**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

40 Disclosure as per Ind AS 116 (Contd..)

1. As a lessee (Contd..)

b. Lease liabilities

(Currency: Indian rupees in lakhs)

Particulars	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows	
Less than one year	1,866.79
One to five years	2,459.61
More than five years	–
Total undiscounted lease liabilities at 31 March 2020	**4,326.40**

Lease liabilities included in the standalone balance sheet at 31 March 2020

(Currency: Indian rupees in lakhs)

Current	1,603.94
Non-current	2,289.24

c. Amounts recognised in standalone statement of profit or loss

(Currency: Indian rupees in lakhs)

Particulars	For the year 2019-2020
Interest on lease liabilities	211.08

d. Amounts recognised in the standalone statement cash flows

(Currency: Indian rupees in lakhs)

Particulars	For the year 2019-2020
Total cash outflow for leases	1,541.37

e. Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

40 Disclosure as per Ind AS 116 (Contd..)

2. Change in accounting policy

Impacts on financial statements

On transition to Ind AS 116, the company recognised INR 2,271.20 lakhs of right-of-use assets and INR 2,420.99 lakhs of lease liabilities.

When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 9%.

(Currency: Indian rupees in lakhs)

Particulars	1 April 2019
Operating lease commitment at 31 March 2019	2,895.08
Discounted using the incremental borrowing rate at 1 April 2019	(474.09)
Finance lease liabilities recognised as at 31 March 2019	**2,420.99**

41 Disclosure in respect of security created on assets of the company against borrowings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Property, plant and equipment	46,374.81	45,213.38
Inventories	24,120.94	24,805.91
Trade receivables	99,602.58	95,604.58
Cash and cash equivalents	4,568.27	7,691.75
Bank balances other than above	814.67	-
Other current assets	135,084.72	1,06,843.62
Total security created on assets	**310,565.99**	**2,80,159.24**

Notes to the Standalone Financial Statements (Contd..)

for the year ended 31 March 2020

42 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 and 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)

Particulars	31 March 2020	31 March 2019
Net debt (total borrowings including interest – cash and cash equivalents)	80,385.69	68,873.64
Total equity	96,991.49	92,327.77
Net debt to equity ratio	**0.83**	**0.75**

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
19 May 2020

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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Independent Auditors' Report

To the Members of
JMC Projects (India) Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of JMC Projects (India) Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (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 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd..)

Key Audit Matters (Contd..)

Description of Key Audit Matters

Recognition of contract revenue, margin and related receivables

See Note 16 to the consolidated financial statements

The Key audit matters	How the matter was addressed in our audit

The Group enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods.
 	
The accounting standard requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognised and measured as provisions.
 	
The Group is recognising contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on Group's estimates of the final outcome of each contract, and involves judgment, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages.
 	
We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant judgment. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations, etc, and could result in significant variance in the revenue and profit or loss from contract for the reporting period.
	Our procedures included the following:
	
	• Assessed compliance of the Group policies in respect of revenue recognition with the applicable accounting standards.
	
	• We selected a sample of contracts to test, using a risk-based criteria's which included individual contracts with:
	  – significant revenue recognised during the year;
	  – significant accrued value of work done balances held at the year-end; or
	  – low profit margins.
	
	• Obtained an understanding of Group process for analysing long term contracts, the risk associated with the contract and any key judgments.
	
	• Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence.
	
	• Verified underlying documents such as original contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation.
	
	• Evaluating the outcome of previous estimates and agreeing the actual cost after the year end to the forecasted costs for the period.
	
	• Evaluated the status of trade receivables on sample basis which are past due as at year end, the Group's on-going business relationship with customer and past payment history of the customers through inquiry with management.
	
	• Considered the adequacy of disclosures made in note 41 to the consolidated financial statements in respect of these judgments and estimates.

Independent Auditors' Report (Contd..)

Key Audit Matters (Contd..)

Description of Key Audit Matters

Income from toll collection

See Note 16 to the consolidated financial statements

The Key audit matters	How the matter was addressed in our audit
The Group is also into a business of toll collection under service concession agreement, which is complex in nature and span over a number of reporting periods. The right to collect toll is based on the number of vehicles passed from the toll assets. The process of identifying the usage charges is system driven based on the type / class of vehicles, distance etc. These are charged / billed by using complex IT software and hardware. This is a key audit matter considering the nature and volume of transaction; and reliance on information technology systems for the related automated and IT dependent controls.	In view of the significance of the matter the auditor of the subsidiary has reported the following audit procedures in this area which were applied, among others to obtain sufficient appropriate audit evidence: • Understand the process and control placed for toll collection. Tested the key controls around such processes for the operating effectiveness. • Tested Information Technology General Controls (ITGCs) which assisted the integrity of the tolling system operation, including access, operations and change management controls; • Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in the designated bank account and revenue was as per the financial statements. Further, on sample basis verified the previous images and examined the charges which were based on vehicle classification. • Verified the exemptions and other dispensations allowed, as well as analysis of data for unusual transactions and examined the same. • Performed the cut off procedures in relation to revenue to test the completeness of revenue.

Independent Auditors' Report (Contd..)

Key Audit Matters (Contd..)

Description of Key Audit Matters

Impairment Testing for Intangible Assets – Toll Collection Rights

See Note 5(a) to the consolidated financial statements

The Key audit matters	How the matter was addressed in our audit
The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain in case there is any impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions of the recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter.	In view of the significance of the matter the auditor of the subsidiary has reported the following audit procedures in this area which were applied, among others to obtain sufficient appropriate audit evidence: • Evaluating design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of Intangible Assets. • Verified the accuracy of the valuation methodology used in determining the recoverable amount. Further, evaluated the objectivity, independence and competence of specialists involved; • Verified the assumptions used for the major components of the cash flow forecasts, discount rates, cost of capital, etc.; • Assessed the key assumptions of independent valuation obtained by the Company on toll collection rights. • Evaluated the suitability of inputs and assumptions used in the cash flow forecasts by comparing the potential changes to previous year or actual performance. • Performed sensitivity analysis of key assumptions used in valuation; and • Checked the arithmetical accuracy of the valuation model.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (Contd..)

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

Independent Auditors' Report (Contd..)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Contd..)

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of Rs. 164,398 lakhs as at 31 March 2020, total revenues of Rs. 15,383 lakhs and net cash (inflows) amounting to Rs. 475 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net (loss) (and other comprehensive income) of Rs. 2,338 lakhs for the year ended 31 March 2020, in respect of joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture

Independent Auditors' Report (Contd..)

Other Matters (Contd..)

and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

b) We did not audit the financial statements of two branches and six unincorporated joint ventures whose financial statements reflect total assets of Rs. 80,252 lakhs as at 31 March 2020, total revenues of Rs. 82,419 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these branches and unincorporated joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches and unincorporated joint ventures is based solely on the audit reports of the other auditors.

Certain of these branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated 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.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, 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 financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Independent Auditors' Report (Contd..)

Report on Other Legal and Regulatory Requirements (Contd..)

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its joint venture. Refer Note 26 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 30 to the consolidated financial statements in respect of such items as it relates to the Group and its joint venture;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2020; and

iv. The disclosure in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABH7632

Mumbai
19 May 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of JMC Projects (India) Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture company 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

Annexure A to the Independent Auditors' Report – 31 March 2020 (Contd..)

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements (Contd..)

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to four subsidiary companies and one joint venture company, six unincorporated joint ventures which are incorporated in India and two overseas branches is based on the corresponding reports of the auditors of such companies incorporated in India, and the auditors of those overseas branches. Our opinion is not modified in respect of this matter.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABH7632

Mumbai
19 May 2020

Consolidated Balance Sheet

as at 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	55,652.62	49,051.96
Capital work-in-progress	3	1,054.17	319.59
Right-of-use asset	42	3,774.62	–
Investment property	4	82.13	82.13
Intangible assets	5(a)	1,59,102.12	1,63,102.88
Intangible assets under development	5(b)	420.09	407.94
Financial assets			
Trade receivables	6 (a)	8,636.51	3,336.78
Loans	6 (b)	1,299.29	1,180.08
Other financial assets	6 (d)	814.16	916.71
Deferred tax assets	7	7,259.36	5,408.59
Other non-current assets	8	413.48	464.34
Total non-current assets	**(A)**	**2,38,508.55**	**2,24,271.00**
Current assets			
Inventories	9	24,132.09	24,817.07
Financial assets			
Trade receivables	6 (a)	91,365.26	92,552.20
Cash and cash equivalents	6 (c)	5,509.14	8,157.31
Bank balances other than above	6 (c)	814.67	8.53
Loans	6 (b)	22,513.32	18,771.36
Other financial assets	6 (d)	4,662.55	2,561.53
Current tax assets (net)	10	1,890.94	1,556.09
Other current assets	11	1,35,483.17	1,29,296.67
Total current assets	**(B)**	**2,86,371.14**	**2,77,720.76**
Total assets	**(A+B)**	**5,24,879.69**	**5,01,991.76**

Consolidated Balance Sheet (Contd..)

as at 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Equity and liabilities			
Equity			
Equity share capital	12(a)	3,358.10	3,358.10
Other equity			
Reserves and surplus	12(b)	50,431.68	53,544.35
Other reserves	12(c)	86.56	86.56
Total equity	**(A)**	**53,876.34**	**56,989.01**
Liabilities			
Non – current liabilities			
Financial liabilities			
Borrowings	13(a)	1,29,552.32	1,25,098.40
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13(e)	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(e)	14,288.99	14,127.67
Lease liabilities	13(d)	2,289.24	–
Other financial liabilities	13(c)	36,437.67	35,598.43
Provisions	14	9,967.57	9,295.31
Deferred tax liabilities	7	1,413.37	1,325.80
Other non-current liabilities	15	32,552.92	42,936.93
Total non – current liabilities	**(B)**	**2,26,502.08**	**2,28,382.54**
Current liabilities			
Financial liabilities			
Borrowings	13(b)	23,136.66	26,789.00
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13(e)	3,288.55	1,168.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(e)	1,13,530.46	1,16,102.93
Lease liabilities	13(d)	1,603.94	–
Other financial liabilities	13(c)	43,751.07	39,031.10
Other current liabilities	15	49,121.43	27,194.58
Provisions	14	10,069.16	6,334.60
Total current liabilities	**(C)**	**2,44,501.27**	**2,16,620.21**
Total liabilities	**(D= B+C)**	**4,71,003.35**	**4,45,002.75**
TOTAL EQUITY AND LIABILITIES	**(A+D)**	**5,24,879.69**	**5,01,991.76**
Significant accounting policies	2		
Notes to the consolidated financial statements	3 to 44		

The accompanying notes form an integral part of these consolidated 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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Mumbai
19 May 2020

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Revenue from operations	16	3,86,631.03	3,40,722.44
Other income	17	2,788.55	2,633.77
Total income		**3,89,419.58**	**3,43,356.21**
Expenses			
Cost of materials consumed	18	1,75,336.34	1,41,686.95
Employee benefits expense	19	34,938.61	30,524.26
Construction expense	21(a)	1,09,114.41	1,12,069.36
Finance costs	22	26,083.43	23,080.37
Depreciation and amortisation expense	20	15,526.22	11,032.78
Expected credit loss provision for loans and advances given to JV	36 (A) (i)	7,947.06	-
Other expenses	21(b)	14,873.43	11,373.81
Total expenses		**3,83,819.50**	**3,29,767.53**
Profit before share of net profits of investments accounted for using equity method and tax		**5,600.08**	**13,588.68**
Share of net loss of joint venture accounted for using the equity method	25	(2,338.19)	(2,049.75)
Profit before tax		**3,261.89**	**11,538.93**
Tax expense	24(a)		
- Current tax		4,865.42	4,691.04
- Deferred tax (credit)		(1,722.74)	(815.60)
Total tax expenses		**3,142.68**	**3,875.44**
Profit for the year		**119.21**	**7,663.49**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of post-employment benefit obligations		(204.88)	(32.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss		44.41	8.26
B. Items that will be reclassified subsequently to profit or loss			
(i) Exchange differences in translating foreign operations		(1,921.11)	731.33
(ii) Income tax relating to items that will be reclassified to profit or loss		416.42	(186.89)
Other comprehensive income for the year, net of tax		**(1,665.16)**	**520.38**
Total comprehensive income for the year		**(1,545.95)**	**8,183.87**
Earnings per equity share (Face value per share INR 2 each)			
Basic earnings per share	32	0.07	4.56
Diluted earnings per share		0.07	4.56
Significant accounting policies	2		
Notes to the consolidated financial statements	3 to 44		

The accompanying notes form an integral part of these consolidated 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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Mumbai
19 May 2020

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax from continuing operations	3,261.89	11,538.93
Profit before tax	**3,261.89**	**11,538.93**
Adjustments for:		
Depreciation and amortisation expense	15,526.22	11,032.77
Finance costs	22,077.51	19,607.37
Net exchange differences	2.50	(2.46)
Loss on sale of assets	114.07	199.81
Finance income (including fair value change in financial instruments)	(2,023.21)	(1,954.84)
Rent income	(617.53)	(472.80)
Provision for expected credit loss and others including deferred guarantee commission	1,727.97	95.65
Liabilities written back	(110.70)	(79.12)
(Gain) on disposal of property, plant and equipment	(17.54)	–
Share of loss from investment in joint venture	2,338.19	2,049.75
Major maintenance expenditure	650.28	899.01
Unwinding of discounting on provisions	4,531.20	4,212.25
Expected credit loss provision for loans and advances given to JV	7,947.06	–
Operating profit before working capital adjustments	**55,407.91**	**47,126.32**
Adjustments for:		
(Increase) in trade receivables	(6,252.61)	(19,330.68)
(Increase) in long-term loans and advances	(119.21)	(427.87)
(Increase) in short-term loans and advances	(2,392.97)	(252.95)
(Increase) in other current assets	(11,495.87)	(27,187.04)
(Increase)/decrease in other non-current assets	(0.94)	1,515.18
Decrease/ (increase) in inventories	684.97	(5,576.80)
(Decrease)/increase in trade payables	(99.84)	37,881.89
(Decrease) in long-term provisions	(3,841.58)	(2,747.57)
Increase in short-term provisions	2,893.75	1,175.49
Increase in other current liabilities	24,482.21	1,525.79
(Decrease)/increase in other long-term liabilities	(11,465.88)	646.82
Cash generated from operating activities	**47,799.94**	**34,348.58**
Income taxes paid, net of refund received	78.69	(796.82)
Net cash flows from operating activities	**47,878.63**	**33,551.76**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(18,990.60)	(15,762.42)
Proceeds from sale of property, plant and equipment	532.92	–
Loans to related parties	(3,644.62)	(2,500.36)
Loans to parties other than related parties	(5,651.43)	–
Share of loss from investment in joint venture	(2,338.19)	(2,049.75)
Interest received	1,944.52	1,751.66
Deposits with banks (more than 3 months of original maturity)	(2,378.56)	(859.24)
Rent received	617.53	472.83
Net cash (used in) investing activities	**(29,908.43)**	**(18,947.28)**

Consolidated Statement of Cash Flows (Contd..)

for the year ended 31 March 2020

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Cash flows from financing activities		
Proceeds from borrowings	40,828.29	19,189.49
Repayment of borrowings	(36,411.15)	(20,383.42)
Changes in unpaid dividend accounts	0.30	0.87
Interest paid	(22,077.51)	(19,607.37)
Dividends paid to Company's shareholders (including tax thereon)	(1,416.93)	(1,214.51)
Repayment of lease liability	(1,541.37)	-
Net cash (used in) financing activities	**(20,618.37)**	**(22,014.94)**
Net (decrease) in cash and cash equivalents	**(2,648.17)**	**(7,410.46)**
Cash and cash equivalents at the beginning of the year	8,157.31	15,567.77
Cash and cash equivalents at end of the year	**5,509.14**	**8,157.31**

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)

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents (refer note 6 (c))	5,509.14	8,157.31
Bank overdrafts	-	-
Balances per Consolidated statement of cash flows	**5,509.14**	**8,157.31**

Movement in borrowings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2019	Cash Flows	Non-cash changes(Exchange rate difference)	31 March 2020
Long term borrowing (refer note 13(a))	1,40,910.97	8,072.02	-	1,48,982.99
Short term borrowings (refer note 13(b))	26,789.00	(3,654.84)	2.50	23,136.66
Total borrowings	**1,67,699.97**	**4,417.18**	**2.50**	**1,72,119.65**

The accompanying notes form an integral part of these consolidated 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
19 May 2020

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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2020

A. Equity Share Capital*

(Currency: Indian rupees in lakhs)

Particulars	Amount
As at 31 March 2018	3,358.10
Change in equity share capital during 2018–19	–
As at 31 March 2019	**3,358.10**
Change in equity share capital during 2019–20	–
As at 31 March 2020	**3,358.10**

B. Other Equity*

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company							
	Reserves and Surplus				Other reserves	Other Comprehensive Income		Total other equity attributable to owners of the company
	Securities Premium	Debenture redemption reserve	Retained Earnings	General Reserves		Acturial loss on Defined Plan Liability	Exchange differences of foreign operations	
Balance at 1 April 2018	35,331.64	–	6,746.04	4,898.30	86.56	(85.73)	(224.88)	46,751.93
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	–	–	7,663.49	–	–	–	–	7,663.49
Other comprehensive income (net of tax)	–	–	-	–	–	(24.06)	544.44	520.38
Total comprehensive income	**–**	**–**	**7,663.49**	**–**	**–**	**(24.06)**	**544.44**	**8,183.87**
Transactions with owners in their capacity as owners:								
Ind AS 115 – reversal of discounting of receivable & payable	–	–	(90.38)	–	–	–	–	(90.38)
Dividends paid (including tax thereon)	–	–	(1,214.51)	–	–	–	–	(1,214.51)
Appropriations during the year	–	541.89	(766.89)	225.00	–	–	–	–
Balance at 31 March 2019	**35,331.64**	**541.89**	**12,337.75**	**5,123.30**	**86.56**	**(109.79)**	**319.56**	**53,630.91**

Consolidated Statement of Changes in Equity (SOCIE) (Contd..)

for the year ended 31 March 2020

B. Other Equity* (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company							
	Reserves and Surplus				Other reserves	Other Comprehensive Income		Total other equity attributable to owners of the company
	Securities Premium	Debenture redemption reserve	Retained Earnings	General Reserves		Acturial loss on Defined Plan Liability	Exchange differences of foreign operations	
Balance at 1 April 2019	**35,331.64**	**541.89**	**12,337.75**	**5,123.30**	**86.56**	**(109.79)**	**319.56**	**53,630.91**
Total comprehensive income for the year ended 31 March 2020								
Profit for the year	–	–	119.21	–	–	–	–	119.21
Other comprehensive income (net of tax)	–	–	–	–	–	(160.47)	(1,504.69)	(1,665.16)
Total comprehensive income	**–**	**–**	**119.21**	**–**	**–**	**(160.47)**	**(1,504.69)**	**(1,545.95)**
Transactions with owners in their capacity as owners:								
Lease Accounting Impact	–	–	(149.79)	–	–	–	–	(149.79)
Dividends paid (including tax thereon)	–	–	(1,416.93)	–	–	–	–	(1,416.93)
Appropriations during the year	–	226.56	(451.56)	225.00	–	–	–	-
Balance at 31 March 2020	**35,331.64**	**768.45**	**10,438.68**	**5,348.30**	**86.56**	**(270.26)**	**(1,185.13)**	**50,518.24**

*The above statement of changes in equity should be read in conjunction with the accompanying note 12 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated 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
19 May 2020

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

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Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

Corporate Information

These consolidated financial statements comprise standalone 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 2020. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on Bombay Stock Exchange of India Limited (BSE) & National Stock Exchange of India Limited (NSE). 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 and information on other related party relationship of the Group is provided in Note 34.

1 Basis of preparation and measurement

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") to comply with Section 133 of the Companies Act, 2013, (the 'Act') and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions and amendments, as applicable. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 19 May 2020. Details of the Group's accounting policies are included in Note 2.

(b) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All the financial information have been presented in Indian Rupess (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

The preparation of the consolidated 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:

(i) Estimation of total contract revenue and costs for revenue recognition (Refer note 41)

(ii) Estimation of useful life of property, plant and equipment, investment property and intangibles (Refer point 2 (l), 2(m) and 2(n))

(iii) Estimation of provision for defect liability period, liquidated damages and onerous contracts, if any (Refer note 30)

(iv) Estimation of defined benefit obligation (Refer note 33)

(v) Estimation of revenue estimates for amortisation of intangible assets (Refer point 2 (n))

(vi) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used (Refer note 7)

(vii) Estimation of major maintenance provision (Refer note 30)

(viii) Impairment of financial assets (i.e expected credit loss on trade receivables and retention money receivable) (Refer note 36)

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

1 Basis of preparation and measurement (Contd..)

(d) Use of estimates and judgements (Contd..)

(ix) Impairment on accrued value of work done (Refer note 36)

(x) Impairment of financial liabilities (i.e. retention money payable and advances from clients) (Refer note 36)

(xi) Estimation on discounting of lease liability on application of Ind AS 116 (Refer Note 42)

(e) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for financial instruments. The Group 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 Chief Financial Officer (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 Group's audit committee.

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

(f) 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 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,

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

1 Basis of preparation and measurement (Contd..)

(f) Principles of consolidation and equity accounting (Contd..)

(i) Subsidiaries (Contd..)

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.

(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

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When an entity undertakes its activities under joint operations, the Group as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets. Transactions with the Joint operation by Group are recognized in the financial statements only to the extent of other parties' interests in the joint operation.

Joint ventures

The Group's interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet. Details of the joint venture are set out in note 25.

(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 Financial Statements (Contd..)

for the year ended 31 March 2020

1 Basis of preparation and measurement (Contd..)

(f) Principles of consolidation and equity accounting (Contd..)

(iii) Equity method (Contd..)

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 fron 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. Refer Note 37 for segment information presented.

(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 balance sheet 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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(b) Current/ non-current classification (Contd..)

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 Group has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

(c) 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 statement of 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 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 Group, 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 Other Comprehensive Income.

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 /(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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(d) Revenue recognition

(i) Construction Revenue

The Group undertakes Engineering, Procurement and Construction (EPC) business and also having BOOT (build, own, operate and transfer) projects. The ongoing contracts with customers are for construction of highways, water pipeline projects, construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc. The Group has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue from works contracts

Revenue from works 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 management.

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

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(d) Revenue recognition (Contd..)

(i) Construction Revenue (Contd..)

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognises the entire estimated loss in the period the loss becomes known.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group.

Operation and maintenance income

The Group recognises revenue from Operations & Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

Advances from customers, progress payments, amount due from and due to customers and retention money receivable

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

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

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (costs plus attributable profits) for the contract work performed till date.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

Revenue is net of taxes, duties and cess.

Revenue from contracts awarded to a Jointly Controlled Entity but executed by the Group 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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(d) Revenue recognition (Contd..)

(ii) Service concession arrangement

Concession arrangements are recognised in accordance with Appendix C of Ind AS 115, 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 115, such infrastructures are not recognised 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 C of Ind AS 115 are recorded in the financial statements as intangible assets and are amortised using revenue based amortisation 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 (EIR).

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: (a) the gross carrying amount of the financial asset; or (b) 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.

(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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(d) Revenue recognition (Contd..)

(vi) 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.

(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 Parent 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 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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(f) Leases

(a) Definition of leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before 1 April 2019 :

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output

(b) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(f) Leases (Contd..)

(b) As a lessee (Contd..)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate over a period of lease term. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' / separately from other assets in the Consolidated financial statements and lease liabilities in 'Financial liabilities' in the Consolidated financial statements.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of buildings and machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Consolidated financial statements. Payments made under operating leases were recognised in the Consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(c) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(f) Leases (Contd..)

(c) As a lessor (Contd..)

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

(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 and joint venture 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 the statement of 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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(h) Impairment of non-financial assets

The Group'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 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.

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 independant 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, 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 weighted average costs (WAC) (Refer note 9). 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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(k) Financial Instruments (Contd..)

(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.

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;

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(k) Financial Instruments (Contd..)

(ii) Classification and subsequent measurement (Contd..)

- 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 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 the consolidated statement of 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 the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(k) Financial Instruments (Contd..)

(ii) Classification and subsequent measurement (Contd..)

(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 in the consolidated statement of 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 in the consolidated statement of profit or 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 the consolidated statement of 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 recognised 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.

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 the statement of consolidated profit or loss.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(k) Financial Instruments (Contd..)

(v) Offsetting financial instruments

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.

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 Group or the counterparty.

(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

d) Accrued value of work done

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

i. Trade receivables which do not contain a significant financing component.

ii. Accrued value of work done which do not contain a significant financing component.

iii. Retention money receivables

iv. All lease receivables resulting from transactions.

The application of simplified approach does not require the Group 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 Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

(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.

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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(l) Property, plant and equipment (Contd..)

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group 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 the Consolidated statement of profit and loss during the reporting period in which they are incurred.

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 :

Class of assets	Useful life as per Schedule II
• Office building	60 years
• Store building	3 years
• Plant and equipment	10–15 years
• Furniture and fixtures	10 years
• Vehicles	8–10 years
• Office equipment	3–10 years
• Electrical installation	10 years

Assets costing less than INR 20,000 are depreciated 100% in the year of purchase/acquisition.

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 the consolidated statement of profit and 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 properties

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 Group depreciates investment properties using the straight-line method over their estimated useful lives.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(m) Investment properties (Contd..)

Any gain or loss on disposal of an investment property is recognised in the Consolidated statement of profit and loss.

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.

(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
- 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 3–5 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.

(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 statement of profit and loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(p) Borrowings (Contd..)

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 the consolidated statement of profit and 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 statement of profit and loss as other gains/(losses).

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 statement of profit and 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 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, Contingent liabilities/assets and Onerous contracts

Provision

Provisions for legal claims, service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that anoutflow 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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(r) Provisions, Contingent liabilities/assets and Onerous contracts (Contd..)

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.

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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but are disclosed in the notes to the Consolidated Financial Statements when economic inflow is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

(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 the consolidated statement of profit and 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.

(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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(s) Employee benefits (Contd..)

(iii) Post-employment benefits (Contd..)

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 consolidated 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 (OCI). They are included in acturial loss on defined plan liability 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 Consolidated statement of profit and loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds and employee state insurance corporation (ESIC) as per local regulations. The 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 statement of profit and 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.

(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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(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 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 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.

(y) Statement of cash flows

The Group's statement of cash flows are prepared using the Indirect method, whereby profit/(loss) 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.

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts and cash credit facility that form an integral part of the Group's cash management

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

2 Significant accounting policies (Contd..)

(y) Statement of cash flows (Contd..)

The amendment to Ind AS 7 requires the Group 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.

(z) Change in significant accounting policies

The Group has applied Ind AS 116, which replaces Ind AS 17 Leases and the related interpretations from 1 April 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information throughout these financial statements has not been restated to refelect the requirements of the new standard and continues to be reported under Ind AS 17 Leases.

Effective April 1, 2019, the Group has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 1, 2019 using the modified retrospective method and the impact to retained earnings is amounted to INR 149.79 lakhs. Accordingly, the comparatives have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 2,271.20 lakhs and the corresponding lease liability of INR 2,420.99 lakhs. The effect of this adoption on the profit for the year and earning per share has not been significant.

(aa) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

(ab) 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 financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

3 Property, plant and equipment

(Currency: Indian rupees in lakhs)

Particulars	Freehold Land – Owned	Office Building	Store Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Total	Capital work-in-progress
Year ended 31 March 2019										
Gross carrying amount										
Balance as at 1 April 2018	57.55	221.63	1,512.98	46,508.54	929.00	3,462.51	1,604.46	258.00	54,554.67	12.18
Exchange differences	–	–	–	87.29	0.07	64.20	1.23	–	152.79	0.19
Additions	–	14.00	5,386.78	9,544.26	81.42	169.88	393.91	42.87	15,633.12	319.59
Disposals	–	–	–	(1,002.06)	–	(96.43)	(0.43)	(4.00)	(1,102.92)	(12.37)
Balance as at 31 March 2019 (gross carrying amount)	**57.55**	**235.63**	**6,899.76**	**55,138.03**	**1,010.49**	**3,600.16**	**1,999.17**	**296.87**	**69,237.66**	**319.59**
Accumulated depreciation										
Opening accumulated depreciation	–	12.20	388.13	11,089.88	177.47	992.57	725.11	57.82	13,443.18	-
Depreciation for the year	–	4.56	499.97	5,957.12	126.85	493.98	410.01	35.46	7,527.95	–
Disposals	–	–	–	(732.13)	–	(70.15)	(0.41)	(3.50)	(806.19)	–
Exchange differences	–	–	–	7.30	(0.09)	13.53	0.02	–	20.76	–
Balance as at 31 March 2019 (accumulated depreciation)	**–**	**16.76**	**888.10**	**16,322.17**	**304.23**	**1,429.93**	**1,134.73**	**89.78**	**20,185.70**	**–**
Net carrying amount	57.55	218.87	6,011.66	38,815.86	706.26	2,170.23	864.44	207.09	49,051.96	319.59
Year ended 31 March 2020										
Gross carrying amount										
Balance as at 1 April 2019	57.55	235.63	6,899.76	55,138.03	1,010.49	3,600.16	1,999.17	296.87	69,237.66	319.59
Exchange differences	–	–	(15.51)	(263.46)	(1.12)	(164.65)	(4.98)	–	(449.72)	–
Additions	–	–	5,284.83	11,380.40	–	161.09	302.45	19.34	17,148.11	1,043.53
Disposals	–	–	–	(1,467.22)	–	(100.38)	–	–	(1,567.60)	(308.95)
Balance as at 31 March 2020 (gross carrying amount)	**57.55**	**235.63**	**12,169.08**	**64,787.75**	**1,009.37**	**3,496.22**	**2,296.64**	**316.21**	**84,368.45**	**1,054.17**
Accumulated depreciation										
Opening accumulated depreciation	–	16.76	888.10	16,322.17	304.23	1,429.93	1,134.73	89.78	20,185.70	–
Depreciation for the year	–	5.02	2,345.06	6,759.87	132.09	421.67	434.21	34.30	10,132.22	–
Disposals	–	–	–	(1,277.81)	–	(77.75)	–	–	(1,355.56)	–
Exchange differences	–	–	(2.81)	(145.67)	(0.59)	(94.61)	(2.85)	–	(246.53)	–
Balance as at 31 March 2020 (accumulated depreciation)	**–**	**21.78**	**3,230.35**	**21,658.56**	**435.73**	**1,679.24**	**1,566.09**	**124.08**	**28,715.83**	**–**
Net carrying amount	**57.55**	**213.85**	**8,938.73**	**43,129.19**	**573.64**	**1,816.98**	**730.55**	**192.13**	**55,652.62**	**1,054.17**

For property, plant and equipment secured against borrowings, refer note 13 (a) and 13 (b) of the consolidated financial statements.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

4 Investment properties (at cost)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Cost or deemed cost (gross carrying amount)		
Opening gross carrying amount / Deemed cost	82.13	82.13
Additions	–	–
Balance as at 31 March (gross carrying amount)	**82.13**	**82.13**
Opening accumulated depreciation	–	–
Depreciation for the year	–	–
Balance as at 31 March (accumulated depreciation)	**–**	**–**
Net carrying amount	**82.13**	**82.13**

Fair value

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Investment properties	1,692.90	1,443.02

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 Financial Statements (Contd..)

As at 31 March 2020

5 (a) Intangible assets

(Currency: Indian rupees in lakhs)

Particulars	Toll Collection Rights	Computer software	Total
Year ended 31 March 2019			
Cost or deemed cost (gross carrying amount)			
Balance at 1 April 2018	1,74,856.10	1,537.91	1,76,394.01
Additions	–	17.11	17.11
Disposals / adjustments	–	–	–
Balance as at 31 March 2019 (gross carrying amount)	**1,74,856.10**	**1,555.02**	**1,76,411.12**
Accumulated amortisation			
Opening accumulated amortisation	9,445.19	358.22	9,803.41
Amortisation for the year	3,193.83	311.00	3,504.83
Disposals	–	–	–
Balance as at 31 March 2019 (accumulated depreciation)	**12,639.02**	**669.22**	**13,308.24**
Net carrying amount	1,62,217.08	885.80	1,63,102.88
Year ended 31 March 2020			
Gross carrying amount			
Balance at 1 April 2019	**1,74,856.10**	**1,555.02**	**1,76,411.12**
Additions	–	32.68	32.68
Disposals / adjustments	–	–	–
Balance as at 31 March 2020 (gross carrying amount)	**1,74,856.10**	**1,587.70**	**1,76,443.80**
Accumulated amortisation			
Opening accumulated amortisation	12,639.02	669.22	13,308.24
Amortisation for the year	3,766.78	266.66	4,033.44
Balance as at 31 March 2020 (accumulated depreciation)	**16,405.80**	**935.88**	**17,341.68**
Net carrying amount	**1,58,450.30**	**651.82**	**1,59,102.12**

5 (b) Intangible assets under development

(Currency: Indian rupees in lakhs)

Particulars	Amount
Year ended 31 March 2019	
Gross carrying amount	
Balance as at 1 April 2018	407.94
Additions	–
Disposals	–
Balance as at 31 March 2019 (gross carrying amount)	**407.94**
Year ended 31 March 2020	
Gross carrying amount	
Balance as at 1 April 2019	**407.94**
Additions	12.15
Disposals	–
Balance as at 31 March 2020 (gross carrying amount)	**420.09**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

6 Financial assets

(a) Trade receivables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Trade receivables		
Debts outstanding over six months from due date of payment	21,846.76	13,892.34
Other debts includes retention money	76,842.55	79,657.76
Receivables from related parties	7,858.55	8,987.50
	1,06,547.86	**1,02,537.60**
Less: Provision for expected credit loss (Refer note 36 A (i))	(6,546.09)	(6,648.62)
Total receivables	**1,00,001.77**	**95,888.98**
Non-current	**8,636.51**	**3,336.78**
Current	**91,365.26**	**92,552.20**

Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Trade receivables considered good – secured	–	–
Trade receivables considered good – unsecured	1,06,547.86	1,02,537.60
Trade receivables which have significant increase in credit risk	–	–
Trade receivables – credit impaired	–	–
Doubtful	–	–
Total	**1,06,547.86**	**1,02,537.60**
Provision for expected credit loss (Refer note 36 A (i))	(6,546.09)	(6,648.62)
Total trade receivables	**1,00,001.77**	**95,888.98**

- For terms and conditions of receivables owing from related parties, refer note 34 of consolidated financial statements.
- For receivables secured against borrowings, refer note 13 (b) and 36 (c) of consolidated financial statements.
- The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 36 (A) (i) & 36 (A) (iii) of consolidated financial statements.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

6 Financial assets (Contd..)

(b) Loans

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
To related parties:				
Loans to joint venture*	19,942.05	–	16,297.42	–
To parties other than related parties:				
Security deposits	4,866.90	1,299.29	2,473.94	1,180.08
Other loans and advances	5,651.43	–	–	–
Total	**30,460.38**	**1,299.29**	**18,771.36**	**1,180.08**
Expected credit loss provision for loans and advances given to JV (refer note 36 (A) (i))	(7,947.06)	–	–	–
Total loans	**22,513.32**	**1,299.29**	**18,771.36**	**1,180.08**

*Loans to Joint venture

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Kurukshetra Expressway Private Limited	19,942.05	–	16,297.42	–
Expected credit loss provision for loans and advances given to JV (refer note 36 (A) (i))	(7,947.06)	–	–	–
Total	**11,994.99**	**–**	**16,297.42**	**–**

Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Loans receivables considered good – secured	–	–	–	–
Loans receivables considered good – unsecured	30,460.38	1,299.29	18,771.36	1,180.08
Loans receivables which have significant increase in credit risk	–	–	–	–
Loans receivables – credit impaired	–	–	–	–
Doubtful	–	–	–	–
Total	**30,460.38**	**1,299.29**	**18,771.36**	**1,180.08**
Expected credit loss provision for loans and advances given to JV (refer note 36 (A) (i))	(7,947.06)	–	–	–
Total loans	**22,513.32**	**1,299.29**	**18,771.36**	**1,180.08**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

6 Financial assets (Contd..)

(c) Cash and cash equivalents

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	5,216.33	7,910.39
- in Demand Deposits (with less than 3 months of original maturity)	237.00	111.95
Cash on hand	55.81	134.97
Total cash and cash equivalents	**5,509.14**	**8,157.31**

Bank balances other than above

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Bank balances other than above		
- Unpaid dividend accounts	8.83	8.53
- Bank deposits (original maturity more than 3 months but less than 12 months)	805.84	–
Total bank balances other than above	**814.67**	**8.53**

(d) Other financial assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Accrued interest on fixed deposits	462.41	41.37	78.02	–
Bank deposits (Original maturity more than 12 months)	4,200.14	772.79	2,483.51	916.71
Total other financial assets	**4,662.55**	**814.16**	**2,561.54**	**916.71**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

7 Deferred tax assets/liabilities

Movement in deferred tax balances

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020				
	1 April 2019	Recognised in the statement of profit or loss	Recognised in OCI	Other	31 March 2020
Property, plant and equipment	379.57	(80.15)	–	–	299.42
Expenses deductible/Income taxable in other accounting period	(1,637.84)	(499.66)	–	–	(2,137.50)
Provision for expected credit loss on trade receivables, retention and accrued value of work done	2,323.36	(234.76)	–	–	2,088.60
Change in method of determining revenue	(2,049.53)	–	–	–	(2,049.53)
Impact of lease accounting (As per IND As 116)	–	37.70	–	–	37.70
Provision for expected credit loss for loans and advances given to JV	–	2,000.12	–	–	2,000.12
Related to employee benefits	–	(44.41)	44.41	–	-
Fair value of financial assets and liabilities through profit and loss account	(989.70)	–	–	(4.03)	(993.73)
Tax losses	4,668.66	582.62	–	–	5,251.28
Other items	1,388.27	(38.72)	–	–	1,349.55
Tax Assets / (Liabilities)	**4,082.79**	**1,722.74**	**44.41**	**(4.03)**	**5,845.99**

Movement in deferred tax balances

(Currency: Indian rupees in lakhs)

Particulars	31 March 2019				
	1 April 2018	Recognised in the statement of profit or loss	Recognised in OCI	Other	31 March 2019
Property, plant and equipment	122.54	257.03	–	–	379.57
Expenses deductible/Income taxable in other accounting period	(1,611.98)	(25.86)	–	–	(1,637.84)
Provision for expected credit loss on trade receivables, retention and accrued value of work done	2,292.49	30.87	–	–	2,323.36
Change in method of determining revenue	(2,049.53)	–	–	–	(2,049.53)
Related to employee benefits	–	(8.26)	8.26	–	-
Fair value of financial assets and liabilities through profit and loss account	(931.84)	(105.66)	–	47.80	(989.70)
Tax losses	4,005.87	662.79	–	–	4,668.66
Other items	1,383.58	4.69	–	–	1,388.27
Tax Assets / (Liabilities)	**3,211.13**	**815.60**	**8.26**	**47.80**	**4,082.79**

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Deferred tax assets	7,259.36	5,408.59
Deferred tax liabilities	(1,413.37)	(1,325.80)
	5,845.99	**4,082.79**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

8 Other non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Capital advances	140.73	151.16
Prepaid expenses	272.75	313.18
Total other non-current assets	**413.48**	**464.34**

9 Inventories

(at lower of cost or net realisable value)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Construction material	22,685.04	22,559.70
Spares, tools and stores	1,447.05	2,257.37
Total inventories	**24,132.09**	**24,817.07**

10 Current tax assets (Net)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Advance income tax (net of provision for tax INR 13,409.15 lakhs (31 March 2019 : INR 11,763.72 lakhs))	1,890.94	1,556.09
Total current tax assets (net)	**1,890.94**	**1,556.09**

11 Other current assets

(unsecured and considered good)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Amount due from customers on construction contract (refer note 41)	37,385.24	32,349.59
Accrued value of work done (net of advances) (refer note 41)	71,249.47	67,600.81
Prepaid expenses	796.48	945.80
Advance GST/VAT / entry tax (net of payable)	13,067.24	12,776.10
Cenvat credit receivable	10.49	4.87
Advance to suppliers	14,516.38	17,038.87
Advances to employees	194.38	166.88
Others	15.81	20.89
	1,37,235.49	**1,30,903.81**
Less : Provision for expected credit loss on accrued value of work done (refer note 36 (A) (i))	(1,752.32)	(1,607.14)
Total	**1,35,483.17**	**1,29,296.67**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

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
As at 1 April 2018	350.00	3,500.00
Increase during the year	–	–
As at 31 March 2019*	1,750.00	3,500.00
Increase during the year	–	–
As at 31 March 2020	**1,750.00**	**3,500.00**

(i) Movements in equity share capital

(Currency: Indian rupees in lakhs)

Particulars	Number of shares (in lakhs)	Equity share capital (par value)
As at 1 April 2018	335.81	3,358.10
Increase during the year	–	–
As at 31 March 2019*	1,679.05	3,358.10
Increase during the year	–	–
As at 31 March 2020	**1,679.05**	**3,358.10**

*During the previous year, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from Rs. 10/- each to Rs. 2/- each. The Record date for the sub-division was 5 October, 2018. Consequently, the Company has issued total 167,905,170 equity shares of Rs. 2/- each in lieu of 33,581,034 equity shares of Rs. 10/- each.

Terms and rights attached to equity shares :

The Company has only one class of Equity Shares having par value of Rs. 2/- (31 March 2019 : INR 2/-) 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 2020	31 March 2019
Kalpataru Power Transmission Ltd.*	2,261.94	2,256.29

*Kalpataru Power Transmission Ltd. (KPTL) has notified acquisition of Company's shares in March, 2020 under SEBI (PIT) Reg., 2015 and the Company has also informed the same to Stock Exchanges. Such acquisition has increased KPTL's holding to 113,757,395 Equity Shares (67.75%) as on 31 March 2020. However, as per data of Beneficial Owner (BO) received from Depositories, KPTL's shareholding as at 31 March 2020 is reflected as 113,096,956 Equity Shares (67.36%). The share holding mentioned in these financial statements is as per BO data received from the Depositories.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

12 Equity share capital and other equity (Contd..)

(a) Equity share capital (Contd..)

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

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020		31 March 2019	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Equity Shares of Rs. 2/- each fully paid*				
Kalpataru Power Transmission Limited, the Holding Company**	1,130.97	67.36%	1,128.14	67.19%
HDFC Trustee Company Limited	153.78	9.16%	150.90	8.99%
Kotak Small Cap Fund	90.68	5.40%	66.42	3.96%

*During the previous year, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from Rs. 10/- each to Rs. 2/- each. The Record date for the sub-division was 5 October, 2018. Consequently, the Company has issued total 167,905,170 equity shares of Rs. 2/- each in lieu of 33,581,034 equity shares of Rs. 10/- each.

**Kalpataru Power Transmission Ltd. (KPTL) has notified acquisition of Company's shares in March, 2020 under SEBI (PIT) Reg., 2015 and the Company has also informed the same to Stock Exchanges. Such acquisition has increased KPTL's holding to 113,757,395 Equity Shares (67.75%) as on 31 March 2020. However, as per data of Beneficial Owner (BO) received from Depositories, KPTL's shareholding as at 31 March 2020 is reflected as 113,096,956 Equity Shares (67.36%). The share holding mentioned in these financial statements is as per BO data received from the Depositories.

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

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020 Number of shares (in lakhs)	31 March 2019 Number of shares (in lakhs)
Aggregate number of shares issued for consideration other than cash	–	–

(b) Reserves and surplus

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Securities premium	35,331.64	35,331.64
Debenture redemption reserve	768.45	541.89
Retained earnings	8,983.29	12,547.52
General reserves	5,348.30	5,123.30
Total reserves and surplus	**50,431.68**	**53,544.35**

(i) Securities premium

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	35,331.64	35,331.64
Increase during the year	–	–
Closing balance	**35,331.64**	**35,331.64**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

12 Equity share capital and other equity (Contd..)

(b) Reserves and surplus (Contd..)

(ii) Debenture redemption reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	541.89	–
Transfer from profit and loss account (Surplus)	226.56	541.89
Closing balance	**768.45**	**541.89**

(iii) Retained earnings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	12,547.52	6,435.40
Net profit for the year	119.21	7,663.49
Items of other comprehensive income		
- Remeasurements of post-employment benefit obligation, net of tax	(160.47)	(24.06)
- Exchange differences of foreign operations, net of tax	(1,504.69)	544.44
Ind AS 115 – reversal of discounting of receivable and payable	–	(90.35)
Ind AS 116 – Lease accounting	(149.79)	–
Transfer to general reserve	(225.00)	(225.00)
Transfer to debenture redemption reserve	(226.56)	(541.89)
Dividends (including tax thereon)	(1,416.93)	(1,214.51)
Closing balance	**8,983.29**	**12,547.52**

(iv) General reserve

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	5,123.30	4,898.30
Transfer from profit and loss (surplus)	225.00	225.00
Closing balance	**5,348.30**	**5,123.30**

Nature and purpose of reserves

(i) Securities premium

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 is required to create a debenture redemption reserve out of profits under the provisions of the Companies Act, 2013 and rules framed thereunder, which is available for payment of dividend for the purpose of redemption of debentures.

(iii) General reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

12 Equity share capital and other equity (Contd..)

(c) Other reserves

(Currency: Indian rupees in lakhs)

Particulars	Amount
As at 1 April 2018	86.56
Increase during the yaer	–
As at 31 March 2019	**86.56**
Increase during the year	–
As at 31 March 2020	**86.56**

Nature and purpose of other reserves

Other reserves created on Guarantee commission charged on Bank Guarantee provided by the Holding Company on behalf of the Company.

13 Financial liabilities

(a) Non-current borrowings

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2020		31 March 2019	
				Non-current	Current	Non-current	Current
Secured							
Debentures							
1,500, 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1,000,000/- each.		Please refer note 13 (a) 1	9.95%	14,965.76	874.39	14,937.62	883.23
Term loans From banks							
Rupee loan							
- from banks		Please refer note 13 (a) 2		72,813.89	10,206.89	73,902.11	5,556.64
- from NBFC		Please refer note 13 (a) 3		30,156.18	6,115.71	32,684.38	6,718.27
Vehicles / equipments loans		Please refer note 13 (a) 4	9.40% to 10.75%	52.16	53.52	85.40	65.82
				1,17,987.99	**17,250.51**	**1,21,609.51**	**13,223.96**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2020		31 March 2019	
				Non-current	Current	Non-current	Current
Unsecured							
1,000, 10.55% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1,000,000/- each.		Please refer note 13 (a) 1	10.55%	9,955.26	176.52	–	–
Term loans							
Rupee loan							
- from banks	30 Oct 2021	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.	1,508.54	1,929.12	3,488.89	2,588.61
- from NBFC		Please refer note 13 (a) 3		100.53	74.52	–	–
				11,564.33	**2,180.16**	**3,488.89**	**2,588.61**
Total non-current borrowings				**1,29,552.32**	**19,430.67**	**1,25,098.40**	**15,812.57**
Amount disclosed under the head "Other current financial liabilities"							
Current maturities of long-term debt (included in note 13(c))				–	(17,982.58)	–	(14,920.62)
Interest accrued (included in note 13(c))				–	(1,448.09)	–	(891.95)
Total non-current borrowings				**1,29,552.32**	**–**	**1,25,098.40**	**–**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

As per RBI Notification having reference RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the Group has availed the benefit of moratorium on payment of unpaid installments for the month of March 2020.

1 Debentures

1,500, 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs)

(a) 1,500, 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1,000,000/- (Rupees Ten Lakh Only) each, for an aggregate nominal value of Rs. 15,000 lakhs divided in Series I Debentures (300 Nos.), Series II Debentures (450 Nos.) and Series III Debentures (750 Nos.) on private placement basis. The said NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

Due date and amount for the repayment of principal of Non-Convertible Debentures (NCDs) is as follows :

(Currency: Indian rupees in lakhs)

Particulars	(₹ in Lakhs)	Date
- 9.95% Series III NCDs issued on August 28, 2018	7,500	August 28, 2023
- 9.95% Series II NCDs issued on August 28, 2018	4,500	August 27, 2022
- 9.95% Series I NCDs issued on August 28, 2018	3,000	August 27, 2021

(b) Interest on debentures is payable anually @ 9.95%. Accrued interest upto 31 March 2020 is INR 884.90 lakhs (31 March 2019: INR 883.23 lakhs) and the same is due on 28 August 2020.

(c) Unamortised cost related to issue of debenture amounting to INR 44.75 lakhs (31 March 2019: INR 62.38 lakhs) has been reduced from borrowings.

(d) NCDs secured against 5,916,820 equity shares constituting 26% of the paid up equity capital of Brij Bhoomi Expressway Private Limited (SPV).

1,000, 10.55% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs)

(a) 1,000, 10.55% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1,000,000/- (Rupees Ten Lakh Only) each, for an aggregate nominal value of Rs. 10,000 lakhs on private placement basis. The said NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

Due date and amount for the repayment of principal of Non-Convertible Debentures (NCDs) is as follows :

(Currency: Indian rupees in lakhs)

Particulars	(₹ in Lakhs)	Date
- 10.55% NCDs issued on October 23, 2019	10,000	October 21, 2022

(b) Interest on debentures is payable quarterly @10.55%. Accrued interest upto 31 March 2020 is INR 198.89 lakhs (31 March 2019: INR Nil lakhs) and the same is due on 23 April 2020.

(c) Unamortised cost related to issue of debenture amounting to INR 67.11 lakhs (31 March 2019: INR Nil lakhs) has been reduced from borrowings.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

2 Rupee loans from banks

(i) Term loan from a bank amounting to INR 1,164.29 lakhs (31 March 2019: INR 1,829.65 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments with 30 September 2021 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 10,968.74 lakhs (31 March 2019: INR 12,487.49 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter with 30 September 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.

(iii) Term loan from a bank amounting to INR 79.43 lakhs (31 March 2019: INR 153.80 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in July 2021 with varying interest rate linked to base rate of bank from time to time.

(iv) Term loan from a bank amounting to INR 583.26 lakhs (31 March 2019: INR 129.40 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in July 2023 with varying interest rate linked to base rate of bank from time to time.

(v) Term loan from a bank amounting to INR 2,500 lakhs (31 March 2019: INR NIL) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments with 30 November 2022 as maturity date with varying interest rate linked to base rate of bank from time to time.

(vi) Term loan from a bank amounting to INR 2,500 lakhs (31 March 2019: INR NIL) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the term lenders. Term loan is repayable in unequal quarterly instalments with 31 March 2025 as maturity date with varying interest rate linked to base rate of bank from time to time.

(vii) Term loan from a bank amounting to INR 240.92 lakhs (31 March 2019: INR NIL) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal monthly instalments with 31 October 2023 as maturity date with varying interest rate linked to base rate of bank from time to time.

(viii) Term loan from a bank amounting to INR 2,000 lakhs (31 March 2019: INR NIL) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in equal quarterly instalments with 31 March 2024 as maturity date with varying interest rate linked to base rate of bank from time to time.

(ix) Term loan from a bank amounting to INR 21,887.56 lakhs (31 March 2019: INR 23,078.66 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 ot 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 quarterly unequal instalments ending on 30 June 2026.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

2 Rupee loans from banks (Contd..)

(x) Term Loans from Banks amounting to INR 4,972.05 lakhs (31 March 2019: INR 5,554.10 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 31 December 2023.

(xi) Term loans from banks amounting to INR 36,124.52 lakhs (31 March 2019: INR 36,225.60 lakhs) is secured by following assets of the subsidiary company, viz. Vindhyachal 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 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 monthly unequal instalments ending on 31 July 2027

3 Rupee loans from NBFC

(i) Term loan from NBFC amounting to INR 3,060.00 lakhs (31 March 2019: INR 4,860.00 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 18 unequal quarterly instalments to be paid at the end of each financial quarter with 31 December 2020 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(ii) Term loan from NBFC amounting to INR 2,812.50 lakhs (31 March 2019: INR 3,750.00 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, March 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

3 Rupee loans from NBFC (Contd..)

(iii) Term loan from NBFC amounting to INR 6.24 lakhs (31 March 2019: INR 14.80 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 14 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(iv) Term loan from NBFC amounting to INR 156.26 lakhs (31 March 2019: INR 405.25 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment 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.

(v) Term loan from NBFC amounting to INR NIL (31 March 2019: INR 114.27 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(vi) Term loan from NBFC amounting to INR NIL (31 March 2019: INR 126.94 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(vii) Term loan from NBFC amounting to INR 1,055.34 lakhs (31 March 2019: INR 1,355.23) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 equal quarterly instalments with interest payable quarterly at varying interest rate linked to base rate of NBFC from time to time.

(viiii) Term loan from NBFC amounting to INR 2,500 lakhs (31 March 2019: INR 2,500.00 lakhs) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, 31 March 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(ix) Term loan from NBFC amounting to INR 2,500.00 lakhs (31 March 2019: INR NIL) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, 30 June 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(x) Term loan from NBFC amounting to INR 175.05 lakhs (31 March 2019: INR NIL) is unsecured. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

(xi) Term loan from a financial institution amounting to INR 6,925.93 lakhs (31 March 2019: INR 7,096.52 lakhs) is secured by following assets of the subsidiary company, viz. Wainganga Expressway Private Limited (for pledge details refer note 13 (a) (2) (ix)).

(xii) Term loan from a financial institution amounting to INR 6,337.70 lakhs (31 March 2019: INR 6,638.23 lakhs) is secured by following assets of the subsidiary company, viz.Brij Bhoomi Expressway Private Limited (for pledge details refer note 13 (a) (2) (x)) ending on 30 September 2025.

(xiii) Term Loans from banks amounting to INR 10,877.89 lakhs (31 March 2019: INR 12,541.41 lakhs) is secured by following assets of the subsidiary company, viz. Vindhyachal Expressway Private Limited (for pledge details refer note 13 (a) (2) (xi)).

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(a) Non-current borrowings (Contd..)

4 Vehicles / equipment loans

Loans of INR 105.68 lakhs (31 March 2019: INR 151.22 lakhs) are secured by way of charge on specific equipment 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 2020	31 March 2019
Loans repayable on demand					
Secured					
From banks*	Roll over facility	Roll over working capital facility renewed anually	MCLR + Margin	23,136.66	26,789.00
Current borrowings				**23,136.66**	**26,789.00**

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

(a) First charge against hypothecation of stocks, work in progress, stores and spares, trade receivables, book debts, cash and cash equivalents and other current assets.

(b) Second charge on all movable Property, plant and equipments of the Group.

(c) First charge on the office premises of the Group.

(c) Other financial liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Non-current		
Additional concession fees	36,416.05	35,573.81
Security deposits	21.62	24.62
Total other non-current financial liabilities	**36,437.67**	**35,598.43**
Current		
Term loans from banks and NBFCs (Refer note 13 (a) 2 & 13 (a) 3)	17,929.06	14,854.80
Loan against vehicles / equipments (Refer note 13 (a) 4)	53.52	65.82
Interest accrued but not due on borrowings	1,448.09	891.95
Payables for capital goods (including dues of micro enterprises and small enterprises INR 186.44 lakhs (31 March 2019 : INR NIL)) (refer note 35)	2,952.65	3,961.50
Payable to employees (including provisions)	3,925.99	3,541.36
Additional concession fees	4,407.47	3,587.24
Security deposits	13,022.04	12,116.86
Unclaimed dividend	8.83	8.53
Unclaimed matured fixed deposits and interest	3.42	3.04
Total other current financial liabilities	**43,751.07**	**39,031.10**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

13 Financial liabilities (Contd..)

(d) Lease liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Non-current		
Lease liabilities (refer note 42)	2,289.24	–
Total non-current lease liabilities	**2,289.24**	**–**
Current		
Lease liabilities (refer note 42)	1,603.94	–
Total current lease liabilities	**1,603.94**	**–**

(e) Trade payables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Non Current		
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,288.99	14,127.67
Total non-current trade payables	**14,288.99**	**14,127.67**
Current		
Acceptance	22,001.13	15,304.02
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	3,288.55	1,168.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	91,529.33	1,00,798.91
Total current trade payables	**1,16,819.01**	**1,17,270.93**

14 Provisions

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020			31 March 2019		
	Current	Non-current	Total	Current	Non-current	Total
Defect liability period expenses (refer note 30)	1,459.59	1,920.74	3,380.33	135.27	2,620.95	2,756.22
Provision for onerous contracts (refer note 30)	–	–	–	14.38	–	14.38
Major maintenance expense (refer note 30)	–	5,554.85	5,554.85	–	4,677.84	4,677.84
Loss of joint venture (refer note 25)	7,980.02	–	7,980.02	5,641.81	–	5,641.81
Provision for gratuity (refer note 33)	343.35	1,675.09	2,018.44	332.30	1,362.39	1,694.69
Leave obligations (refer note 33)	286.20	816.89	1,103.09	210.84	634.13	844.97
Total	**10,069.16**	**9,967.57**	**20,036.73**	**6,334.60**	**9,295.31**	**15,629.91**

Notes to the Consolidated Financial Statements (Contd..)

As at 31 March 2020

15 Other liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020			31 March 2019		
	Current	Non-current	Total	Current	Non-current	Total
Amount due to customers under construction contracts (refer note 41)	16,046.88	–	16,046.88	6,910.97	–	6,910.97
Advance from clients	30,850.42	32,552.92	63,403.34	17,015.19	42,936.93	59,952.12
Other statutory liabilities*	1,586.03	–	1,586.03	2,458.13	–	2,458.13
Book overdrafts with bank	–	–	–	7.06	–	7.06
Other current liabilities	638.10	–	638.10	803.23	–	803.23
Total	**49,121.43**	**32,552.92**	**81,674.35**	**27,194.58**	**42,936.93**	**70,131.51**

*The Group has availed the extension of due date granted for the payment of Goods and Service tax, Income-tax and Profession tax dues for the month of March 2020.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

16 Revenue from operations

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Service income		
Contract revenue	3,58,133.61	2,77,100.87
Accrued value of work done (uncertified bills)	13,169.40	48,184.73
Income from toll collection	15,210.69	15,250.08
Utility shifting revenue	117.33	186.76
Total revenue from continuing operations	**3,86,631.03**	**3,40,722.44**

17 Other income

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Interest income		
- from fixed deposits	352.23	909.23
- from others	1,670.97	1,045.61
Other non operating income		
- Rent income	617.53	472.80
- Liabilities written back	110.70	79.12
Other income	19.58	127.01
Other gains and losses		
- Net gain on sale of Property, plant and equipments	17.54	–
Total other income	**2,788.55**	**2,633.77**

18 Cost of materials consumed

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Raw materials at the beginning of the year	22,559.70	17,770.25
Add: Purchases during the year	1,77,801.71	1,48,605.43
Less: Scrap sales made during the year	(2,340.03)	(2,129.03)
Less: Raw material at the end of the year	(22,685.04)	(22,559.70)
Total cost of materials consumed	**1,75,336.34**	**1,41,686.95**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

19 Employee benefit expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Salaries, wages and bonus	31,239.76	26,797.31
Contribution to provident fund and other statutory fund	2,035.03	2,207.15
Staff welfare expenses	1,663.82	1,519.80
Total employee benefit expense	**34,938.61**	**30,524.26**

20 Depreciation and amortisation expense

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (refer note 3)	10,132.22	7,527.95
Depreciation of right-of-use asset (refer note 42)	1,360.56	–
Amortisation of intangible assets (refer note 5a)	4,033.44	3,504.83
Total depreciation and amortisation expense	**15,526.22**	**11,032.78**

21 (a) Construction expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Work charges	56,410.49	60,963.69
Composite work charges	19,064.34	18,222.00
Operation and management services	1,677.05	1,575.45
Consumption of spares, tools and stores	1,961.25	2,258.31
Machinery – running and maintenance expenses	5,927.52	5,566.22
Electricity charges	2,742.80	2,308.35
Rent and hire charges	7,821.63	7,356.27
Security expenses	2,200.06	1,979.10
Site expenses	10,690.74	10,886.70
Major maintenance expenses (refer note 30)	650.28	899.01
Provision for onerous contracts (refer note 30)	(14.38)	(38.94)
Defect liability period expenses (refer note 30)	(17.37)	93.20
Total construction expenses	**1,09,114.41**	**1,12,069.36**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

21 (b) Other expenses

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Building and general repairs	666.34	437.29
Vehicle maintenance charges	200.30	200.90
Travelling expenses	1,757.77	1,735.87
Conveyance expenses	96.06	100.52
Insurance charges	841.81	789.05
Printing and stationery expenses	255.39	269.94
Office rent	602.05	1,132.78
Office expenses	358.70	299.40
Postage and telephone charges	279.75	330.85
Professional and legal charges	1,955.14	2,013.46
Auditor's remuneration (refer note 21 (b) (i) below)	114.79	103.56
Rates and taxes	3,900.63	2,445.65
Advertisement expenses	10.58	41.98
Computer and IT expenses	779.36	855.76
Bank commission and charges	2,166.57	1,658.64
Training expenses	42.31	64.11
Loss on assets lost/sold	114.07	199.81
Exchange rate variation expense	(3,592.03)	(2,742.67)
Sitting fees and commission to Non-executive Directors	91.75	116.00
Provision for expected credit loss	2,139.82	393.64
Contribution to political party	500.00	–
Provision for expected credit loss on accrued value of work done	145.18	387.00
Corporate social responsibility expenditure (refer note 21 (b) (ii) below)	180.37	97.46
Sundry expenses	1,266.72	442.81
Total other expenses	**14,873.43**	**11,373.81**

(i) Details of payments to auditor's (excluding taxes)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Payment to auditor's		
As auditor:		
Audit fee	91.44	65.35
In other capacities		
Certification fees	19.43	32.60
Re-imbursement of expenses	3.92	5.61
Total payments to auditor's	**114.79**	**103.56**

(ii) Corporate social responsibility expenditure

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
A. Gross amount required to be spent by the Company	180.24	91.53
B. Amount spent during the year on:		
(i) Construction/acquisition of any assets	–	–
(ii) On purpose other than (i) above	180.37	97.46
C. Related party transactions in relation to Corporate Social Responsibility	–	–

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

22 Finance costs

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss	21,110.66	18,668.40
Other borrowing costs, net	422.03	(174.50)
Exchange differences regarded as an adjustment to borrowing costs	19.53	374.22
Interest on unwinding of discount	4,531.21	4,212.25
Total finance costs	**26,083.43**	**23,080.37**

23 Estimation of uncertainties relating to the global health pandemic – COVID-19:

The Group has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements, the group will continue to monitor developments to identify significant uncertainties in future periods, if any.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

24 Income tax expense

(a) Amounts recognised in consolidated statement of profit and loss

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act , 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised tax expenses for the year ended and re-measured its deferred tax assets basis the rate prescribed in the said section.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Income tax expense		
Current tax		
Current tax on profits for the year	4,865.42	4,691.04
Total current tax expense	**4,865.42**	**4,691.04**
Deferred tax		
(Increase) in deferred tax assets	(1,722.74)	(815.60)
Total deferred tax expense/(benefit)	**(1,722.74)**	**(815.60)**
Income tax expense	**3,142.68**	**3,875.44**
Income tax expense is attributable to:		
Profit from continuing operations	3,142.68	3,875.44
	3,142.68	**3,875.44**

(b) Amounts recognised in other comprehensive income (OCI) :

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit liability / (asset)	(204.88)	44.41	(160.47)	(32.32)	8.26	(24.06)
Exchange difference in translating foreign operations	(1,921.11)	416.42	(1,504.69)	731.33	(186.89)	544.44
	(2,125.99)	**460.83**	**(1,665.16)**	**699.01**	**(178.63)**	**520.38**

(c) Reconciliation of income tax expenses with the accounting profit :

(Currency: Indian rupees in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount	Amount
Profit before tax	3,261.89	11,538.93
Tax using the Group's domestic tax rate (Current year tax rate: 25.168% / Previous year tax rate 34.94%)	820.95	4,031.70
Tax effect of adjustment to reconcile reported income tax expenses :		
Income exempt-Share of profit/loss on investment in JV	57.53	30.83
Profit allowance claimed u/s 80IA of the Income-tax Act, 1961	–	(1,721.25)
Reinstatement of deferred tax assets at prevailing rate	1,014.08	–
Unused tax losses not recognised as deferred tax	1,637.55	2,555.16
Others	(387.43)	(1,021.00)
Income tax expenses recognised in the consolidated statement of profit and loss	**3,142.68**	**3,875.44**

Note:

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act – 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised tax expenses for the year ended and re-measured its deferred tax assets basis the rate prescribed in the said section.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

25 Interest in Joint Ventures

Set out below are the joint ventures of the group as at 31 March 2020, 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 2020	31 March 2019
Kurukshetra Expressway Private Limited	India	49.57%	Joint Venture	Equity method	-	-

Summarised financial information for joint venture

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 2020	31 March 2019
Current assets		
Cash and cash equivalents	201.68	396.31
Other assets	1,839.27	2,286.16
Total current assets	**2,040.95**	**2,682.47**
Total non-current assets	**1,10,533.97**	**1,11,717.07**
Current liabilities		
Other liabilities	14,599.68	12,008.56
Total current liabilities	**14,599.68**	**12,008.56**
Non-current liabilities		
Financial liabilities (excluding trade payables)	1,09,067.17	1,08,889.87
Other liabilities	5,005.96	4,882.22
Total non-current liabilities	1,14,073.13	1,13,772.09
Net assets	**(16,097.89)**	**(11,381.11)**

Reconciliation to carrying amounts

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Opening net assets	(11,381.11)	(7,246.20)
(Loss) for the year	(4,716.79)	(4,134.91)
Closing net assets	**(16,097.90)**	**(11,381.11)**
Group's share in %	49.57%	49.57%
Group's share in INR	(7,980.02)	(5,641.81)
Considered in Provision*	7,980.02	5,641.81
Carrying amount	**-**	**-**

*Note: Provision for loss in joint venture in excess of investment has been disclosed under Provisions (Refer Note 14)

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

25 Interest in Joint Ventures (Contd..)

Summarised statement of profit and loss

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Revenue	7,593.80	9,082.35
Other income	184.74	39.30
Construction cost	(77.54)	–
Employee benefits expense	(123.17)	(120.18)
Finance costs	(9,585.19)	(10,087.43)
Depreciation and amortisation expense	(1,268.81)	(1,490.35)
Other expenses	(1,390.34)	(1,602.40)
Deferred tax	(50.28)	43.80
(Loss) from continuing operations	**(4,716.79)**	**(4,134.91)**
(Loss) from discontinued operations	–	–
(Loss) for the year	**(4,716.79)**	**(4,134.91)**
Other comprehensive income	–	–
Total comprehensive income	**(4,716.79)**	**(4,134.91)**
Share of loss from joint ventures	**(2,338.19)**	**(2,049.75)**

26 Contingent liabilities in respect of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
A. Bank guarantees	2.50	1.50
B. Guarantees given in respect of performance of contracts of subsidiaries, joint ventures and unincorporated joint ventures in which Company is one of the member / holder of substantial equity	52,163.75	40,227.36
C. Guarantee given in favour of a subsidiary for loan obtained by them	2,768.00	2,768.00
D. Claims against the Company not acknowledged as debts	1,402.62	896.01
E. Show Cause Notice Issued by Service Tax Authorities	5,586.45	5,571.23
F. Trichy Madurai Road Project Royalty Matter	39.87	39.87
G. Disputed Income Tax Demand in appeal before Appellate Authorities	1,215.14	797.05
H. Disputed Income Tax Demand of Joint Ventures in appeal before Appellate Authorities	144.90	144.90
I. Disputed VAT Demand in appeal before Appellate Authorities	2,807.69	3,067.14

Note:

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Group will evaluate its position and act, as clarity emerges.

27 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 Financial Statements (Contd..)

for the year ended 31 March 2020

28 Capital and other commitments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,732.86	3,225.59
Commitments on account of Toll, Operation and Maintenance Contracts	1,640.44	1,650.63

29 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 financial statements.

30 The disclosure in respect of Provisions is as under :

(Currency: Indian rupees in lakhs)

Particulars	Major maintenance	Defect liability period	Onerous contracts
Balance at 1 April 2018	3,485.76	2,663.03	53.32
Additions during the year	1,192.08	762.22	168.84
Utilisation during the year	–	(326.29)	–
Reversal (withdrawn as no longer required)	–	(342.74)	(207.78)
As at 31 March 2019	**4,677.84**	**2,756.22**	**14.38**
Additions during the year	877.01	2,179.02	115.19
Utilisation during the year	–	(242.14)	–
Reversal (withdrawn as no longer required)	–	(681.26)	(129.57)
Discounting	–	(631.51)	–
As at 31 March 2020	**5,554.85**	**3,380.33**	**–**
Non- current	5,554.85	1,920.74	–
Current	–	1,459.59	–

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 expense - The Group has made provision for expenses during defect liability period based on the defect liability period mentioned in contracts. The provision is bases 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 115 and Ind AS 37, the Group has to provide for these losses. The provision is based on the estimate made by the management.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

31 Disclosure on Service concession agreement (as per Appendix C of Ind AS 115)

The Group entered into a service concession agreement with:

1. 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,
2. 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 23 December 2010 and
3 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:

1. was completed and available for use on 7 January 2015.
2. was partially completed on 2 May 2014 and final completion on 29 December 2015.
3. 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. Additionaly 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 2020, the Group has recognised revenue of INR 15,382.74 lakhs (31 March 2019: INR 15,602.41 lakhs), consisting of INR 117.33 lakhs (31 March 2019: INR 186.76 lakhs) on construction and INR 15,265.41 lakhs (31 March 2019 : INR 15,416.65 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 (5,963.30) lakhs (31 March 2019: INR (5,144.70) lakhs) consiting of profit of INR NIL lakhs (31 March 2019: INR NIL) on construction and a loss of INR (5,963.30) lakhs (31 March 2019: INR (5,144.70) lakhs) on operation of toll.

The Group has recognised an intangible asset received as consideration for providing construction or upgrade service in a service concession arrangements of INR 158,858.24 lakhs (31 March 2019: 162,625.02 lakhs) of which INR 3,766.78 lakhs (31 March 2019 : INR 3,193.83 lakhs) has been amortised in 2020. The intangible asset represents the right to charge users a fee for use of a toll road.

32 Earning Per Share (EPS)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
i) Net profit after tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (INR In lakhs)	119.21	7,663.49
ii) Weighted average number of equity shares used as denominator for calculating EPS (Nos.)	16,79,05,170	16,79,05,170
iii) Basic and Diluted Earnings per Share (in INR)	0.07	4.56
iv) Face Value per Equity Share (in INR) *	2.00	2.00

*During the previous year, the Company with requisite approval in place has sub-divided the face value of equity shares of the Company from Rs. 10/- each to Rs. 2/- each. The Record date for the sub-division was 5 October 2018. Consequently, the Company has issued total 167,905,170 equity shares of Rs. 2/- each in lieu of 33,581,034 equity shares of Rs. 10/- each.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

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 Company recognised INR 1,416.23 lakhs (31 March 2019: INR 1,206.57 lakhs) for Provident Fund contributions and INR 41.85 lakhs (31 March 2019: INR 61.83 lakhs) for Superannuation contributions in the consolidated statement of profit and 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 Group's consolidated financial statements as at 31 March 2020.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
i Change in benefit obligations:		
Projected benefit obligation at the beginning of the year	1,703.75	1,481.28
Service Cost	275.09	249.98
Interest Cost	109.63	96.69
Actuarial (Gain) / Loss		
– changes in demographic assumptions	-	–
– changes in financial assumptions	84.67	6.93
– experience adjustments	96.78	5.54
Benefits Paid	(203.00)	(136.67)
Projected benefit obligation at the end of the year	**2,066.91**	**1,703.75**
ii Change in plan assets:		
Fair value of plan assets at the beginning of the year	9.07	41.91
Expected return on plan assets	2.81	3.67
Employer's contribution	263.00	120.00
Benefit paid	(203.00)	(136.67)
Actuarial gain / (loss)	(23.42)	(19.84)
Fair value of plan assets at the end of the year	**48.46**	**9.07**
iii Net gratuity cost for the year ended		
Service cost	275.09	249.98
Interest of defined benefit obligation	109.63	96.69
Expected return on plan assets	(2.81)	(3.67)
Net actuarial gain recognised in the year	**204.87**	**19.84**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

33 Retirement Benefits (Contd..)

b. Defined Benefit Plan (Contd..)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Net gratuity cost	586.78	362.84
Actual return on plan assets	**(20.61)**	**(16.17)**
iv Amount recognised in Consolidated Balance Sheet:		
Liability at the end of the year	2,066.91	1,703.75
Fair Value of Plan Assets at the end of the year	48.46	9.07
Amount recognised in Consolidated Balance Sheet	2,018.44	1,694.69
v Assumptions used in accounting for the gratuity plan:		
Discount rate	6.20%	7.20%
Salary Escalation rate	6.00%	6.00%
Expected rate of return on plan assets	6.20%	7.20%
Attrition rate	17.00%	17.00%

Employee benefits

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Net defined benefit liability – gratuity	2,018.44	1,694.69
Total employee benefit liability	**2,018.44**	**1,694.69**
Non- current	1,675.09	1,362.39
Current	343.35	332.30

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 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	2,009.54	2,097.94	1,659.36	1,729.02
Salary Escalation rate (0.50% movement)	2,091.44	2,015.41	1,723.59	1,664.26
Attrition rate (1% movement)	2,045.02	2,060.63	1,690.71	1,696.00

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 Financial Statements (Contd..)

for the year ended 31 March 2020

33 Retirement Benefits (Contd..)

b. Defined Benefit Plan (Contd..)

Expected cash flow for the following years

Expected total benefits payments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Year 1	391.81	341.37
Year 2	327.28	298.27
Year 3	387.58	301.35
Year 4	405.14	366.06
Year 5	441.85	383.51
Next 5 years	1,903.65	1,728.11

c. Compensated absence

Compensated absence for employee benefits of INR 1,103.09 lakhs for the year ended 31 March 2020 (31 March 2019 : INR 844.97 lakhs) expected to be paid in exchange for the services is recognised as an expense during the year and and included in "Employee benefits expense" in the Consolidated Statement of Profit and Loss. The following table provides details in relation to compensated absences.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Liability for compensated absences	1,103.09	844.97
Total employee benefit liability	**1103.09**	**844.97**
Non- current	816.89	634.13
Current	286.20	210.84

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

34 Related party disclosure

Kalpataru Power Transmission Limited	Holding Company
Fellow Subsidiary Companies	**Nature of Relationship**
Energylink (India) Limited	Subsidiary of Holding Company
Shree Shubham Logistics Limited	Subsidiary of Holding Company
Amber Real Estate Limited	Subsidiary of Holding Company
Adeshwar Infrabuild Limited	Subsidiary of Holding Company
Kalpataru Power Transmission Sweden AB	Subsidiary of Holding Company
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary of Holding Company
Kalpataru Power Transmission – USA, INC.	Subsidiary of Holding Company
Alipurduar Transmission Limited	Subsidiary of Holding Company
LLC Kalpataru Power Transmission Ukraine	Subsidiary of Holding Company
Kalpataru Power DMCC, UAE	Subsidiary of Holding Company
Saicharan Properties Limited	Subsidiary of Holding Company
Kalpataru Metfab Private Limited	Subsidiary of Holding Company
Kalpataru Satpura Transco Private Limited	Subsidiary of Holding Company
Punarvasu Financials Services Private Limited	Subsidiary of Holding Company
Kalpataru IBN Omairah Company Limited	Subsidiary of Holding Company
Kohima Mariani Transmission Limited	Subsidiary of Holding Company
Joint Ventures (with whom transactions have taken place during the year)	**Nature of Relationship**
Kurukshetra Expressway Private Limited	Joint Venture
Key Managerial Personnel (KMP) (with whom transactions have taken place during the year)	**Nature of Relationship**
Mr. Shailendra Tripathi	CEO & Dy. Managing Director
Mr. Manoj Tulsian (upto 14 January 2020)	Whole-time Director & CFO
Mr. D. R. Mehta	Non-Executive Director
Mr. Shailendra Raj Mehta	Non-Executive Director
Mr. Hemant Modi	Non-Executive Director
Ms. Anjali Seth	Non-Executive Director
Mr. Vardhan Dharkar (w.e.f 10 February 2020) (w.e.f 25 December 2019 – upto 9 February 2020 : as Key Managerial Personnel)	Chief Financial Officer
Enterprises over which significant influence exercised with whom company has transactions (EUSI)	**Nature of Relationship**
Kalpataru Limited	Significant influence of KMP's
Kalpataru Properties Thane Private Limited	Significant influence of KMP's
Kiyana Ventures LLP	Significant influence of KMP's
Kalpataru Urbanscape LLP	Significant influence of KMP's
Agile Real Estate Private Limited	Significant influence of KMP's
Abacus Real Estate Private Limited	Significant influence of KMP's
Kalpataru Retail Ventures Private Limited	Significant influence of KMP's
K C Holdings Private Limited	Significant influence of KMP's
Kalpataru Foundation	Significant influence of KMP's

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

34 Related party disclosure (Contd..)

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Joint Ventures	KMP	EUSI
I.	**Transactions during the year**				
1	Other expenses	**8.85**	**–**	**–**	**65.83**
		(7.02)	–	–	(20.82)
2	Rent paid	**123.51**	**–**	**–**	**940.34**
		(121.49)	–	–	(776.39)
3	Sub-contract charges paid	**247.24**	**–**	**–**	**–**
		(1,044.13)	–	–	–
4	Other income	**170.35**	**–**	**–**	**–**
		(116.03)	–	–	–
5	Contract revenue	**–**	**–**	**–**	**5,569.82**
		–	–	–	(17,570.12)
6	Managerial Remuneration	**–**	**–**	**776.44**	**–**
		–	–	(756.98)	–
II.	**Balance as on 31 March 2020**				
1	Trade Receivables #	**300.03**	**1.29**	**–**	**7,557.23**
		(114.47)	(67.19)	–	(8,459.55)
2	Liabilities at the end of the year	**1,032.67**	**–**	**271.87**	**48.98**
		(1,663.84)	–	(354.00)	(27.41)
3	Loans and advances given	**20.24**	**11,994.99**	**–**	**3,068.37**
		(20.24)	(16,297.42)	–	(438.37)
4	Advance taken from clients ^	**–**	**–**	**–**	**1,141.85**
		–	–	–	(2,275.37)
5	Investment in Joint Venture entity	**–**	**9,826.62**	**–**	**–**
		–	(9,826.62)	–	–

Note:

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 equivalent to those that prevails in arm's length transactions. For year ended 31 March 2020, the Group has not recorded any specific impairment of receivables relating to the amounts owned by related parties (31 March 2019: 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 outstanding 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 2020	31 March 2019
Short-term employee benefits	455.58	362.08
Post-employment benefits	36.24	28.90
Sitting fee	12.75	12.00
Commission	271.87	354.00
Total	**776.44**	**756.98**

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.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

35 Micro and small enterprises

The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Principal amount and interest due thereon remaining unpaid to supplier at the end of the accounting year (refer note 13 (c) and 13 (e))	3,474.99	1,168.00
Amount of interest paid by the Group 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 year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year, and	47.91	62.70
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

36 Financial instruments – Fair values and risk management

A. 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 analyse 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.

The Company has exposure to the following risks arising from financials instruments :

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk (including currency and interest rate risk)

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty 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 provision for expected credit loss and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(i) Credit risk (Contd..)

In assessing the recoverability of receivables and other financial assets, the Group has considered internal and external information upto the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Trade 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 (including retention money) is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	
	31 March 2020	31 March 2019
Neither past due nor impaired	27,146.75	2,947.49
Past due but not impaired		
Past due upto 180 days	38,460.72	59,557.72
Past due from 181 days to 1 year	16,800.81	25,797.41
From 1 year to 2 years	14,929.89	7,501.87
From 2 year to 3 years	3,964.66	2,292.34
Above 3 years	5,245.03	4,440.77
	1,06,547.86	**1,02,537.60**

Expected credit loss assessment for customers as at the reporting date

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 2020 mainly due to time value of money.

On the above basis, the Group estimates the following provision matrix at the reporting date:

(a) Trade receivables

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
	Default rate	Default rate
Upto 180 days	1.04%	0.21%
From 181 days to 1 year	6.90%	5.03%
From 1 year to 2 years	13.97%	16.56%
From 2 year to 3 years	43.45%	64.05%
Above 3 years	100.00%	100.00%

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(i) Credit risk (Contd..)

(b) Retention debtors

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020 Default rate	31 March 2019 Default rate
From 1 year to 2 years	6.24%	6.24%
From 2 year to 3 years	12.04%	12.04%
Above 3 years	19.31%	19.31%

Accrued value of work done

As at 31 March 2020 and 31 March 2019, the Group has accrued value of work done and amounts due on account of construction contracts. The Group has recognised a provision of INR 1,752.32 lakhs (31 March 2019: INR 1,607.14 lakhs). Apart from the provision recognised, the Group does not perceive any credit risk pertaining to accrued value of work done and amount due on account of construction contracts.

The movement in the provision for expected credit loss in respect of trade receivables (including retention money) and accrued value of work done during the year is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Trade receivables*	Accrued value of work done
Balance as at 1 April 2018	6,524.00	1,220.14
Provision recognised	393.64	387.00
Amount utilised	(269.02)	–
Balance as at 31 March 2019	**6,648.62**	**1,607.14**
Provision recognised	**2,139.82**	**145.18**
Amount utilised	**(2,242.35)**	**–**
Balance as at 31 March 2020	**6,546.09**	**1,752.32**

*includes retention money receivables

Cash and cash equivalents

The Company held cash and cash equivalents which comprises of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Balance with banks (including deposits)	5,453.33	8,022.34
Cash on hand	55.81	134.97
Total cash and cash equivalents	**5,509.14**	**8,157.31**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(i) Credit risk (Contd..)

The credit worthiness of such banks 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 2020 and 31 March 2019, 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 2020 and 31 March 2019. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

Loans, investments in group companies

During the year ended 31 March 2020, the Parent Company has given unsecured loans to its subsidiaries and joint venture. The Parent Company does not perceive any credit risk pertaining to loans given to subsidiaries except on the loan given to Kurukshetra Expressway Private Limited, Joint Venture Company. As required by Indian Accounting Standard 109 "Financial Instruments", Management of the Parent Company, has performed an impairment assessment of the recoverable amount based on discounted cash flows, which have been determined by external valuation experts. The determination of the discounted cash flows involves significant management judgement and estimates on the valuation methodology and various assumptions including related to growth rates, discount rates, etc. Further, Parent Company's management believes that the above assessment based on value in use appropriately reflects the recoverable amount of loans. Based on this assessment and the valuation reports obtained from independent valuer, provision for expected credit loss has been recognised in the Consolidated statement of profit and loss amounted to INR 7,947 lakhs on the loans given to its joint venture. Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

(ii) 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 2020, the Group had working capital (Total current assets – Total current liabilities) of INR 41,869.88 lakhs including cash and cash equivalents of INR 5,509.14 lakhs. These cash and cash equivalents include investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 237.00 lakhs. As of 31 March 2019, the Group had working capital (Total current assets – Total current liabilities) of INR 61,100.55 lakhs including cash and cash equivalents of INR 8,157.31 lakhs. These cash and cash equivalents include investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 111.95 lakhs.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments - Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(ii) Liquidity risk (Contd..)

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 maturites are essential for the understanding of the timing of the cash flows.

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2020 Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,72,119.65	2,18,544.61	55,995.44	38,633.68	92,351.46	31,564.03
Trade payables (dues of micro enterprises and small enterprises)	3,288.55	3,288.55	3,288.55	-	-	-
Trade payables (dues of creditors other than micro enterprises and small enterprises)	1,27,819.45	1,27,819.45	1,13,530.46	9,515.79	4,773.20	-
Lease liabilities	3,893.18	4,326.40	1,866.79	1,491.65	967.96	-
Other financial liabilities	60,758.07	1,04,321.81	24,466.27	3,152.06	14,170.97	62,532.51

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2019 Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,67,699.97	2,20,133.45	51,842.55	34,061.29	86,033.23	48,196.38
Trade payables (dues of micro enterprises and small enterprises)	1,168.00	1,168.00	1,168.00	-	-	-
Trade payables (dues of creditors other than micro enterprises and small enterprises)	1,30,230.60	1,30,230.60	1,16,102.93	3,813.33	10,314.34	-
Other financial liabilities	58,816.96	91,180.46	7,535.09	3,811.46	9,503.87	70,330.04

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(iii) 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.

(a) 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, 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 2020				31 March 2019		
	USD	EUR	ETB	LKR	USD	ETB	LKR
Trade receivables	–	-	2,011.64	66.56	–	1,700.65	706.27
Payables for capital goods	-	-	(0.76)	-	–	(27.71)	–
Trade payables	(614.16)	(174.65)	(1,162.02)	(157.84)	(123.22)	(1,876.84)	(117.63)
Net statement of financial position exposure	**(614.16)**	**(174.65)**	**848.86**	**(91.28)**	**(123.22)**	**(203.90)**	**588.64**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(iii) Market risk (Contd..)

(a) Currency risk (Contd..)

Sensitivity analysis

A 10% strenghtening / 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 Consolidated balance sheet.

(Currency: Indian rupees in lakhs)

Effect in INR Lakhs	Profit or loss	
	Strengthening	Weakening
31 March 2020		
USD	(61.42)	61.42
EUR	(17.46)	17.46
ETB	84.89	(84.89)
LKR	(9.13)	9.13
	(3.12)	**3.12**

(Currency: Indian rupees in lakhs)

Effect in INR Lakhs	Profit or loss	
	Strengthening	Weakening
31 March 2019		
USD	(12.32)	12.32
ETB	(20.39)	20.39
LKR	58.86	(58.86)
	26.15	**(26.15)**

(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 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 Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

A. Risk management framework (Contd..)

(iii) Market risk (Contd..)

(b) Interest rate risk (Contd..)

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 year end balances are not necessarily representative of the average debt outstanding during the year.

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	**100 bp decrease**
As at 31 March 2020		
Secured		
Non-Convertible Debentures (NCDs)	(158.40)	158.40
Rupee Loans – From banks	(830.21)	830.21
Rupee Loans – From NBFC's	(362.72)	362.72
Vehicle loans	(1.06)	1.06
Working Capital Loans Repayable on Demand from Banks	(231.37)	231.37
	(1,583.76)	**1,583.76**
Unsecured		
Non-Convertible Debentures (NCDs)	(101.32)	101.32
Rupee Loans – From Banks	(34.38)	34.38
Rupee Loans – From NBFC's	(1.75)	1.75
	(137.45)	**137.45**
Sensitivity (net)	**(1,721.21)**	**1,721.21**

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	**100 bp decrease**
As at 31 March 2019		
Secured		
Non-Convertible Debentures (NCDs)	(158.21)	158.21
Rupee Loans – From banks	(794.59)	794.59
Rupee Loans – From NBFC's	(394.03)	394.03
Vehicle loans	(1.51)	1.51
Working capital loans repayable on demand from banks	(267.89)	267.89
	(1,616.23)	**1,616.23**
Unsecured		
Non-Convertible Debentures (NCDs)	–	–
Rupee Loans – From Banks	(60.78)	60.78
Rupee Loans – From NBFC's	–	–
	(60.78)	**60.78**
Sensitivity (net)	**(1,677.01)**	**1,677.01**

(Note: The impact is indicated on the profit/loss and equity before tax basis).

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

B. Fair values

(i) 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)

	Carrying amount of financial assets/ liabilities				Fair value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
31 March 2020								
Financial assets								
(i) Trade receivables	1,00,001.77	–	–	1,00,001.77	–	–	–	–
(ii) Loans	23,812.61	–	–	23,812.61	–	–	–	–
(iii) Cash and cash equivalents	5,509.14	–	–	5,509.14	–	–	–	–
(iv) Bank balances other than above	814.67	–	–	814.67	–	–	–	–
(v) Others	5,476.71	–	–	5,476.71	–	–	–	–
	1,35,614.90	**–**	**–**	**1,35,614.90**	**–**	**–**	**–**	**–**
Financial liabilities								
(i) Borrowings	1,72,119.65	–	–	1,72,119.65	–	–	–	–
(ii) Trade payables (dues of micro enterprises and small enterprises)	3,288.55	–	–	3,288.55	–	–	–	–
(iii) Trade payables (dues of creditors other than micro enterprises and small enterprises)	1,27,819.45	–	–	1,27,819.45	–	–	–	–
(iv) Lease liabilities	3,893.18	–	–	3,893.18	–	–	–	–
(v) Other financial liabilities	60,758.07	–	–	60,758.07	–	–	–	–
	3,67,878.90	**–**	**–**	**3,67,878.90**	**–**	**–**	**–**	**–**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments – Fair values and risk management (Contd..)

B. Fair values (Contd..)

(i) Accounting classification and fair values (Contd..)

(Currency: Indian rupees in lakhs)

	Carrying amount of financial assets/ liabilities				Fair value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
31 March 2019								
Financial assets								
(i) Trade receivables	95,888.98	–	–	95,888.98	–	–	–	–
(ii) Loans	19,951.44	–	–	19,951.44	–	–	–	–
(iii) Cash and cash equivalents	8,157.31	–	–	8,157.31	–	–	–	–
(iv) Bank balances other than above	8.53	–	–	8.53	–	–	–	–
(v) Others	3,478.24	–	–	3,478.24	–	–	–	–
	1,27,484.50	**–**	**–**	**1,27,484.50**	**–**	**–**	**–**	**–**
Financial liabilities								
(i) Borrowings	1,67,699.97	–	–	1,67,699.97	–	–	–	–
(ii) Trade payables (dues of micro enterprises and small enterprises)	1,168.00	–	–	1,168.00	–	–	–	–
(iii) Trade payables (dues of creditors other than micro enterprises and small enterprises)	1,30,230.60	–	–	1,30,230.60	–	–	–	–
(v) Other financial liabilities	58,816.96	–	–	58,816.96	–	–	–	–
	3,57,915.53	**–**	**–**	**3,57,915.53**	**–**	**–**	**–**	**–**

(ii) 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
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 Financial Statements (Contd..)

for the year ended 31 March 2020

36 Master netting or similar agreements (Contd..)

C. Master netting

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 2020 and 31 March 2019.

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
31 March 2020			
Financial assets			
Trade receivables	1,00,001.77	(729.56)	99,272.21
Loans	23,812.61	–	23,812.61
Cash and cash equivalents	5,509.14	(940.22)	4,568.92
Bank balances other than above	814.67	–	814.67
Others	5,476.71	(14.65)	5,462.06
Total	**1,35,614.90**	**(1,684.43)**	**1,33,930.47**
Financial liabilities			
Borrowings	1,72,119.65	(1,684.43)	1,70,435.22
Trade payables (dues of micro enterprises and small enterprises)	3,288.55	–	3,288.55
Trade payables (dues of creditors other than micro enterprises and small enterprises)	1,27,819.45	–	1,27,819.45
Lease liabilities	3,893.18	–	3,893.18
Other financial liabilities	60,758.07	–	60,758.07
Total	**3,67,878.90**	**(1,684.43)**	**3,66,194.47**

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross Amounts	Financial instrument collateral	Net amount
31 March 2019			
Financial assets			
Trade receivables	95,888.98	(635.85)	95,253.13
Loans	19,951.44	–	19,951.44
Cash and cash equivalents	8,157.31	(2,447.92)	5,709.39
Bank balances other than above	8.53	–	8.53
Others	3,478.24	(18.30)	3,459.94
Total	**1,27,484.50**	**(3,102.07)**	**1,24,382.43**
Financial liabilities			
Borrowings	1,67,699.97	(3,102.07)	1,64,597.90
Trade payables (dues of micro enterprises and small enterprises)	1,168.00	–	1,168.00
Trade payables (dues of creditors other than micro enterprises and small enterprises)	1,30,230.60	–	1,30,230.60
Other financial liabilities	58,816.96	–	58,816.96
Total	**3,57,915.53**	**(3,102.07)**	**3,54,813.46**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

36 Financial instruments - Fair values and risk management (Contd..)

C. Master netting (Contd..)

(a) Offsetting arrangements

(i) Derivatives

The Group 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.

37 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 & expenes 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 desicisons 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)

Particulars	31 March 2020	31 March 2019
Engineering, Procurement and Construction	33,963.58	34,209.93
Developmental Projects	8,884.76	9,487.31
Total Adjusted EBITDA	**42,848.34**	**43,697.24**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

37 Segment Reporting (Contd..)

A. Operating Segments (Contd..)

(c) Adjusted EBITDA (Contd..)

Adjusted EBITDA reconciles to profit before income tax as follow :

(Currency: Indian rupees in lakhs)

Particulars	Notes	31 March 2020	31 March 2019
Total Adjusted EBITDA		**42,848.34**	**43,697.24**
Finance cost	22	(26,083.43)	(23,080.37)
Interest income	17	2,023.20	1,954.84
Depreciation and Amortisation Expenses	20	(15,526.22)	(11,032.78)
Profit before income tax from continuing operations		**3,261.89**	**11,538.93**

(d) Segment revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020			31 March 2019		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Engineering, Procurement and Construction	3,71,420.35	-	3,71,420.35	3,25,472.36	-	3,25,472.36
Developmental Projects	15,210.68	-	15,210.68	15,250.08	-	15,250.08
Total segment revenue	**3,86,631.03**	**-**	**3,86,631.03**	**3,40,722.44**	**-**	**3,40,722.44**

(e) Segment assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020			31 March 2019		
	Segment assets	Investments accounted for using equity mehod	Additions to non-current assets*	Segment assets	Investments accounted for using equity mehod	Additions to non-current assets*
Engineering, Procurement and Construction	3,61,161.49	-	19,617.95	3,35,899.61		13,096.59
Developmental Projects	1,63,718.20	-	16.08	1,66,092.15	-	0.83
Total segment assets	**5,24,879.69**	**-**	**19,634.03**	**5,01,991.76**	**-**	**13,097.42**
Intersegment eliminations	-	-	-	-	-	-
Total Assets as per the Consolidated Balance Sheet	**5,24,879.69**	**-**	**19,634.03**	**5,01,991.76**	**-**	**13,097.42**

*Other than financial & deferred tax assets

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

37 Segment Reporting (Contd..)

A. Operating Segments (Contd..)

(f) Segment liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Engineering, Procurement and Construction	3,23,102.78	2,98,296.47
Developmental Projects	1,47,900.57	1,46,706.28
Total Segment liabilities	**4,71,003.35**	**4,45,002.75**
Intersegment eliminations	–	–
Total liabilities as per the Consolidated Balance Sheet	**4,71,003.35**	**4,45,002.75**

B. Geographical information

i) Revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
India	3,74,221.68	3,30,419.83
All foreign countries		
Ethiopia	12,400.71	9,858.29
Sri Lanka	8.64	444.32
Total	**3,86,631.03**	**3,40,722.44**

ii) Non-current assets*

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
India	2,19,068.28	2,11,385.97
All foreign countries		
Ethiopia	3,507.52	4,019.00
Sri Lanka	36.87	120.67
Total	**2,22,612.67**	**2,15,525.64**

*Non-current assets exclude trade receivables, deferred tax assets and employee benefit assets.

C. Information about major customers

Revenues from one customer of India represented approximately INR 52,703.88 lakhs (31 March 2019: INR 56,802.71 lakhs) of the Group's total revenues.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

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 Group has complied with these covenants throughout the year ended 31 March 2020.

39 Note for Proposed dividend

The Board of Directors at its meeting held on 19 May 2020 have recommended a payment of final dividend of INR 0.70 per share (31 March 2019 : INR 0.70 per share) of face value of INR 2.00/- (31 March 2019: INR 2.00/-) each for the financial year ended 31 March 2020. The same amounts to INR 1,175.34 lakhs (31 March 2019 : INR 1,175.34 lakhs).

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

40 Additional information as required by paragraph 2 of the general instruction for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

31 March 2020

(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
Parent								
JMC Projects (India) Limited	180.03%	96,991.49	6623.34%	7,895.60	100.00%	(1,665.16)	(403.02%)	6,230.44
Subsidiaries								
Indian								
JMC Mining and Quarries Limited	0.04%	18.97	(0.27%)	(0.32)	–	–	0.02%	(0.32)
Brij Bhoomi Expressway Private Limited	(3.37%)	(1,813.60)	(664.82%)	(792.53)	–	–	51.26%	(792.53)
Wainganga Expressway Private Limited	(17.35%)	(9,346.65)	(2905.25%)	(3,463.31)	–	–	224.03%	(3,463.31)
Vindhyachal Expressway Private Limited	27.02%	14,556.74	(917.85%)	(1,094.16)	–	–	70.78%	(1,094.16)
Total interest in all subsidiaries	**6.34%**	**3,415.46**	**(4488.20%)**	**(5,350.32)**	**–**	**–**	**346.09%**	**(5,350.32)**
Joint Venture (as per equity consolidation method)								
Kurukshetra Expressway Private Limited	–	–	(1961.43%)	(2,338.19)	–	–	151.25%	(2,338.19)
Adjustment arising out of consolidation	(86.37%)	(46,530.61)	(73.72%)	(87.88)	–	–	5.68%	(87.88)
Total	**100.00%**	**53,876.34**	**100.00%**	**119.21**	**100.00%**	**(1,665.16)**	**100.00%**	**(1,545.95)**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

40 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 (Contd..)

31 March 2019

(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
Parent								
JMC Projects (India) Limited	162.01%	92,327.77	185.47%	14,213.10	100.00%	520.38	180.03%	14,733.48
Subsidiaries								
Indian								
JMC Mining and Quarries Limited	0.03%	19.29	0.00%	(0.32)	-	-	0.00%	(0.32)
Brij Bhoomi Expressway Private Limited	(1.79%)	(1,021.08)	(10.30%)	(789.25)	-	-	(9.64%)	(789.25)
Wainganga Expressway Private Limited	(10.32%)	(5,883.34)	(44.36%)	(3,399.53)	-	-	(41.54%)	(3,399.53)
Vindhyachal Expressway Private Limited	27.46%	15,650.89	(3.05%)	(233.40)	-	-	(2.85%)	(233.40)
Total interest in all subsidiaries	**15.38%**	**8,765.76**	**(57.71%)**	**(4,422.50)**	**-**	**-**	**(54.04%)**	**(4,422.50)**
Joint Venture (as per equity consolidation method)								
Kurukshetra Expressway Private Limited	-	-	(26.75%)	(2,049.75)	-	-	(25.05%)	(2,049.75)
Adjustment arising out of consolidation	(77.39%)	(44,104.52)	(1.01%)	(77.36)	-	-	(0.95%)	(77.36)
Total	**100.00%**	**56,989.01**	**100.00%**	**7,663.49**	**100.00%**	**520.38**	**100.00%**	**8,183.87**

41 Disclosure on Engineering, Procurement and Construction (EPC) (As per Ind AS 115)

(a) The Group undertakes Engineering, Procurement and Construction business. The type of work in the contracts with the customers involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc. The Group has recognised the cumulative effect of applying Ind AS 115 as an adjustment to the opening balance at 1 April 2018.

(b) Disaggreagtion of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Primary geographical markets		
India	3,58,893.66	3,14,983.01
Ethiopia	12,400.71	9,858.29
Sri Lanka	8.64	444.32
Total	**3,71,303.01**	**3,25,285.62**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

41 Disclosure on Engineering, Procurement and Construction (EPC) (As per Ind AS 115) (Contd..)

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Receivables which are included in Trade and other receivables net off provision (refer note 36 A (i))	99,602.58	95,597.60
Contract assets		
- Amount due from customers on construction contract	37,385.24	32,349.59
- Accrued value of work done net off provision (refer note 36 A (i))	69,497.15	65,993.67
Contract liabilities		
- Amount due to customers under construction contracts	16,046.88	6,910.97
- Advance from clients	59,583.79	56,185.80

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from customers on construction contract represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to customers on construction contract represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activity based on normal operating capacity.

Significant changes in contract asset and contract liabilities balances during the year are as follows:

(Currency: Indian rupees in lakhs)

Particulars		31 March 2020	31 March 2019
Due from contract customers:			
At the beginning of the reporting period (Para 116 (a))		32,349.59	26,377.65
Cost incurred plus attributable profits on contracts-in-progress		4,96,569.89	8,54,975.68
Progress billings made towards contracts-in-progress		(4,91,534.24)	(8,49,003.73)
Due from contract customers impaired during the reporting period (Para 118)		-	–
Significant change due to other reasons (Eg. Business acquisition etc.)		-	–
At the end of the reporting period (Para 116 (a))	(A)	37,385.24	32,349.60
Due to contract customers:			
At the beginning of the reporting period (Para 116 (a))		(6,910.97)	(8,165.18)
Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))		4,56,208.11	2,45,879.86
Progress billings made towards contracts-in-progress		(4,65,344.02)	(2,44,625.65)
Significant change due to other reasons (Para 118) (Eg. Business acquisition etc.)		-	–
At the end of the reporting period (Para 116 (a))	(B)	(16,046.88)	(6,910.97)
Total (A+B)		**21,338.36**	**25,438.63**

As on 31 March 2020, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is INR NIL (31 March 2019: Nil)

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

41 Disclosure on Engineering, Procurement and Construction (EPC) (As per Ind AS 115) (Contd..)

(d) Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for construction of highways, water pipeline projects, construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognizes the entire estimated loss in the period the loss becomes known.

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 Group recognises revenue from Operations & Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020:

(Currency: Indian rupees in lakhs)

Particulars	Mar-21	Mar-22	2023-2026	Total
Contract Revenue	4,66,170.66	3,58,220.01	69,222.23	8,93,612.90
Total	**4,66,170.66**	**3,58,220.01**	**69,222.23**	**8,93,612.90**

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

41 Disclosure on Engineering, Procurement and Construction (EPC) (As per Ind AS 115) (Contd..)

(e) Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss

The following table discloses the reconciliation of amount of revenue recognised as at 31 March 2020:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Contract price of the revenue recognised	**3,71,303.01**	**3,25,285.62**
Add: Performance bonus	–	–
Add: Incentives	–	–
Less: Liquidated damages	–	–
Revenue recognised in the Consolidated Statement of Profit and Loss	**3,71,303.01**	**3,25,285.62**

(f) The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. Hence, during the previous year, the Group has elected the option of the modified retrospective approach and there was no material impact on the measurement of revenue and retained earnings as of 1 April 2018. The presentation of certain contract related balances have been changed in the previous year and presented the same in compliance with the requirements of Ind AS 115.

(g) The above disclosures as per Ind AS 115 are made for EPC segment.

42 Disclosure as per Ind AS 116

The Group has applied Ind AS 116, which replaces Ind AS 17 Leases and the related interpretations from 1 April 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard and continues to be reported under Ind AS 17 Leases.

1. As a lessee

a. Right-of-use assets

Property, plant and equipment' comprises owned and leased assets that do not meet the definition of investment property. The rights of use asset for lease assets is recognised under the following heads

(Currency: Indian rupees in lakhs)

Particulars	Gross block				Depreciation				Net block
	Recognised on the date of Transition to Ind AS 116	Additions	Deductions	As at 31 Mar 2020	Recognised on the date of Transition to Ind AS 116	For the Year	Deductions	As at 31 Mar 2020	As at 31 Mar 2020
Office building	1,219.45	2,568.18	(698.38)	3,089.25	–	749.92	(308.40)	441.52	2,647.73
Store building	722.84	713.21	(52.90)	1,383.15	–	524.83	(25.47)	499.36	883.79
Plant and equipments	328.91	–	–	328.91	–	85.81	–	85.81	243.10
Total right-of-use assets	**2,271.20**	**3,281.39**	**(751.28)**	**4,801.31**	**–**	**1,360.56**	**(333.87)**	**1,026.69**	**3,774.62**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

42 Disclosure as per Ind AS 116 (Contd..)

1. As a lessee (Contd..)

b. Lease liabilities

(Currency: Indian rupees in lakhs)

Particulars	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows	
Less than one year	1,866.79
One to five years	2,459.61
More than five years	–
Total undiscounted lease liabilities at 31 March 2020	**4,326.40**

Lease liabilities included in the Consolidated balance sheet at 31 March 2020

Current	1,603.94
Non-current	2,289.24

c. Amounts recognised in Consolidated statement of profit or loss

(Currency: Indian rupees in lakhs)

Particulars	For the year 2019-2020
Interest on lease liabilities	211.08

d. Amounts recognised in the Consolidated statement of cash flows

(Currency: Indian rupees in lakhs)

Particulars	For the year 2019-2020
Total cash outflow for leases	1,541.37

e. Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Change in accounting policy

Impacts on financial statements

On transition to Ind AS 116, the Group recognised Rs 2,271.20 lakhs of right-of-use assets and 2,420.99 lakhs of lease liabilities. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 9%.

(Currency: Indian rupees in lakhs)

Particulars	1 April 2019
Operating lease commitment at 31 March 2019	2895.08
Discounted using the incremental borrowing rate at 1 April 2019	(474.09)
Finance lease liabilities recognised as at 31 March 2019	**2,420.99**

Notes to the Consolidated Financial Statements (Contd..)

for the year ended 31 March 2020

43 Disclosure in respect of security created on assets of the company against borrowings

(Currency: Indian rupees in lakhs)

Particulars	31 March 2020	31 March 2019
Property, plant and equipment	2,04,892.77	2,07,912.58
Inventories	24,132.09	24,817.07
Trade receivables	1,00,001.77	95,895.97
Cash and cash equivalents	5,509.14	8,157.31
Bank balances other than above	814.67	–
Other current assets	1,35,483.17	1,07,125.54
Total security created on assets	**4,70,833.61**	**4,43,908.47**

44 Capital management

The Group'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 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 and 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)

Particulars	31 March 2020	31 March 2019
Net debt (total borrowings (including interest) – cash and cash equivalents)	1,66,610.51	1,59,542.67
Total equity	53,876.34	56,989.01
Net debt to equity ratio	**3.09**	**2.80**

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
19 May 2020

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

Manish Mohnot
Non-executive Director
DIN : 01229696

Samir Raval
Company Secretary
Membership No. FCS-7520

Vardhan Dharkar
Chief Financial Officer
Membership No.040385

Mumbai
19 May 2020

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 68161500, Fax: 079 68161560, Website: www.jmcprojects.com, E-mail: cs@jmcprojects.com,

CIN: L45200GJ1986PLC008717

Notice is hereby given that the **34th Annual General Meeting** ('AGM') of the Members of **JMC Projects (India) Limited** (the 'Company') will be held on **Tuesday, August 11, 2020** at **11.00 a.m. IST** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Report of the Auditors thereon.

Item No. 2 – Declaration of Dividend

To declare a Final Dividend of ₹ 0.70 (Paise Seventy only) per equity share of face value of ₹ 2/- each, for the financial year 2019-20.

Item No. 3 – Appointment of Mr. Kamal Jain (DIN: 00269810) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Kamal Jain (DIN: 00269810), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 4 – Ratification of remuneration of Cost Auditor for the F.Y. 2019-20

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration as approved by the Board of Directors and set out in the statement annexed to the Notice, to be paid to M/s. S. K. Sahu & Associates, Cost Accountants (Firm Registration No. 100807) as the Cost Auditor appointed by the Board of Directors at its meeting held on July 29, 2019 to conduct the audit of the cost records of the Company for the financial year ended March 31, 2020, be and is hereby ratified.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to this resolution."

Item No. 5 – Ratification of remuneration of Cost Auditors for the F.Y. 2020-21

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration as approved by the Board of Directors and set out in the statement annexed to the Notice, to be paid to the Cost Auditors appointed by the Board of Directors at its meeting held on May 19, 2020 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to this resolution."

By Order of the Board
For **JMC Projects (India) Limited**

Samir Raval
Company Secretary

June 29, 2020, Mumbai

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 34th AGM of the Company is being conducted through VC / OAVM, which does not require physical presence of members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA / SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013 ('the Act'), authorized representative of the Corporate Member(s) may be appointed for the purpose of voting through remote e-Voting, for participation in the 34th AGM through VC / OAVM and e-Voting during the 34th AGM.

3. The presence of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. An Explanatory Statement pursuant to Section 102 of the Act relating to the Special Business to be transacted at the Meeting is annexed hereto. The Board of Directors of the Company at its meeting held on May 19, 2020 considered that the special business under Item Nos. 4 and 5, being considered unavoidable, be transacted at the 34th AGM of the Company.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 06, 2020 to Tuesday, August 11, 2020 (both days inclusive) in connection with the AGM and for determining the names of members eligible for equity dividend, if declared at the AGM.

6. Members may note that the details of the Director seeking re-appointment as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) forms an integral part of the notice. Requisite declarations have been received from the Director for seeking his re-appointment.

7. Applicable statutory records and all the documents referred to in the accompanying Notice of the 34th AGM and the Explanatory Statement shall be available for inspection by the members at the Registered Office and Corporate Office of the Company on all working days during business hours up to the date of the Meeting. Such documents will also be available electronically for inspection by the members from the date of circulation of this notice upto the date of AGM and during the AGM. Members seeking to inspect such documents can send an email to cs@jmcprojects.com

8. The dividend on equity shares, if declared at the AGM, subject to deduction of tax at source will be payable on or after August 17, 2020 to those members:

   (a) whose name appears as Member in the Register of Members of the Company on August 05, 2020; and

   (b) whose name appears in the list of Beneficial Owners on August 05, 2020 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, at the earliest once the normalcy is restored.

10. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders at prescribed rates in the Income Tax Act, 1961 (the "IT Act").

    In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants in case shares are held in Dematerialized form. In case shares are held in physical form, aforementioned details need to be updated with the RTA of the Company by quoting their name and folio number.

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H provided all prescribed conditions are met, to avail the benefit of non-deduction of tax at source on the website of RTA at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html latest by 11:59 p.m. IST, August 05, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Further, resident shareholders to provide the self-attested copy of PAN. In case Lower or Nil withholding certificate has been obtained under Section 197 of the IT Act by the resident shareholder, the self-attested copy of such certificate shall be required to be uploaded on the website of RTA as referred above.

Resident shareholders being mutual funds to provide self-declaration that they are specified in Section 10(23D) of the IT Act, along with self-attested copy of PAN and registration certificate.

Non-resident shareholders [other than FII (called as FPI)] can avail beneficial rates under tax treaty between India and their country of residence, subject to the following documents/declaration are provided:

a. Self-attested copy of Permanent Account Number (PAN), if allotted by the Indian Income Tax Authorities;

b. Self-attested Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying shareholder's tax residency status during the Financial Year 2020–21;

c. Completed and duly signed Self-Declaration in Form 10F;

d. Self-declaration certifying on the following points:

   i. The Non-resident Shareholder is and will continue to remain a tax resident of the country of its residence and does not hold dual residency in India during the Financial Year 2020–21;

   In case of non-resident partnership firm/ trusts, the shareholders/ partners/ beneficiaries are subject to tax in the recipient's i.e. partnership firm/ trust's country of residence;

   ii. The Non-resident Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

   iii. The Non-resident shareholder meets the requirements under LOB clause of the respective tax treaty, if applicable;

   iv. The Non-resident shareholder's claim for tax treaty benefits is not hit by the principal purpose test under the treaty read with the Multilateral Instrument, if applicable;

   v. The Non-resident Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

   vi. The Non-resident Company does not have place of effective management ('POEM') in India;

   vii. The Non-resident shareholder is the beneficial owner of the dividend and the said non-resident shareholder is under no legal or contractual obligation to pass on the dividend income to any other person;

   viii. Confirm whether any declaration of beneficial ownership is filed under Companies Act in respect of the shares held by the non-resident shareholders in the Company;

   ix. The Non-resident Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2020–21 and that their shareholding in the Company is not effectively connected to such permanent establishment;

e. In case of FII (now known as FPI) shareholders, kindly confirm that the investment in the Company has been made under FPI route;

f. In case of non-resident shareholder being partnership firms/ trusts, list of partners/ beneficiaries/ their respective share of income in partnership firms/ trusts and their residential status (if not stated in the TRC of partnership firms/ trusts).

The aforesaid documents / declarations should be submitted on the website of RTA at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html. The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 p.m. IST, August 05, 2020.

11. Members are requested to notify immediately any change in their address, bank account details and / or e-mail id to their respective Depository Participant (DP) in respect of their electronic shares / demat accounts. In respect of physical shareholding, to the Registrar and Transfer Agent (RTA) of the Company at M/s. Link Intime India Private Limited, Unit: JMC Projects (India) Limited, 506 to 508, 5th Floor, Amarnath Business Centre – 1 (ABC-1), Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009. Tel. & Fax: 079 26465179, E-mail: ahmedabad@linkintime.co.in. Additionally, members holding shares in physical form can update their bank account details / e-mail id /mobile no. on the website of RTA at https://linkintime.co.in/EmailReg/Email_Register.html

12. 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 RTA 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. Additionally, members holding shares in physical form can update their bank account details on the website of RTA at https://linkintime.co.in/EmailReg/Email_Register.html

13. Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Act read with relevant rules. Members desiring to avail this facility may send their nomination in the prescribed Form SH. 13 duly filled in, signed and send to the Company or RTA.

14. 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.

15. In terms of Listing Regulations, the securities of the listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the same, members are advised to dematerialize shares held by them in physical form.

16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

17. 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 account. Members holding shares in physical form can submit their PAN details to the RTA.

18. (a) Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. The Company had, accordingly, transferred ₹ 1,58,552/- being the unpaid and unclaimed dividend amount pertaining to Financial Year 2011-12 on September 17, 2019 to the IEPF. Further, the Company has also transferred ₹ 72,310/- towards unpaid and unclaimed interest on matured Fixed Deposit on January 06, 2020 to the IEPF.

Members who have not encashed their dividend pertaining to Financial Year 2012-13 onwards are advised to write to the Company immediately claiming dividends declared by the Company. Details of the unpaid / unclaimed dividend are uploaded as per the requirements on the Company's website www.jmcprojects.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed at www.iepf.gov.in

(b) Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF Authority.

The Company had transferred 15,627 equity shares of ₹ 2/- each to the IEPF Authority on which the dividends remained unpaid or unclaimed for seven consecutive years on August 21, 2019 after following the prescribed procedure.

Further, all the shareholders who have not claimed / encashed their dividends in the last seven consecutive years i.e. Dividend for Financial Year 2012-13 onwards are requested to contact the Company Secretary of the Company or RTA to encash the unclaimed dividend. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The details of such shareholders and shares due for transfer are uploaded on the website of the Company viz. www.jmcprojects.com

The shareholders whose dividend / shares has been transferred to the IEPF Authority can claim their dividend / shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

19. **COMMUNICATION THROUGH E-MAIL**: The situation of global warming demands 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

To support green initiative, Members who have not registered their e-mail addresses with the Depositories / Company / RTA, so far, are requested to register / update their e-mail addresses in the following manner:

a. In respect of electronic/demat holdings with the Depository through their concerned Depository Participants. However, the members may temporarily register the same with the Company's RTA M/s. Link Intime India Private Limited at https://linkintime.co.in/EmailReg/Email_Register.html on their website www.linkintime.co.in in the Investor services tab by providing details such as Name, DP ID, Client ID, PAN, mobile number and email address.

b. Members who hold shares in physical form are requested to register their e-mail ID with the Company's RTA M/s. Link Intime India Private Limited at https://linkintime.co.in/EmailReg/Email_Register.html on their website www.linkintime.co.in in the Investor services tab by providing details such as Name, Folio No., Certificate number, PAN, mobile number and email address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).

On submission of the above details, a One-Time Password (OTP) will be received by the Member which needs to be entered in the link for verification.

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 the Ministry of Corporate Affairs and your Company's desire to participate in the initiative. If there is any change in e-mail id, shareholder can update his / her e-mail id in same manner as mentioned above.

Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 34th AGM and the Annual Report for the financial year 2019–20, are being sent only by email to the Members. Members may note that this Notice and Annual Report 2019–20 will be available on the Company's website www.jmcprojects.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com

20. **REMOTE E-VOTING FACILITY**

Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, 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 and accordingly, business / resolutions as mentioned in this Notice shall be transacted through e-Voting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-Voting. The facility of casting votes by a member using remote e-Voting system as well as e-voting during the 34th AGM will be provided by CDSL.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) The remote e-Voting period begins on August 08, 2020 (09.00 a.m. IST) and will end on August 10, 2020 (05.00 p.m. IST). 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 05, 2020 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com

(iv) Click on "Shareholders" module.

(v) 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 OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login – Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is communicated by mail indicated in the PAN field.
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. • 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 (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the Electronic Voting Sequence Number (EVSN) for the JMC Projects (India) Limited to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.

(xx) **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 and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at jmc.scrutinizer@gmail.com and to the Company at cs@jmcprojects.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

General Guidelines for shareholders:

1. The Company has appointed Mr. P. N. Parikh (FCS 327 & CP 1228) failing him Mr. Mitesh Dhabliwala (FCS 8331 & CP 9511) failing him Ms. Sarvari Shah (FCS 9697 & CP 11717) and failing her Ms. Jigyasa Ved (FCS 6488 & CP 6018) of M/s. Parikh & Associates, Practicing Company Secretaries, to act as the Scrutinizer for conducting the remote e-Voting and the voting process at the AGM in a fair and transparent manner.

2. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 34th AGM by email and holds shares as on the cut-off date i.e. August 05, 2020 may obtain the User ID and password by sending a request to CDSL at helpdesk.evoting@cdslindia.com

3. The Members whose names appear in the Register of Members / list of Beneficial Owners as on August 05, 2020 ('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.

4. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022–23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022–23058542).

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022–23058542/43.

   On submission of the report by the Scrutinizer, the result of voting at the meeting and remote e-Voting shall be declared. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.jmcprojects.com and on the website of CDSL. The results shall be simultaneously communicated to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

   Process for those shareholders whose email addresses are not registered with the Depositories/ Company/RTA for obtaining login credentials for e-Voting on the resolutions set out in this notice:

   In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA at ahmedabad@linkintime.co.in or to the Company at cs@jmcprojects.com

   In case shares are held in demat mode, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA at ahmedabad@linkintime.co.in or to the Company at cs@jmcprojects.com

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE 34TH AGM ARE AS UNDER:

1. The procedure for e-Voting during the 34th AGM is same as the instructions mentioned hereinabove for remote e-Voting.

2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 34th AGM.

3. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC / OAVM, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.

4. Members who have cast their vote through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

5. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person(s) mentioned above in this Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 34TH AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the 34th AGM through VC / OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-Voting credentials. The link for VC / OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. The Members can join the 34th AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 34th AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 34th AGM without restriction on account of first come first served basis.

3. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before August 05, 2020 mentioning their name, demat account number/folio number, email id, mobile number at cs@jmcprojects.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries on or before August 05, 2020 mentioning their name, demat account number/folio number, email id, mobile number at cs@jmcprojects.com. These queries will be replied by the Company suitably by email.
7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE 'ACT')

Item No. 4 - Ratification of remuneration of Cost Auditor for the F.Y. 2019-20

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct audit of Cost Records of the Company in respect of Construction, Roads, Infrastructure and other business activities as may be required.

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. S. K. Sahu & Associates, Cost Accountants (Firm Registration No. 100807) as an additional Cost Auditor of the Company for the Cost Audit of the cost records of the EIO Operations of the Company and for other Cost Compliance Certification for the financial year 2019-20, at a remuneration of ₹ 20,000/- (Rupees Twenty Thousand only) plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any. 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 4 of the Notice.

The Board recommends the passing of an Ordinary Resolution as set out at Item No. 4 of the accompanying Notice.

Item No. 5 - Ratification of remuneration of Cost Auditors for the F.Y. 2020-21

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct audit of Cost Records of the Company in respect of Construction, Roads, Infrastructure and other business activities as may be required.

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 000024), as the Cost Auditor of the Company for the financial year ending March 31, 2021, at a remuneration of ₹ 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any.

Further, the Board, on the recommendation of the Audit Committee has approved the appointment of M/s. S. K. Sahu & Associates, Cost Accountants (Firm Registration No. 100807) as the Cost Auditor of the Company for the Cost Audit of the cost records of the EIO Operations of the Company and for other Cost Compliance Certification for the financial year ending March 31, 2021, at a remuneration of ₹ 20,000/- (Rupees Twenty Thousand only) plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any.

The remuneration payable to above stated Cost Auditors 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 Auditors for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 5 of the Notice.

The Board recommends the passing of an Ordinary Resolution as set out at Item No. 5 of the accompanying Notice.

By Order of the Board
For **JMC Projects (India) Limited**

Samir Raval
June 29, 2020, Mumbai — Company Secretary

DETAILS OF DIRECTOR OF THE COMPANY SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Mr. Kamal Jain
Director Identification No.	00269810
Date of Birth	June 05, 1957
Age	63 Years
Date of first appointment	February 05, 2005
Terms & conditions of re-appointment	Non-Executive Director (Non-Independent), liable to retire by rotation
Qualification	B.Com, CA
Experience / Expertise in functional field and brief resume	Mr. Kamal Jain has rich experience of over 3 decades in the field of finance, taxation, corporate affairs and human resource developments.
No. of Shares held in the Company	Nil
No. of Board Meetings attended during the F.Y. 2019–20	3 out of 5
Details of remuneration last drawn	Nil
Details of remuneration sought to be paid	Nil
Other Directorships	Energylink (India) Limited Shree Shubham Logistics Limited Adeshwar Infrabuild Limited Jhajjar KT Transco Private Limited Kalpataru Metfab Private Limited Amber Real Estate Limited Saicharan Properties Limited Punarvasu Financial Services Private Limited Kalpataru Power Transmission (Mauritius) Limited Kalpataru Power DMCC, UAE Kohima-Mariani Transmission Limited Kalpataru Foundation
Chairpersonship/Membership of Committees of other Companies	None
Relationship with other Directors, Manager and Key Managerial Personnel	None

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 68161500 | Fax: +91 79 68161560

Corporate Office

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

Tel: +91 22 30051500 | Fax: +91 22 30051555

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www.kalpatarupower.com

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