



# JMC Projects (India) Limited

**ENGINEERS & CONSTRUCTORS**

**(A Kalpataru Group Enterprise)**

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August 08, 2018

Corporate Service Department <b>BSE Limited</b> 25 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	The Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
<b>Scrip Code: 522263</b>	<b>Trading Symbol: JMCPROJECT – EQ</b>

**Sub: Submission of Annual Report for the financial year 2017-18 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sirs,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2017-18 duly approved and adopted by the members at the 32<sup>nd</sup> Annual General Meeting of the Company held on Monday, August 06, 2018.

Kindly take the same on your records.

Thanking You,

Yours faithfully,  
For **JMC Projects (India) Limited**

**Samir Raval**  
Company Secretary & Compliance Officer



*Encl.: As above*

# Staying ahead of the learning curve

ANNUAL REPORT 2017-18



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#### Forward-looking statements/Cautionary statement

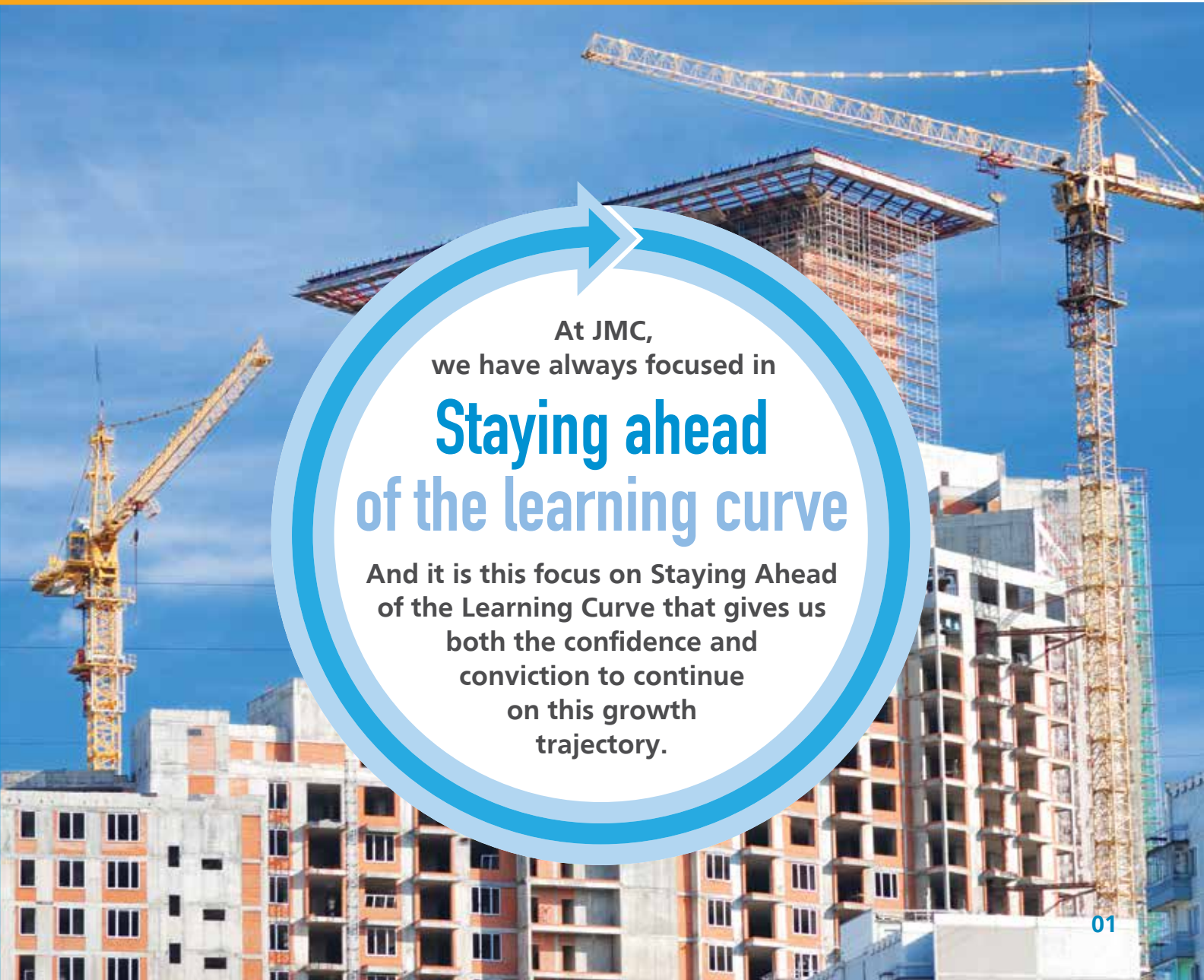
In this annual report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



The Indian construction space is witnessing steady growth over the past couple of years. Favorable policy measures, growing focus of the Government and its subsequent increased spending have brought renewed optimism in the sector.

At JMC, we encashed our deep domain knowledge, prudent capital management controls and enhanced capabilities to capitalize on these opportunities.

We have delivered strong performance by strengthening our technical and operational capabilities, by implementing past learnings and by further enhancing our customer's satisfaction. Our ability to efficiently deploy capital to strengthen working capital position and sustained focus on integrating IT across all systems and processes is further unleashing our potential.



At JMC,  
we have always focused in

## **Staying ahead of the learning curve**

And it is this focus on Staying Ahead  
of the Learning Curve that gives us  
both the confidence and  
conviction to continue  
on this growth  
trajectory.

## Staying Ahead of the Learning Curve

# By focusing on achieving sustainable and profitable growth

In a competitive business environment, the resilience of a company is defined by its ability to grow sustainably and profitably. At JMC, we believe that the key to business sustainability in the civil construction sector lies in a combination of moderate, yet sustainable topline growth coupled with higher profitable growth.

**At JMC, our focus on achieving sustainable and profitable growth is showcased by:**

- **Selective Growth:** JMC avoids stepping up the bidding war in a quest to win orders. Our endeavor is to seek quality orders at healthy margins, lower execution risk and timely payments. We are selective in our pursuit of projects. We focus on projects that are within our core area of expertise, and come from familiar clients and region. This not only helped JMC in augmenting its brand image further, but also translated into increased profit and revenues.
- **Strategic Diversification:** Synergistic extension into different segments within the civil construction space has not just helped the Company with the required diversification, but also in increasing its order book size substantially over the years. Today, the Company has a presence across a wide variety of segments namely, Residential & Commercial Buildings, Factories, Power Plants, Cement Plants, Roads, Bridges & Elevated Corridors, Metros, Water etc.

Although India has always been our main driver of revenues, the Company has been opportunistic enough to leverage on the parent company Kalpataru Power Transmission's international presence to expand into African and SAARC markets.

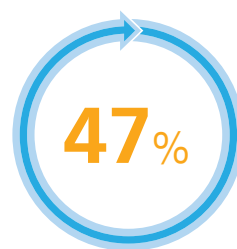
On account of this strategic diversification, the cumulative order book has shown a robust growth of over 11% CAGR in the last 5 years.

- **Persistent Focus on Execution:** One of the key focus areas of the Company is to provide on-time and quality project delivery to all our customers. Our persistent focus on capability building along with the use of advanced IT platform (SAP S4HANA 1610 with Commercial Project Management)

have enabled us to effectively track the progress of each project with focus on quality, thereby enhancing our project management capabilities. The benefits of same will be reflected in our performance from 2019 onwards.

We have also steadily adopted the discipline to bid for projects that are above a certain ticket size, which enables to deploy our management resources properly for timely and profitable execution.

**A strong execution of the aforementioned strategies resulted into our bottom line growing faster than our topline, showcasing the strength and competitiveness of JMC.**



CAGR growth of JMC's bottom line in the last five years



Live Projects with a presence in India, Africa & Sri Lanka

### Focus Areas:

Design & Build (EPC) Building Projects

Institutional & Commercial Buildings

Water Pipeline Projects

Elevated Corridors

Highways

Irrigation Projects

International Infrastructure Projects



## Staying Ahead of the Learning Curve

# By focusing on customer-centricity

Engaged in the civil construction space for over three decades, we have been successful in creating a credibility of delivering as per the clients' need. Over these years, we have gleaned insights, picked up key trends hinted by our customers and translated consumer needs into reality. Our impeccable reputation for customer sensitivity (in terms of price, quality and delivery) has helped us in accomplishing several repeat orders. We have been successful in buttressing our position as one of the leading organized construction companies in the Indian civil construction space.



**The two pillars of JMC that have enabled us to remold our present business model into a more robust and a more customer-centric one are:**

- 1. Create a valued customer experience:** At JMC, our key objective is to satisfy our customers by fulfilling their requirements to the minutest details. Our robust IT infrastructure has been instrumental in this, enabling us to prepare efficient designs, undertake robust planning, automate processes and better manage resources. Respecting the customer's interest has allowed the Company to create a strong brand name for itself along with some positive endorsement by its esteemed customers.
- 2. Culture of 360° feedback:** The ability to constantly seek customer feedback and use it to further enhance customer service is critical to maintaining cutting-edge customer-centricity. At JMC, we have built-in a foolproof 360° feedback culture comprising a dedicated team that is in constant touch with our customers. This team focuses on resolving complaints, addressing queries

and gathering further feedback. We have in place a two-way conversation system which created a strong emotional connect with our customers.

Since its inception, the operating ethos of the Company has been to build enduring customer relationships through outstanding service, immaculate quality and timely delivery. This commitment has helped us overcome numerous challenges and sustain the growth momentum.

**Customer-centric focus enabled the Company gain the trust and confidence of customers which is validated by the fact that a significant proportion of sales has been due to customer referrals and repeat orders.**



Repeat & Referral  
Sales for last  
2 years



## Staying Ahead of the Learning Curve

# By developing deep domain expertise

In today's competitive business environment, the success of a company is increasingly dependent on its domain knowledge and expertise. Deep domain knowledge coupled with a niche expertise results in meeting customers' demand as well as ensuring a thorough understanding of the changing trends in the industry. It provides agility and makes the company both relevant and competitive.

### At JMC, our deep domain expertise emanates from:

- **Expanding from the Core:** Aligned to India's Infrastructure aspirations, we possess a rich experience of more than three decades in India's EPC space; and we have been strengthening our competencies across regions, markets and customers. At JMC, we strengthened our prequalification credentials during the most challenging market cycles, making it possible for us to bid for larger and more profitable projects. JMC is one of the few companies that have pre-qualification across a wide range of segments in the construction sector. Leveraging proven expertise in the civil construction space coupled with a direct exposure to key trends and developments in the industry. JMC synergistically ventured into several new segments like water, MEP (mechanical, electrical and plumbing), design build and composite jobs and metro railways over the last few years. A presence across the different sub-segments has helped JMC enhance profitability and mitigate the concentration risk. This differentiates the Company and also gives it a competitive edge.
- **Strong Functional Teams:** JMC has worked extensively in building landmark civil engineering and construction projects requiring robust engineering

skills, rich technical expertise and strong execution capabilities. With our team of professionals and highly efficient and experienced execution workforce, we are poised to delivering on our commitments and competencies to meet client's expectations.

The Company's steady performance has attracted and retained experienced and invaluable human capital available within the industry. JMC's philosophy of 'right people at the right place at right time' has proved to be a key differentiator for the Company. Our areas of competence comprises design, construction, project management, procurement, quality assurance, business development, and financial management.

- **Focus on Inclusive Growth:** Foreseeing a bright future of construction industry in India, at JMC, we embarked on the implementation of a number of multi-pronged strategies to empower our sub-contractors, vendors, industrial partners, etc. We are entering into long-term mutually beneficial contracts with our partners so that they become part of the entire project lifecycle ensuring timely and within budget delivery of the project.
- **Health, Safety and Environment Consciousness:** Public and project safety is paramount to our employees,



our subcontractors, our customers, and our business. We continuously improve our environmental, safety, and health programs to protect our workforce and increase their well-being. We continued our journey toward zero incidents by focusing on learning from high-potential events. We are especially proud to note that FY 2017-18 was one of the safest years in the history of JMC. A broader and deeper emphasis on HSE gives us edge in marquee clients especially when bidding against global companies.



JMC's order book from the water and irrigation segment as on 31 March, 2018



## Staying Ahead of the Learning Curve

# By achieving operational excellence and leveraging technology

In the business of civil construction, a number of factors impact the profitability of a company. While external factors are beyond powers of any company, constantly improving internal factors are critical to performance and growth.

High labor productivity coupled with state-of-the-art technology has led to process and cost-efficiency in the Company. Our various performance improvement initiatives have helped in bringing down the cost, thereby increasing our profits.

**At JMC, we have initiated numerous initiatives. Some of the notable steps include:**

- Implemented Best-in-class ERP:** The Company has been a torchbearer in the industry in terms of technology adoption. While in the past, we adopted the advanced IPMS (Integrated Project Management System) ERP system, in FY 2017-18 we upgraded to the ultra-modern SAP S4HANA 1610 with CPM (Commercial Project Management) 2.0. This makes us the first Indian Construction company to adopt it and implement in a record time. The upgradation was done under the flagship project 'Optimus', which is an SAP-led business transformation project. It offers the advantage of scalability and sustainability, standardization across business and swiftness with real-time updates. Moving key functional areas like finance & accounts (F&A), project management group (PMG), projects, stores and procurement under its ambit, will result in higher benefits across the length and breadth of the organization in terms of reduced turnaround times, increased efficiency and better co-ordination.
- Prudent working capital management:** At JMC, we are



consciously focusing on the timely collection of the accounts receivables including retention monies. At the same time, we have reworked our debt management and have been able to bring down our finance cost from 4.4% of sales in FY 2015-16 to 3.1% in FY 2017-18. We have been successful in getting two of our Road BOOT assets refinanced at a lower interest rate. As part of our future strategy, we have decided to focus on our EPC business given that it provides the advantage of lower capital deployment.

- Leveraging Technology for Robust Operations:** Implementing GPS enabled plant and machinery systems, proactive preventive and corrective measures for equipment breakdown as well as detailed and regular fuel monitoring. These, along with



surveillance systems, effective scrap management and implementation of BIM Technology for early conflict resolution have helped the Company with real-time information and data, thus allowing the management to take important business decisions at the right time based on real-time data.

Further, to reduce the financial impact of theft and pilferages, we installed surveillance cameras across all our sites.

**Leveraging our technologically advanced operations, JMC is delivering efficient operations and high productivity, thereby resulting in higher profits.**



# Corporate snapshot

From asset transformation to customer-focused sales transformation

From investments in growth markets to new business segments

From reporting profitable growth to generating cash

JMC is strengthening competencies and capabilities to ensure a sustainable and profitable growth for its stakeholders

## About JMC:

JMC Projects (India) Limited ("JMC Projects" or "JMC"), a US\$ 400 million Engineering, Construction, Projects Company, is one of the leading construction companies in India with operations spread globally across SAARC and Africa. It is certified under ISO 9001:2015 (Quality Management), ISO 14000:2004 (Environment Management) and BS OHSAS 18001:2007 (Occupational Health & Safety).

It addresses critical needs in key sectors – Infrastructure (Highways, Flyovers, Elevated Corridors, Metros, Railways, Bridges, Water Projects, Smart City Projects), Construction

of Buildings (High-rise, Integrated Township, Residential, Commercial, IT Parks, Institutional, Hospital, Sports Complex, Tourism), Industrial & 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.

Over three decades of a strong, customer-focused approach and a sharp focus on world-class quality have enabled it to maintain a leadership position in its

major lines of business. Characterized by professionalism, high standards of Corporate Governance and Sustainability, JMC continues to evolve, seeking better ways of engineering to meet emerging challenges leveraging the power of People-Processes-Technology.

JMC has executed three road BOOT projects, through its Wholly-Owned Subsidiary Companies and one road BOOT project in Joint Venture. All the four road BOOT projects are now fully operational on full toll and full-length basis.





**With an order book CAGR of 11% during the last five years (financial year ending 2018) and a bottom-line CAGR of 47% during the same period, JMC is one of the leading construction enterprises of the country.**

### Heartening recognition for our passion:

**Excellence in Training and Development Award and Innovative Retention Strategy Award** from World HR Congress 2018

**Best Construction Company 2017 Award** from CARE Ratings

**RoSPA Gold Award** for Safety 2017

**National Safety Awards 2017** for various Projects

**SAP ACE Award 2018** for Technology Innovation and Business Transformation

**British Safety Council International Safety Award** for Performance in 2017

### Our presence

Headquartered in Mumbai and with its registered office at Ahmedabad, India, the Company functions through its regional offices located in Bengaluru, NCR Delhi, Thane and Kolkata.

In terms of project presence, the Company has expanded not only in India but also in countries outside India like the SAARC countries and in Africa.

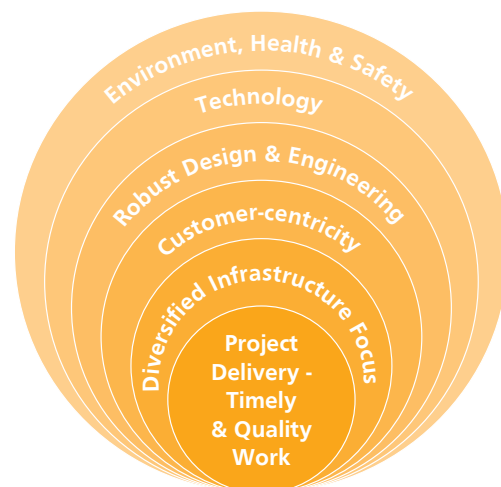
### Our expanding horizon

Starting as a civil construction company in 1986, JMC has expanded its horizon in the realm of civil engineering and the entire gamut of construction segments. Today, the Company is engaged in the construction of highways, expressways, bridges, flyovers, townships, tall buildings, hospitals, industrial units and power plants among others. Over the years, it has undertaken the creation of some of the important edifices across the nation.

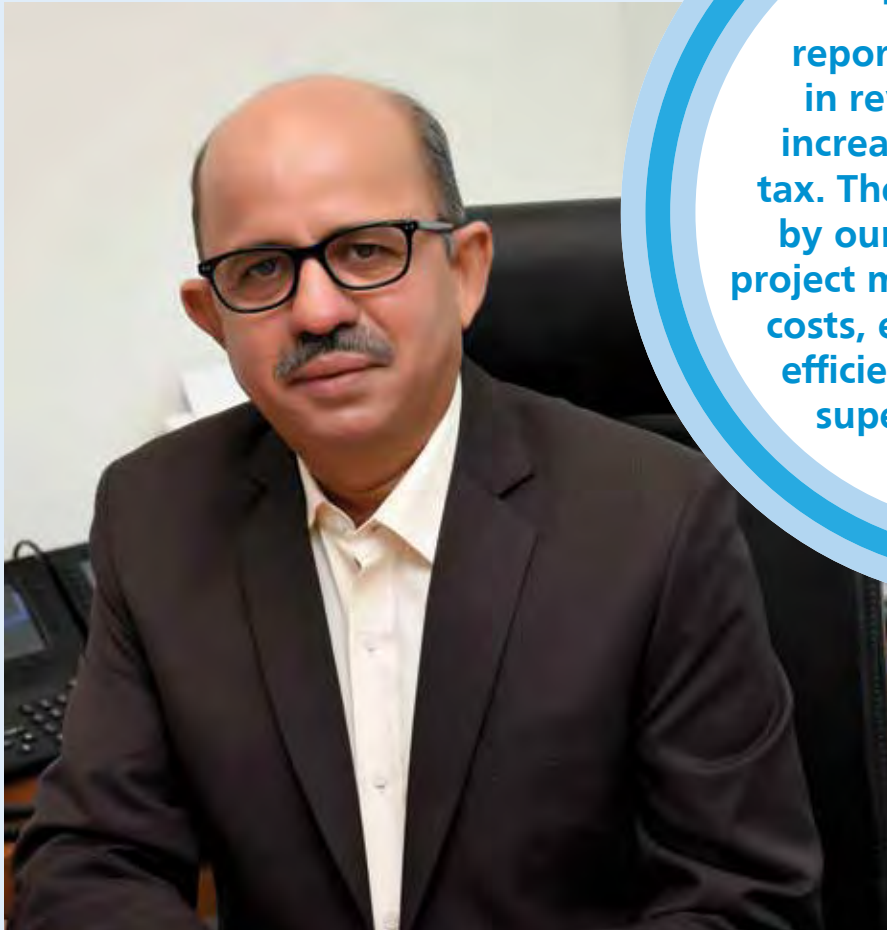
Some of our landmark projects include IIM Ahmedabad, Supreme Court of India Additional Office Building, Bangalore Metro, Delhi Metro, Asian Heart Hospital, Vardhaman Mahavir Medical College, Kalpana Chawla Medical College, Infosys Campus Pune, CMC TCS Kolkata, Syntel SEZ Pune, Coal India HQ Kolkata, RMZ Ecoworld Bangalore, Huawei Tech Park Bangalore, Sikka Thermal Power Plant Jamnagar, Bajaj Auto Plant Chakan, Maruti Suzuki Plant Manesar etc.



### Our Key Distinguishers



# From the CEO's table



**During the year, JMC reported a 18% increase in revenues and a 82% increase in its profit after tax. The growth was driven by our efforts to improve project management, optimize costs, enhance operational efficiency and implement superior construction technology.**

## Dear Shareholders,

It gives me great pleasure in reporting another year of commendable and holistic performance by the Company. Though various developments impacted the growth of the construction industry, it was a strong push by the Government to pace-up infrastructural projects that positively influenced our performance. We reported strong earnings and commendable growth in both volume and market share.

FY 2017-18 can be rightly summed as a year of creating sustainable growth and investing in the future. While for many companies in the industry, it was a year to get back on the track, for JMC it meant:

## Moving Faster, Growing Bigger, Getting Stronger

FY 2017-18 saw us execute a record ₹ 2,756 crore of projects. The performance was driven by our persistent efforts towards operational improvement and consolidation as we prudently invested in better technologies and IT infrastructure. While on one hand, we kept improving internal competencies, on the other, we kept exploring new opportunities and extending operations both vertically and horizontally.

We strengthened presence in the strategic sectors of highways, urban infrastructure, complex buildings and industrial units, and extended in the areas of water supply

and irrigation. We strategically enhanced capabilities to undertake MEP (Mechanical, Electrical and Plumbing) jobs. We continued to consolidate presence in both Indian and international market on the back of strong track record of project deliveries.

In line with our strategy to strengthen IT, we successfully implemented the latest SAP-based transformation project 'Optimus' which will greatly improve our process efficiencies. We are in the stage of adopting Critical Chain Project Management to bolster execution abilities. Further, we have developed deeper customer-centric approach, to better understand clients, respond faster to the changing industry trends and match expectations.

With this, we have considerably strengthened our competencies. We are now a multi-geography, multi-sector player having the ability to offer integrated one-stop solutions and handle complex projects.

## Business optimism

I believe these are interesting times for the industry. The macro is positive with GDP





expected to grow at 7.4% in FY 2018-19 compared to 6.7% achieved in FY 2017-18. Construction and infrastructure sectors, being directly correlated to the economic growth will be in for some positive movement. Besides, the implementation of RERA and GST that witnessed initial challenges are beginning to show signs of stabilization, which will eventually lead to an improved real estate and trade scenario.

Infrastructure development is one area that will create huge opportunities for the construction sector. I am happy to state here, that the Government has significantly enhanced its impetus to the sector in the recent years. Apart from easing policies and fast-tracking projects, the budgetary allocation to the sector has been increased to ₹ 5.97 lakh crores, of which ₹ 71,000 crores will be towards National Highways construction. Various flagship projects like Housing for All by 2022, ModiCare, Sagarmala, Bharatmala, UDAN, Smart City, and development of infrastructure-linked real estate and industrial corridors have also been envisaged, which will boost construction growth. Further, large-scale investments have been planned for developing infrastructure for water and irrigation, railways and urban commuting systems

Overall, the outlook for the construction sector is positive and favorable. We are confident of capitalizing on these opportunities. With our strong presence across most of these segments, in-depth industry knowledge, technical expertise and improved operational efficiency, we are confident of a sustainable growth going forward.

### Performance review

During the year, JMC reported a 18% increase in revenues and a 82% increase in its profit after tax. The growth was driven by our efforts to improve project management, optimize costs, enhance operational efficiency and implement superior construction technology.

We leveraged our innovative marketing strategy, deep domain knowledge and

customer-centric approach to sustain competition. This enabled us to win new orders of ₹ 3,339 crores in FY 2017-18, with our order book reaching ₹ 7,616 crores at the end of March 2018.

We also undertook several cost optimization initiatives by scrutinizing each cost item thoroughly, moderating wasteful expenditure and using technologies to reduce costs.

With this, our EBITDA margins grew from 9.1% in FY 2016-17 to 10.3% in FY 2017-18.

We continued reviewing our construction process flow and practices to the minutest detail and have undertaken improvement measures wherever possible. We recognized that any improvement would translate into a quicker project turnaround generating a quicker cash flow and moderate daily overheads. As a result, our PAT has grown by 82% in FY 2017-18 to reach ₹ 106.1 crores.

### Highlights, FY 2017-18

- Successfully implemented 'Optimus', our flagship SAP-led business transformation project
- Garnered healthy margins, further optimized the debt-equity ratio and substantially enhanced all other major financial parameters
- Successfully extended offerings to the water segment
- Received two international RoSPA awards for safety, numerous CIDC awards for safety, quality and performance and got recognition for various retention strategies and learning initiatives
- Achieved the status of a "Live Enterprise" and got rewarded by the SAP Ace Award 2018 for real-time running of Live Enterprise

### Our strategy

At JMC, we have outlined a strategy to leverage our competitiveness and capitalize on emerging opportunities.

One, we will continue with geographic expansion focus to widen presence and offerings in the Asian and African markets, where infrastructure-related investments are on the rise. We target to secure new orders in the Building and Factories and Infrastructure segments here.

Two, we have evolved our focus from the high-end residential to the affordable housing, metro corridors and Smart City segments. We are proactively working on securing more of design and build composite projects, infrastructure projects (Water Pipeline, Irrigation, Highways, Elevated Corridors, Metros, Housing), Institutional and Commercial Buildings, Factory and Plant Projects.

Three, we will undertake further measures to increase our operational efficiency and operating margins and minimize finance cost to generate more cash.

Four, we will make sustained investments towards strengthening IT infrastructure and automation technologies.

Five, we will continue to work towards improving performance of our Road BOT projects and will evaluate an appropriate strategy.

Looking ahead, we are confident that the combination of these initiatives will enable the Company to sustain its revenue momentum, enhance margins and create attractive value in the hands of all our stakeholders.

I thank all stakeholders for their unwavering support. A special thanks to our employees who continue to put in sincere efforts and without whom, our success would not have been possible. I assure you, we will continue Staying Ahead of the Learning Curve. Finally, I am grateful to all our shareholders for their continued belief in us.

**Shailendra Kumar Tripathi**

CEO and Deputy Managing Director

# Board of Directors



## 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.

## 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.

## 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.

## Mr. D. R. Mehta

Chairman – Independent Director

Mr. D. R. Mehta, B.A., LL.B and Management Graduate of Royal Institute of Public Administration, London and Alfred Sloan & School of Management MIT - Boston, USA, joined the Indian Administrative Service in 1961. He has rich experience of more than 40 years, during which, he held various important positions in Government of Rajasthan, Government of India. He was Deputy Governor of RBI, Chairman of SEBI etc.



#### Mr. Shailendra Raj Mehta

Independent Director

Mr. Shailendra Raj Mehta, has done Bachelor of Arts from St. Stephen's College and Master of Arts from the Delhi School of Economics, M.Phil from Balliol College, Oxford University and his Ph.D. in Economics from Harvard University. He is currently the President & Director of Mudra Institute of Communications (MICA). Earlier to this, he served as Chairman of the Board of Management of Auro University, Provost/Vice Chancellor of Ahmedabad University and also Visiting Professor of Business Policy at the Indian Institute of Management, Ahmedabad. He has done extensive research in the areas of Entrepreneurship, Industrial 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.

#### Mr. Shailendra Kumar Tripathi

CEO & Dy. Managing Director

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

#### Mr. Kamal Jain

Non-executive Director

Mr. Kamal Jain, is a Chartered Accountant having rich experience of around 28 years in the field of finance, taxation, corporate affairs and human resource developments. He serves as "Chief Financial Officer" of JMC's parent Company Kalpataru Power Transmission Limited.

#### Mr. Manoj Tulsian

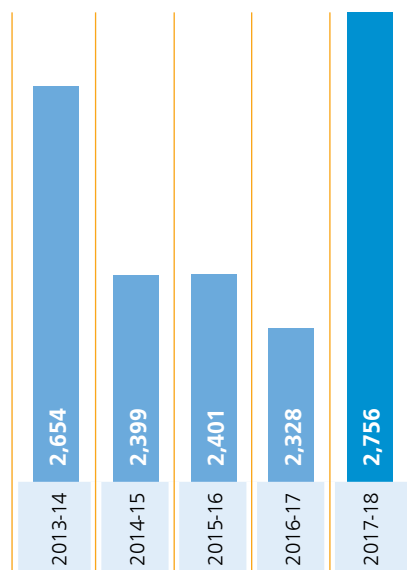
Whole-time Director & CFO

Mr. Manoj Tulsian, is a qualified Chartered Accountant, Company Secretary and Cost & Works Accountant. He has more than 23 years of experience in the field of Finance, Taxation, Legal, Corporate Affairs, Merger & Acquisition and Secretarial matters. Prior to joining JMC, he has served as CFO of VIP Industries Ltd. where he has made major contribution in turnaround of the business including streamlining the international operations. He has also worked as CFO of Gabriel India Ltd. wherein, inter alia, he worked extensively in getting strategic alliance for one of its technology driven business.

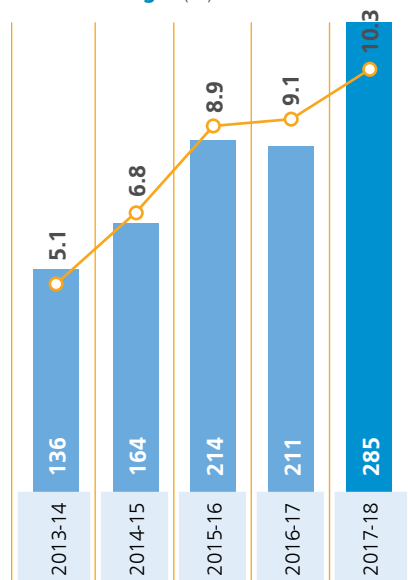


# Financial Highlights

## Turnover (₹ in Crores)

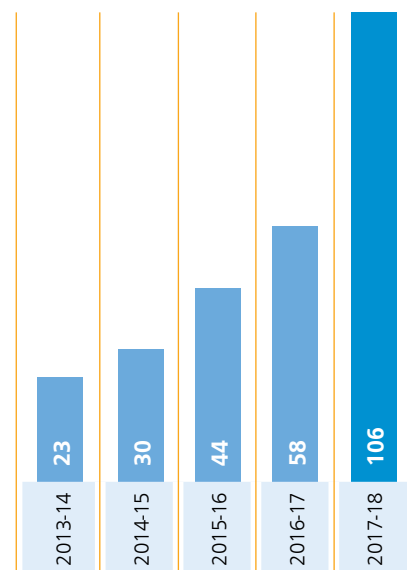


## Core EBITDA (₹ in Crores) & EBITDA Margin (%)

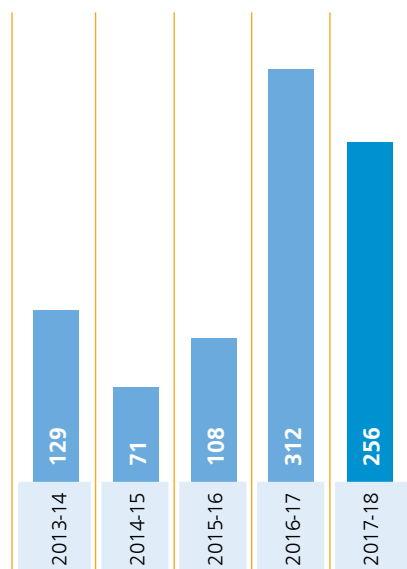


■ Core EBITDA (₹ Crores) — EBITDA Margin (%)

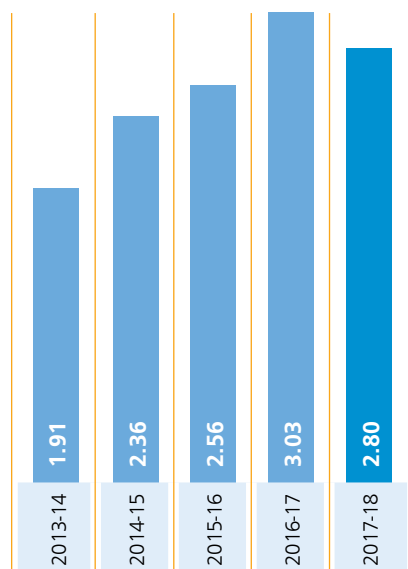
## PAT (₹ in Crores)



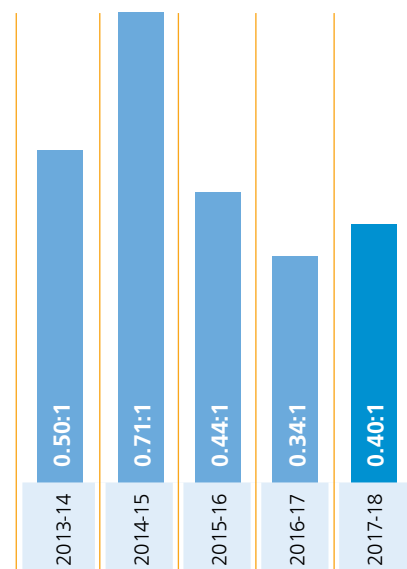
## Operating Cash Flow (₹ in Crores)



## Order Book to Turnover Ratio (₹ in Crores)



## Debt Equity Ratio (Times)





# Performance at a Glance

(₹ in Crores)

Particulars	Financial Year				
	2017-18	2016-17 <sup>#</sup>	2015-16 <sup>#</sup>	2014-15 <sup>#</sup>	2013-14
Total Income	2,773.3	2,342.7	2,409.0	2,413.1	2,662.8
Growth (%)	18.38	-2.75	-0.17	-9.38	4.72
Total Expenditure	2,470.9	2,117.6	2,186.4	2,236.5	2,518.6
Operating Profit (PBDIT)	302.4	225.4	222.6	176.6	144.2
Core EBITDA****	284.8	211.1	214.3	163.4	135.6
Interest	85.8	84.3	105.1	84.1	55.1
Profit Before Depreciation and Tax (PBDT)	216.6	141.2	117.5	92.6	89.1
Depreciation	71.7	57.4	51.7	48.9	58.9
Profit Before Tax (PBT)	145.0	83.8	65.8	43.6	30.2
Provision for Income Tax / FBT / Deferred Tax	38.8	25.5	22.0	13.8	7.2
Profit After Tax (PAT)	106.1	58.3	43.9	29.9	23.0
Equity Share Capital	33.6	33.6	33.6	26.1	26.1
Net Worth*	789.0	689.7	637.8	445.8	447.9
Long-Term Borrowings	314.3	231.3	281.9	315.9	223.6
Short-Term Borrowings (including current maturity of long-term debts)	422.3	406.0	454.1	420.1	205.8
Total Borrowings	736.6	637.3	736.0	736.0	429.4
Capital Employed (Net Worth + Total Borrowings)	1,525.6	1,326.0	1,373.8	1,181.9	877.3
Debt Equity Ratio (Total)	0.93:1	0.92:1	1.15:1	1.65:1	0.96:1
Debt Equity Ratio (Long-Term)	0.40:1	0.34:1	0.44:1	0.71:1	0.50:1
Book Value per Equity Share (₹)	234.9	205.4	189.9	170.7	171.5
Earnings per Equity Share (₹)	31.6	17.4	16.0	11.1	8.8
Equity Dividend (%)	30.00	15.00	10.00	10.00	10.00
Operating Profit (%)	10.9	9.67	9.27	7.36	5.43
Profit Before Tax (%)	5.23	3.59	2.74	1.82	1.14
Profit After Tax (%)	3.83	2.48	1.83	1.24	0.87
Return (Pre-tax) on Average Networkworth (%)	19.6	12.58	12.15	9.76	6.90
Return on Average Capital Employed (%)**	16.2	12.43	13.38	12.40	10.10
Order Backlog at the year end***	7,616	7,047	6,149	5,653	5,088
No. of Employees	3,324	3,279	3,360	3,523	3,264

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

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

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

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

\*\*\*\* Core EBITDA = Operating Profit (PBDIT) - Other Income.

# Corporate Information

## BOARD OF DIRECTORS

### Mr. D. R. Mehta

Chairman – Independent Director

### Mr. Shailendra Kumar Tripathi

CEO & Dy. Managing Director

### Mr. Manoj Tulsian

Whole-time Director & CFO

### Mr. Shailendra Raj Mehta

Independent Director

### Ms. Anjali Seth\*

Independent Director

### Mr. Hemant Modi

Non-Executive Director

### Mr. Manish Mohnot

Non-Executive Director

### Mr. Kamal Jain

Non-Executive Director

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

## 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

## NOMINATION & REMUNERATION COMMITTEE

Mr. Shailendra Raj Mehta, Chairman

Mr. D. R. Mehta

Mr. Manish Mohnot

## CSR COMMITTEE

Mr. D. R. Mehta, Chairman

Mr. S. K. Tripathi

Mr. Kamal Jain

## COMPANY SECRETARY

Mr. Samir Raval

## AUDITOR

B S R & Co. LLP

Chartered Accountants

## BANKERS

Oriental Bank of Commerce

State Bank of India

Axis Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

Indian Bank

Union Bank of India

Punjab National Bank

Karur Vysya Bank Ltd.

Yes Bank Ltd.

## REGISTERED OFFICE

A-104, Shapath 4,

Opp. Karnavati Club,

S. G. Road, Ahmedabad - 380015,

Gujarat, India.

Tel: +91 79 30011500

Fax: +91 79 30011600

E-mail: [cs@jmcprojects.com](mailto:cs@jmcprojects.com)

Website: [www.jmcprojects.com](http://www.jmcprojects.com)

CIN: L45200GJ1986PLC008717

## CORPORATE OFFICE

6<sup>th</sup> 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

Office No. 506 to 508, 5<sup>th</sup> Floor,

Amarnath Business Centre-1 (ABC-1),

Near St. Xavier's College Corner,

Off C. G. Road, Navrangpura,

Ahmedabad - 380009, Gujarat.

Tel & Fax: +91 22 26465179

E-mail: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)





# Management Discussion and Analysis



## 1. Global Economic Outlook

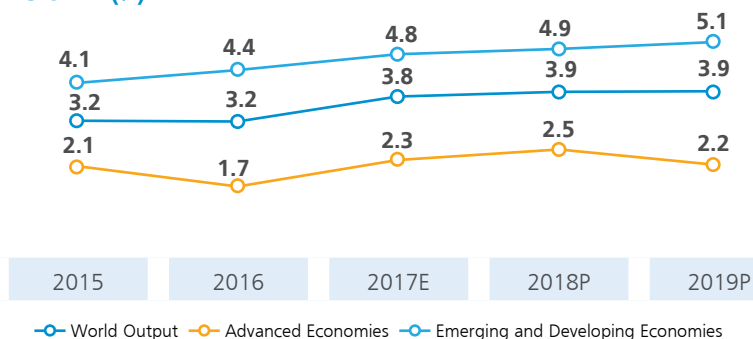
The year 2017 saw global economic environment stabilizing towards growth and prosperity. Investment, trade and manufacturing activity witnessed decent recovery and bounced back to healthy levels that could spur further growth. This is driven by accommodative policies and firming commodity prices. The pickup in investment reflected increased capacity utilization, favorable financing conditions, rising profits and upbeat business sentiment. The growth is expected to further accelerate with a positive upswing in European and Asian economies. World GDP is expected to grow at 3% in 2017 that could be attributed to global investment growth and is projected to increase at 3.9% in both 2018 and 2019.

Economic activity in advanced economies is forecasted to grow at 2.5% in 2018 and 2.2% in 2019 as compared to 2.3% growth registered in 2017. In the United States, the economic expansion is expected to trend northwards in 2018 and

2019, supported by buoyant asset prices and strong business and consumer confidence. The wage growth acceleration will offset the impact of slowing employment growth on consumption. Lowering tax rates on corporate would attract more investment to the country and personal income will increase the disposable income and lead to increase in demand.

Emerging markets and developing economies are forecasted to grow at about 4.9% and 5.1% in 2018 and 2019 respectively. Growth in emerging markets reflects firming activity in commodity exporters and continued solid growth in commodity importers. The contribution of net exports declined in commodity exporters, as import growth rebounded substantially.

GDP Growth (%)



(Source: World Economic Outlook Report dated April 2018)

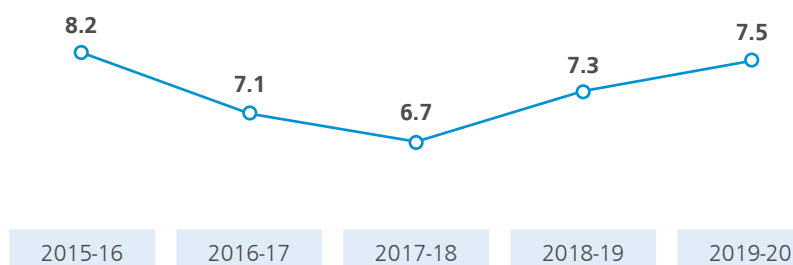
## 2. Indian Economic Scenario and Outlook

Indian economy is projected to achieve 7.3% growth rate in FY 2018-19, gradually recovering from the transitory impact of rolling out the Goods & Services Tax (GST) and demonetization. Economic growth is projected to strengthen to 7.5% in FY 2019-20. This growth would be driven mostly by the accelerated pace of structural reforms, focus towards a rule-based policy framework, improvement in the ease of doing business. India's recent reforms are expected to encourage formal sector activity, broaden the tax base, and improve long-term growth prospects.

In "GST" regime with the underlying philosophy of One Nation - One Tax will create a single market, increase productivity, boost corporate investment and will help in reducing the cost of capital equipment. The investment will be further supported by the plan to re-capitalize public banks and increase in demand. On the Direct tax front, the plans to reduce the corporate income tax rate and broaden the tax base will also promote growth.

(Source: OECD report dated Nov 2017 & Economic Survey dated Jan 2018)

### India GDP (%)

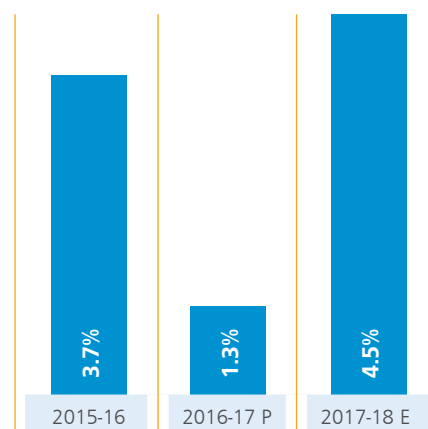


(Source: World Bank)

## 3. Construction Industry Overview

Indian construction services industry consists of Real Estate Segment i.e. Residential, Commercial, Institutional, Hospitals, Hotels, etc.; Urban Development Segment i.e. Highways, Bridges, Airports, Seaports, Water Supply & Irrigation, Sanitation; Urban Transport including Metros, Railways, Bus Transit Terminals; Smart City Solutions, etc. and Industrial & Manufacturing Facilities including Power. The Indian construction industry is pegged at US\$ 136 billion in 2017 and employs about 40 million people.

### Construction Industry Growth



(Source: CSO, 2<sup>nd</sup> Advance estimates)





The construction industry witnessed 1.3% growth in FY 2016-17 as compared to 3.7% growth achieved in FY 2015-16. The sluggish growth was primarily due to a slowdown in real estate sector and private sector industrialization. As per the second advance estimates of CSO, the industry is expected to achieve 4.5% growth in FY 2017-18 and contribute 7.3% in Gross Value Added at a base price of FY 2011-12. The industry has achieved ₹ 90,100 crores of bank credit in FY 2017-18 (as on March 30, 2018), as compared to ₹ 82,200 crores achieved in FY 2016-17, a growth of 10.3%.

During the year under purview, the industry has faced major two challenges i.e. implementation of RERA and GST. RERA Act brought real estate developers under the ambit of certain regulations primarily to protect the interest of buyers, implying a certain order and clarity into the sector. However, at the implementation level, there are certain challenges hampering the functioning of the sector. The Centre had given certain flexibility to State governments only to bring minor changes/deviations in the RERA Act, but some State governments attempted meddling with the Act. From the long-term perspective, the regulatory framework will bring more maturity to the sector. It would prompt the sector players to migrate into organized players. These factors would play a crucial role in the sector development and growth.

The impact of GST on the sector is neutral to positive. As per the ICRA, the tax rate in post-GST regime is slightly higher i.e. 18% as compared to 11%-15% applicable in the pre-GST regime, but despite higher rates, the sector will benefit from input tax credit on the raw materials. Overall, GST will lead to better transparency, simplification of indirect taxation and availability of input tax credit for the sector, these positive factors would outweigh any short-term adverse impacts.

The outlook for the construction sector is very positive with the Government

ready to mobilize US\$ 1 trillion investment plan over the next five years. India's construction industry looks positive and expects that growth over the next decade will draw upon increasing Government and private-sector investments. Government support is exemplified in expansionary budgetary allocations for infrastructure projects and in regulatory reforms that are opening new sectors to private involvement and investment.

*(Source: InvestIndia, WorldCement, Indiainfoline)*

#### 4. Opportunities

To boost the infrastructure growth, Government has taken a bunch of initiatives across the sector. All these initiatives aim to build a strong ecosystem and prepare India for a better future. Some of the initiatives are as under:

- Affordable housing projects should further gain momentum over 2018 as an impact of earlier announced policies by the Government such as infrastructure status to the segment, establishment of Affordable Housing Fund (AHF) and reduced GST to 8% from 12% for under construction, affordable and low-cost housing to ensure Housing for All by 2022
- Government's push towards sanitation and health has given a push to increase Hospital network in Tier-2 and Tier-3 towns
- The Government has announced an allocation of ₹ 1,014.09 crores for FY 2018-19 towards the revival of 50 airports and viability gap funding for improving aviation infrastructure in the North-eastern states
- A big expansion of the network of rural roads and agricultural markets is underway, along with concrete steps to help farmers get better prices with the help of a focused strategy on imports and exports as well as participation in the futures market
- Bharatmala Project is the second-largest highways construction project



in the country under which almost 50,000 kms of highway roads were targeted across the country aiming for Highway network density. Bharatmala will look to improve connectivity particularly on economic corridors, border areas and far-flung areas with an aim for quicker movement of cargo and boosting exports

- Sagar Mala project is a strategic and customer-oriented scheme aiming to improve and leverage our coastline and port infrastructure. Under Sagar Mala, ₹ 8 trillion will be invested entailing setting up of 6+ mega ports, modernization of several dozen more ports, development of 14+ Coastal Economic Zones and at least 29 Coastal Economic Units, development of mines, industrial corridors, rail, road and airport linkages
- The Pradhan Mantri Krishi Sinchayee Yojana provides end-to-end solutions in irrigation supply chain, viz. water sources, distribution network and farm level applications. PMKSY not only focuses on creating sources for assured irrigation but also creating protective irrigation by harnessing rainwater at micro level through 'Jal Sanchay' and 'Jal Sinchan'





- The Centre is planning to develop ring roads in 28 major cities, including Lucknow, Bengaluru, Ranchi, Patna, Srinagar, and Udaipur, at an estimated cost of ₹ 36,290 crores
- The Government will invest over ₹ 10,000 crores in the development of inland waterways in the next 3-5 years, with aid from the World Bank
- The Central Government will launch six pilot projects for clean drinking water supply in villages under 'Swajal Project'; one each in Uttarakhand, UP, Rajasthan, Maharashtra, Bihar and Madhya Pradesh
- In a move towards renewable energy, a target of 14,550 MW grid renewable power has been set for FY 2017-18 and 175 GW renewable power installed capacity by the end of 2022
- Other schemes of the Government like Startup India, Make in India, Digital India, Mudra Scheme are the flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and entrepreneurship in the country that will drive sustainable economic

growth and generate large-scale employment opportunities

## 5. Business Verticals

After a brief hiccup in the growth of the sector when the new reforms were being brought into practice, the industry has already started looking up and is poised to grow on the strong foundation of these reforms. The framework of policies and complimentary initiatives by the Government will lead to a cumulative growth. The positive effects on the following business segments will be the focus areas for the growth of your Company.

### INFRASTRUCTURE

The infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. India has a requirement of investment worth ₹ 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.

#### Announcements in Union Budget 2018-19:

- Massive push to the infrastructure sector by allocating ₹ 5.97 lakh crores (US\$ 92.22 billion)
- Railways received the highest ever budgetary allocation of ₹ 1.48 trillion (US\$ 22.86 billion)
- ₹16,000 crores (US\$ 2.47 billion) towards Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme. The scheme aims to achieve universal household electrification in the country

- ₹ 4,200 crores (US\$ 648.75 million) to increase the capacity of Green Energy Corridor Project along with other wind and solar power projects
- Allocation of ₹ 10,000 crores (US\$ 1.55 billion) to boost telecom infrastructure
- The 90 smart cities shortlisted by the Government of India have proposed projects with investments of ₹ 1,91,155 crores (US\$ 30.02 billion) which include Projects focusing on Revamping an Identified Area (Area-based Projects) with an investment of ₹ 1,52,500 crores (US\$ 23.95 billion)
- Providing infrastructure status to affordable housing and logistics

India's national highway network is expected to cover 50,000 kilometers by 2019, with around 20,000 kilometers of works scheduled for completion in the next couple of years. The Government of India is devising a plan to provide wi-fi facility to 5,50,000 villages by March 2019 for an estimated cost of ₹ 3,700 crores (US\$ 577.88 million), as per the Department of Telecommunications, Government of India.

India and Japan have joined hands for infrastructure development in India's North-eastern states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects in the Northeast.

(Source: IBEF)

### URBAN INFRASTRUCTURE

Urban Infrastructure has been equipped with all the necessary facilities to give a decent quality of life to its residents, promising clean and sustainable environment by applying smart solutions in the domain of sanitation, waste management, public transport, and governance. Urban Infrastructure is important because nearly 31% of India's current population lives in urban areas contributing to 63% of India's GDP and with increasing urbanization,





urban areas are expected to house 40% of India's population and contribute to 75% of India's GDP by 2030. India's urban growth is largely concentrated in large cities with a population of 1,00,000 or more, the number of cities with a population exceeding 1 million has increased from 35 in 2001 to 53 in 2011, accounting for 43% of India's urban population and is expected to be 87 by 2030. With an aim to improve the quality of life and attract investments to the City, setting in motion a virtuous cycle of growth and development, the Government of India has launched various urban development schemes, such as:

- **SMART CITIES MISSION** for urban renewal and retrofitting program by the Government of India with a mission to develop 100 cities that provide core infrastructure and give a decent quality of life to its citizens. The Central Government has committed a funding of ₹ 48,800 crores with an equal contribution from state governments/urban local bodies, making a total investment outlay of ₹ 97,600 crores. The focus is on sustainable and inclusive development of compact areas, create a replicable model, which will be an example for other aspiring cities
- Ministry of Housing and Urban Affairs (MoHUA) and World Bank have recently entered into a partnership to design a performance-based program for smart cities i.e. The MoHUA – World Bank India Smart Cities Program. The total outlay of the project is US\$ 500 million (approx. ₹ 3,200 crores).
- **ATAL MISSION FOR REJUVENATION AND URBAN TRANSFORMATION (AMRUT)** will ensure that every household has access to a tap with an assured supply of water and a sewerage connection. The total outlay for AMRUT is US\$ 7.77 billion for five years from FY 2015-16 to FY 2019-20 and 500 towns will receive the benefit. The scheme based on Public Private Partnership (PPP) model

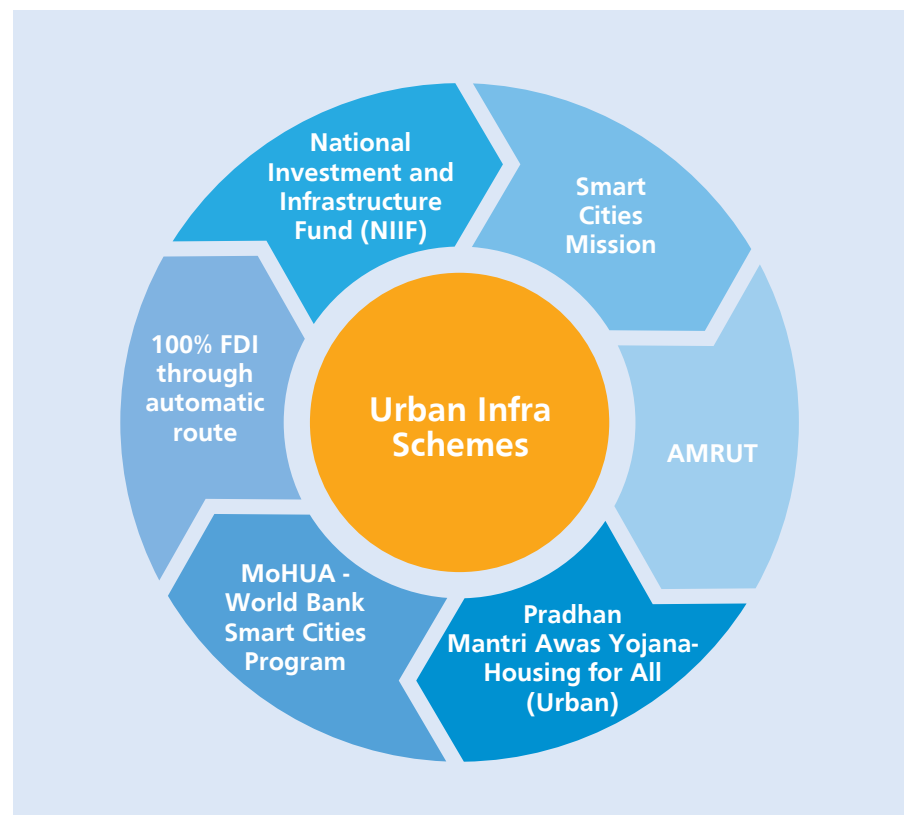
will be integrated with Housing for All by 2022

- **PRADHAN MANTRI AWAS YOJANA-HOUSING FOR ALL (URBAN):** The Mission is being implemented during FY 2015-22 and provides central assistance to Urban Local Bodies and other implementing agencies through States/UTs. Total housing shortage envisaged to be addressed through the new mission is 20 million. This scheme will be implemented across 4,041 statutory towns with an initial focus on 500 Class I cities in India. Three phases of the scheme will cover 500 cities around the country by 2022. The Government has approved US\$ 6.7 billion for the implementation of the scheme
- In the FDI Policy, 100% FDI through automatic route is allowed in construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts,

hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships). 100% deduction for profits to an undertaking in a housing project for flats up to 30 sq. meters in four metro cities and 60 sq. meters in other cities approved during June 2016 to March 2019 and completed in three years

- **NATIONAL INVESTMENT AND INFRASTRUCTURE FUND (NIIF)** will maximize economic impact mainly through infrastructure development in commercially viable projects, both Greenfield and Brownfield, including stalled projects. The initial authorized corpus of NIIF would be US\$ 3.08 billion, which may be raised from time to time, as decided by the Ministry of Finance
- Funding of ULBs and urban projects through Municipal bonds: The central government is making a push that the cities get credit-rated to issue bonds in order to fund projects within the city.

(Source: [www.makeinindia.com](http://www.makeinindia.com))



## REAL ESTATE

Real Estate is the second-largest employer after agriculture and is slated to grow at 30% over the next decade. The real estate sector comprises of four sub-sectors viz. housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. The real estate sector is one of the most globally recognized sectors.

### Following are the growth drivers in the sector:

- Demand for residential properties has surged due to increased urbanization and rising household income. India is among the top 10 price-appreciating housing markets internationally
- About 10 million people migrate to cities every year
- 35% of the population is in the young age bracket (5-35 years)
- Growing economy is driving the demand for commercial and retail space
- Private equity and debt investments

in Indian real estate increased to US\$ 4.18 billion in 2017 compared to US\$ 3.73 billion in 2016.

(Source: IBEF)

## HEALTHCARE, EDUCATION AND RETAIL

With various measures taken by the Government of India across the sectors, the lifestyle and standard of living in India have improved. Programs like education, sanitation and skill development are focused and directed towards an improved and healthy lifestyle. With private sectors' dominance in these sectors, the growth and development are even faster. Furthermore, there is a growing awareness among the business community in India about the opportunities offered by e-commerce players and move towards digitization. The Company's experience in delivering such projects efficiently will create significant value for the stakeholders.

## MANUFACTURING, INDUSTRIAL AND POWER

Indian manufacturing has emerged as one of the high growth sectors in India. 'Make in India' program is set to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in

the world by the end of 2020. The manufacturing sector in India grew at a CAGR of 4.34% during 2012 and 2018 whereas quarterly Gross Value Added (GVA) at basic prices from manufacturing sector grew by 10.92% in the third quarter of 2018. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the GDP to 25% by 2022, from 16% currently and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

With the help of Make in India drive, India is on the path to becoming the hub for hi-tech manufacturing as global giants have either set up or are in the process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017.

The Company has significant prior experience in developing industrial setups for several domestic and global corporates. Considering the expertise and experience, the Company would be beneficiary in the industrial growth story of the country.



## 6. Constraints

The construction industry is the second-largest contributor to India's GDP. But, while all of this seems encouraging, there are innumerable challenges that have been limiting the growth prospects of the construction industry in India.

- The construction industry offers a lot of opportunity for employment but most of it is restricted to manual jobs. Due to the low wage expectancy of workers, who mainly come from the rural areas in search of work, contractors still follow traditional work practices



- Though the demand for housing and commercial projects in the cities has been increasing, supply is highly limited due to non-availability of land and the rising costs. This makes most of the construction projects non-feasible and the implications fall both on the contractors and the buyers
- The cost of construction materials, especially after the implementation of GST has undergone changes. Most materials used in the construction industry, especially those in the high-end category fall in the 28% GST slab. This has grown up to be a big challenge for all stakeholders
- Technology has been a big differentiator in the construction industry. This is especially pressing with international investors pouring into India. Technologically, efficient builders are attracting collaborations in the higher end and businesses that follow traditional means are falling behind
- Modern construction projects are getting more demanding, both in terms of design and functionality. The challenge is more due to lack of skilled labor and latest technology with most investors
- The Government too plays a pivotal role in guiding the construction industry in India. Being the policy-making body, it rests upon the current government in power as to whether the current policies are in favor or against the general acceptance of the industry
- The construction industry is responsible for 25-40% of the carbon emissions on a global scale. In the Indian perspective, this is even more pressing as traditional means of manufacturing and construction is a large part of the process even today. Climate change and the environment is a global agenda and governments across the world are pushing towards environmentally sustainable practices. New norms and regulations require companies to become more

technologically advanced and acquire skilled manpower. Caring about the environment is no more just a social obligation but a legal requirement and moral responsibility of everyone

- The process of resolving the bad loan problem via NCLT gained impetus when the Indian Government notified an ordinance empowering the central bank to intervene directly with banks into resolving bad loan cases. Effective implementation of these policies will refuel the banks to perform lending operations giving a boost to the sector
- Global growth is a key contributor to the growth in the Indian economy, and any disruptions globally may affect the growth in India and in turn to the industry. A recent increase in oil prices due to a geopolitical event is a higher risk in the foreseeable future

## 7. Business Performance, Financial Discussion and Analysis

The Company presents its performance for FY 2017-18. The outlook for the future are estimates based on certain assumptions and expectations of future events, economic, political and other developments across the globe, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievement could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend or revise any such statements on the basis of subsequent developments, information or events.

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

The financial statements have been prepared in compliance with the

requirements of the Companies Act, 2013 and prescribed Accounting Standards. The management accepts responsibility for the integrity and objectivity of these financial statements as well as estimates and judgments used in preparing financial statements. However, investors are cautioned that this discussion contains futuristic views that involve risks and uncertainties.

## RESULTS OF OPERATIONS

### Operational Highlights and Achievements

During the year under review, the Company has received new contracts of approximately ₹ 3,339 crores. As of March 31, 2018, the aggregate value of orders on hand stands at ₹ 7,616 crores. The details of some of the major / prestigious contracts received during the year are as under:

### Factories and Buildings

- Construction of Commercial property RMZ Ecoworld for RMZ Group in Bengaluru, Karnataka
- Civil & Structural work for Residential Project at Navi Mumbai, Maharashtra for Adhiraj Group
- Civil & Structural work for Residential Project at Vijayawada, Andhra Pradesh for Aparna Group
- Civil & Structural work for Residential Project Nirvana in Pune, Maharashtra for Xander Group
- Piling work for TATA Steel Plant at Kalinganagar, Odisha
- Civil & finishing work for residential property Park Cubix in Bengaluru, Karnataka for Sallarpuria Group
- Construction of Office Complex for Karnataka Power Transmission Corporation Limited, Bengaluru, Karnataka
- Construction of residential apartment Brigade Bricklane for Brigade Group in Bengaluru, Karnataka

- i) Construction of Residential apartments for Hiranandani in Bengaluru, Karnataka
- j) Construction of Residential apartments for Prestige Park Square for Prestige Group in Bengaluru, Karnataka

#### Infrastructure – Domestic

- a) Water supply project for MUPDCL in Burhanpur & Khargone in Madhya Pradesh
- b) Water supply project for NVDA in Ujjain & Amba in Madhya Pradesh

#### Revenues

The income from Operations for the Company has increased from ₹ 2,328.42 crores for FY 2016-17 to ₹ 2,755.64 crores for FY 2017-18, leading to an increase of 18%.

#### Other Income

Other Income increased to ₹ 17.62 crores for FY 2017-18 from ₹ 14.29 crores for FY 2016-17.

#### Operating Margin

EBIDTA (including other income) for FY 2017-18 was ₹ 302.39 crores as compared to ₹ 225.42 crores for FY 2016-17. In terms of percentage, EBIDTA stood at 11% for FY 2017-18 as compared to 9.68% for FY 2016-17.

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

#### Costs and Expenses

##### Employee Costs

Manpower cost for FY 2017-18 was ₹ 266.39 crores, which has increased from ₹ 235.74 crores in FY 2016-17. In terms of percentage of Turnover, it has decreased to 9.67% as compared to 10.12% in the previous year. The decrease is due to increase in turnover.

##### Other Expenses

Other expenses as a percentage of turnover has decreased to 5.51% in FY 2017-18 as compared to 6.23% in FY 2016-17. Other expenses have decreased mainly because of reduction in rates and taxes.

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

##### Interest Expenses

Interest expenses for FY 2017-18 marginally increased to ₹ 85.78 crores

from ₹ 84.26 crores in FY 2016-17. In terms of percentage of turnover, it has decreased to 3.11% for FY 2017-18 from 3.62% for FY 2016-17.

#### Depreciation

Depreciation cost as a percentage of turnover has marginally increased from 2.46% in FY 2016-17 to 2.60% in FY 2017-18.

#### Taxes on Income and Deferred Tax Provision

The Company's Deferred Tax Asset (net) has decreased from ₹ 36.25 crores in FY 2016-17 to ₹ 35.18 crores in FY 2017-18. The Company has made current tax provision of ₹ 37.13 crores and a deferred tax charge of ₹ 1.70 crores. Hence, total tax expenses work out to ₹ 38.83 crores.

#### FINANCIAL STATUS

##### Net Worth

The net worth of the Company has increased from ₹ 689.73 crores as at March 31, 2017 to ₹ 788.99 crores as at March 31, 2018. The increase in the amount of net worth is on account of internal accruals.

##### Borrowings

The total standalone borrowings has increased from ₹ 637.24 crores as at March 31, 2017 to ₹ 736.61 crores as at March 31, 2018. The Debt-Equity ratio is at 0.93 as at March 31, 2018, as compared to 0.92 as at March 31, 2017.

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

##### Cash and Bank Balance

Cash and Bank balance has increased from ₹ 24.86 crores as at March 31, 2017 to ₹ 145.90 crores as at March 31, 2018. The increase is due to arbitration claims against NHAI received by the Company.







## Investments

Total Investment of the Company increased from ₹178.88 crores as on March 31, 2017 to ₹ 416.38 crores as at March 31, 2018. Increase in investment is on account of following.

- Increase of ₹ 0.45 crores on initial recognition of financial guarantee given by the company on behalf of subsidiary company at fair value.
- Increase of ₹ 237.05 crores on conversion of advance given against equity (shown previous year in other financial assets) to quasi equity.

There is no cash outflow impact during the year due to increase in value of investments

## Capital Expenditure

During FY 2017-18, the Company has capitalized additional fixed assets of ₹ 95.92 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 and Liabilities

The Company's current assets primarily consist of debtors, inventories, cash and bank balances and loans and advances. Total current assets as at March 31, 2018 were ₹ 2,479.28 crores as against ₹ 2,142.80 crores as at March 31, 2017.

The Company's current liabilities primarily consist of short-term borrowings, trade payables, short-term provisions and other current liabilities. Total current liabilities as on March 31, 2018 was ₹ 1,726.52 crores as against ₹ 1,388.29 crores as on March 31, 2017.

## Current Ratio

The current ratio has reduced to 1.44 as at March 31, 2018 as compared to 1.54 as at March 31, 2017.

## 8. Risk Management Identification and mitigation

The Company has an elaborate Risk Management procedure, which is based on three pillars - Business Risk Assessment, Operational Controls Assessment and Policy Compliance Processes. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis. The Company has set up a Risk Management Committee to monitor the risks and their mitigating actions and the key risks are also discussed at the Audit Committee. Some of the risks identified by the Risk Management Committee relate to competitive volatility and cost volatility.

**1. Competition Risk** - The Company operates in the industry which is highly competitive and thus faces threat from other players in the market.

### Mitigation Strategy

- The Company follows a sound defensive strategy which is incredibly important in the competitive market. Responding to competitors is considered as top priority for business
- The Company believes in strengthening its presence through brand building and strengthens existing businesses by providing high-quality output
- The Company has a wide customer base and tries reaching out to potential customers through various marketing initiatives targeted at increasing the brand visibility

**2. Raw Material Price Fluctuation Risk** - The Company is exposed to volatility in its crucial raw material prices, which can adversely affect the profitability of the Company.

## Mitigation Strategy

- The Company does strict monitoring of prices and adopts appropriate strategies to tackle such volatility
- To mitigate the risk of prices in raw material, the Company enters into contracts with fixed base rate for bulk material like cement and steel, any deviation in these materials over the base rate are compensated by client
- The Company has price escalation clauses in majority of orders

**3. Currency Fluctuations Risk** - The Company is exposed to exchange rate fluctuations which can adversely affect the cost thereby impacting margins adversely.

### Mitigation Strategy

- The Company monitors currency movements closely and adjust its order booking accordingly wherever needed
- The Company maintains an optimum inventory of imported raw materials based on project requirements.

**4. Human Resource Risk** - The Company believes human resources to be a vital asset and may not be able to execute its ambitious growth plans in the absence of human resources. Quality human resources are critical to its business operations.

### Mitigation Strategy

- The Company has well-established HR policies and follows the best-in-class practices in the industry to develop, nurture and retain talent

**5. Sub-Contractors' Default Risk** - This risk is severe than the work that is self-performed. In most projects, monitoring of sub-contractors' performance and payment is the responsibility of your Company, being the main contractor.



#### Mitigation Strategy

- The Company selects sub-contractors with prompt pre-qualification, based on financial strength, safety and quality performance, etc. and continues with active monitoring of sub-contractor performance and payments

**6. Policy Risk** - A risk that a contracting company encounters in project execution through undesirable regime acts such as a change in the law, payment failure by government, increase in taxes and change in government, etc.

#### Mitigation Strategy

- The Company reviews the risk management practices and activities in this regard on a quarterly basis. This includes a review of risks to the achievement of key business objectives in the given policy framework covering growth, profitability, and actions taken to address these risks.

### 9. Internal Controls and Their Adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely

tested and certified by Statutory as well as Internal Auditors and cover all Offices, Stores and Key business areas. Significant audit observations and follow-up actions thereon are reported to the Group Assurance Team. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to the strengthening of Company's risk management policies and systems.

The Company has implemented SAP HANA (high performance analytic appliance) across all its domestic as well as International locations. This initiative of the Company will help a long way in standardizing all its key processes and improve the overall internal controls / internal checks in all transactions happening across all its locations.

#### Audit Plan and Execution

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

### 10. Environment, Health and Safety (EHS) Management System

The Company consistently encourages its employees to practice and integrate EHS in all levels of leadership of the organization and motivate them to lead with ownership into all facets of construction with the aim to achieve the organizational goal of ZERO harm, inculcate safety amongst front-runners, and line management to achieve business excellence. The Company is committed to promote and foster a safe working environment by incorporating Environment, Health and Safety into the daily operations, resulting in the prevention of injuries and illness of the employees, contractors and visitors, promotion of best practices as well as compliance with Corporate, State and Local regulations and laws governing the activities of the Company.

In addition to routine business activities, safety drive and delegation of safety ownership by line management; the Company was focused on the following areas during the last fiscal year:

#### Process Driven Approach

- Effective and Constant Daily Safety reporting from all sites
- Integration of EHS in planning and designing stage - IFC checklist
- Slow and steady progress in the implementation of 3-Layered EHS audit systems
- Drastic increase in near-miss reporting compared to past three years
- EHS Dashboard to reflect and monitor EHS performance of each project closely at the site level
- Robust incident investigation process through Six Sigma technique
- Progress on rectifying unsafe conditions in vehicle safety is in good pace to tackle the critical risk identified in plant and machinery



- Rolled out PONC tracker to analyze the loss of cost incurred as a part of safety in business

#### Robust Review Mechanism

- Formation of EHS steering committees at corporate, BU and site levels for robust EHS review
- BU Project Performance Review (PPR) starts with EHS performance review
- Fortnightly Teleconferencing/VC with BU EHS Head
- Review of scaffold management across the project sites pan India
- Formwork training across the JMC

#### More Focus on Training

- Training and Certification for Scaffolding Inspector has been accomplished at I&P, NIO, WIO region by NSC and OHSAS approved agency
- The journey towards positive and sustainable culture
- Full-fledged implementation of EHS Passport for Job specific training
- OHSAS and EMS Internal auditor training conducted for employees from execution, planning, quality and EHS department

#### Effective Communication

- Rolled out safety toll-free number to capture and report incidents from site instantly
- Monthly EHS meeting with B EHS heads through VC
- Daily toolbox talk status through WhatsApp
- Incident sharing and analysis of case study through WhatsApp
- EHS online reporting system is under development

#### Safety Walkthrough / Audit Mechanism

- Involvement of line management in audit process through 3-layer EHS audit

- Inclusion of 3-layer audit as mandatory KPI in KRAs
- Quantitative rating tool to measure EHS performance of each project
- Periodic OHSAS EMS Audit and close tracking of conformance on NCRs
- Rolled out SCOUT report as a part of safety culture awareness campaign

With all the above EHS initiatives, accident prevention tools with rigorous safety drives, the Company bagged 2 International RoSPA Gold awards, 12 CIDC Vishwakarma awards, 9 NSC awards, and various client appreciations for achieving safety milestones and splendid EHS performances in FY 2017-18.

### 11. Human Resources

The Company owes its success and achievements to the large human capital of reliable individuals, who work relentlessly round-the-clock to execute projects with precise quality in a timely manner and thereby winning the trust of the clients and stakeholders.

Human Resources Development function of the Company is tuned to support the business needs and all the HR policies and practices correspond to the overall people strategy and organizational goal.

Some of the key initiatives and achievements are as follows:

1. JMC bagged Global HR Excellence awards and GreenTech award for "Innovative Retention Strategy" and "Excellence in Training and Development" which displays the Company's efforts towards retention and people development.
2. The Company continued on the initiatives towards Organization Development. The Leadership Team has been a role model by actively participating in the Programs like Executive Shaper Program which focuses on personal productivity,

driving positive change and achieving excellence. All middle management employees benefited with the initiative of the hybrid assessment center followed by Individual Development Programs.

3. Training remains a vital tool to ensure competitiveness. Intensive training programs have been developed for every cadre and regular behavior and functional training as per business needs are being organized. This includes Process Excellence, Winning Edge – Technical Trainings, SAP-Module Specific Training, High Impact Manager, Personal Effectiveness, Being Manager and Coach, Execution Excellence, SAKSHAM, etc. Safety remains at the core and there have been regular training on safety at the regional offices as well as Project sites. Encouraging fresh talent has always been the endeavor and the Company is organizing "Uday" - Trainee Management program for MTs, DETs, GETs to nurture them and harness their unlimited potential.





4. Employee Engagement is one more key theme and HR continued its endeavor to create a highly engaged workforce by undertaking Happy People Score survey, organizing various events such as JMC Waves, Town-Hall, Bioscope, SAMVAD, Coffee with HR, Festival Celebration, Monthly Celebration, etc. The Company's site HR team plays a key role in organizing engagement activities for all labors (on role and third party) as well as for labor contractors. Initiatives like social security benefits awareness sessions, health check-up camps, appreciation through best contractor award have been taking place at sites.

There is a continuous thrust by JMC HR team towards cultivating a culture of Commitment, Camaraderie, and Trust, with the ultimate objective to make it a Happy Place to Work.

## 12. Information Technology (IT)

This year, the Company has strengthened the ERP system by

upgrading to the robust and powerful SAP® S4Hana platform.

The Company is the first Indian Engineering, Construction & Operations (EC&O) segment company to implement this SAP® S4Hana 1610 version (released in October 2016) with CPM (Commercial Project Management) module.

By implementing SAP, the Company has enhanced budgetary controls, got better and faster MIS using state-of-the-art in-memory computing-based SAP Business Intelligence system. Along with Primary database at Data Centre (DC), the Company has setup data replication at Remote Data Centre as the Disaster Recovery site (DR).

The Company is now planning to adopt CRM system for tracking bidding and estimation process. The Company is now planning to implement Mobile-enabled solutions, Machine-to-Machine data collection solutions, Online collaboration and Document Management Systems (DMS) for unstructured data.

The Company has taken steps towards data protection by installing state-of-the-art NG (Next Generation) firewall, Web application filtering tools, email gateway level tools, and endpoint level tools implementation.

## 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.







# 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, 2018.

## FINANCIAL RESULTS

The standalone financial highlights and performance of the Company for the financial year ended March 31, 2018 is given herein below.

(₹ in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Total Revenue	2,773.3	2,342.7
Profit before Depreciation, Interest & Tax	302.4	225.4
Less: Depreciation	71.7	57.4
Interest	85.8	84.3
<b>Profit before Tax</b>	<b>144.9</b>	<b>83.8</b>
Tax Expenses	38.8	25.5
<b>Profit for the period</b>	<b>106.1</b>	<b>58.3</b>
Other Comprehensive Income (net of Tax)		
Items that will be reclassified subsequently to Profit or loss	(1.2)	(0.2)
Items that will not be reclassified subsequently to Profit or Loss	0.4	(2.1)
Total Comprehensive Income for the year	105.3	56.0
Add: Surplus brought forward from previous year	259.3	209.8
<b>Profit available for Appropriation</b>	<b>364.6</b>	<b>265.8</b>
<b>Appropriation:</b>		
Dividend - Final - F.Y. 2016-17	5.1	-
Final - F.Y. 2015-16	-	3.4
Corporate Dividend Tax on Equity Dividend (including surcharge)	1.0	0.7
Items of other comprehensive income recognized directly in retained earnings	0.6	0.2
Transfer to Debenture Redemption Reserve	-	-
Transfer to General Reserve	2.2	2.2
Balance carried to Balance Sheet	355.7	259.3
<b>TOTAL</b>	<b>364.6</b>	<b>265.8</b>

## OVERVIEW & STATE OF THE COMPANY'S AFFAIRS

**Standalone Highlights:** During the year ended March 31, 2018, your Company has achieved total Revenue (i.e. Revenue from Operations & Other income) of ₹ 2,773.3 crores as against ₹ 2,342.7 crores for the previous year ended March 31, 2017. Your Company has achieved profit before tax of ₹ 144.9 crores for the current year as against ₹ 83.8 crores for the previous year (an increase of 73.0% over the previous year). Your Company has achieved profit after tax of ₹ 106.1 crores for the current year as against ₹ 58.3 crores for the previous year (increase of 82.0% over the previous year).

**Consolidated Highlights:** During the year ended March 31, 2018, your Company's consolidated Revenue stood at ₹ 2,905.7 crores as against ₹ 2,486.6 crores for the previous year ended March 31, 2017. Your Company has achieved profit before tax of ₹ 50.5 crores for the current year as against loss of ₹ 32.0 crores for the previous year on consolidated basis. Your Company has achieved profit after tax of ₹ 26.9 crores for the current year as against loss of ₹ 43.0 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 improved performance during the financial year under consideration, your Directors are pleased to recommend a dividend of ₹ 3.00 (30%) per equity share of face value of ₹ 10/- each (previous year ₹ 1.50 per equity share) on 3,35,81,034 equity shares of the Company. The proposal is subject to the approval of members in the ensuing Annual General Meeting. If approved, the total outgo on account of the dividend on existing equity capital would be ₹ 10.07 crores (excluding corporate tax on dividend).

### Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, an amount of ₹ 1,30,876/- of unpaid / unclaimed dividends were 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

During the year under review, there is no change in the paid-up share capital of the Company which stands at ₹ 33,58,10,340/- comprising of 3,35,81,034 equity shares of ₹ 10/- each fully paid up. As on March 31, 2018, 99.73% of the total paid-up capital of the Company stands in the dematerialized form.

## REVIEW OF BUSINESS OPERATIONS

During the year under review, your Company has received new contracts of approximately ₹ 3,339 crores. As on March 31, 2018, the aggregate value of orders on hand stands at ₹ 7,616 crores.

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

### Factories & Buildings:

- a) Construction of Commercial property RMZ Ecoworld for RMZ Group in Bengaluru, Karnataka
- b) Civil & Structural work for Residential Project at Navi Mumbai, Maharashtra for Adhiraj Group
- c) Civil & Structural work for Residential Project at Vijayawada, Andhra Pradesh for Aparna Group
- d) Civil & Structural work for Residential Project Nirvana in Pune, Maharashtra for Xander Group
- e) Piling work for TATA Steel Plant at Kalinganagar, Odisha
- f) Civil & finishing work for residential property Park Cubix in Bengaluru, Karnataka for sallarpuria Group.
- g) Construction of Office Complex for Karnataka Power Transmission Corporation Limited, Bengaluru, Karnataka

- h) Construction of residential apartment Brigade Bricklane for Brigade Group in Bengaluru, Karnataka
- i) Construction of Residential apartments for Hiranandani in Bengaluru, Karnataka
- j) Construction of Residential apartments for Prestige Park Square for Prestige Group in Bengaluru, Karnataka

### Infrastructure - Domestic:

- a) Water supply project for MUPDCL in Burhanpur & Khargone in Madhya Pradesh
- b) Water supply project for NVDA in Ujjain & Amba in Madhya Pradesh

## YEARS AHEAD AND PROSPECTS

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

## FINANCE

During the year, your Company has invested ₹ 63.8 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 ₹ 95.9 crores during the year, which was funded through Rupee Term Loans and internal accruals. Your Company has sufficient fund based & non-fund based limits to cater to its existing fund requirements.

## CONSOLIDATED IND AS FINANCIAL STATEMENTS

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the Listing Regulations') and Section 129 of the Companies Act, 2013 (hereinafter referred to as 'the Act'), the Consolidated Financial Statements, which have been prepared by the Company in accordance with the applicable provisions of the Act and the applicable Indian Accounting Standards (Ind AS), forms part of this Annual Report.

## SUBSIDIARIES AND ASSOCIATE / JV COMPANIES

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



The Annual Report of the Company containing the standalone and consolidated Ind AS financial statements has been disseminated on the website of the Company at [www.jmcprojects.com](http://www.jmcprojects.com). Audited Annual Accounts of each of the Subsidiary Companies have also been placed on the said website. Financial statements and related information of the Subsidiaries are available for inspection by the members at the Registered Office 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	28.68	(9.53)	(9.53)
Wainganga Expressway Private Limited (CIN : U45203MH2011PTC264642)	100	49.75	(38.65)	(38.65)
Vindhyachal Expressway Private Limited (CIN : U45203MH2012PTC271978)	100	54.22	(7.73)	(7.73)
JMC Mining & Quarries Limited (CIN : U45201GJ1996PLC028732)	100	-	-	-
Kurukshetra Expressway Private Limited (CIN : U45400HR2010PTC040303)	49.57	109.00	(45.81)	(22.70)

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

## 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 Act:

- in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and there is no material departure from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE

In compliance with the Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given as 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, 2018 forms an integral part of this Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

The Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, no listed entity

shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution is passed to that effect. Mr. D. R. Mehta, Independent Non-Executive Director of the Company has already attained the age of 75 (seventy five) years. The Members at the 28<sup>th</sup> AGM of the Company held on September 27, 2014 has approved the appointment of Mr. D. R. Mehta as an Independent Non-Executive Director of the Company to hold office for a term of 5 (five) years upto September 26, 2019. Your Directors recommend the continuation of directorship of Mr. D. R. Mehta as an Independent Non-Executive Director of the Company. Requisite proposal seeking your approval for continuation of his directorship forms part of the Notice convening the 32<sup>nd</sup> AGM of the Company. The brief resume of Mr. D. R. Mehta and other details are given in the accompanying Notice of AGM.

During the year under review, Ms. Anjali Seth, Non-Independent Non-Executive Director of the Company resigned with effect from May 16, 2017 with a view to get appointed as an Independent Director of the Company. The Board of your Company based on the recommendation of Nomination and Remuneration Committee appointed Ms. Anjali Seth as an Additional Director in the category of Independent Director of the Company for a period of 3 (Three) years with effect from May 17, 2017. The appointment of Ms. Anjali Seth was approved by the Members at the 31<sup>st</sup> AGM of the Company held on August 10, 2017.

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

As on date, Mr. Shailendra Kumar Tripathi, CEO & Dy. Managing Director, Mr. Manoj Tulsian, Whole-time Director & CFO and Mr. Samir Raval, Company Secretary are the 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 Act read with Listing Regulations, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board has been carried out. The performance evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board, 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 [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/fy-2017-2018-1.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/fy-2017-2018-1.pdf)

## MEETINGS OF THE BOARD

During the year, the Board met 6 (six) 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 Act. The constitution and other relevant details of the Audit Committee are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

## STATUTORY AUDITORS & AUDITORS' REPORT

Based on the recommendations of the Audit Committee and the Board, members of the Company at the 30<sup>th</sup> 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 35<sup>th</sup> AGM. In accordance with the Section 40 of the Companies (Amendment) Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every AGM. Thus, M/s. B S R & Co. LLP will continue to hold office till the conclusion of 35<sup>th</sup> AGM.





The Auditor's Report on Standalone and Consolidated Ind AS 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 Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act, M/s. D. M. Zaveri & Co., Practicing Company Secretaries (CP No. 4363) had been appointed to undertake the secretarial audit of the Company for the financial year ended on March 31, 2018. 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 Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Audit Committee recommended and the Board of Directors of the Company has appointed M/s. D. M. Zaveri & Co., Practicing Company Secretaries (CP No. 4363), as the Secretarial Auditor of the Company for the financial year ending March 31, 2019. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

### COST AUDIT

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to appoint Cost Auditor for the audit of cost records of the Company. The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of and remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants (Registration No. 000024), as the Cost Auditors of the Company to audit the cost records for the financial year ending March 31, 2019. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. As per the statutory requirement, the requisite resolution for ratification of remuneration of the Cost Auditors by the members of the Company has been set out in the Notice convening 32<sup>nd</sup> AGM of the Company.

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

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company has 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 Act are given in the note no. 35 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 Act and Listing Regulations, your Company has formulated a policy on related party transactions which is available on Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/related\\_party\\_transactions\\_20151014060849.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/related_party_transactions_20151014060849.pdf). This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions.

Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length basis. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions 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 Act in Form AOC-2 is not applicable to your Company.

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

### 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 [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/whistleblower\\_policy\\_20151014055834.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/whistleblower_policy_20151014055834.pdf).

### REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, KMP and other employees of the Company. The details of this policy are explained in the Corporate Governance Report. The said policy is available

on the Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/remuneration-policy.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/remuneration-policy.pdf)

## PARTICULARS OF EMPLOYEES

The statement of disclosure of Remuneration under Section 197(12) of the Act read with the Rule 5(1) of 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 Act 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 Act, the said annexure is open for inspection at the Registered 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 Act, 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 Act and content of the same is placed on the Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/csr\\_policy\\_20151014060800.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/csr_policy_20151014060800.pdf)

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

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

The information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2018 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under.

### Conservation of Energy and Technology Absorption

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

## Foreign Exchange Earnings & Outgo

(₹ in crores)

Particulars	Year 2017-18	Year 2016-17
Foreign Exchange earned	99.39	42.80
Foreign Exchange used / outgo	66.58	10.58

## PUBLIC DEPOSITS

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

## RISK MANAGEMENT

Your Company has an elaborate Risk Management procedure which is based on three pillars. Business Risk Assessment, Operational controls Assessment and policy compliance processes. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis. The Company has set up a Risk Management Committee to monitor the risks and their mitigating actions and the key risks are also discussed at the Audit Committee Meeting. Some of the risks identified by the Risk Management Committee relate to competitive volatility and cost volatility.

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 in place such policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all Offices, Stores and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of Company's risk management policies and systems.

Your Company has implemented SAP-HANA across all its domestic as well as International locations. This initiative of Company will help long way in standardising all its key processes and improve overall internal controls and internal checks in all transactions happening across all its locations.

Further details in respect to internal financial control are given in Management Discussion and Analysis Report.

## HUMAN RESOURCE MANAGEMENT

Talent acquisition, talent management and talent development are three focus areas for the Human Resource function of your



Company. Your Company has deployed professionally qualified, technically skilled and highly trained manpower at its offices and sites to plan, monitor and execute its projects. These employees ensure quality construction and timely completion of projects for your Company's clients.

The best of talent available in the market is hired by your Company and then they are further honed to enhance their performance levels. Aiming to develop its Human Resources to their fullest potential, your Company has significantly improved its score on the number of training man-days per employee. This was accomplished by organizing both generic and specialized training programs (e.g. the "Process Excellence Series") for each function and across Pan-India locations.

A number of Human Resource policies were introduced / revised by your Company to provide improved benefits and better facilities to its employees. Your Company also realizes the importance of ethics and values in each Human Resource and has, therefore, adopted six organizational values to be practiced by each and every employee of the organization.

The recent employee engagement survey conducted in-house revealed that 84% of employees experience your Company as a "Happy Place To Work."

In recognition of the exemplary employee-centric practices, policies and initiatives undertaken for its Human Resources, your Company has won prestigious Awards from the World HRD Congress and from the Greentech Foundation. These Awards were given to your Company for "Excellence in Training & Development" and "Innovative Retention Strategy."

In order to enable a better employee experience at every stage in the life-cycle of its Human Resources, your Company is currently in the process of implementing the SAP SuccessFactors suite of cloud services. Your Company's constant endeavor is to bring about further continuous improvements in its Human Resource practices.

## QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM

Your Company has an established Integrated Management System comprising Quality Management Systems (QMS) conforming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and Occupational Health & Safety Assessment Series conforming to BS OHSAS 18001:2007 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 our employees and compliance to applicable legal and other non-regulatory requirements pertaining to environment, health and safety along with continual improvements to the system.

Your Company has been consistently adopting best construction practices with uncompromising quality, environment, health and safety standards, which are recognized by our clients / associates and Govt. bodies through awards / accreditations in recent past i.e. National Safety Awards, CIDC Vishwa Karma Awards for Best construction project and EHS, Gold Award for Training Excellence.

## 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. There was no complaint about sexual harassment during the year under review.

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

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

## APPRECIATION

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

## ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

Place: Mumbai

Date: May 24, 2018

**Manoj Tulsian**

Whole-time Director & CFO

## 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 & 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	(44.80)	(124.55)	(15.82)	(0.30)
5	Total Assets	178.37	689.42	789.91	0.91
6	Total Liabilities	180.68	714.26	631.07	0.71
7	Investments	-	-	-	-
8	Turnover – from Operations	28.33	49.67	53.19	-
9	Profit before taxation	(9.08)	(38.94)	(22.72)	-
10	Provision for taxation (Deferred Tax)	(0.45)	(0.29)	(14.99)	-
11	Profit after taxation	(9.53)	(38.65)	(7.73)	-
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, 2018.





## 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, 2018
3	Shares of Joint Venture held by the Company on the year end in numbers	5,16,82,990
	Amount of Investment in Joint Venture	98.27
	Extend of Holding %	49.57%
4	Description of how there is significant influence	Share Ownership of 49.57%
5	Reason why the Joint Venture is not consolidated#	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	(35.92)
7	Profit / (Loss) for the year	(45.81)
	i. Considered in Consolidation	(22.70)
	ii. Not Considered in Consolidation	(23.11)

## Notes:

- (1) There is no Associate Company.
- (2) There is no Joint Venture which is yet to commence operations.
- (3) No Joint Venture has been liquidated /sold during the year under review.
- (4) #Joint Venture entities Aggrawal - JMC JV, JMC - Sadbhav JV, JMC - CHEC JV and JMC - Ramky 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. 24 to the Consolidated Ind AS Financial Statement.

For and on behalf of the Board of Directors

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

Place: Mumbai

Date: May 24, 2018

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

## ANNEXURE 2

### SECRETARIAL AUDIT REPORT

#### Form No. MR-3

For the Financial year ended 31<sup>st</sup> March, 2018

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable, since there is no delisting of equity shares during the year)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable, since there is no buyback of equity shares during the year)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The following laws are specifically applicable to the Company in addition to laws mentioned above;
  - (a) Building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996
  - (b) Maharashtra Building and Other Construction workers (Regulation of Employment and Conditions of Service) Rules, 2007
  - (c) Building and other Construction Workers' Welfare Cess Act, 1996

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;



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

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive, 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 is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the period under review;

1. The Company had conducted Postal Ballot process for passing Special Resolution for the approval of members under Section 180(1) (a) of the Companies Act, 2013, inter alia, to create charge, mortgage, sale, lease etc. of assets of the Company.

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

**Dharmesh Zaveri**

(Proprietor)

FCS. No.: 5418

CP No.: 4363

Place: Mumbai

Date: May 24, 2018

## ANNEXURE 3

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Median Remuneration of Employee during the financial year 2017-18: ₹ 4.08 lakh p.a.
- The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:

Name of Director	Ratio
Mr. S. K. Tripathi	71.27
Mr. Manoj Tulsian	58.58
Mr. D. R. Mehta	7.17
Mr. S. R. Mehta	5.82
Mr. Hemant Modi	5.51
Ms. Anjali Seth*	2.76

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

\* Ms. Anjali Seth has been appointed as an Independent Director w.e.f. May 17, 2017.

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2017-18.

Name of Director, CEO, CFO & CS	% increase
Mr. S. K. Tripathi, CEO & Dy. Managing Director	33.52%
Mr. Manoj Tulsian, Whole-time Director & CFO	32.56%
Mr. D. R. Mehta, Independent Director	42.68%
Mr. S. R. Mehta, Independent Director	28.38%
Mr. Hemant Modi, Non-Executive Non-Independent Director	32.35%
Ms. Anjali Seth, Independent Director	60.71%
Mr. Samir Raval, Company Secretary*	54.56%

\*Appointed w.e.f. May 27, 2016.

- The percentage increase in the median remuneration of employees in the financial year 2017-18: 8%
- The number of permanent employees on the rolls of the Company as on March 31, 2018: 3,324

- Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage 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 2017-18 was around 7.37%, whereas average increase in salaries of managerial remuneration was 42.79%. Increments in remuneration of employees are as per the appraisal / remuneration policy of the Company.

- It is hereby 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 24, 2018

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





## ANNEXURE 4

### Annual Report on CSR Activities

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

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

JMC Projects (India) Limited (JMC) undertakes appropriate Corporate Social Responsibility (CSR) measures having positive economic, social and environmental impact on the community including on the local areas around where it operates. JMC being a dominant player in the construction sector believes in giving back to the society and to honour social responsibility. 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 posted on the Company's website at [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/csr\\_policy\\_20151014060800.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/csr_policy_20151014060800.pdf)

In line with CSR Policy and in accordance with Schedule VII to the Act, the Company has undertaken CSR activities for promoting animal welfare, health care, sanitation, social 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: ₹ 2,102.80 lakh (Calculated as per CSR Rules).**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 42.06 lakh.**

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

- Total amount to be spent for the financial year: ₹ 42.06 lakh.
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below.

(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) overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Donating Ambulance for Animal Welfare activities to NGO	Promoting Animal Welfare	Utkarsh Star Mitra Mandal (NGO), Mulund, District Thane, Mumbai, Maharashtra	9,01,019	9,01,019	9,01,019	Direct
2	Donating Ambulance to Govt. Hospital	Promoting Medical Welfare	District Medical and Health Centre, Guntur, District Guntur, Andhra Pradesh	11,85,855	11,85,855	11,85,855	Direct
3	Construction of fully functional toilets along with all required accessories for girls school	Promoting Sanitation	Government Higher Secondary School, Medavakkam Village, Vellakkal Branch, Chennai, Dist. Kanchipuram, Tamil Nadu	6,82,497	6,82,497	6,82,497	Direct

(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) overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
4	Construction of Compound Wall	Promoting Social Welfare	Government Higher Secondary School, Sholinganallur Village, Chennai, Dist. Kanchipuram, Tamil Nadu	7,86,107	7,86,107	7,86,107	Direct
5	Donating 4 (four) RO Water Plant	Promoting Healthcare	Bangalore Medical College and Research Institute, Bengaluru, Karnataka	8,20,320	8,20,320	8,20,320	Direct
6	Construction of KIOSK for Traffic Police	Promoting Community Welfare	Hebbal, Bengaluru, Karnataka	90,624	90,624	90,624	Direct
7	Donating 50 (Fifty) wooden desks and benches	Promoting Education	Government High School, Zuarinagar, Vasco-Goa	2,25,000	2,25,000	2,25,000	Direct
<b>Total (₹)</b>				<b>46,91,422</b>	<b>46,91,422</b>	<b>46,91,422</b>	

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

**Shailendra Kumar Tripathi**

Member of CSR Committee

Place: Mumbai

Date: May 24, 2018



## ANNEXURE 5

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

#### As on the financial year ended on March 31, 2018

[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: +91-79-30011500, Fax: +91-79-30011700, E-mail ID: cs@jmcprojects.com, Website: <a href="http://www.jmcprojects.com">www.jmcprojects.com</a>
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, 5 <sup>th</sup> 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: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

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

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

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

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

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

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

## i) Category wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year (i.e. as on April 01, 2017)				No. of shares held at the end of the year (i.e. as on March 31, 2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,25,62,881	-	2,25,62,881	67.19	2,25,62,881	-	2,25,62,881	67.19	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total A(1)</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>0.00</b>
<b>2 Foreign</b>									
a) NRIs/Individual	-	-	-	-	-	-	-	-	-
b) Other- Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total of Promoter (A)=(A)(1)+(A)(2)</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>2,25,62,881</b>	<b>-</b>	<b>2,25,62,881</b>	<b>67.19</b>	<b>0.00</b>
<b>B. Public shareholding</b>									
<b>1 Institutions</b>									
a) Mutual Funds	30,18,176	600	30,18,776	8.99	46,56,196	-	46,56,196	13.87	4.88
b) Banks / FI	9,628	-	9,628	0.03	31,350	-	31,350	0.09	0.06
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap. Fund	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Foreign Institutional Investor	1,95,466	-	1,95,466	0.58	2,93,797	-	2,93,797	0.87	0.29
i) <b>Any other</b> Alternate Investment Fund	-	-	-	-	45,517	-	45,517	0.14	0.14
<b>Sub-total (B)(1)</b>	<b>32,23,270</b>	<b>600</b>	<b>32,23,870</b>	<b>9.60</b>	<b>50,26,860</b>	<b>-</b>	<b>50,26,860</b>	<b>14.97</b>	<b>5.37</b>
<b>Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	11,29,581	2,801	11,32,382	3.37	9,63,780	2,551	9,66,331	2.88	(0.49)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual shareholders holding nominal share capital:									
i) up to ₹ 1 lakh	37,81,972	1,11,420	38,93,392	11.59	27,21,101	89,440	28,10,541	8.37	(3.22)
ii) in excess of ₹ 1 lakh	15,49,171	-	15,49,171	4.61	12,40,226	-	12,40,226	3.69	(0.92)
c) Others (specify)									
IEPF	-	-	-	-	18,872	-	18,872	0.06	0.06
HUF	2,13,290	-	2,13,290	0.64	1,73,147	-	1,73,147	0.52	(0.12)
Non Resident Indians (Non Repat)	80,416	50	80,466	0.24	92,008	50	92,058	0.27	0.03
Non Resident Indians (Repat)	6,87,792	-	6,87,792	2.05	5,85,161	-	5,85,161	1.74	(0.31)
Clearing Members	2,37,790	-	2,37,790	0.71	1,04,957	-	1,04,957	0.31	(0.40)
<b>Sub-total (B)(2)</b>	<b>76,80,012</b>	<b>1,14,271</b>	<b>77,94,283</b>	<b>23.21</b>	<b>58,99,252</b>	<b>92,041</b>	<b>59,91,293</b>	<b>17.84</b>	<b>(5.37)</b>
<b>Total Public Holding (B)=(B)(1)+(B)(2)</b>	<b>1,09,03,282</b>	<b>1,14,871</b>	<b>1,10,18,153</b>	<b>32.81</b>	<b>1,09,26,112</b>	<b>92,041</b>	<b>1,10,18,153</b>	<b>32.81</b>	<b>0.00</b>





Category of Shareholders	No. of shares held at the beginning of the year (i.e. as on April 01, 2017)				No. of shares held at the end of the year (i.e. as on March 31, 2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grant Total (A+B+C)	3,34,66,163	1,14,871	3,35,81,034	100	3,34,88,993	92,041	3,35,81,034	100	0.00

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. as on April 01, 2017)			Shareholding at the end of the year (i.e. as on March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Kalpataru Power Transmission Limited	2,25,62,881	67.19	-	2,25,62,881	67.19	-	-

**iii) Change in Promoters' Shareholding**

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
1	At the beginning of the year i.e. as on April 01, 2017	2,25,62,881	67.19	2,25,62,881	67.19
	Date wise increase/ decrease in Promoter's shareholding during the year	There is no change in promoter's shareholding during the year.			
	At the end of the year i.e. as on March 31, 2018	2,25,62,881	67.19	2,25,62,881	67.19

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

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2017)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	HDFC Trustee Company Limited - HDFC Prudence Fund	30,18,176	8.99	<b>31.03.2018</b>	-	<b>Closing</b>	<b>30,18,176</b>	<b>8.99</b>
2	Kotak Midcap	0	0.00	28.07.2017	1,94,397	Transfer	1,94,397	0.58
				04.08.2017	97,045	Transfer	2,91,442	0.87
				11.08.2017	36,833	Transfer	3,28,275	0.98
				18.08.2017	67,023	Transfer	3,95,298	1.18
				25.08.2017	13,252	Transfer	4,08,550	1.22
				01.09.2017	24,723	Transfer	4,33,273	1.29
				15.09.2017	25,114	Transfer	4,58,387	1.37
				22.09.2017	13,175	Transfer	4,71,562	1.40
				29.09.2017	10,836	Transfer	4,82,398	1.44
				06.10.2017	3,019	Transfer	4,85,417	1.45
				27.10.2017	396	Transfer	4,85,813	1.45
				03.11.2017	10,000	Transfer	4,95,813	1.48
				10.11.2017	6,771	Transfer	5,02,584	1.50

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2017)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				17.11.2017	(2,991)	Transfer	4,99,593	1.49
				24.11.2017	(71,259)	Transfer	4,28,334	1.28
				08.12.2017	8,000	Transfer	4,36,334	1.30
				15.12.2017	2,744	Transfer	4,39,078	1.31
				05.01.2018	2,09,738	Transfer	6,48,816	1.93
				12.01.2018	2,299	Transfer	6,51,115	1.94
				19.01.2018	11,999	Transfer	6,63,114	1.97
				26.01.2018	17,438	Transfer	6,80,552	2.03
				02.02.2018	15,000	Transfer	6,95,552	2.07
				09.02.2018	66,153	Transfer	7,61,705	2.27
				23.02.2018	12,634	Transfer	7,74,339	2.31
				02.03.2018	34,020	Transfer	8,08,359	2.41
				09.03.2018	43,697	Transfer	8,52,056	2.54
				16.03.2018	87,329	Transfer	9,39,385	2.80
				23.03.2018	27,286	Transfer	9,66,671	2.88
				31.03.2018	6,856	Transfer	9,73,527	2.90
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>9,73,527</b>	<b>2.90</b>
3	SBI Infrastructure Fund	0	0.00	01.09.2017	59,492	Transfer	59,492	0.18
				22.09.2017	2,28,500	Transfer	2,87,992	0.86
				29.09.2017	36,443	Transfer	3,24,435	0.97
				10.11.2017	1,76,467	Transfer	5,00,902	1.49
				17.11.2017	14,582	Transfer	5,15,484	1.54
				19.01.2018	(3,300)	Transfer	5,12,184	1.53
				02.02.2018	(28,125)	Transfer	4,84,059	1.44
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>4,84,059</b>	<b>1.44</b>
4	Dr. Sanjeev Arora	4,67,515	1.39	<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>4,67,515</b>	<b>1.39</b>
5	Kiyana Real Estate Pvt. Ltd.	1,97,293	0.59	<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>1,97,293</b>	<b>0.59</b>
6	Ashok Kumar Daga	2,02,130	0.60	15.12.2017	(2,456)	Transfer	1,99,674	0.59
				22.12.2017	(4,500)	Transfer	1,95,174	0.58
				29.12.2017	(1,343)	Transfer	1,93,831	0.58
				12.01.2018	(4,728)	Transfer	1,89,103	0.56
				19.01.2018	(179)	Transfer	1,88,924	0.56
				26.01.2018	(1,580)	Transfer	1,87,344	0.56
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>1,87,344</b>	<b>0.56</b>
7	Edelweiss Trusteeship Co. Ltd. A/C- Edelweiss MF A/C-Edelweiss Mid and Small Cap Fund	0	0.00	22.12.2017	28,359	Transfer	28,359	0.08
				29.12.2017	72,662	Transfer	1,01,021	0.30
				12.01.2018	33,400	Transfer	1,34,421	0.40
				19.01.2018	14,013	Transfer	1,48,434	0.44
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>1,48,434</b>	<b>0.44</b>
8	Sankaranarayanans Sangameswaran	0	0.00	06.10.2017	5,631	Transfer	5,631	0.02
				13.10.2017	67,999	Transfer	73,630	0.22
				03.11.2017	37,076	Transfer	1,10,706	0.33
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>1,10,706</b>	<b>0.33</b>
9	Shushila Kumari Daga	94,100	0.28	21.07.2017	(850)	Transfer	93,250	0.28
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>93,250</b>	<b>0.28</b>



Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2017)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
10	IIFL Best of Class Fund 1	1,65,820	0.49	08.09.2017	(26,065)	Transfer	1,39,755	0.42
				22.09.2017	(28,000)	Transfer	1,11,755	0.33
				20.10.2017	(8,722)	Transfer	1,03,033	0.31
				27.10.2017	(15,557)	Transfer	87,476	0.26
				10.11.2017	(7,163)	Transfer	80,313	0.24
				19.01.2018	(6,403)	Transfer	73,910	0.22
				26.01.2018	(9,500)	Transfer	64,410	0.19
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>64,410</b>	<b>0.19</b>
11	Lakshminarayan Natarajan	76,733	0.23	28.04.2017	(3,884)	Transfer	72,849	0.22
				01.09.2017	(12,609)	Transfer	60,240	0.18
				15.09.2017	(3,099)	Transfer	57,141	0.17
				03.11.2017	(10,292)	Transfer	46,849	0.14
				05.01.2018	(2,247)	Transfer	44,602	0.13
				12.01.2018	(11,892)	Transfer	32,710	0.10
				19.01.2018	(1,561)	Transfer	31,149	0.09
				26.01.2018	(2,106)	Transfer	29,043	0.09
				02.02.2018	5,984	Transfer	35,027	0.10
				09.02.2018	5,221	Transfer	40,248	0.12
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>40,248</b>	<b>0.12</b>
12	Premier Investment Fund Limited	1,93,703	0.58	08.12.2017	(846)	Transfer	1,92,857	0.57
				16.03.2018	(1,54,285)	Transfer	38,572	0.11
				23.03.2018	(450)	Transfer	38,122	0.11
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>38,122</b>	<b>0.11</b>
13	Intime Equities Ltd.	1,47,303	0.44	07.04.2017	(1,990)	Transfer	1,45,313	0.43
				14.04.2017	(15,010)	Transfer	1,30,303	0.39
				21.04.2017	(10,000)	Transfer	1,20,303	0.36
				28.04.2017	(280)	Transfer	1,20,023	0.36
				05.05.2017	(20)	Transfer	1,20,003	0.36
				12.05.2017	(1,20,000)	Transfer	3	0.00
				26.05.2017	300	Transfer	303	0.00
				16.06.2017	300	Transfer	603	0.00
				07.07.2017	(1)	Transfer	602	0.00
				21.07.2017	10,470	Transfer	11,072	0.03
				28.07.2017	(10,415)	Transfer	657	0.00
				04.08.2017	(52)	Transfer	605	0.00
				18.08.2017	14	Transfer	619	0.00
				25.08.2017	14	Transfer	633	0.00
				01.09.2017	(3)	Transfer	630	0.00
				08.09.2017	13	Transfer	643	0.00
				15.09.2017	168	Transfer	811	0.00
				22.09.2017	(11)	Transfer	800	0.00
				06.10.2017	(400)	Transfer	400	0.00
				13.10.2017	(170)	Transfer	230	0.00
				20.10.2017	(4)	Transfer	226	0.00
				27.10.2017	148	Transfer	374	0.00
				03.11.2017	(160)	Transfer	214	0.00
				10.11.2017	68	Transfer	282	0.00

Sr. No.	Name of shareholder	Shareholding at the beginning of the year (i.e. as on April 01, 2017)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				17.11.2017	(67)	Transfer	215	0.00
				24.11.2017	285	Transfer	500	0.00
				01.12.2017	(149)	Transfer	351	0.00
				15.12.2017	(150)	Transfer	201	0.00
				05.01.2018	20	Transfer	221	0.00
				12.01.2018	(20)	Transfer	201	0.00
				19.01.2018	4	Transfer	205	0.00
				26.01.2018	1	Transfer	206	0.00
				02.02.2018	(1)	Transfer	205	0.00
				09.02.2018	(5)	Transfer	200	0.00
				09.03.2018	500	Transfer	700	0.00
				16.03.2018	(500)	Transfer	200	0.00
				23.03.2018	(100)	Transfer	100	0.00
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>100</b>	<b>0.00</b>

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, 2017)		Date wise increase/decrease in shareholding during the year with reason (e.g. allotment / transfer / bonus / sweat equity etc.)	No. of shares	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Hemant Modi	99,014	0.29	<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>99,014</b>	<b>0.29</b>
2	Samir Raval	0	0.00	24.07.2017	1	Transfer	1	0.00
				19.01.2018	16	Transfer	17	0.00
				<b>31.03.2018</b>	<b>-</b>	<b>Closing</b>	<b>17</b>	<b>0.00</b>

#### V. INDEBTEDNESS

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

(₹ in Crores)

Particulars Financial Year 2017-18	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	529.71	107.54	-	637.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.06	-	-	0.06
<b>Total (i+ii+iii)</b>	<b>529.77</b>	<b>107.54</b>	<b>-</b>	<b>637.31</b>
Change in Indebtedness during the financial year				
i) Addition				
Principal amount	327.62	-	-	327.62
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-





(₹ in Crores)

Particulars Financial Year 2017-18	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
ii) Reduction				
Principal amount	207.15	21.11	-	228.26
Interest due but not paid	-	-	-	-
Interest accrued but not due	0.06	-	-	0.06
<b>Net Change</b>	<b>120.41</b>	<b>(21.11)</b>	<b>-</b>	<b>99.30</b>
Indebtedness at the end of the year				
i) Principal amount	650.18	86.43	-	736.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>650.18</b>	<b>86.43</b>	<b>-</b>	<b>736.61</b>

**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
		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)	155.05	148.23	303.28
(b)	Value of perquisites u/s 17(2) of IT Act, 1961	11.64	0.66	12.30
(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	110.00	33.34	143.34
	Others - Committed Commission	-	45.00	45.00
5	Others – retirement benefits	14.11	11.77	25.88
<b>Total A</b>		<b>290.80</b>	<b>239.00</b>	<b>529.80</b>
Ceiling as per the Act		Managerial Remuneration is within the limit of 10% of the net profit of the Company i.e. ₹ 1439.67 lakhs, calculated as per Section 198 of the Act.		

**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	4.25	3.75	3.25	11.25
2	Commission	25.00	20.00	8.00	53.00
3	Others, please specify	-	-	-	-
<b>Total B(1)</b>		<b>29.25</b>	<b>23.75</b>	<b>11.25</b>	<b>64.25</b>

\* Appointed as an Independent Director w.e.f. May 17, 2017

**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	2.50	No sitting fees/commission paid to Promoter Directors.	
2	Commission	20.00		
3	Others, please specify	-		
	<b>Total B(2)</b>	<b>22.50</b>		
	<b>**Total (B)=(B)(1)+(B)(2)</b>	<b>86.75</b>		
**Ceiling as per the Act		Being 1% of the net profit of the Company i.e. ₹ 143.97 lakhs, calculated as per Section 198 of the Act.		
Total Managerial Remuneration (A + B)		₹ 616.55 lakhs (Total Managerial Remuneration is within the overall limit of 11% of the net profit of the Company i.e. ₹ 1583.63 lakhs, calculated as per Section 198 of the Act.)		

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Mr. Samir Raval Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	31.46
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit	-
	Others - Committed Commission	-
5	Others	
	Variable pay	1.65
	Retirement benefits – PF, Gratuity & Super Annuation	2.24
	<b>Total</b>	<b>35.35</b>

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

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

For and on behalf of the Board of Directors

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

Place: Mumbai  
Date: May 24, 2018

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



# Corporate Governance Report

Corporate Governance is a set of defined principles, processes and systems which govern 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, 2018, the Board of Directors consists of 8 (eight) Directors, of which 3 (three) are Independent Directors including a Woman Director, 3 (three) are Non-Executive and Non-Independent and 2 (two) are Executive Directors. 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 Listing Regulations.

The names and category of the Directors, their outside Directorships, their other Membership and Chairmanship of Board Committees as on March 31, 2018 are mentioned hereunder.

Name & DIN of Director	Designation	Category	No. of Directorship in other Companies <sup>(1)</sup>	Position in outside Committees <sup>(2)</sup>		No. of Shares held in the Company
				Chairman	Member	
Mr. Devendra Raj Mehta 01067895	Chairman	Independent, Non-Executive	6	Nil	2	Nil
Mr. Shailendra Raj Mehta 02132246	Director	Independent, Non-Executive	4	Nil	1	Nil
Ms. Anjali Seth # 05234352	Director	Independent, Non-Executive	8	3	3	Nil
Mr. Shailendra Kumar Tripathi 03156123	CEO & Dy. Managing Director	Executive	Nil	Nil	Nil	Nil
Mr. Manoj Tulsian 05117060	Whole-time Director & CFO	Executive	3	Nil	Nil	Nil
Mr. Hemant Modi 00171161	Director	Non-Independent, Non-Executive	3	Nil	Nil	99,014
Mr. Kamal Jain 00269810	Director	Promoter, Non-Executive	10	Nil	Nil	Nil
Mr. Manish Mohnot 01229696	Director	Promoter, Non-Executive	5	Nil	2	Nil

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

<sup>(2)</sup> Represents Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committee of Public Companies only.

# Ms. Anjali Seth resigned as a Non-Independent Non-Executive Director with effect from May 16, 2017 and subsequently appointed as an Independent Director w.e.f. May 17, 2017.

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

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

## 1.2 Board Meetings and attendance

During the year, the Board met 6 (Six) times on May 16, 2017, July 03, 2017, July 21, 2017, August 10, 2017, November 13, 2017 and February 07, 2018. 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 2017-18 and in the last AGM are as under.

Name of Director	No. of Board Meetings attended/ held	Attendance at last AGM held on August 10, 2017
Mr. Devendra Raj Mehta	6 / 6	Yes
Mr. Shailendra Raj Mehta	5 / 6	Yes
Mr. Shailendra Kumar Tripathi	6 / 6	Yes
Mr. Manoj Tulsian	6 / 6	Yes
Mr. Hemant Modi	5 / 6	Yes
Mr. Kamal Jain	5 / 6	Yes
Mr. Manish Mohnot	4 / 6	Yes
Ms. Anjali Seth	5 / 6	Yes

## 1.3 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 16, 2017 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 Board of 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.

## 1.4 Familiarization Programme

The Company has familiarization programme for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the Company's website. Weblink: [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/fy-2017-2018-1.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/fy-2017-2018-1.pdf)

## 1.5 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 [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/code\\_conduct\\_directors\\_20151014060137.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/code_conduct_directors_20151014060137.pdf). All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2018 and a declaration to this effect duly signed by CEO & Dy. Managing Director of the Company is appended to this report.

## 1.6 Review of Compliance Report by the Board

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

## 1.7 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 by insiders in Company's Securities. The Company Secretary is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders.

## 2 AUDIT COMMITTEE

As on March 31, 2018, 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 16, 2017, August 10, 2017, November 13, 2017 and February 07, 2018. 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	4	4
Mr. Kamal Jain	Non-Executive	4	4
Ms. Anjali Seth*	Independent, Non-Executive	3	3

\*Ms. Anjali Seth, Independent Non-Executive Director was appointed as a member of the Committee effective from May 17, 2017.

The Chairman of the Audit Committee has attended the last AGM of the Company held on August 10, 2017. 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, 2018, Nomination and Remuneration Committee comprises of 3 (three) Non-Executive Directors, out of whom 2 (two) Directors are Independent Directors. During the year, the Committee met on May 16, 2017.

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	1	1
Mr. Devendra Raj Mehta	Independent, Non-Executive	1	1
Mr. Manish Mohnot	Non-Executive	1	1

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 (e) Effectiveness of the decision taken based on deliberations etc. The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors for the Financial Year 2017-18 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, 2018 are as under.



(₹ in lakhs)

Name of Director	Category	Remuneration components				
		Salary	Perquisites & retirement benefits	Commission / Profit Linked Incentive	Sitting fees	Total
Mr. D. R. Mehta	Independent, Non-Executive	Nil	Nil	25.00	4.25	29.25
Mr. S. R. Mehta	Independent, Non-Executive	Nil	Nil	20.00	3.75	23.75
Mr. S. K. Tripathi	Executive	155.05	25.75	110.00	Nil	290.80
Mr. Manoj Tulsian	Executive	148.23	12.43	78.34	Nil	239.00
Mr. Hemant Modi	Non-Independent, Non-Executive	Nil	Nil	20.00	2.50	22.50
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	3.25	11.25

**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 August 11, 2016 for a period of 3 (three) years w.e.f. October 22, 2016 on the terms and conditions approved by the members at the 31<sup>st</sup> AGM held on August 10, 2017. The Agreement dated August 12, 2016 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 27, 2016 for a period of 3 (three) years w.e.f. May 27, 2016 on the terms and conditions approved by the members at the 30<sup>th</sup> AGM held on August 11, 2016. The Agreement dated May 27, 2016 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.

Remuneration of Mr. S. K. Tripathi and Mr. Manoj Tulsian comprises of fixed and performance linked incentive components. Performance linked incentive / Commission is payable as may be recommended by the Nomination and Remuneration Committee and as approved by the Board every year, as per the respective agreements executed, subject to applicable statutory provisions and the criteria of performance, achievements etc. as per 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 2017-18, not exceeding in aggregate 1% of net profits of the Company, calculated under Section 198 of the Companies Act, 2013.

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 our Directors are eligible for any severance fees.

**4.1 Remuneration policy**

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

- Nomination and Remuneration Committee has important role in monitoring the policy.
- 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 etc. keeping in view 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.

#### 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 of 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 shareholders' grievances such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization / re-materialization, non-receipt of dividend, annual report etc. The Committee also reviews the systems and procedures followed to

resolve investor complaints and suggests several measures for improvement as may be necessary. The Committee comprises of 3 (three) directors out of which Chairman is a Non-Executive Director. The Committee met 4 (four) times during the financial year viz. May 16, 2017, August 10, 2017, November 13, 2017 and February 07, 2018.

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	4	4
Mr. S. K. Tripathi	CEO & Dy. Managing Director	4	4
Mr. Manish Mohnot	Non-Executive Director	4	4

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

During the year, the Company has received 1 (one) complaint, which has been timely resolved to the satisfaction of the Complainant and there was no investor complaint pending as on March 31, 2018. 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 a Non-Executive Independent Director. During the year, the Committee met 3 (three) times viz. May 16, 2017, November 13, 2017 and February 07, 2018.

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	3	3
Mr. S. K. Tripathi	CEO & Dy. Managing Director	3	3
Mr. Kamal Jain	Non-Executive Director	3	3

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

## 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(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non- Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Minimization	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the 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 and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1),(2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) & (3)	Composition of Risk Management Committee	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(4)	Approval for Material Related Party Transactions	N.A.



Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes/No/N.A.)
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
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(6)	Filling the vacancy of Independent Director created by resignation or removal	Yes
		25(7)	Familiarization of Independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	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
11	Other Corporate Governance Requirements	27(1)	Compliance of discretionary requirements	Yes
		27(2)	Filing of quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various Committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive directors	Yes
		46(2)(g)	Policy on dealing with related party transactions	Yes
		46(2)(h)	Policy for determining 'Material' Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

## 9 GENERAL BODY MEETINGS

### i. Annual General Meeting:

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

AGM	Financial Year	Date	Time	Venue of AGM
31 <sup>st</sup> AGM	2016 - 17	August 10, 2017	03.00 p.m.	ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad – 380009
30 <sup>th</sup> AGM	2015 - 16	August 11, 2016	03.00 p.m.	
29 <sup>th</sup> AGM	2014 - 15	September 29, 2015	12.30 p.m.	

### ii. Special Resolutions:

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

Date of AGM	Summary of Special Resolution passed
August 10, 2017	Issue of Non-Convertible Debentures on a Private Placement basis.
August 11, 2016	Keeping registers, returns etc. at a place other than Registered office of the Company.
September 29, 2015	No Special Resolution was passed.

**iii. Details of Special Resolution passed through Postal Ballot, the person who conducted the postal ballot exercise and details of the voting pattern:**

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated November 13, 2017 under Section 180(1)(a) of the Companies Act, 2013 for authority, inter alia, to create charge, mortgage, sale, lease etc. of assets of the Company, the results of which were announced on December 28, 2017. Mr. Dharmesh Zaveri (Proprietor of D. M. Zaveri & Co.), Practising Company Secretary having Membership No. 5418 and CP No. 4363 was appointed as a scrutinizer to conduct the Postal Ballot voting process (including e-voting) in a fair and transparent manner.

Details of Voting Pattern were as under:

Mode of voting	Total valid votes	Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
		No. of ballot/ e-voting entry	Nos.	% to total valid votes	No. of ballot/ e-voting entry	Nos.	% to total valid votes	No. of ballot/ e-voting entry	Nos.
E-voting	2,70,00,785	40	2,69,51,754	99.8184	6	49,031	0.1816	0	0
Postal Ballot	53,829	27	53,814	99.9721	1	15	0.0279	5	2,087
<b>Total</b>	<b>2,70,54,614</b>	<b>67</b>	<b>2,70,05,568</b>	<b>99.8187</b>	<b>7</b>	<b>49,046</b>	<b>0.1813</b>	<b>5</b>	<b>2,087</b>

**Procedure for Postal Ballot:**

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated November 13, 2017 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on November 27, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 & 110 of the Act and Rule 20 & 22 of the Rules read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their votes electronically. The voting under the postal ballot was kept open from November 28, 2017 (09.00 a.m. IST) to December 27, 2017 (05.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Dharmesh Zaveri submitted his report to the Company and the results of the postal ballot were announced by the Company on December 28, 2017. The voting results were sent to the Stock Exchanges and displayed on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com) and on the website of Central Depository Services (India) Limited.

None of the businesses proposed to be transacted in the ensuing AGM require special resolution through postal ballot.

## 10 DISCLOSURES

### a) Related Party Transactions

During the year, there were no materially significant transactions with related parties that may have potential conflict with the 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. Weblink: [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/related\\_party\\_transactions\\_20151014060849.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/related_party_transactions_20151014060849.pdf)

### 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 [http://www.jmcprojects.com/cms/data\\_content/statutory\\_documents/whistleblower\\_policy\\_20151014055834.pdf](http://www.jmcprojects.com/cms/data_content/statutory_documents/whistleblower_policy_20151014055834.pdf)

### 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





Practicing Company Secretary M/s. D. M. Zaveri & Co., Company Secretaries to this effect and the same is annexed to this Report.

The Company has complied 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.

**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 2017-18 and there is no pending utilization of any of its earlier issue proceeds as on March 31, 2018.

**f) CEO & CFO Certification**

The CEO & Dy. Managing Director and Whole-time Director & CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2018.

**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.**

## 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, Business Standard (English), Jai Hind (Gujarati).

**b) Website of the Company:** The Company's website [www.jmcprojects.com](http://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 filing 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, time and venue of AGM:** August 06, 2018 at 03.30 p.m. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad – 380009

**Book Closure Period:** August 01, 2018 to August 06, 2018 (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 ₹ 3/- per equity share, if approved by the members will be paid on or after August 10, 2018.

**e) Listing on Stock Exchanges:** The Company's equity shares are listed on the following Stock Exchanges.

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

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

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

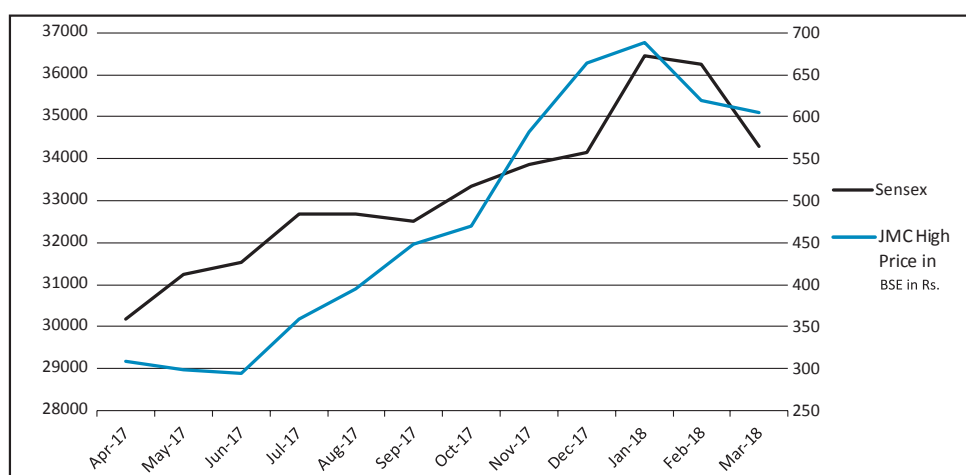
ISIN Number: INE890A01016

**f) Payment of Listing Fees:** The Company has paid annual listing fee for the financial year 2018 - 19 to the BSE and NSE within the stipulated time.

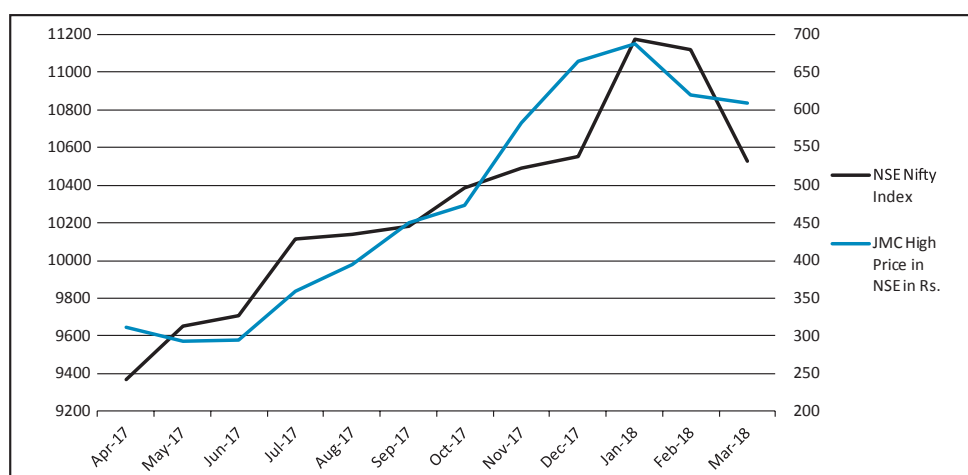
- g) Market Price Data:** The monthly high and low price of equity shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) are as under.

Month	BSE				NSE			
	Share Price (in ₹)		Sensex		Share Price (in ₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-17	309.20	261.00	30184.22	29241.48	311.00	260.10	9367.15	9075.15
May-17	298.95	253.00	31255.28	29804.12	292.55	253.05	9649.60	9269.90
Jun-17	294.00	264.80	31522.87	30680.66	294.50	264.00	9709.30	9448.75
Jul-17	359.20	277.00	32672.66	31017.11	359.00	276.60	10114.85	9543.55
Aug-17	394.80	325.00	32686.48	31128.02	394.75	322.30	10137.85	9685.55
Sep-17	448.60	373.55	32524.11	31081.83	450.00	372.65	10178.95	9687.55
Oct-17	469.90	360.00	33340.17	31440.48	472.50	363.00	10384.50	9831.05
Nov-17	582.25	431.10	33865.95	32683.59	582.85	432.00	10490.45	10094.00
Dec-17	663.40	550.45	34137.97	32565.16	664.25	558.60	10552.40	10033.35
Jan-18	688.00	538.95	36443.98	33703.37	688.00	540.00	11171.55	10404.65
Feb-18	618.50	465.65	36256.83	33482.81	619.00	445.40	11117.35	10276.30
Mar-18	605.20	529.30	34278.63	32483.84	608.70	530.00	10525.50	9951.90

**JMC Share price vs. BSE Sensex - April 2017 to March 2018**



**JMC Share price vs. NSE Nifty - April 2017 to March 2018**





- h) Share Transfer System:** Applications for transfer of shares in physical form 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 as and when received are normally processed within 15 days from the date of receipt of documents complete in all respects. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective Depositories i.e. NSDL and CDSL within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

The Company has obtained half-yearly 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 / paid-up 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 as required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996.

**i) Distribution of Equity Shareholding as on March 31, 2018**

No. of Shares of ₹ 10/- each	Shareholders		Equity Shares	
	Number	% of total Shareholders	Number	% of total Shares
Up to 500	9,050	84.56	10,73,315	3.20
501 – 1,000	819	7.65	6,08,411	1.81
1,001 – 2,000	435	4.06	6,33,940	1.89
2,001 – 3,000	135	1.26	3,34,368	1.00
3,001 – 4,000	67	0.63	2,38,822	0.71
4,001 – 5,000	32	0.30	1,48,991	0.44
5,001 – 10,000	77	0.72	5,54,668	1.65
10,001 and above	88	0.82	2,99,88,519	89.30
<b>Total</b>	<b>10,703</b>	<b>100.00</b>	<b>3,35,81,034</b>	<b>100.00</b>

**j) Shareholding Pattern as on March 31, 2018**

Sr. No.	Category	No. of Shares held	% of Shares held
<b>A</b>	<b>Promoter and Promoter Group Shareholding</b>		
	Indian	2,25,62,881	67.19
	Foreign	-	-
<b>B</b>	<b>Public Share Holding</b>		
<b>1.</b>	<b>Institutional</b>		
	Mutual Fund	46,56,196	13.87
	Foreign Portfolio Investor	2,93,797	0.87
	Financial Institutions / Banks	31,350	0.09
	Alternate Investment Funds	45,517	0.14
	Central Government / State Government(s)	18,872	0.06
<b>2.</b>	<b>Non-Institutional</b>		
	Individuals & HUFs	42,23,914	12.58
	Bodies Corporate	9,66,331	2.88
	NRIs	6,77,219	2.01
	Clearing Member	1,04,957	0.31
	<b>Total</b>	<b>3,35,81,034</b>	<b>100.00</b>

**k) Dematerialization of Shares & Liquidity**

Total 99.73% shares were held in dematerialized form as on March 31, 2018. 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, 2018.

**m) Equity Shares in suspense account:** No equity shares are lying in the suspense account. Hence, no further disclosure / details to mention in this regard.**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) Address for Communication:**

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

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

**Registrar & Share Transfer Agent:** Link Intime India Pvt. Ltd. Unit: JMC Projects (India) Limited, Office No. 506 to 508, 5<sup>th</sup> 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

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**DECLARATION IN RESPECT OF CODE OF CONDUCT**

In accordance with Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them for the financial year ended March 31, 2018.

Date: May 24, 2018  
Place: Mumbai

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

**CERTIFICATE ON CORPORATE GOVERNANCE**

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

I have examined the compliance of conditions of Corporate Governance by JMC Projects (India) Limited ('the Company'), for the Financial Year ended 31<sup>st</sup> March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2018.

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

For D. M. Zaveri & Co.  
Company Secretaries

**Dharmesh Zaveri**  
(Proprietor)  
FCS No. 5418  
CP No. 4363

Place: Mumbai  
Date: May 15, 2018



## CEO-CFO CERTIFICATE

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

**Subject:** Certificate on financial statements for the financial year ended March 31, 2018 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 Manoj Tulsian, Whole-time Director and CFO, have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2018 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

Date : May 24, 2018  
Place : Mumbai

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



# Independent Auditor's Report

To the Members of

## **JMC Projects (India) Limited**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of JMC Projects (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2018, 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 for the year then ended and a summary of the significant accounting policies and other explanatory information, in which are incorporated 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 four unincorporated joint ventures in India (hereinafter referred to as 'Standalone Ind AS financial statements')

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

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' Responsibility**

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

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

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the

# Independent Auditor's Report (Continued)

## Auditors' Responsibility (Continued)

auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditors of 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 standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## Other matters

We did not audit the Ind AS financial statements of two branches and four unincorporated joint ventures included in the standalone Ind AS financial statements of the Company, whose financial statements reflect total assets of INR 44,704 lakhs as at 31 March 2018 and total revenue of INR 24,326 lakhs for the year ended on that date, as considered in the standalone Ind AS financial statements. The standalone Ind AS financial statements of 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 auditors of such branches and unincorporated joint ventures. Our opinion is not modified in respect of this matter.

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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch 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 cash flows and the standalone statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (e) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
  - (f) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the board of directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;



# Independent Auditor's Report (Continued)

## Report on Other Legal and Regulatory Requirements (Continued)

- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (h) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 24 to the standalone Ind AS financial statements;
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts. The Company did not have any material foreseeable losses on derivative contracts - Refer Note 29 to the standalone Ind AS financial statements;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018; and
  - iv. the disclosures in the standalone Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 39 of the standalone Ind AS financial statements.

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

Mumbai  
24 May 2018

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

## Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, 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, and the same have been dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 3 and Note 4 to the standalone Ind AS financial statements, are held in the name of the Company.
- (ii) The inventory of building material, components and spares has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) 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 not made any investments during the year. Accordingly, compliance under Section 186 of the Act in respect of investment made during the year is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax, Sales-tax, Service tax, Local body tax, Property tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. The amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Entry tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in a few cases. The amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Profession tax, Works contract tax have not been regularly deposited during the year with the appropriate authorities, though the delays in deposit have not been serious. As explained to us, the Company did not have any dues on account of Wealth tax.
 

According to the information and explanations given to us, no material undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax, Sales-tax, Service tax, Works contract tax, Entry tax, Local body tax, Property tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.





## Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)

- (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, Sales tax, Service tax and Value added tax as at 31 March 2018, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(INR in lakhs)

Name of the Statute	Nature of the Dues	Amount Demanded	Amount Deposited Under Disputes	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Tax, Penalty and Interest	1,154.44	-	2007-08 to 2009-10	Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
		2,505.73	-	2008-09 to 2012-13	Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
		551.40	-	2015-16	Commissioner, Ahmedabad
		93.59	-	2015-16	Commissioner, Ahmedabad
		710.60	-	2014-15	Commissioner, Ahmedabad
		98.19	-	2012-13 to 2015-16	Commissioner, Ahmedabad
		176.23	-	2011-12 to 2015-16	Commissioner, Ahmedabad
The West Bengal VAT Act, 2003	Tax, Penalty and Interest	57.10	-	2008-09	West Bengal Commercial Taxes Appellate and Revisional Board
		105.80	-	2009-10	West Bengal Commercial Taxes Appellate and Revisional Board
		430.01	-	2011-12	Dept. Commissioner Kolkata
Madhya Pradesh VAT Act, 2002	Tax, Penalty and Interest	15.60	-	2009-10	Additional Commissioner Appeals
		171.43	-	2013-14	Additional Commissioner Appeals
		0.82	-	2014-15	Additional Commissioner Appeals
		15.30	-	2015-16	Additional Commissioner Appeals
Gujarat VAT Act, 2003		261.72	-	2006-07	Gujarat VAT Tribunal
Maharashtra VAT Act, 2002		2.75	-	2013-14	Additional Commissioner Appeals
New Delhi VAT matter		489.10	-	2012-13 & 2013-14	Objection Hearing Authority Sales Tax department Delhi
Income Tax Act, 1961		778.47	778.47	2006-07 to 2011-12	Income Tax Appellate Tribunal
		124.19	124.19	2009-10	Income Tax Appellate Tribunal
		19.70	19.70	2010-11	Income Tax Appellate Tribunal
		18.58	18.58	2004-05	Supreme Court

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks and financial institutions. The Company did not have any outstanding loans and borrowings to Government and outstanding dues to debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)**

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (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

Mumbai  
24 May 2018

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



## Annexure B to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of JMC Projects (India) Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of 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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to overseas branches and unincorporated joint ventures, is based on the corresponding reports of the auditors of 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

Mumbai  
24 May 2018

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

# Standalone Balance Sheet

As at 31 March 2018

(Currency: Indian rupees in lakhs)

	Note	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	40,947.69	36,208.54
Capital work-in-progress	3	12.18	47.20
Investment property	4	82.13	82.13
Intangible assets	5 (a)	1,176.37	267.40
Intangible assets under development	5 (b)	-	538.52
Financial assets			
Investments	6 (a)	41,638.49	17,888.15
Loans	6 (c)	701.53	1,142.26
Trade receivables	6 (b)	2,595.90	3,528.88
Other financial assets	6 (e)	599.98	66.80
Deferred tax assets (net)	7	3,517.62	3,625.34
Other non-current assets	8	2,374.43	5,677.11
<b>Total non-current assets</b>	<b>(A)</b>	<b>93,646.32</b>	<b>69,072.33</b>
<b>Current assets</b>			
Inventories	9	19,229.12	17,946.16
Financial assets			
Loans	6 (c)	30,943.91	23,227.41
Trade receivables	6 (b)	73,575.00	65,763.15
Cash and cash equivalents	6 (d)	14,589.92	2,486.08
Bank balances other than above	6 (d)	7.66	7.76
Other financial assets	6 (e)	68,097.11	76,920.89
Current tax assets (net)	10	856.03	2,297.45
Other current assets	11	40,629.33	25,631.40
<b>Total current assets</b>	<b>(B)</b>	<b>2,47,928.08</b>	<b>2,14,280.30</b>
<b>Total assets</b>	<b>(A+B)</b>	<b>3,41,574.40</b>	<b>2,83,352.63</b>



# Standalone Balance Sheet (Continued)

As at 31 March 2018

(Currency: Indian rupees in lakhs)

	Note	As at 31 March 2018	As at 31 March 2017
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12(a)	3,358.10	3,358.10
<b>Other equity</b>			
Reserves and surplus	12(b)	75,455.54	65,529.70
Other reserves	12(c)	85.49	85.49
<b>Total equity</b>	<b>(A)</b>	<b>78,899.13</b>	<b>68,973.29</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13(a)	31,425.94	23,127.59
Trade payables	13(d)	10,898.88	11,780.95
Other financial liabilities	13(c)	21.62	1,543.94
Provisions	14	4,243.27	3,643.78
Other non-current liabilities	15	43,433.45	35,454.22
<b>Total non-current liabilities</b>	<b>(B)</b>	<b>90,023.16</b>	<b>75,550.48</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13(b)	33,655.31	34,006.29
Trade payables	13(d)	82,857.72	74,390.61
Other financial liabilities	13(c)	27,056.55	11,622.73
Provisions	14	667.31	1,344.40
Other current liabilities	15	28,415.22	17,464.83
<b>Total current liabilities</b>	<b>(C)</b>	<b>1,72,652.11</b>	<b>1,38,828.86</b>
<b>Total liabilities</b>	<b>(D = B+C)</b>	<b>2,62,675.27</b>	<b>2,14,379.34</b>
<b>Total equity and liabilities</b>	<b>(A+D)</b>	<b>3,41,574.40</b>	<b>2,83,352.63</b>

**Significant accounting policies**

2

**Notes to the standalone Ind AS financial statements**

3 to 42

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

As per our report of even date attached.  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

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

Mumbai  
24 May 2018

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director  
DIN : 03156123

Mumbai  
24 May 2018

For and on behalf of the Board of Directors of  
**JMC Projects (India) Limited**  
CIN: L45200GJ1986PLC008717

**Manoj Tulsian**  
Whole-time Director & CFO  
DIN : 05117060

**Samir Raval**  
Company Secretary  
Membership No. FCS-7520



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# Standalone statement of profit and loss

For the year ended 31 March 2018

(Currency: Indian rupees in lakhs)

	Note	31 March 2018	31 March 2017
<b>Continuing operations</b>			
Revenue from operations	16	2,75,564.40	2,32,841.98
Other income	17	1,762.06	1,429.30
<b>Total income</b>		<b>2,77,326.46</b>	<b>2,34,271.28</b>
<b>Expenses</b>			
Cost of materials consumed	18	1,12,235.23	84,434.90
Employee benefits expense	19	26,639.14	23,574.22
Construction expenses	21(a)	93,017.82	89,217.42
Finance costs	22	8,577.59	8,425.66
Depreciation and amortisation expense	20	7,165.29	5,736.53
Other expenses	21(b)	15,195.59	14,502.34
<b>Total expenses</b>		<b>2,62,830.66</b>	<b>2,25,891.07</b>
<b>Profit from ordinary activities before tax from continuing operations</b>		<b>14,495.80</b>	<b>8,380.21</b>
Tax expense	23(a)		
- Current tax		3,713.30	1,684.75
- Deferred tax charge		169.77	869.59
<b>Total tax expense</b>		<b>3,883.07</b>	<b>2,554.34</b>
<b>Profit for the year</b>		<b>10,612.73</b>	<b>5,825.87</b>
<b>Other comprehensive income</b>	23(b)		
<b>A. Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of post-employment benefit obligations		(179.27)	(32.23)
(ii) Income tax relating to items that will not be reclassified to profit or loss		62.04	11.16
<b>B. Items that will be reclassified to profit or loss</b>			
(i) Exchange differences in translating foreign operations		56.57	(322.45)
(ii) Income tax relating to items that will be reclassified to profit or loss		(20.00)	112.00
<b>Other comprehensive income for the year, net of tax</b>		<b>(80.66)</b>	<b>(231.52)</b>
<b>Total comprehensive income for the year</b>		<b>10,532.07</b>	<b>5,594.35</b>
<b>Earnings per equity share (Face Value per share INR 10 each)</b>			
Basic earnings per share	30	31.60	17.35
Diluted earnings per share		31.60	17.35
<b>Significant accounting policies</b>	2		
<b>Notes to the standalone Ind AS financial statements</b>	3 to 42		

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

As per our report of even date attached.

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

Chartered Accountants

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

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

24 May 2018

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

24 May 2018

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Standalone statement of cash flows

For the year ended 31 March 2018

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	14,495.80	8,347.98
<b>Profit before tax</b>	<b>14,495.80</b>	<b>8,347.98</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	7,165.29	5,736.53
Loss on sale of property, plant and equipment	47.48	6.65
Gain on disposal of property, plant and equipment	(455.76)	(203.81)
Sundry balances written back	(80.02)	(51.28)
Rent income	(344.25)	(136.52)
Provision for expected credit loss and others	6,305.92	1,800.00
Finance income (including fair value change in financial instruments)	(865.50)	(222.92)
Finance costs (including fair value change in financial instruments)	8,577.59	8,425.66
Net exchange differences	95.27	(217.99)
<b>Operating profit before working capital adjustments</b>	<b>34,941.80</b>	<b>23,484.30</b>
<b>Adjustments for:</b>		
Increase in trade payables	7,665.06	4,712.23
Increase/(decrease) in long-term provisions	184.00	(372.10)
(Decrease) / increase in short-term provisions	(887.45)	1,138.47
Increase/(decrease) in other current liabilities	23,867.51	(7,634.49)
Increase in other long-term liabilities	6,456.90	18,001.88
(Increase)/decrease in trade receivables	(11,518.05)	401.96
(Increase) in inventories	(3,684.77)	(2,088.25)
Decrease/(increase) in long-term loans and advances	440.72	(326.50)
(Increase)/decrease in short-term loans and advances	(1,412.47)	262.07
(Increase) in other current assets	(31,099.57)	(8,418.12)
Decrease/(increase) in other non-current assets	2,858.11	(451.80)
<b>Cash generated from operating activities</b>	<b>27,811.82</b>	<b>28,709.65</b>
Income taxes paid, net of refund received	(2,229.83)	2,515.09
<b>Net cash flows from operating activities</b>	<b>25,581.98</b>	<b>31,224.74</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(9,592.00)	(6,800.90)
Loans to related parties	(6,349.07)	(7,092.20)
Rent received	344.25	136.52
Proceeds from sale of property, plant and equipment	602.55	422.64
Interest received	865.50	222.92
<b>Net cash (used in) investing activities</b>	<b>(14,128.77)</b>	<b>(13,111.02)</b>



# Standalone statement of cash flows (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	16,511.23	5,315.98
Repayment of borrowings	(6,670.25)	(15,106.69)
Changes in unpaid dividend accounts	(0.10)	(0.94)
Interest paid	(8,584.03)	(8,763.53)
Dividends paid to company's shareholders (including tax thereon)	(606.23)	(404.17)
<b>Net cash flow from / (used in) financing activities</b>	<b>650.62</b>	<b>(18,959.35)</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>12,103.84</b>	<b>(845.63)</b>
Cash and cash equivalents at the beginning of the year	2,486.08	3,331.71
<b>Cash and cash equivalents at end of the year</b>	<b>14,589.92</b>	<b>2,486.08</b>

Notes:

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

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Cash and cash equivalents (refer note 6 (d))	14,589.92	2,486.08
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>14,589.92</b>	<b>2,486.08</b>

## Movement in borrowings

(Currency: Indian rupees in lakhs)

	31 March 2017	Cash Flow	Non-cash changes (Exchange rate difference)	31 March 2018
Long term borrowings	29,718.09	10,287.24	-	40,005.33
Short term borrowings	34,006.29	(446.25)	95.27	33,655.30
<b>Total borrowings</b>	<b>63,724.39</b>	<b>9,840.98</b>	<b>95.27</b>	<b>73,660.63</b>

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

As per our report of even date attached.

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

Chartered Accountants

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

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

24 May 2018

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

24 May 2018

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Standalone statement of changes in equity (SOCIE)

for the year ended 31 March 2018

## A. Equity Share Capital\*

Particulars	Amount
As at 31 March 2016	3,358.10
Additional equity share issued during 2016-17	-
As at 31 March 2017	3,358.10
Additional equity share issued during 2017-18	-
As at 31 March 2018	3,358.10

(Currency: Indian rupees in lakhs)

## B. Other Equity\*

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company					Total attributable to owners of the Company
	Securities Premium Reserve	Reserves and Surplus	Other reserves	Other comprehensive income	Exchange differences of foreign operations	
		Retained Earnings	General Reserves	Actuarial loss on Defined Plan Liability		
Balance at 1 April 2016	35,332.22	20,591.32	4,415.38	51.60	(51.00)	60,425.01
Total comprehensive income for the year ended 31 March 2017						
Profit for the year	-	5,825.87	-	-	-	5,825.87
Other comprehensive income (net of tax)	-	-	-	(21.07)	(210.45)	(231.52)
Total comprehensive income	-	5,825.87	-	(21.07)	(210.45)	5,594.35
Transactions with owners in their capacity as owners:						
Dividends paid (including tax thereon)	-	(404.17)	-	-	-	(404.17)
Appropriations during the year	-	(225.00)	225.00	-	-	-
Balance at 31 March 2017	35,332.22	25,788.02	4,640.38	30.53	(261.45)	65,615.19
Balance at 1 April 2017	35,332.22	25,788.02	4,640.38	30.53	(261.45)	65,615.19
Total comprehensive income for the year ended 31 March 2018						
Profit for the year	-	10,612.73	-	-	-	10,612.73
Other comprehensive income (net of tax)	-	-	-	(117.23)	36.57	(80.66)
Total comprehensive income	-	10,612.73	-	(117.23)	36.57	10,532.07
Transactions with owners in their capacity as owners:						
Dividends paid (including tax thereon)	-	(606.23)	-	-	-	(606.23)
Appropriations during the year	-	(225.00)	225.00	-	-	-
Balance at 31 March 2018	35,332.22	35,569.52	4,865.38	85.49	(224.88)	75,541.03

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

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

As per our report of even date attached.

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

Chartered Accountants

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

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

24 May 2018

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520





# Notes to the standalone Ind AS financial statements

for the year ended 31 March 2018

## 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 Ind AS 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 Ind AS financial statements were authorised for issue by the Company's Board of Directors on 24 May 2018.

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

### (b) Functional and presentation currency

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

### (c) Basis of measurement

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

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

### (d) Use of estimates and judgements

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

The areas involving critical estimates and judgements are:

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

### (e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for 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:

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

for the year ended 31 March 2018

## 1 Basis of preparation and measurement (Continued)

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

- 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 37 for segment information presented.

#### Current/ non-current classification

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

The Company presents assets and liabilities in the 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.

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 at least 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.



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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (b) Foreign currency (Continued)

#### (i) Foreign currency transactions (Continued)

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

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

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

### (c) Revenue recognition

#### (i) Construction Revenue

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

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

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

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

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

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

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

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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (c) Revenue recognition (Continued)

#### (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 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 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 statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company.

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

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

#### (ii) Deferred tax

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

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



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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (d) Income tax (Continued)

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

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

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

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

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded

for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

#### (ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease Payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

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

#### (iii) Lease payments

##### As a lessee

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

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

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

##### As a lessor

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



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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (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 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.

### (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.



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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (j) Financial instruments (Continued)

#### Classification and subsequent measurement (Continued)

##### 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 statement of profit and loss. The losses arising from impairment are recognised in the 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 statement of profit and loss.

##### Derecognition

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

1. The rights to receive cash flows from the asset have expired, or

2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

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

##### Impairment of financial assets

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

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

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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (j) Financial instruments (Continued)

#### Classification and subsequent measurement (Continued)

##### Impairment of financial assets (Continued)

- ii. Accrued value of work done which do not contain a significant financing component.
- iii. 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.

### (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 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 profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

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



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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (k) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (l) Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

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

#### Subsequent expenditure

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

Small assets costing less than INR 20,000 are depreciated at 100% in the year of 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.

### (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.

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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (m) Investment property (Continued)

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 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 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.





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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (p) Borrowings (Continued)

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

### (q) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

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

### (r) Provisions

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

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

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

### (s) Employee benefits

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

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

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

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

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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (iii) Post-employment benefits

The Company operates the following post-employment schemes:

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

Pension and gratuity obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (OCI). They are included in actuarial 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 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.



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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (v) Termination benefits

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

#### (t) Contributed equity

Equity shares are classified as equity.

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

#### (u) Dividends

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

#### (v) Earnings per share

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

Basic earnings per share is calculated by dividing:

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

##### (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.

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

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) Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers :

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transitioning to Ind AS 115.

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

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (x) Standards issued but not yet effective (Continued)

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company may plan to apply the standard retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

### (y) 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 Ind AS financial statements (Continued)

As at 31 March 2018

## 3 Property, plant and equipment

(Currency: Indian rupees in lakhs)

	Office building	Store building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipment	Electrical installation	Total	Capital work-in-progress
<b>Year ended 31 March 2017</b>									
<b>Gross carrying amount</b>									
Balance at 1 April 2016	205.47	464.71	35,000.88	248.91	2,391.58	676.91	74.42	39,062.87	23.69
Exchange differences	-	(26.29)	(357.08)	(1.68)	(261.55)	(5.64)	-	(652.24)	(0.02)
Additions	-	123.53	5,761.61	19.09	1,715.31	247.49	-	7,867.03	118.04
Disposals	-	-	(1,443.83)	(5.64)	(126.70)	(1.83)	-	(1,578.01)	(94.51)
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>205.47</b>	<b>561.95</b>	<b>38,961.57</b>	<b>260.67</b>	<b>3,718.64</b>	<b>916.93</b>	<b>74.42</b>	<b>44,699.65</b>	<b>47.20</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	3.76	80.52	3,762.59	43.36	339.33	141.03	9.65	4,380.24	-
Depreciation for the year	3.75	84.07	4,835.85	35.14	449.12	230.69	8.68	5,647.31	-
On disposals	-	-	(1,245.59)	(5.37)	(106.39)	(1.83)	-	(1,359.18)	-
Exchange differences	-	(3.05)	(100.26)	(0.39)	(72.14)	(1.41)	-	(177.25)	-
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>7.52</b>	<b>161.54</b>	<b>7,252.59</b>	<b>72.74</b>	<b>609.91</b>	<b>368.47</b>	<b>18.33</b>	<b>8,491.11</b>	<b>-</b>
<b>Net carrying amount</b>	<b>197.96</b>	<b>400.41</b>	<b>31,708.99</b>	<b>187.92</b>	<b>3,108.73</b>	<b>548.45</b>	<b>56.09</b>	<b>36,208.54</b>	<b>47.20</b>
<b>Year ended 31 March 2018</b>									
<b>Gross carrying amount</b>									
Balance at 1 April 2017	205.47	561.95	38,961.57	260.67	3,718.64	916.93	74.42	44,699.65	47.20
Exchange differences	-	(52.40)	(811.91)	(3.47)	(559.60)	(14.04)	-	(1,441.42)	(0.32)
Additions	1.30	1,004.10	10,013.42	651.37	312.14	657.03	162.28	12,801.64	12.13
Disposals	-	(0.67)	(1,708.86)	(0.04)	(20.07)	(1.02)	-	(1,730.66)	(46.83)
<b>Balance as at 31 March 2018 (gross carrying amount)</b>	<b>206.77</b>	<b>1,512.98</b>	<b>46,454.22</b>	<b>908.53</b>	<b>3,451.11</b>	<b>1,558.90</b>	<b>236.70</b>	<b>54,329.21</b>	<b>12.18</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	7.52	161.54	7,252.59	72.74	609.91	368.47	18.33	8,491.11	-
Depreciation for the year	3.77	233.52	5,660.33	98.55	581.97	336.02	30.07	6,944.23	-
On disposals	-	-	(1,569.55)	(0.03)	(13.31)	(0.97)	-	(1,583.86)	-
Exchange differences	-	(7.36)	(268.14)	(1.05)	(188.46)	(4.95)	-	(469.96)	-
<b>Balance as at 31 March 2018 (accumulated depreciation)</b>	<b>11.29</b>	<b>387.70</b>	<b>11,075.23</b>	<b>170.22</b>	<b>990.11</b>	<b>698.57</b>	<b>48.40</b>	<b>13,381.52</b>	<b>-</b>
<b>Net carrying amount</b>	<b>195.48</b>	<b>1,125.28</b>	<b>35,378.99</b>	<b>738.31</b>	<b>2,461.00</b>	<b>860.33</b>	<b>188.30</b>	<b>40,947.69</b>	<b>12.18</b>

For property, plant and equipment secured against borrowings, refer note 13(a) and 13(b) of standalone Ind AS financial statements.





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

As at 31 March 2018

## 4 Investment property (At cost)

(Currency: Indian rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Cost or deemed cost (gross carrying amount)</b>		
Opening gross carrying amount / deemed cost	82.13	82.13
Additions	-	-
<b>Balance as at 31 March (gross carrying amount)</b>	<b>82.13</b>	<b>82.13</b>
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation for the year	-	-
<b>Balance as at 31 March (accumulated depreciation)</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>82.13</b>	<b>82.13</b>

## Fair value

(Currency: Indian rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
Investment property	1,319.94	1,319.94

## Measurement of fair values

### (i) Fair value hierarchy:

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

### (ii) Valuation technique:

Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is the preferred approach when sales data are available. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject property. Finally a market value for the subject property is estimated from the adjusted sales price of the comparable properties. Investment property comprises a number of vacant industrial land.



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

As at 31 March 2018

## 5(a) Intangible assets

(Currency: Indian rupees in lakhs)

	Computer software
<b>Year ended 31 March 2017</b>	
<b>Cost or deemed cost (gross carrying amount)</b>	
Balance at 1 April 2016	222.17
Additions	181.74
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>403.91</b>
<b>Accumulated depreciation</b>	
Opening accumulated amortisation	47.29
Amortisation for the year	89.22
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>136.51</b>
<b>Net carrying amount</b>	<b>267.40</b>
<b>Year ended 31 March 2018</b>	
<b>Gross carrying amount</b>	
Balance at 1 April 2017	403.91
Additions	1,130.03
<b>Balance as at 31 March 2018 (gross carrying amount)</b>	<b>1,533.94</b>
<b>Accumulated depreciation</b>	
Opening accumulated amortisation	136.51
Amortisation for the year	221.06
<b>Balance as at 31 March 2018 (accumulated depreciation)</b>	<b>357.57</b>
<b>Net carrying amount</b>	<b>1,176.37</b>

## 5(b) Intangible assets under development

(Currency: Indian rupees in lakhs)

	Total
<b>Year ended 31 March 2017</b>	
<b>Cost or deemed cost</b>	
Balance at 1 April 2016	-
Additions	538.52
<b>Balance as at 31 March 2017</b>	<b>538.52</b>
<b>Year ended 31 March 2018</b>	
<b>Gross carrying amount</b>	
Balance at 1 April 2017	538.52
Additions	577.65
Disposals	(1,116.17)
<b>Balance as at 31 March 2018 (gross carrying amount)</b>	<b>-</b>

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

As at 31 March 2018

## 6 Financial assets

### (a) Non-current investments

(Currency: Indian rupees in lakhs)

	As at 31 March. 2018	As at 31 March. 2017
<b>Investment in equity instruments at amortised cost*</b>		
Unquoted		
In equity shares of subsidiary companies, fully paid up		
- JMC Mining and Quarries Limited	50.00	50.00
500,000 (31 March 2017: 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 2017: 22,757,050) equity shares of INR 10/- each fully paid up		
Out of above 11,606,070 (31 March 2017: 11,606,070) shares are pledged in favour of bankers of this subsidiary.		
- Wainganga Expressway Private Limited	3,030.81	3,030.81
30,000,000 (31 March 2017: 30,000,000) equity shares of INR 10/- each fully paid up		
Out of above 15,300,000 (31 March 2017: 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 arising on initial recognition of financial guarantee, given by the company on behalf of Wainganga Expressway Private Limited, at fair value.)		
- Vindhyachal Expressway Private Limited	2,750.05	2,705.01
27,050,050 (31 March 2017: 27,050,050) equity shares of INR 10/- each fully paid up		
Out of above 13,795,500 (31 March 2017: 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 arising on initial recognition of financial guarantee, 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	-
- Wainganga Expressway Private Limited	6,971.00	-
- Vindhyachal Expressway Private Limited	14,761.00	-
<b>Total (equity instruments)</b>	<b>41,638.49</b>	<b>17,888.15</b>
<b>Total non-current investments</b>	<b>41,638.49</b>	<b>17,888.15</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	41,638.49	17,888.15
Aggregate amount of impairment in the value of investments	-	-

\* In accordance with Section 186 of the Act read with the Companies (Meeting of Board and its powers) Rules, 2014, the details of investments made by the Company as at the reporting dates are stated above.

\*\* 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 Ind AS financial statements (Continued)

As at 31 March 2018

## 6. Financial assets (Continued)

### (b) Trade receivables

(Currency: Indian rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Trade receivables</b>		
Debts outstanding over six months from due date of payment	17,648.43	9,947.36
Other debts includes retention money	58,420.85	60,326.98
Receivables from related parties	6,625.62	1,841.69
	<b>82,694.90</b>	<b>72,116.03</b>
Less: provision for expected credit loss	(6,524.00)	(2,824.00)
<b>Total receivables</b>	<b>76,170.90</b>	<b>69,292.03</b>
<b>Non-current</b>	2,595.90	3,528.88
<b>Current</b>	73,575.00	65,763.15

#### Break-up of security details

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Secured, considered good	-	-
Unsecured, considered good	82,694.90	72,116.03
Doubtful	-	-
<b>Total</b>	<b>82,694.90</b>	<b>72,116.03</b>
Provision for expected credit loss	(6,524.00)	(2,824.00)
<b>Total trade receivables</b>	<b>76,170.90</b>	<b>69,292.03</b>

- For terms and conditions of receivables owing from related parties, refer note 32 of standalone Ind AS financial statements.
- For receivables secured against borrowings, refer note 13 (b) & 36 (C) of standalone Ind AS financial statements.
- The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 36 (A) (i) & 36 (A) (iii) of standalone Ind AS financial statements.

### (c) Loans

(Currency: Indian rupees in lakhs)

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
To related parties:				
Loans to subsidiaries and Joint venture*	28,722.74	-	22,418.90	-
To parties other than related parties:				
Security deposits	2,221.17	701.53	808.51	1,142.26
<b>Total loans</b>	<b>30,943.91</b>	<b>701.53</b>	<b>23,227.41</b>	<b>1,142.26</b>

#### \* Loans to subsidiaries and joint venture

(Currency: Indian rupees in lakhs)

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
- JMC Mining and Quarries Limited	71.20	-	71.20	-
- Brij Bhoomi Expressway Private Limited	2,996.74	-	2,656.74	-
- Wainganga Expressway Private Limited	6,803.31	-	5,073.31	-
- Vindhyachal Expressway Private Limited	5,054.61	-	3,824.61	-
- Kurukshetra Expressway Private Limited	13,796.88	-	10,793.04	-
<b>Total</b>	<b>28,722.74</b>	<b>-</b>	<b>22,418.90</b>	<b>-</b>

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

As at 31 March 2018

## 6. Financial assets (Continued)

### (c) Loans (Continued)

#### Break-up of security details

(Currency: Indian rupees in lakhs)

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Secured, considered good	-	-	-	-
Unsecured, considered good	30,943.91	701.53	23,227.41	1,142.26
Doubtful	-	-	-	-
<b>Total</b>	<b>30,943.91</b>	<b>701.53</b>	<b>23,227.41</b>	<b>1,142.26</b>

### (d) Cash and cash equivalents

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Balances with banks		
- in current accounts	14,355.05	1,970.98
- in demand deposits (with less than 3 months of remaining maturity)	180.76	-
Deposits as margin money against borrowings and commitments	-	435.00
Cash on hand*	54.11	80.10
<b>Total cash and cash equivalents</b>	<b>14,589.92</b>	<b>2,486.08</b>

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

#### Bank balances other than above

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Bank balances other than above		
- Unpaid dividend accounts	7.66	7.76
<b>Total bank balances other than above</b>	<b>7.66</b>	<b>7.76</b>

### (e) Other financial assets

(Currency: Indian rupees in lakhs)

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Accrued income	33.78	6.13	6.96	-
Advance to subsidiaries against equity*	-	-	23,705.30	-
Receivables for sale of Property, plant and equipment	-	-	23.21	-
Amount due from customers on construction contract (refer note 33)	26,377.65	-	3,084.07	-
Accrued value of work done (net of advances)	40,958.70	-	50,061.38	-
Fixed deposits	1,947.12	593.85	39.97	66.80
	<b>69,317.25</b>	<b>599.98</b>	<b>76,920.89</b>	<b>66.80</b>
Less : Provision for expected credit loss on accrued value of work done	(1,220.14)	-	-	-
<b>Total other financial assets</b>	<b>68,097.11</b>	<b>599.98</b>	<b>76,920.89</b>	<b>66.80</b>

\* 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 Ind AS financial statements (Continued)

As at 31 March 2018

## 7 Deferred tax asset (net)

(Currency: Indian rupees in lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Other	Closing balance
<b>2017-18</b>					
Deferred tax (liabilities)/ assets in relation to:					
Property, plant and equipment	131.40	(29.79)	-	-	101.61
Expenses deductible/income taxable in other accounting period	728.15	289.77	-	-	1,017.92
Provision for expected credit loss	977.33	1,315.10	-	-	2,292.43
Change in method of determining revenue	1,385.00	(1,385.00)	-	-	-
Impact of accounting of forward contract at fair value	0.17	(0.17)	-	-	-
Related to employee benefits	-	(62.04)	62.04	-	-
Fair value of financial assets and liabilities through profit and loss account	234.33	(128.67)	-	-	105.66
Other items	168.97	(168.97)	-	-	-
<b>Tax assets</b>	<b>3,625.34</b>	<b>(169.77)</b>	<b>62.04</b>	<b>-</b>	<b>3,517.62</b>

(Currency: Indian rupees in lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Other	Closing balance
<b>2016-17</b>					
Deferred tax (liabilities)/ assets in relation to:					
Property, plant and equipment	119.50	11.90	-	-	131.40
Expenses deductible/income taxable in other accounting period	2,044.77	(1,316.62)	-	-	728.15
Provision for expected credit loss	354.39	622.94	-	-	977.33
Change in method of determining revenue	1,373.26	11.74	-	-	1,385.00
Impact of accounting of forward contract at fair value	(0.18)	0.35	-	-	0.17
Related to employee benefits	-	(11.16)	11.16	-	-
Fair value of financial assets and liabilities through profit and loss account	536.40	(302.07)	-	-	234.33
Other items	58.20	113.33	-	(2.56)	168.97
<b>Tax assets</b>	<b>4,486.34</b>	<b>(869.59)</b>	<b>11.16</b>	<b>(2.56)</b>	<b>3,625.34</b>

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

As at 31 March 2018

## 8 Other non-current assets

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Capital advances	550.60	462.00
Advance to suppliers	1,481.11	809.88
Advance VAT (net)	-	4,171.86
Prepaid expenses	342.72	233.37
<b>Total other non-current assets</b>	<b>2,374.43</b>	<b>5,677.11</b>

## 9 Inventories

(at lower of cost or net realisable value)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Construction material	17,759.10	13,878.22
Spares, tools and stores	1,470.02	4,067.94
<b>Total inventories</b>	<b>19,229.12</b>	<b>17,946.16</b>

Change in method of valuation of inventories :

During the year, company has changed the method of inventory valuation from FIFO (first In first out) to weighted average method. The impact of the change has not been given effect to in the prior periods considering that inventory comprising of consumables is fast moving, voluminous and there has been no material changes to the purchase cost during the current and earlier years.

Due to voluminous nature of inventory it is Impracticable to assess the impact of this change, though considering the facts above, the management expects the impact to be immaterial.

## 10 Current tax assets (net)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Advance income tax (net of provision for Tax INR 10,394.90 lakhs (31 March 2017: INR 7,584.61 lakhs))	856.03	2,297.45
<b>Total Current tax assets (net)</b>	<b>856.03</b>	<b>2,297.45</b>

## 11 Other current assets

(unsecured and considered good)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Advance to suppliers	16,209.52	15,091.57
Advance VAT / entry tax (net)	23,676.84	9,368.82
Prepaid expenses	492.25	516.25
Advances to employees	203.24	88.64
Excise duty drawback	-	111.28
Cenvat credit receivable	-	430.54
Others	47.48	24.30
<b>Total</b>	<b>40,629.33</b>	<b>25,631.40</b>



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

As at 31 March 2018

## 12 Equity share capital and other equity

### (a) Equity share capital

Authorised equity share capital

	Number of shares (in lakhs)	Amount
<b>As at 1 April 2016</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2017</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2018</b>	<b>350.00</b>	<b>3,500.00</b>

### (i) Movements in equity share capital

	Number of shares (in lakhs)	Equity share capital (par value)
<b>As at 1 April 2016</b>	<b>335.81</b>	<b>3,358.10</b>
Increase during the year	-	-
<b>As at 31 March 2017</b>	<b>335.81</b>	<b>3,358.10</b>
Increase during the year	-	-
<b>As at 31 March 2018</b>	<b>335.81</b>	<b>3,358.10</b>

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

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

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

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

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Kalpataru Power Transmission Limited	2,256.29	2,256.29

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

	31 March 2018		31 March 2017	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
<b>Equity shares of INR 10/- each fully paid</b>				
Kalpataru Power Transmission Limited, the Holding Company	225.63	67.19%	225.63	67.19%
HDFC Trustee Company Limited	30.18	8.99%	30.18	8.99%

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

	31 March 2018 Number of shares (in lakhs)	31 March 2017 Number of shares (in lakhs)
Aggregate number of shares issued for consideration other than cash	-	-

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

As at 31 March 2018

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

### (b) Reserves and surplus

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Securities premium reserve	35,332.22	35,332.22
Retained earnings	35,257.94	25,557.10
General reserves	4,865.38	4,640.38
<b>Total reserves and surplus</b>	<b>75,455.54</b>	<b>65,529.70</b>

### (i) Securities premium reserve

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Opening balance	35,332.22	35,332.22
Increase during the year	-	-
<b>Closing balance</b>	<b>35,332.22</b>	<b>35,332.22</b>

### (ii) Retained earnings

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Opening balance	25,557.10	20,591.92
Net profit for the year	10,612.73	5,825.87
Item of other comprehensive income:		
- Remeasurement of post employment benefits obligation (net of tax)	(117.23)	(21.07)
- Exchange differences of foreign operation, (net of tax)	36.57	(210.45)
Transfer to general reserve	(225.00)	(225.00)
Dividends paid (including tax thereon)	(606.23)	(404.17)
<b>Closing balance</b>	<b>35,257.94</b>	<b>25,557.10</b>

### (iii) General reserve

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Opening balance	4,640.38	4,415.38
Transfer from surplus of profit	225.00	225.00
<b>Closing balance</b>	<b>4,865.38</b>	<b>4,640.38</b>

### Nature and purpose of reserves

#### (i) Securities premium reserve

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

#### (ii) General reserve

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



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

As at 31 March 2018

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

### (c) Other reserves

(Currency: Indian rupees in lakhs)

	Amount
<b>As at 1 April 2016</b>	85.49
Increase during the year	-
<b>As at 31 March 2017</b>	<b>85.49</b>
Increase during the year	-
<b>As at 31 March 2018</b>	<b>85.49</b>

### 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 Ind AS financial statements (Continued)

As at 31 March 2018

## 13 Financial liabilities

### (a) Non-current borrowings

(Currency: Indian rupees in lakhs)

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018		31 March 2017	
				Non-current	Current	Non-current	Current
<b>Secured</b>							
<b>Term loans from banks</b>							
Rupee loan							
- from banks		Please refer note 13 (a) 1		15,928.40	2,147.14	3,062.30	1,239.60
- from NBFC		Please refer note 13 (a) 2		9,268.85	3,794.34	11,262.11	3,194.54
Vehicle loans		Please refer note 13 (a) 3	9.40% to 10.75%	151.22	72.30	143.89	68.59
				25,348.47	6,013.78	14,468.29	4,502.73
<b>Unsecured</b>							
<b>Term loans</b>							
Rupee loan							
- from banks	30-Sep-21	Quarterly unequal instalments. Borrower has a right to prepay the facility anytime and lender has a right to recall the facility, after 5 years from the first drawdown date after 15 day's notice.	Varying interest rate linked to base rate of bank from time to time.	6,077.47	2,565.60	8,659.30	2,094.20
				6,077.47	2,565.60	8,659.30	2,094.20
Amount disclosed under the head "Other current financial liabilities"							
Current maturities of long-term debt (included in note 13(c))					(8,579.38)		(6,590.50)
Interest accrued but not due on borrowings (included in note 13(c))					-		(6.44)
				-	(8,579.38)	-	(6,596.93)
<b>Total non-current borrowings</b>				<b>31,425.94</b>	<b>-</b>	<b>23,127.59</b>	<b>-</b>





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

As at 31 March 2018

## 13 Financial liabilities (Continued)

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

#### 1 Rupee loans from banks

- (i) Term loan from a consortium bank amounting to INR Nil (31 March 2017: INR 468.85 lakhs) is secured by first and exclusive charge over the Property, plant and equipment financed by them. Term loan is repayable in equal quarterly instalments of INR 156.25 lakhs each with 29 December 2017 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (ii) Term loan from a bank amounting to INR 2,495.01 lakhs (31 March 2017: INR 2,910.83 lakhs) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable unequal quarterly instalments with 30 September 2021 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (iii) Term loan from a bank amounting to INR 15,000.00 lakhs (31 March 2017: 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 unequal quarterly instalments to be paid at the end of each financial quarter, commencing from 31 December 2018 with 30 September 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.
- (iv) Term loan from a bank amounting to INR 354.19 lakhs (31 March 2017: INR 643.52 lakhs) 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 of INR 70.83 lakhs with 10 April 2019 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (v) Term loan from a bank amounting to INR 226.34 lakhs (31 March 2017: INR 278.70 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 May 2021 with varying interest rate linked to base rate of bank from time to time.

#### 2 Rupee loans from NBFC

- (i) Term loan from NBFC amounting to INR NIL lakhs (31 March 2017: INR 2,500.00 lakhs) is secured by subservient charge over the entire movable tangible assets of the company and further guaranteed by the Holding Company. Term loan is repayable in equal quarterly instalments of INR 1,250 lakhs with 14 December 2017 as maturity date with interest payable monthly at varying interest rate linked to base rate of bank from time to time and further there is a Put Option at the end of 12 months from the date of first disbursement and every year thereafter.
- (ii) Term loan from NBFC amounting to INR 6,930.00 lakhs (31 March 2017: INR 6,930.00 lakh) 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, commencing from 29 September 2016 with 21 December 2020 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.
- (iii) Term loan from NBFC amounting to INR 5,000.00 lakhs (31 March 2017: INR 3,500.00 lakh) 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, commencing from June 2018 and ending in March 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.
- (iv) Term loan from NBFC amounting to INR 180.43 lakhs (31 March 2017: INR 627.26 lakhs) is secured by first and exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 36 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.
- (v) Term loan from NBFC amounting to INR 651.68 lakhs (31 March 2017: INR 899.39 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.

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

As at 31 March 2018

## 13 Financial liabilities (Continued)

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

- (vi) Term loan from NBFC amounting to INR 143.33 lakhs (31 March 2017: NIL) 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 157.75 lakhs (31 March 2017: NIL) 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.

### 3 Vehicle loans

Loans of INR 223.52 lakhs (31 March 2017: INR 212.48 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 Ind AS financial statements (Continued)

As at 31 March 2018

## 13 Financial liabilities (Continued)

### (b) Current borrowings

(Currency: Indian rupees in lakhs)

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018	31 March 2017
<b>Loans repayable on demand</b>					
<b>Secured</b>					
From banks*	Roll over facility	Roll over working capital facility renewed annually	MCLR + Margin	33,655.31	34,006.29
<b>Current borrowings</b>				<b>33,655.31</b>	<b>34,006.29</b>

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

- (a) First charge against hypothecation of stocks, stores and spares, bills receivables, book debts and other current assets.
- (b) Second charge on all movable Property, plant and equipment of the Company.
- (c) First charge on the office premises of the Company.

### (c) Other financial liabilities

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Non-current</b>		
Security deposit	21.62	1,543.94
<b>Total other non-current financial liabilities</b>	<b>21.62</b>	<b>1,543.94</b>
<b>Current</b>		
Term loans from banks and NBFCs (refer note 13 (a) 1 and 13 (a) 2)	8,507.08	6,521.91
Loan against vehicles / equipment (refer note 13 (a) 3)	72.30	68.59
Interest accrued but not due on borrowings	-	6.44
Unclaimed dividend	7.66	7.76
Unclaimed matured fixed deposits and interest thereon	3.51	1.83
Security deposits	12,165.90	39.86
Payables for capital goods	2,939.36	2,410.42
Payable to employees	3,360.74	2,565.92
<b>Total other current financial liabilities</b>	<b>27,056.55</b>	<b>11,622.73</b>

### (d) Trade payables

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Non-current</b>		
Trade payables	10,898.88	11,780.95
<b>Total non-current trade payables</b>	<b>10,898.88</b>	<b>11,780.95</b>
<b>Current</b>		
Trade payables (other than Micro and Small Enterprises)	78,835.77	71,375.47
Acceptances	3,228.81	2,814.17
Due to Micro and Small Enterprises (refer note 34)	793.14	200.97
<b>Total current trade payables</b>	<b>82,857.72</b>	<b>74,390.61</b>

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

As at 31 March 2018

## 14 Provisions

(Currency: Indian rupees in lakhs)

	31 March 2018			31 March 2017		
	Current	Non-current	Total	Current	Non-current	Total
Defect liability period expenses (refer note 29)	193.65	2,469.38	2,663.03	162.55	2,283.17	2,445.72
Provision for onerous contracts (refer note 29)	53.32	-	53.32	955.26	-	955.26
Provision for gratuity (refer note 31)	241.52	1,189.43	1,430.95	79.53	894.19	973.72
Leave obligations (refer note 31)	178.82	584.46	763.28	147.06	466.42	613.48
<b>Total provisions</b>	<b>667.31</b>	<b>4,243.27</b>	<b>4,910.58</b>	<b>1,344.40</b>	<b>3,643.78</b>	<b>4,988.18</b>

## 15 Other current liabilities

(Currency: Indian rupees in lakhs)

	31 March 2018			31 March 2017		
	Current	Non-current	Total	Current	Non-current	Total
Amount due to customers under construction contracts (refer note 33)	8,165.18	-	8,165.18	-	-	-
Advance from clients	9,603.25	43,390.89	52,994.14	16,087.98	35,437.09	51,525.07
Deferred guarantee commission	10.22	42.56	52.78	4.08	17.13	21.21
Other statutory liabilities	9,601.26	-	9,601.26	1,372.77	-	1,372.77
Other current liabilities	836.16	-	836.16	-	-	-
Bank overdrafts with bank	199.15	-	199.15	-	-	-
<b>Total</b>	<b>28,415.22</b>	<b>43,433.45</b>	<b>71,848.67</b>	<b>17,464.83</b>	<b>35,454.22</b>	<b>52,919.05</b>



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

for the year ended 31 March 2018

## 16 Revenue from operations

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Contract revenue	247,998.81	227,873.30
Accrued value of work done (uncertified bills)	27,565.59	4,968.68
<b>Total revenue</b>	<b>275,564.40</b>	<b>232,841.98</b>

## 17 Other Income

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Interest income		
- from fixed deposits	85.07	222.92
- from others	780.43	810.60
Guarantee commission	16.53	4.17
Net gain on sale of Property, plant and equipment	455.76	203.81
Rent income	344.25	136.52
Liabilities written back	80.02	51.28
<b>Total other income</b>	<b>1,762.06</b>	<b>1,429.30</b>

## 18 Cost of materials consumed

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Raw materials at the beginning of the year	13,877.17	12,087.48
Add: Purchases	117,463.16	86,856.52
Less: Scrap sales	(1,346.00)	(631.93)
Less: Raw material at the end of the year	(17,759.10)	(13,877.17)
<b>Total cost of materials consumed</b>	<b>112,235.23</b>	<b>84,434.90</b>

## 19 Employee benefit expense

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Salaries, wages and bonus	23,203.28	20,743.96
Contribution to provident fund and other statutory fund	1,889.06	1,446.64
Staff welfare expenses	1,546.80	1,383.62
<b>Total employee benefit expense</b>	<b>26,639.14</b>	<b>23,574.22</b>

## 20 Depreciation and amortisation expense

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Depreciation of property, plant and equipment (refer note 3)	6,944.23	5,647.31
Amortisation of intangible assets (refer note 5(a))	221.06	89.22
<b>Total depreciation and amortisation expense</b>	<b>7,165.29</b>	<b>5,736.53</b>

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

for the year ended 31 March 2018

## 21 (a) Construction expenses

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Work charges	47,676.78	44,109.32
Composite work charges	19,773.00	23,501.36
Consumption of spares, tools and stores	1,794.65	1,722.68
Machinery - running and maintenance expenses	4,258.60	4,813.00
Electricity charges	2,030.73	1,640.58
Rent and hire charges	4,886.97	4,604.01
Security expenses	1,732.28	1,367.98
Site expenses	10,418.22	7,472.70
Defect liability period expenses	446.59	(14.21)
<b>Total construction expense</b>	<b>93,017.82</b>	<b>89,217.42</b>

## 21 (b) Other expenses

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Building and general repairs	136.76	97.67
Vehicle maintenance charges	248.36	291.44
Travelling expenses	1,260.48	990.91
Conveyance expenses	89.51	79.15
Insurance charges	405.73	704.56
Printing and stationery expenses	242.18	252.03
Office rent	820.29	637.78
Office expenses	271.82	289.29
Postage and telephone charges	330.04	248.58
Professional and legal charges	1,648.50	1,211.28
Auditor's remuneration (refer note 21 (b) (i) below)	68.38	63.52
Rates and taxes	3,080.83	7,621.02
Advertisement expenses	33.98	12.20
Computer and IT expenses	486.97	333.97
Bank commission and charges	1,171.72	967.61
Training expenses	60.27	27.75
Loss on assets lost	47.48	6.65
Exchange rate variation expense	(1,569.95)	(1,695.30)
Sitting fees and commission to non-executive directors	86.75	64.75
Provision for expected credit loss	4,639.19	1,800.00
Provision for expected credit loss on accrued value of work done	1,220.14	-
Contribution to Electoral Trust Company	-	150.00
Sundry expenses (refer note 21 (b) (ii) below)	416.16	347.48
<b>Total other expenses</b>	<b>15,195.59</b>	<b>14,502.34</b>





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

for the year ended 31 March 2018

## 21 (b) Other expenses (Continued)

### (i) Details of payments to auditor's (excluding taxes)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017*
Payment to auditor's		
As auditor:		
Audit fees	46.00	45.11
In other capacities		
Certification fees	16.32	12.61
Re-imbursement of expenses	0.97	1.72
Other services	5.09	4.08
<b>Total payments to auditors</b>	<b>68.38</b>	<b>63.52</b>

\* This amount also includes payment is erstwhile statutory auditor's.

### (ii) Corporate social responsibility expenditure

Sundry expenses includes sum of INR 46.91 lakhs (31 March 2017: INR 25.79 lakhs ) spend under Corporate Social Responsibility.

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
A. Gross amount required to be spent by the Company	42.06	33.21
B. Amount spent during the year on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	46.91	25.79
C. Related party transactions in relation to Corporate Social Responsibility	-	-

## 22 Finance costs

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	7,773.53	7,970.52
Other borrowing costs	559.81	453.48
Exchange differences regarded as an adjustment to borrowing costs	(320.36)	(104.30)
Interest on unwinding of discount	564.61	105.96
<b>Total finance costs</b>	<b>8,577.59</b>	<b>8,425.66</b>

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

for the year ended 31 March 2018

## 23 Income tax expense

### (a) Amounts recognised in the statement of profit and loss

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	3,713.30	1,684.75
<b>Total current tax expense</b>	<b>3,713.30</b>	<b>1,684.75</b>
<b>Deferred tax</b>		
Decrease in deferred tax assets	169.77	869.59
<b>Total deferred tax expense</b>	<b>169.77</b>	<b>869.59</b>
<b>Income tax expense</b>	<b>3,883.07</b>	<b>2,554.34</b>
Income tax expense is attributable to:		
Profit from continuing operations	3,883.07	2,554.34
	<b>3,883.07</b>	<b>2,554.34</b>

### (b) Amounts recognised in other comprehensive income (OCI) :

(Currency: Indian rupees in lakhs)

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability / (asset)	(179.27)	62.04	(117.23)	(32.23)	11.16	(21.07)
Exchange difference in translating foreign operations	56.57	(20.00)	36.57	(322.45)	112.00	(210.45)
	<b>(122.70)</b>	<b>42.04</b>	<b>(80.66)</b>	<b>(354.68)</b>	<b>123.16</b>	<b>(231.52)</b>

### (c) Reconciliation of Income tax expenses with the accounting profit :

(Currency: Indian rupees in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
	Amount	Amount
Profit before tax	14,495.80	8,380.21
Tax using the Company's domestic tax rate (34.61%):	5,016.71	2,900.39
Tax effect of adjustment to reconcile reported income tax expenses		
Income exempt-share of profit/loss on investment in JV	9.91	(57.36)
Profit allowance claimed u/s 80IA of the Income tax Act, 1961	(1,988.83)	(1,317.44)
Tax concessions/ disallowance	864.65	(66.52)
Exchange difference in translating foreign operations	(20.00)	112.00
Temporary timing difference related to		
Depreciation	29.79	(11.90)
Expenses deductible/ income taxable in different tax accounting period	(289.77)	1,316.62
Re measurement of defined benefit plan	62.04	11.16
Change in method of determining revenue	1,385.00	(11.74)
Provision for expected credit loss	(1,315.10)	(622.94)
Fair value of financial assets and liabilities through the statement of profit and loss	128.67	302.07
<b>Effective tax rate</b>	<b>3,883.07</b>	<b>2,554.34</b>



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

for the year ended 31 March 2018

## 24 Contingent liabilities in respect of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
A. Bank Guarantees	38.00	6.50
B. Guarantees given in respect of performance of contracts of subsidiaries and joint ventures in which Company is one of the member / holder of substantial equity	23,367.96	17,146.92
C. Guarantee given in favour of a subsidiary for loan obtained by them	3,753.00	3,655.00
D. Claims against the Company not acknowledged as debts	2,625.45	1,509.05
E. Show cause notice issued by service tax authorities	5,290.17	8,062.15
F. Trichy madurai road project royalty matter	39.87	39.87
G. Disputed income-tax demand in appeal before appellate authorities	797.05	899.72
H. Disputed income-tax demand of joint ventures in appeal before appellate authorities	143.90	143.90
I. Disputed VAT demand in appeal before appellate authorities	2,499.52	3,556.84

25 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.

## 26 Capital and other commitments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017*
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,921.97	717.53

27 In the management 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 Ind AS financial statements.

## 28 Lease transactions

The Company's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipment (operating lease). Lease agreements in respect of residential / office premises and equipment are cancellable and renewable by mutual consent on mutually agreed terms. The aggregate lease rental / hire charges payable on these premises / equipment are charged as rent and hire charges amounting to INR 2,463.22 lakhs (31 March 2017: INR 2,113.78 lakhs).

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

for the year ended 31 March 2018

## 29 The disclosure in respect of provisions is as under :

(Currency: Indian rupees in lakhs)

Particulars	Defect liability period	Onerous contracts
<b>Balance at 1 April 2016</b>	<b>1,421.86</b>	<b>1,735.00</b>
Additions during the year	1,783.32	-
Utilisation during the year	(178.23)	-
Reversal (withdrawn as no longer required)	(581.23)	(779.74)
<b>As at 31 March 2017</b>	<b>2,445.72</b>	<b>955.26</b>
Additions during the year	750.76	-
Utilisation during the year	(332.58)	-
Reversal (withdrawn as no longer required)	(200.87)	(901.94)
<b>As at 31 March 2018</b>	<b>2,663.03</b>	<b>53.32</b>
Non- current	2,469.38	-
Current	193.65	53.32

Provision for defect liability period expenses: 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 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 contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS II 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 2018	31 March 2017
i) Net profit after tax as per standalone statement of profit and loss attributable to equity shareholders (INR in lakhs)	10,612.73	5,825.87
ii) Weighted average number of equity shares used as denominator for calculating EPS (Nos.)	3,35,81,034	3,35,81,034
iii) Basic and diluted earnings per share (in INR)	31.60	17.35
iv) Face value per equity share (in INR)	10.00	10.00

## 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 992.70 lakhs (31 March 2017: INR 841.02 lakhs) for Provident Fund contributions and Rs. 60.19 lakhs (31 March 2017: INR 60.90 lakhs) for Superannuation contributions in the 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.



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

for the year ended 31 March 2018

## 31 Retirement Benefits (Continued)

### b. Defined Benefit Plan (Continued)

The following table sets out the funded status of the gratuity plan and the amount recognised in the company's standalone Ind AS financial statements as at 31 March 2018.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
<b>i Change in benefit obligations:</b>		
Projected benefit obligation at the beginning of the year	1,105.77	916.53
Service Cost	270.88	219.81
Interest Cost	68.90	71.68
Actuarial (Gain) / Loss		
- changes in demographic assumptions	-	58.13
- changes in financial assumptions	(24.10)	53.66
- experience adjustments	179.79	(102.79)
Benefits Paid	(128.38)	(111.25)
<b>Projected benefit obligation at the end of the year</b>	<b>1,472.86</b>	<b>1,105.77</b>
<b>ii Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	132.05	226.69
Expected return on plan assets	11.82	22.07
Employer's contribution	50.00	17.76
Benefit paid	(128.38)	(111.25)
Actuarial gain / (loss)	(23.58)	(23.23)
<b>Fair value of plan assets at the end of the year</b>	<b>41.91</b>	<b>132.05</b>
<b>iii Net gratuity cost for the year ended</b>		
Service cost	270.88	219.81
Interest of defined benefit obligation	68.90	71.68
Expected return on plan assets	(11.82)	(22.07)
Net actuarial loss recognised in the year	179.27	32.23
<b>Net gratuity cost</b>	<b>507.23</b>	<b>301.65</b>
<b>Actual return on plan assets</b>	<b>(11.76)</b>	<b>(1.16)</b>
<b>iv Amount recognised in the standalone balance sheet:</b>		
Liability at the end of the year	1,472.86	1,105.77
Fair value of plan assets at the end of the year	41.91	132.05
Amount recognised in standalone balance sheet	1,430.95	973.72
<b>v Assumptions used in accounting for the gratuity plan:</b>		
Discount rate	7.30%	6.90%
Salary escalation rate	6.00%	6.00%
Expected rate of return on plan assets	7.30%	6.90%
Attrition rate	17.00%	17.00%

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Net defined benefit liability - gratuity	1,430.95	973.72
Liability for compensated absences	763.28	613.48
<b>Total employee benefit liability</b>	<b>2,194.23</b>	<b>1,587.20</b>
Non- current	1,773.89	1,360.61
Current	420.34	226.59

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

for the year ended 31 March 2018

## 31 Retirement Benefits (Continued)

### b. Defined Benefit Plan (Continued)

#### 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 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	1,444.03	1,508.46	1,082.17	1,130.41
Salary escalation rate (0.50% movement)	1,499.75	1,446.77	1,126.68	1,085.50
Attrition rate (1% movement)	1,469.97	1,475.54	1,101.80	1,109.63

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 2018	31 March 2017
Year 1	283.43	211.58
Year 2	249.17	172.55
Year 3	274.33	208.38
Year 4	290.30	236.57
Year 5	357.07	251.28
Next 5 years	1,606.33	1,247.47





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

for the year ended 31 March 2018

## 32 Related Party Disclosure

<b>Kalpataru Power Transmission Limited</b>	Holding Company
<b>Subsidiary, Fellow Subsidiary Companies</b>	<b>Nature of Relationship</b>
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 Nigeria Limited	Subsidiary of Holding Company
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary of Holding Company
Kalpataru SA (Proprietary) 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
<b>Joint Ventures (with whom transactions have taken place during the year)</b>	<b>Nature of Relationship</b>
Kurukshetra Expressway Private Limited	Joint Venture
JMC - KPTL - STS JV	Joint Venture
<b>Key Managerial Personnel (KMP) (with whom transactions have taken place during the year)</b>	<b>Nature of Relationship</b>
Mr. Shailendra Tripathi	CEO & Dy. Managing Director
Mr. Manoj Tulsian (w.e.f. 27 May 2016)	Whole-time Director & CFO
Mr. D. R. Mehta	Non-Executive Director
Mr. Shailendra Raj Mehta	Non-Executive Director
Mr. Mahendra G. Punatar (upto 20 February 2017)	Non-Executive Director
Mr. Hemant Modi	Non-Executive Director
Ms. Anjali Seth	Non-Executive Director
<b>Enterprises over which significant influence exercised with whom company has transactions (EUSI)</b>	<b>Nature of Relationship</b>
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

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

for the year ended 31 March 2018

## 32 Related Party Disclosure (Continued)

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Subsidiary, Fellow Subsidiary Companies	Joint Ventures	KMP	EUSI
<b>I. Transactions during the Year</b>						
1	Guarantee commission expenses	<b>11.26</b>	-	-	-	-
		(25.00)	-	-	-	-
2	Other expenses	-	-	-	-	<b>31.31</b>
		-	-	-	-	(84.25)
3	Rent paid	<b>49.85</b>	-	-	-	<b>444.50</b>
		(35.28)	-	-	-	(367.55)
4	Sub-contract charges paid	<b>1,956.12</b>	-	-	-	-
		(3,566.73)	-	-	-	-
5	Finance charges	-	-	-	-	-
		-	-	(116.43)	-	-
6	Licence purchase for capital goods	-	-	-	-	-
		(23.76)	-	-	-	-
7	Rentals Income	-	-	-	-	-
		(2.21)	-	-	-	-
8	Contract revenue	-	-	-	-	<b>12,437.19</b>
		-	(2,087.81)	-	-	(3,001.87)
9	Guarantee commission income	-	<b>13.48</b>	-	-	-
		-	(4.17)	-	-	-
10	Managerial remuneration	-	-	-	<b>616.56</b>	-
		-	-	-	(435.79)	-
<b>II. Balance as on 31 March 2018</b>						
1	Trade receivables #	<b>66.25</b>	<b>346.29</b>	<b>67.58</b>	-	<b>6,162.44</b>
		(284.06)	(346.29)	(77.64)	-	(1,133.71)
2	Guarantees	-	-	-	-	-
		-	(158.00)	-	-	-
3	Liabilities at the end of the year	<b>1,819.16</b>	-	-	<b>261.34</b>	<b>485.16</b>
		(1,675.34)	-	-	(156.24)	(0.75)
4	Loans and advances given	<b>23.44</b>	<b>38,707.01</b>	<b>13,796.88</b>	-	<b>161.00</b>
		-	(35,331.15)	(10,793.04)	-	-
5	Advance taken from clients <sup>5</sup>	-	-	-	-	<b>990.42</b>
		-	-	(50.63)	-	(839.52)
6	Investments	-	<b>8,030.71</b>	<b>9,826.62</b>	-	-
		-	(8,030.71)	(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. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 March 2018, the company has not recorded any impairment of receivables relating to the amounts owned by related parties (31 March 2017: 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 the related parties are unsecured.

Figures shown in brackets represent corresponding amounts of previous year.



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

for the year ended 31 March 2018

## 32 Related Party Disclosure (Continued)

Key management personnel compensation comprised the following:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Short-term employee benefits	315.58	247.82
Post-employment benefits	25.89	19.98
Sitting fee	13.75	11.75
Commission	261.34	156.24
<b>Total</b>	<b>616.56</b>	<b>435.79</b>

The terms and conditions of transactions with related parties were no more favourable than those available, or which might be expected to be available, in similar transactions with non related parties on an arm's length basis.

## 33 Disclosure as per Ind AS 11 on construction contracts

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
(1) Contract revenue recognised during the year	2,75,924.92	2,17,151.18
(2) Aggregate amount of cost incurred and recognised in statement of profit and loss	8,68,126.37	8,27,201.34
(3) Advances received	62,714.13	40,170.89
(4) Retention receivable	10,845.69	8,804.98
(5) Gross amount due from customer	26,377.65	11,962.59
(6) Gross amount due to customer	8,165.18	8,878.53

## 34 Micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone Ind AS financial statement as at March 31 March 2018 based on the information received and available with the Company. On the basis of such information, credit balance as at March 31, 2018 of such enterprises is INR 793.14 lakhs (31 March 2017: INR 200.97 lakhs ). There are no dues on account of interest. Auditors have relied upon the information provided by the Company.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Principal amount remaining unpaid to any supplier as at the period end	793.14	200.97
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

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

for the year ended 31 March 2018

- 35 Information as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, with regard to Loans to Subsidiaries which are without interest and having no repayment schedule are as under:

(Currency: Indian rupees in lakhs)

Subsidiary Companies	As at 31 March 2018	Maximum balance during the year	As at 31 March 2017	Maximum balance during the year
1 Brijbhoomi Expressway Private Limited	2,996.74	2,996.74	2,656.74	2,656.74
2 Wainganga Expressway Private Limited	6,803.31	6,803.31	5,073.31	5,073.31
3 Vindhyachal Expressway Private Limited	5,054.61	5,054.61	3,824.61	3,824.61
4 JMC Mining & 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 guarantees given refer note:24

2) All the above loans and advances have been given for business purposes only.

## 36 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 financial 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 counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes provision for expected credit loss and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

#### 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 2018	31 March 2017
Neither past due nor impaired	31,104.75	25,440.30
<b>Past due but not impaired</b>		
Upto 180 days	37,494.57	38,246.32
From 181 days to 1 year	4,946.50	2,949.44
From 1 year to 2 years	5,790.56	2,292.00
From 2 year to 3 years	1,041.23	2,121.64
Above 3 years	2,317.29	1,066.33
	<b>82,694.90</b>	<b>72,116.03</b>



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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (i) Credit risk (Continued)

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 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

On the above basis, the Company estimates the following provision matrix at the reporting date:

Particulars	31 March 2018 Default rate	31 March 2017 Default rate
Upto 180 days	2.15%	0.39%
From 181 days to 1 year	33.10%	3.27%
From 1 year to 2 years	35.91%	11.08%
From 2 year to 3 years	59.77%	59.30%
Above 3 years	100.00%	100.00%

#### Accrued value of work done

As at 31 March 2018 and 31 March 2017, the Company has accrued value of work done and amounts due on account of construction contracts. The Company has recognised a specific provision of INR 1,220.14 lakhs (31 March 2017: Nil). Apart from the specific provision recognised, the Company 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 during the year was as follows:

(Currency: Indian rupees in lakhs)

Particulars	Trade receivables	Accrued value of work done
<b>Balance as at 1 April 2016</b>	<b>1,024.00</b>	-
Provision recognised	1,800.00	-
Amount utilised	-	-
<b>Balance as at 31 March 2017</b>	<b>2,824.00</b>	-
Provision recognised	4,639.19	1,220.14
Amount utilised	(939.19)	-
<b>Balance as at 31 March 2018</b>	<b>6,524.00</b>	<b>1,220.14</b>

#### **Cash and cash equivalents**

The Company held cash and cash equivalents which comprises of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Balance with banks	14,535.81	2,405.98
Cash on hand	54.11	80.10
<b>Total cash and cash equivalents</b>	<b>14,589.92</b>	<b>2,486.08</b>

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 Ind AS financial statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (i) Credit risk (Continued)

##### Derivatives

The derivatives are entered into with credit worthy banks and financial institution counter parties. 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 2018 and 31 March 2017, 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 2018 and 31 March 2017. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

##### Loans, investments in group companies

The Company has given unsecured loans to its subsidiaries as at 31 March 2018 and 31 March 2017. The Company does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

#### (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.

As of 31 March 2018, the Company had working capital (Total current assets - Total current liabilities) of INR 75,275.97 lakhs including cash and cash equivalents of INR 14,589.92 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 180.76 lakhs. As of 31 March 2017, the Company had working capital of INR 75,451.44 lakhs, including cash and cash equivalents of INR 2,486.08 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.

##### Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

\* all non derivative financial liabilities

\* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.





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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (ii) Liquidity risk (Continued)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018					
	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	73,660.63	80,960.75	44,803.15	12,343.02	23,814.28	-
Trade payables	93,756.60	93,756.60	82,857.72	-	10,898.88	-
Other financial liabilities	18,498.79	18,498.79	18,477.17	21.62	-	-

(Currency: Indian rupees in lakhs)

Particulars	31 March 2017					
	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	63,730.83	70,941.43	43,468.67	9,188.40	18,284.36	-
Trade payables	86,171.56	86,171.56	74,390.60	-	11,780.96	-
Other financial liabilities	6,569.74	6,569.74	5,025.80	1,543.94	-	-

#### (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, 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.

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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (iii) Market risk (Continued)

##### (a) Currency risk (Continued)

##### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(Currency: Indian rupees in lakhs)

Amounts in INR	31 March 2018			31 March 2017		
	USD	ETB	LKR	USD	ETB	LKR
Trade receivables	-	2,689.91	454.19	-	1,896.22	425.89
Payables for Capital Goods	-	(487.20)	(25.82)	-	(1,499.85)	(3.50)
Trade payables	(7,168.84)	(1,320.69)	(2,482.60)	(5,662.43)	(1,509.63)	(1,649.30)
<b>Net statement of financial position exposure</b>	<b>(7,168.84)</b>	<b>882.02</b>	<b>(2,054.23)</b>	<b>(5,662.43)</b>	<b>(1,113.26)</b>	<b>(1,226.91)</b>

##### Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of balance sheet.

(Currency: Indian rupees in lakhs)

Effect in INR lakhs	Profit or loss	
	Strengthening	Weakening
<b>31 March 2018</b>		
USD	(716.88)	716.88
ETB	88.20	(88.20)
LKR	(205.42)	205.42
	<b>(834.10)</b>	<b>834.10</b>

(Currency: Indian rupees in lakhs)

Effect in INR lakhs	Profit or loss	
	Strengthening	Weakening
<b>31 March 2017</b>		
USD	(566.24)	566.24
ETB	(111.33)	111.33
LKR	(122.69)	122.69
	<b>(800.26)</b>	<b>800.26</b>



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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (iii) Market risk (Continued)

##### (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 Ind AS financial statements.

#### Interest rate sensitivity - fixed rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

#### Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 31 March 2018</b>		
Rupee Loans - From Banks	(180.76)	180.76
Rupee Loans - From NBFC's	(130.63)	130.63
Unsecured Loan - Rupee Loans - From Banks	(87.50)	87.50
Working Capital Loans Repayable on Demand from Banks	(336.55)	336.55
<b>Sensitivity (net)</b>	<b>(735.44)</b>	<b>735.44</b>

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 31 March 2017</b>		
Rupee Loans - From Banks	(42.95)	42.95
Rupee Loans - From NBFC's	(144.57)	144.57
Unsecured Loan - Rupee Loans - From Banks	(108.75)	108.75
Working Capital Loans Repayable on Demand from Banks	(340.06)	340.06
<b>Sensitivity (net)</b>	<b>(636.33)</b>	<b>636.33</b>

(Note: The impact is indicated on the profit/loss and equity before tax basis).

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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### 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 2018	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
<b>Financial assets</b>								
(i) Investments	41,638.49	-	-	41,638.49	-	-	-	-
(ii) Loans	31,645.44	-	-	31,645.44	-	-	-	-
(iii) Trade receivables	76,170.90	-	-	76,170.90	-	73,135.88	-	73,135.88
(iv) Cash and cash equivalents	14,589.92	-	-	14,589.92	-	-	-	-
(v) Others	68,704.75	-	-	68,704.75	-	-	-	-
	<b>2,32,749.50</b>	-	-	<b>2,32,749.50</b>	-	<b>73,135.88</b>	-	<b>73,135.88</b>
<b>Financial liabilities</b>								
(i) Borrowings	73,660.63	-	-	73,660.63	-	-	-	-
(ii) Trade payables	93,756.60	-	-	93,756.60	-	82,280.47	-	82,280.47
(iii) Other financial liabilities	18,498.79	-	-	18,498.79	-	-	-	-
	<b>1,85,916.02</b>	-	-	<b>1,85,916.02</b>	-	<b>82,280.47</b>	-	<b>82,280.47</b>

(Currency: Indian rupees in lakhs)

31 March 2017	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
<b>Financial assets</b>								
(i) Investments	17,888.15	-	-	17,888.15	-	-	-	-
(ii) Loans	24,369.67	-	-	24,369.67	-	-	-	-
(iii) Trade receivables	69,292.03	-	-	69,292.03	-	65,739.07	-	65,739.07
(iv) Cash and cash equivalents	2,486.08	-	-	2,486.08	-	-	-	-
(v) Others	76,995.45	-	-	76,995.45	-	-	-	-
	<b>1,91,031.38</b>	-	-	<b>1,91,031.38</b>	-	<b>65,739.07</b>	-	<b>65,739.07</b>
<b>Financial liabilities</b>								
(i) Borrowings	63,730.82	-	-	63,730.82	-	-	-	-
(ii) Trade payables	86,171.56	-	-	86,171.56	-	74,302.63	-	74,302.63
(iii) Other financial liabilities	6,569.74	-	-	6,569.74	-	-	-	-
	<b>1,56,472.12</b>	-	-	<b>1,56,472.12</b>	-	<b>74,302.63</b>	-	<b>74,302.63</b>



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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### B. Fair values (Continued)

#### (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
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

### C. Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2018 and 31 March 2017.

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross amounts	Financial instrument collateral	Net amount
<b>31 March 2018</b>			
<b>Financial assets</b>			
(i) Investments	41,638.49	-	41,638.49
(ii) Loans	31,645.44	-	31,645.44
(iii) Trade receivables	76,170.90	-	76,170.90
(iv) Cash and cash equivalents	14,589.92	(14,426.19)	163.73
(v) Others	68,704.75	-	68,704.75
<b>Total</b>	<b>2,32,749.50</b>	<b>(14,426.19)</b>	<b>2,18,323.31</b>
<b>Financial liabilities</b>			
(i) Borrowings	73,660.63	(14,426.19)	59,234.44
(ii) Trade payables	93,756.60	-	93,756.60
(iii) Other financial liabilities	18,498.79	-	18,498.79
<b>Total</b>	<b>1,85,916.02</b>	<b>(14,426.19)</b>	<b>1,71,489.83</b>

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross amounts	Financial instrument collateral	Net amount
<b>31 March 2017</b>			
<b>Financial assets</b>			
(i) Investments	17,888.15	-	17,888.15
(ii) Loans	24,369.67	-	24,369.67
(iii) Trade receivables	69,292.03	(13,574.05)	55,717.98
(iv) Cash and cash equivalents	2,486.08	(2,486.08)	-
(v) Others	76,995.45	-	76,995.45
<b>Total</b>	<b>1,91,031.38</b>	<b>(16,060.13)</b>	<b>1,74,971.25</b>
<b>Financial liabilities</b>			
(i) Borrowings	63,730.82	(16,060.13)	47,670.69
(ii) Trade payables	86,171.56	-	86,171.56
(iii) Other financial liabilities	6,569.74	-	6,569.74
<b>Total</b>	<b>1,56,472.12</b>	<b>(16,060.13)</b>	<b>1,40,411.99</b>

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

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### C. Master netting or similar agreements (Continued)

#### (a) Offsetting arrangements

##### (i) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counter party 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 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 2018	31 March 2017
<b>India</b>	2,55,301.75	2,18,298.22
<b>All foreign countries</b>		
Ethiopia	12,832.65	10,804.22
Sri Lanka	7,430.00	3,739.54
<b>Total</b>	<b>2,75,564.40</b>	<b>2,32,841.98</b>

#### ii) Non-current assets\*

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
<b>India</b>	82,534.12	55,763.11
<b>All foreign countries</b>		
Ethiopia	4,778.25	5,973.57
Sri Lanka	220.42	181.43
<b>Total</b>	<b>87,532.79</b>	<b>61,918.11</b>

\*Non-current assets exclude financial instruments, deferred tax assets and employee benefits assets.

### B. Information about major customers

Revenues from one customer of India represented approximately INR 41,720.97 lakhs (31 March 2017: INR 42,390.70 lakhs) of the Company's total revenues.

## 38 Loans and borrowings

### Breach of loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the few financial covenants. The company has complied with these covenants throughout the reporting period as at 31 March 2018.





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

for the year ended 31 March 2018

## 39 Disclosure of Specified Bank Notes (SBNs)

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Currency: Indian rupees in lakhs)

Particulars	SBNs (INR 1,000 and INR 500)*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	48.97	60.08	109.05
(+) Permitted receipts	0.39	120.96	121.35
(-) Permitted payments	(2.56)	(119.66)	(122.22)
(-) Amount deposited in banks	(46.80)	-	(46.80)
Closing cash in hand as on 30 December 2016	-	61.38	61.38

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

## 40 Note for Proposed dividend

The Board of Directors at its meeting held on 24 May 2018 have recommended a payment of final dividend of INR 3 per share (31 March 2017: INR 1.50 per share) of face value of INR 10 each for the financial year ended 31 March 2018. The same amounts to INR 1,007.43 lakhs (31 March 2017: INR 503.72 lakhs)

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

## 41 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 2018	31 March 2017
Net debt (total borrowings - cash and cash equivalents)	59,070.72	61,238.31
Total equity	78,899.13	68,973.29
<b>Net debt to equity ratio</b>	<b>0.75</b>	<b>0.89</b>

## 42 Regrouping and reclassification

The figures for the previous year regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013".

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

24 May 2018

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

24 May 2018

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Independent Auditors' Report

To the Members of

**JMC Projects (India) Limited**

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of JMC Projects (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2018, 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 for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including 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 Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint



# Independent Auditor's Report (Continued)

## Opinion (Continued)

venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2018 and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

## Other matters

- (a) We did not audit the Ind AS financial statements of two branches and four unincorporated joint ventures included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of INR 44,704 lakhs as at 31 March 2018 and total revenue of INR 24,326 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements of these branches and unincorporated joint ventures of the Holding Company, have been audited by the branch/ unincorporated joint ventures 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 branch/ unincorporated joint ventures auditors. Our opinion is not modified in respect of this matter.

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 Holding 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 Holding 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 Holding Company and audited by us.

- (b) We did not audit the Ind AS financial statements of four subsidiaries, included in the consolidated Ind AS financial statements, whose Ind AS financial statements reflect total assets of Rs 165,861 lakhs and net assets of Rs 13,188 lakhs as at 31 March 2018; total revenue of Rs 13,265 lakhs and net cash inflows amounting to Rs 758 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include Group's share of net loss (including other comprehensive income) of Rs 2,270 lakhs for the year ended 31 March 2018, as considered in the consolidated

Ind AS financial statements, 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, 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 reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

## Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate Ind AS financial statements and other financial information of subsidiaries and joint venture, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and joint venture incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India are disqualified as on 31 March 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

# Independent Auditor's Report (Continued)

## Report on Other Legal and Regulatory Requirements (Continued)

- (f) With respect to the adequacy of the internal controls over financial reporting of the Holding Company, its subsidiaries and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:
  - i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Note 25 to the consolidated Ind AS financial statements;
  - ii. the Group and the joint venture has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts – Refer Note 30 to the consolidated Ind AS financial statements. The Group and its joint venture did not have any material foreseeable losses on derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture incorporated in India during the year ended 31 March 2018; and
  - iv. the disclosures in the consolidated Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 39 of the consolidated Ind AS financial statements.

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

Chartered Accountants

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

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai  
24 May 2018

## Annexure A to the Independent Auditor's Report – 31 March 2018

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of JMC Projects (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its joint venture company, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



## Annexure A to the Independent Auditor's Report – 31 March 2018 (Continued)

### Auditor's Responsibility (Continued)

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its joint venture company, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on consideration of reporting of the other auditors as mentioned in the 'Other matters' paragraph of the Audit opinion, the Holding Company, its subsidiaries and joint venture, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, one joint venture company and four unincorporated joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Mumbai  
24 May 2018

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

# Consolidated Balance Sheet

As at 31 March 2018

(Currency: Indian rupees in lakhs)

	Note	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	41,111.47	36,378.42
Capital work-in-progress	3	12.18	60.52
Investment property	4	82.13	82.13
Intangible assets	5(a)	1,66,590.59	1,69,348.28
Intangible assets under development	5(b)	407.94	937.74
Financial assets			
Trade receivables	6 (a)	2,595.90	3,528.88
Loans	6 (b)	752.08	1,192.76
Other financial assets	6 (d)	599.98	66.80
Deferred tax assets (net)	7	3,211.12	1,800.75
Other non-current assets	8	2,374.44	5,677.12
<b>Total non-current assets</b>	<b>(A)</b>	<b>2,17,737.83</b>	<b>2,19,073.40</b>
<b>Current assets</b>			
Inventories	9	19,240.27	17,957.30
Financial assets			
Trade receivables	6 (a)	73,916.96	66,382.27
Loans	6 (b)	16,018.05	11,601.84
Cash and cash equivalents	6 (c)	15,567.77	2,705.85
Bank balances other than above	6 (c)	7.66	7.76
Other financial assets	6 (d)	68,097.11	53,215.62
Current Tax Assets (net)	10	929.53	2,366.26
Other current assets	11	40,929.43	25,921.46
<b>Total current assets</b>	<b>(B)</b>	<b>2,34,706.78</b>	<b>1,80,158.36</b>
<b>Total assets</b>	<b>(A+B)</b>	<b>4,52,444.61</b>	<b>3,99,231.76</b>





# Consolidated Balance Sheet (Continued)

As at 31 March 2018

(Currency: Indian rupees in lakhs)

	Note	As at 31 March 2018	As at 31 March 2017
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12(a)	3,358.10	3,358.10
<b>Other equity</b>			
Reserves and surplus	12(b)	46,665.34	44,667.01
Other reserves	12(c)	86.56	86.56
<b>Total equity</b>	<b>(A)</b>	<b>50,110.00</b>	<b>48,111.67</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13(a)	1,22,392.92	1,16,622.94
Trade payables	13(d)	10,898.88	11,780.95
Other financial liabilities	13(c)	35,228.97	34,251.53
Provisions	14	7,737.45	6,144.89
Other non-current liabilities	15	43,390.88	35,437.09
<b>Total non-current liabilities</b>	<b>(B)</b>	<b>2,19,649.10</b>	<b>2,04,237.40</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13(b)	33,655.31	34,006.28
Trade payables	13(d)	82,858.94	74,784.56
Other financial liabilities	13(c)	33,109.58	17,859.88
Provisions	14	4,266.73	2,672.12
Other current liabilities	15	28,794.95	17,559.85
<b>Total current liabilities</b>	<b>(C)</b>	<b>1,82,685.51</b>	<b>1,46,882.69</b>
<b>Total liabilities</b>	<b>(D = B+C)</b>	<b>4,02,334.61</b>	<b>3,51,120.09</b>
<b>Total equity and liabilities</b>	<b>(A+D)</b>	<b>4,52,444.61</b>	<b>3,99,231.76</b>

Significant accounting policies

2

Notes to the consolidated Ind AS financial statements

3 to 43

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

As per our report of even date attached.

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

Chartered Accountants

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

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

24 May 2018

**Shailendra Kumar Tripathi**

CEO &amp; Dy. Managing Director

DIN : 03156123

Mumbai

24 May 2018

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director &amp; CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

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# Consolidated Statement of Profit and Loss

For the year ended 31 March 2018

(Currency: Indian rupees in lakhs)

	Note	31 March 2018	31 March 2017
<b>Continuing operations</b>			
Revenue from operations	16	2,88,813.85	2,47,213.84
Other income	17	1,757.88	1,448.84
<b>Total income</b>		<b>2,90,571.73</b>	<b>2,48,662.68</b>
<b>Expenses</b>			
Cost of materials consumed	18	1,12,235.23	84,434.90
Employee benefits expense	19	26,889.61	23,863.34
Construction expense	21(a)	96,042.69	93,834.86
Finance costs	22	22,407.18	22,629.22
Depreciation and amortisation expense	20	9,993.35	8,712.47
Other expenses	21(b)	15,683.50	14,835.20
<b>Total expenses</b>		<b>2,83,251.56</b>	<b>2,48,309.99</b>
Profit/(loss) before exceptional items, share of net profits of investments accounted for using equity method and tax		7,320.17	352.69
Share of net loss of joint venture accounted for using the equity method	24	(2,270.52)	(3,549.46)
<b>Profit/(Loss) before tax from continuing operations</b>		<b>5,049.65</b>	<b>(3,196.77)</b>
Tax expense	23(a)		
- Current tax		3,713.30	1,684.75
- Deferred tax charge		(1,348.32)	(583.97)
<b>Total tax expense</b>		<b>2,364.98</b>	<b>1,100.78</b>
<b>Profit/(Loss) for the year</b>		<b>2,684.67</b>	<b>(4,297.55)</b>
<b>Other comprehensive income</b>	23(b)		
<b>A. Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of post-employment benefit obligations		(179.27)	(32.23)
(ii) Income tax relating to items that will not be reclassified to profit or loss		62.04	11.16
<b>B. Items that will be reclassified to profit or loss</b>			
(i) Exchange differences in translating foreign operations		56.57	(322.45)
(ii) Income tax relating to items that will be reclassified to profit or loss		(20.00)	112.00
<b>Other comprehensive income for the year, net of tax</b>		<b>(80.66)</b>	<b>(231.52)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>2,604.01</b>	<b>(4,529.07)</b>
<b>Earnings per equity share (Face Value per share INR 10 each)</b>			
Basic earnings per share	32	7.99	(12.79)
Diluted earnings per share		7.99	(12.79)
<b>Significant accounting policies</b>	2		
<b>Notes to the standalone Ind AS financial statements</b>	3 to 43		
The accompanying notes form an integral part of these consolidated Ind AS financial statements.			

As per our report of even date attached.  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

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

Mumbai  
24 May 2018

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director  
DIN : 03156123

Mumbai  
24 May 2018

For and on behalf of the Board of Directors of  
**JMC Projects (India) Limited**  
CIN: L45200GJ1986PLC008717

**Manoj Tulsian**  
Whole-time Director & CFO  
DIN : 05117060

**Samir Raval**  
Company Secretary  
Membership No. FCS-7520

# Consolidated Statement of Cash Flows

For the year ended 31 March 2018

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax from continuing operations	5,049.65	(3,196.77)
<b>Profit/(Loss) before tax</b>	<b>5,049.65</b>	<b>(3,196.77)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	9,993.35	8,712.47
Finance costs	18,155.96	22,629.22
Net exchange differences	95.27	(217.99)
Loss on sale of assets	47.48	6.65
Interest income	(867.79)	(225.22)
Rent income	(344.25)	(136.52)
Provision for expected credit loss and others	6,305.92	1,800.00
Liabilities written back	(83.93)	(61.23)
Gain on disposal of property, plant and equipment	(455.76)	(203.81)
Share of loss from investment in joint venture	2,270.52	3,549.46
Major maintenance expenditure	813.94	1,099.15
Unwinding of discounting on provisions	4,065.08	3,828.54
Premium Paid	(2,105.15)	(1,797.87)
Reclassification of intangible Assets	867.59	-
<b>Operating profit before Working capital adjustments</b>	<b>43,807.88</b>	<b>35,786.08</b>
<b>Adjustments for:</b>		
(Increase) in trade receivables	(11,587.08)	(1,339.47)
(Increase) in other current assets	(32,117.66)	(8,176.60)
Decrease / (increase) in other non-current assets	2,859.24	(1,490.21)
(Increase) in inventories	(3,684.77)	(2,087.76)
Increase in trade payables	7,618.61	6,441.66
Increase / (decrease) in long-term provisions	184.13	(182.69)
Increase in short-term provisions	1,562.60	1,139.91
increase /(decrease) in other current liabilities	22,882.66	(4,945.58)
Increase in other long-term liabilities	9,807.73	17,435.70
<b>Cash generated from operating activities</b>	<b>41,333.34</b>	<b>42,581.04</b>
Income taxes paid, net of refund received	(2,168.69)	2,488.59
<b>Net cash flows from operating activities</b>	<b>39,164.65</b>	<b>45,069.63</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(9,607.31)	(4,356.88)
Acquisition of intangible assets	-	(1,258.05)
Proceeds from sale of property, plant and equipment	602.55	422.64
Loans to related parties	(6,349.07)	(3,605.23)
Share of loss from investment in joint venture	(2,270.52)	(3,549.46)
Interest received	867.79	225.22
Rent received	344.25	136.52
<b>Net cash (used in) investing activities</b>	<b>(16,412.31)</b>	<b>(11,985.24)</b>



# Consolidated Statement of Cash Flows (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	18,216.23	12,470.63
Repayment of borrowings	(9,135.26)	(23,599.21)
Working capital finance	-	506.32
Changes in unpaid dividend accounts	(0.10)	(0.94)
Interest paid	(18,365.06)	(23,035.27)
Dividends paid to Company's shareholders (including tax thereon)	(606.23)	(404.17)
<b>Net cash flow (used in) financing activities</b>	<b>(9,890.42)</b>	<b>(34,062.64)</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>12,861.92</b>	<b>(978.25)</b>
Cash and cash equivalents at the beginning of the year	2,705.85	3,684.10
<b>Cash and cash equivalents at end of the year</b>	<b>15,567.77</b>	<b>2,705.85</b>

Notes:

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

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Cash and cash equivalents (refer note 6(c))	15,567.77	2,705.85
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>15,567.77</b>	<b>2,705.85</b>

## Movement in borrowings

(Currency: Indian rupees in lakhs)

	31 March 2017	Cash Flows	Non-cash changes (Exchange rate difference)	31 March 2018
Long term borrowings	1,25,713.84	9,527.21	-	1,35,241.05
Short term borrowings	34,006.28	(446.24)	95.27	33,655.31
<b>Total borrowings</b>	<b>1,59,720.12</b>	<b>9,080.97</b>	<b>95.27</b>	<b>1,68,896.36</b>

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

As per our report of even date attached.

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

Chartered Accountants

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

**Vikas R Kasat**

Partner

Membership No: 105317

Mumbai

24 May 2018

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

24 May 2018

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Consolidated Statement of changes in Equity (SOCIE)

for the year ended 31 March 2018

## A. Equity Share Capital\*

(Currency: Indian rupees in lakhs)

Particulars	Amount
As at 31 March 2016	3,358.10
Additional equity share issued during 2016-17	-
As at 31 March 2017	3,358.10
Additional equity share issued during 2017-18	-
As at 31 March 2018	3,358.10

## B. Other Equity\*

(Currency: Indian rupees in lakhs)

Particulars	Attributable to owners of the Company						Total Other Equity attributable to owners of the Company
	Reserves and Surplus		Other reserves	Other comprehensive income		Exchange differences of foreign operations	
	Securities Premium Reserve	Retained Earnings		General Reserves	Actuarial loss on Defined Plan Liability		
Balance at 1 April 2016	35,331.64	9,819.32	4,448.30	84.81	52.00	(51.00)	49,685.07
Total comprehensive income for the year ended 31 March 2017							
(Loss) for the year	-	(4,297.55)	-	-	-	-	(4,297.55)
Other comprehensive income (net of tax)	-	-	-	-	(21.07)	(210.45)	(231.52)
Total comprehensive income	-	(4,297.55)	-	-	(21.07)	(210.45)	(4,529.07)
Transactions with owners in their capacity as owners:							
Dividends paid (including tax thereon)	-	(404.17)	-	-	-	-	(404.17)
Appropriations during the year	-	(225.00)	225.00	-	-	-	-
Effect of derecognition of Joint ventures	-	-	-	1.75	-	-	1.75
Balance at 31 March 2017	35,331.64	4,892.60	4,673.30	86.56	30.93	(261.45)	44,753.57
Balance at 1 April 2017	35,331.64	4,892.60	4,673.30	86.56	30.93	(261.45)	44,753.57
Total comprehensive income for the year ended 31 March 2018							
Profit for the year	-	2,684.67	-	-	-	-	2,684.67
Other comprehensive income (net of tax)	-	-	-	-	(117.25)	36.57	(80.68)
Total comprehensive income	-	2,685.27	-	-	(117.25)	36.57	2,604.59
Transactions with owners in their capacity as owners:							
Dividends paid (including tax thereon)	-	(606.23)	-	-	-	-	(606.23)
Appropriations during the year	-	(225.00)	225.00	-	-	-	-
Balance at 31 March 2018	35,331.64	6,746.64	4,898.30	86.56	(86.32)	(224.88)	46,751.93

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

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

As per our report of even date attached.  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vikas R Kasat**

Partner  
Membership No: 105317

Mumbai  
24 May 2018

**Shailendra Kumar Tripathi**  
CEO & Dy. Managing Director  
DIN : 03156123

Mumbai  
24 May 2018

**Manoj Tulsian**  
Whole-time Director & CFO  
DIN : 05117060

**Samir Raval**  
Company Secretary  
Membership No. FCS-7520

For and on behalf of the Board of Directors of  
**JMC Projects (India) Limited**  
CIN: L45200GJ1986PLC008717





# Notes to the Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

## Corporate Information

These consolidated Ind AS financial statements comprise standalone Ind AS financial statements of JMC Projects (India) Limited ("the Company" or "the Parent Company") and its subsidiaries (collectively referred to as "the Group") and the Group's interest in joint ventures for the year ended 31 March 2018. 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 & 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 Ind AS financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and 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 Ind AS financial statements were authorised for issue by the Company's Board of Directors on 24 May 2018.

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

### (b) Functional and presentation currency

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

### (c) Basis of measurement

The 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 Ind AS financial statements in conformity with Ind AS requires management to make judgments, 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 judgments are:

- Estimation of total contract revenue and costs for revenue recognition (Refer note 31)
- Estimation of useful life of property, plant and equipment and intangibles (Refer point 2 (I))
- Estimation of provision for defect liability period and liquidated damages, if any (Refer note 30)
- Estimation of defined benefit obligation (Refer note 33)
- Estimation of revenue estimates for amortization of intangible assets (Refer point 2 (n))
- Estimation of major maintenance provision (Refer note 30)
- Impairment of financial assets (Refer note 26)

### (e) Principles of consolidation and equity accounting

#### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets,

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 1 Basis of preparation and measurement (Continued)

### (e) Principles of consolidation and equity accounting (Continued)

#### (i) Subsidiaries (Continued)

liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

#### Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

#### Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

#### (ii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the consolidated Ind AS contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

##### Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Ind AS financial statements under the appropriate headings.

##### Joint ventures

The Group's interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet. Details of the joint venture are set out in note 24.

#### (iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

#### 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



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 1 Basis of preparation and measurement (Continued)

### (e) Principles of consolidation and equity accounting (Continued)

#### (iii) Equity method (Continued)

##### Changes in ownership interests (Continued)

assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an joint venture or financial asset.

#### (iv) Transactions eliminated on consolidation

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the Investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 2 Significant accounting policies

### (a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker(CODM).

The board of directors of Group has appointed a management review committee which assesses the financial performance and position of the group, and makes strategic decisions. The management review committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning of the Parent Company.

### (b) Current/ non-current classification

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

The group presents assets and liabilities in the 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.

#### Operating Cycle

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

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

### (c) Foreign currency

- (i) Functional and presentation currency

Items included in the consolidated Ind AS financial statements of Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Ind AS financial statements are presented in Indian rupee (INR), which is also the Group's functional and presentation currency.

- (ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (c) Foreign currency (Continued)

#### (ii) Foreign currency transactions (Continued)

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 OCI.

#### (iii) Foreign operations

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

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

### (d) Revenue recognition

#### (i) Construction Revenue

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

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

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

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

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

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

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



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (d) Revenue recognition (Continued)

#### (ii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix A of Ind AS 11, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria:

- the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied;
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

As per Ind AS 11, such infrastructures are not recognized in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the recoverable amount. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service in remuneration of concession services.

Intangible assets resulting from the application of appendix A of Ind AS 11 are recorded in the financial statements as intangible assets and are amortized using revenue based amortization method.

Based on the above parameter, in case of the Group, Intangible asset model is adopted.

Under the intangible asset model, revenue includes:

- construction or upgrade services provided under a service concession arrangement, recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group ;
- charges collected from users on the basis of usage of the toll. Toll Revenue in the form of periodic pass(es) are accounted for as income in the period in which the same are received.

#### (iii) Dividend Income

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

#### (iv) Interest Income or expenses

Interest income or expense is accounted basis effective interest rate (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.

#### (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 Company and its subsidiaries and joint venture Company operate and



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (e) Income tax (Continued)

generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Ind AS financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will

not be available against which the temporary difference can be utilised.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (f) Leases

As a lessee

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

### (g) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (g) Business combinations (Continued)

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

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

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment of assets and if any indication exists, the recoverable value of such assets is estimated. An impairment loss is recognised when the carrying cost of assets exceeds its recoverable value. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired, if any indication exists or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are generally independent of those from other asset, or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted in their present value using a pre tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long time growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long term average growth rate for the products, industries or country or countries in which the entry operates or for market in which asset is used.

### (i) Cash and cash equivalents

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

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (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 weighted average basis (WAC) (Refer Note 10). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### (k) Financial Instruments

Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

#### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### (ii) Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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;



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (k) Financial Instruments (Continued)

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

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable 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 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 statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

##### (iii) Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (k) Financial Instruments (Continued)

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

##### (iv) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses on disposal of such investments are recognised in OCI and are not reclassified to statement of profit & loss.

#### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of 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 statement of profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### (iii) Non-derivative financial assets – service concession arrangements

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition and classified as trade receivables. Subsequent to initial recognition, such financial assets are measured at amortised cost.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognized at its fair value.

#### (iv) Derecognition

##### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which

substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### 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 statement of profit or loss.

#### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (vi) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Lease receivables.
- Trade receivables
- Accrued value of work done



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (k) Financial Instruments (Continued)

#### (vi) Impairment of financial assets (Continued)

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

- Trade receivables which do not contain a significant financing component.
- Accrued value of work done which do not contain a significant financing component.
- 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.

#### (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.

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 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 statement of profit and loss within other gains/(losses).



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

### (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 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.





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (p) Borrowings (Continued)

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in 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 Ind AS financial statements for issue, not to demand payment as a consequence of the breach.

### (q) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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

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

### (r) Provisions, Contingencies and Onerous contracts

#### Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

### (s) Employee benefits

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

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

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (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 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.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (OCI). They are included in actuarial 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 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.



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 Significant accounting policies (Continued)

### (s) Employee benefits (Continued)

#### (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.

#### (u) Contributed equity

Equity shares are classified as equity.

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

#### (v) Dividends

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

#### (w) Earnings per share

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

Basic earnings per share is calculated by dividing the net profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share

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

### (x) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) in the principal market for the asset or liability; or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 : quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the consolidated Ind AS financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

### (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.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (y) Statement of cash flows (Continued)

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

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.

### (z) Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers :

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company may plan to apply the standard retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

### (aa) Events after reporting date

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

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 3 Property, plant and equipment

(Currency: Indian rupees in lakhs)

	Freehold Land - Owned	Office building	Store building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipment	Electrical installation	Total	Capital work-in-progress
<b>Year ended 31 March 2017</b>										
<b>Gross carrying amount</b>										
Balance at 1 April 2016	57.55	209.99	464.71	35,030.46	269.01	2,391.58	710.70	92.18	39,226.18	23.69
Exchange differences	-	-	(26.29)	(357.08)	(1.68)	(261.55)	(5.64)	-	(652.24)	(0.02)
Additions	-	-	123.53	5,783.65	19.09	1,726.71	253.58	3.50	7,910.06	131.36
Disposals	-	-	-	(1,443.83)	(5.64)	(126.70)	(1.83)	-	(1,578.01)	(94.51)
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>57.55</b>	<b>209.99</b>	<b>561.95</b>	<b>39013.20</b>	<b>280.78</b>	<b>3,730.04</b>	<b>956.81</b>	<b>95.68</b>	<b>44,906.00</b>	<b>60.52</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	3.99	80.52	3,764.33	45.72	339.32	148.75	11.91	4,394.54	-
Depreciation for the year	-	3.75	84.28	4,842.12	38.31	450.15	239.26	12.01	5,669.89	-
On disposals	-	-	-	(1,245.59)	(5.37)	(106.39)	(1.83)	-	(1,359.18)	-
Exchange differences	-	-	(3.05)	(100.26)	(0.39)	(72.14)	(1.85)	-	(177.69)	-
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>-</b>	<b>7.74</b>	<b>161.76</b>	<b>7,260.60</b>	<b>78.27</b>	<b>610.94</b>	<b>384.33</b>	<b>23.92</b>	<b>8,527.58</b>	<b>-</b>
<b>Net carrying amount</b>	<b>57.55</b>	<b>202.25</b>	<b>400.19</b>	<b>31,752.60</b>	<b>202.51</b>	<b>3,119.10</b>	<b>572.48</b>	<b>71.76</b>	<b>36,378.42</b>	<b>60.52</b>
<b>Year ended 31 March 2018</b>										
<b>Gross carrying amount</b>										
Balance at 1 April 2017	57.55	209.99	561.95	39,013.20	280.78	3,730.04	956.81	95.68	44,906.00	60.52
Exchange differences	-	-	(52.40)	(811.91)	(3.47)	(559.60)	(14.04)	-	(1,441.43)	(0.32)
Additions	-	11.64	1,004.10	10,016.11	651.73	312.14	662.70	162.32	12,820.74	12.13
Disposals	-	-	(0.67)	(1,708.86)	(0.04)	(20.07)	(1.02)	-	(1,730.66)	(60.16)
<b>Balance as at 31 March 2018 (gross carrying amount)</b>	<b>57.55</b>	<b>221.63</b>	<b>1,512.98</b>	<b>46,508.54</b>	<b>929.00</b>	<b>3,462.51</b>	<b>1,604.45</b>	<b>258.00</b>	<b>54,554.67</b>	<b>12.18</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	7.74	161.76	7,260.60	78.27	610.94	384.33	23.92	8,527.58	-
Depreciation for the year	-	4.46	233.73	5,666.96	100.28	583.40	346.71	33.90	6,969.44	-
On disposals	-	-	-	(1,569.54)	(0.03)	(13.31)	(0.98)	-	(1,583.86)	-
Exchange differences	-	-	(7.36)	(268.14)	(1.05)	(188.46)	(4.95)	-	(469.96)	-
<b>Balance as at 31 March 2018 (accumulated depreciation)</b>	<b>-</b>	<b>12.20</b>	<b>388.13</b>	<b>11,089.88</b>	<b>177.47</b>	<b>992.57</b>	<b>725.11</b>	<b>57.82</b>	<b>13,443.20</b>	<b>-</b>
<b>Net carrying amount</b>	<b>57.55</b>	<b>209.43</b>	<b>1,124.85</b>	<b>35,418.66</b>	<b>751.54</b>	<b>2,469.93</b>	<b>879.34</b>	<b>200.18</b>	<b>41,111.47</b>	<b>12.18</b>

For Property, plant and equipment secured against borrowings, refer note 13(a) and 13(b) of the Consolidated Ind AS financial statements.



# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 4 Investment property (at cost)

(Currency: Indian rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Cost or deemed cost (gross carrying amount)</b>		
Opening gross carrying amount / deemed cost	82.13	82.13
Additions	-	-
<b>Balance as at 31 March (gross carrying amount)</b>	<b>82.13</b>	<b>82.13</b>
Opening accumulated depreciation	-	-
Depreciation for the year	-	-
<b>Balance as at 31 March (accumulated depreciation)</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>82.13</b>	<b>82.13</b>

## Fair value

(Currency: Indian rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
Investment property	1,319.94	1,319.94

## Measurement of fair values

### (i) Fair value hierarchy:

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

### (ii) Valuation technique:

Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is the preferred approach when sales data are available. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject property. Finally a market value for the subject property is estimated from the adjusted sales price of the comparable properties. Investment property comprises a number of vacant industrial land.





# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 5(a) Intangible assets

(Currency: Indian rupees in lakhs)

	Toll Collection Rights	Computer software	Total
<b>Year ended 31 March 2017</b>			
<b>Cost or deemed cost (gross carrying amount)</b>			
Balance at 1 April 2016	1,75,929.64	222.32	1,76,151.96
Additions	7.21	181.73	188.94
Disposals	(213.12)	-	(213.12)
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>1,75,723.73</b>	<b>404.05</b>	<b>1,76,127.78</b>
<b>Accumulated depreciation</b>			
Opening accumulated amortisation	3,689.58	47.35	3,736.93
Amortisation for the year	2,953.30	89.27	3,042.57
<b>Balance as at 31 March 2017 (accumulated depreciation)</b>	<b>6,642.88</b>	<b>136.62</b>	<b>6,779.50</b>
<b>Net carrying amount</b>	<b>1,69,080.85</b>	<b>267.43</b>	<b>1,69,348.28</b>
<b>Year ended 31 March 2018</b>			
<b>Gross carrying amount</b>			
Balance at 1 April 2017	1,75,723.73	404.05	1,76,127.79
Additions	-	1,133.86	1,133.86
Disposals	(867.63)	-	(867.63)
<b>Balance as at 31 March 2018 (gross carrying amount)</b>	<b>1,74,856.10</b>	<b>1,537.91</b>	<b>1,76,394.00</b>
<b>Accumulated depreciation</b>			
Opening accumulated amortisation	6,642.88	136.62	6,779.50
Amortisation for the year	2,802.31	221.60	3,023.91
<b>Balance as at 31 March 2018 (accumulated depreciation)</b>	<b>9,445.19</b>	<b>358.22</b>	<b>9,803.41</b>
<b>Net carrying amount</b>	<b>1,65,410.90</b>	<b>1,179.69</b>	<b>1,66,590.59</b>

## 5(b) Intangible assets under development

(Currency: Indian rupees in lakhs)

	Total
<b>Year ended 31 March 2017</b>	
<b>Cost or deemed cost</b>	
Balance at 1 April 2016	-
Additions	937.74
<b>Balance as at 31 March 2017 (gross carrying amount)</b>	<b>937.74</b>
<b>Year ended 31 March 2018</b>	
<b>Gross carrying amount</b>	
Balance at 1 April 2017	937.74
Additions	586.38
Disposals	(1,116.18)
<b>Balance as at 31 March 2018 (gross carrying amount)</b>	<b>407.94</b>

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 6 Financial assets

### (a) Trade receivables

(Currency: Indian rupees in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Trade receivables</b>		
Debts outstanding over Six Months from due date of payment	17,438.80	10,121.51
Other Debts includes Retention Money	58,972.44	61,118.24
Receivables from related parties	6,625.62	1,495.40
<b>Total</b>	<b>83,036.86</b>	<b>72,735.15</b>
Less: Provision for expected credit loss	(6,524.00)	(2,824.00)
<b>Total receivables</b>	<b>76,512.86</b>	<b>69,911.15</b>
<b>Non current</b>	2,595.90	3,528.88
<b>Current</b>	73,916.96	66,382.27

#### Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Secured, considered good	-	-
Unsecured, considered good	83,036.86	72,735.15
Doubtful	-	-
<b>Total</b>	<b>83,036.86</b>	<b>72,735.15</b>
Provision for expected credit loss	(6,524.00)	(2,824.00)
<b>Total trade receivables</b>	<b>76,512.86</b>	<b>69,911.15</b>

For terms and conditions of receivables owing from related parties, refer note 34 of consolidated Ind AS financial statements.

For receivables secured against borrowings, refer note 13(b) and 36(c) of consolidated Ind AS financial statements.

The Company exposure to credit and currency risks, and loss allowances related to receivables are disclosed in note 36(A)(i) and 36(A)(iii) of consolidated Ind AS financial statements.



# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 6 Financial assets (Continued)

### (b) Loans

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
To related parties:				
Loans to joint venture*	13,796.88	-	10,793.33	-
To parties other than related parties:				
Security deposits	2,221.17	752.08	808.51	1,192.76
<b>Total loans</b>	<b>16,018.05</b>	<b>752.08</b>	<b>11,601.84</b>	<b>1,192.76</b>

\*Loans to Joint venture

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
- Kurukshetra Expressway Private Limited	13,796.88	-	10,793.33	-
<b>Total</b>	<b>13,796.88</b>	<b>-</b>	<b>10,793.33</b>	<b>-</b>

### Break-up of security details

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Secured, considered good	-	-	-	-
Unsecured, considered good	16,018.05	752.08	11,601.84	1,192.76
Doubtful	-	-	-	-
<b>Total loans</b>	<b>16,018.05</b>	<b>752.08</b>	<b>11,601.84</b>	<b>1,192.76</b>

### (c) Cash and cash equivalents

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Balances with banks		
- in current accounts	15,290.95	2,146.20
- in Demand Deposits (with less than 3 months of remaining maturity)	181.06	2.03
Deposits as Margin Money against Borrowings and Commitments	-	435.00
Cash on hand*	95.76	122.62
<b>Total cash and cash equivalents</b>	<b>15,567.77</b>	<b>2,705.85</b>

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

### Bank balances other than above

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Bank balances other than above		
- Unpaid dividend accounts	7.66	7.76
<b>Total bank balances other than above</b>	<b>7.66</b>	<b>7.76</b>

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 6 Financial assets (Continued)

### (d) Other financial assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Accrued Income	33.78	6.13	6.96	-
Fixed Deposits	1,947.12	593.85	40.00	66.80
Amount due from customers on construction contract (refer note 31(a))	26,377.65	-	3,084.07	-
Accrued value of work done (net of advances)	40,958.70	-	50,061.38	-
Receivables for sale of Property, plant and equipments	-	-	23.21	-
	<b>69,317.25</b>	<b>599.98</b>	<b>53,215.62</b>	<b>66.80</b>
Less : Provision for expected credit loss on accrued value of work done	(1,220.14)	-	-	-
<b>Total other financial assets</b>	<b>68,097.11</b>	<b>599.98</b>	<b>53,215.62</b>	<b>66.80</b>

## 7 Deferred tax assets

(Currency: Indian rupees in lakhs)

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Other	Closing Balance
<b>2017-18</b>					
Deferred tax (Liabilities)/ assets in relation to :					
Property, Plant and Equipment	131.40	(8.86)	-	-	122.54
Expenses deductible/ Income taxable in other accounting period	(2,040.26)	428.28	-	-	(1,611.98)
Provision for Expected Credit Loss	977.39	1,315.10	-	-	2,292.49
Change in method of determining revenue	(664.53)	(1,385.00)	-	-	(2,049.53)
Impact of accounting of forward contract at fair value	0.17	(0.17)	-	-	-
Related to Employee benefits	-	(62.04)	62.04	-	-
Fair Value of financial assets and liabilities through Profit & Loss account	(763.80)	(168.04)	-	-	(931.84)
Tax Losses	2,622.08	1,383.77	-	-	4,005.86
Other items	1,538.30	(154.72)	-	-	1,383.58
<b>Tax Assets/ (Liabilities)</b>	<b>1,800.75</b>	<b>1,348.32</b>	<b>62.04</b>	<b>-</b>	<b>3,211.12</b>

(Currency: Indian rupees in lakhs)

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Other	Closing Balance
<b>2016-17</b>					
Deferred tax (Liabilities)/ assets in relation to :					
Property, Plant and Equipment	119.50	11.90	-	-	131.40
Expenses deductible/ Income taxable in other accounting period	(814.47)	(1,225.79)	-	-	(2,040.26)
Provision for Expected Credit Loss	354.41	622.98	-	-	977.39
Change in method of determining revenue	(392.55)	(271.98)	-	-	(664.53)
Impact of accounting of forward contract at fair value	(0.18)	0.35	-	-	0.17
Related to Employee benefits	-	(11.16)	11.16	-	-
Fair Value of financial assets and liabilities through Profit & Loss account	(546.83)	(216.97)	-	-	(763.80)
Tax Losses	1,150.47	1,471.61	-	-	2,622.08
Other items	1,231.95	203.03	-	103.32	1,538.30
<b>Tax Assets / (Liabilities)</b>	<b>1,102.31</b>	<b>583.96</b>	<b>11.16</b>	<b>103.32</b>	<b>1,800.75</b>



# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 8 Other non-current assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Capital advances	550.61	462.00
Advances to suppliers	1,481.11	809.89
Advance VAT (net of payable)	-	4,171.86
Prepaid expenses	342.72	233.37
<b>Total other non-current assets</b>	<b>2,374.44</b>	<b>5,677.12</b>

## 9 Inventories

(at lower of cost or net realisable value)

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Construction material	17,770.25	13,889.37
Spares, tools and stores	1,470.02	4,067.93
<b>Total inventories</b>	<b>19,240.27</b>	<b>17,957.30</b>

Change in method of inventory valuation:

During the year, company has changed the method of inventory valuation from FIFO (First In First out) to Weighted Average method. The impact of the change has not been given effect to in the prior periods considering that the inventory comprising of consumables is fast moving, voluminous & there has been no material changes to the purchase cost during the current and earlier years.

Due to voluminous nature of inventory, it is impracticable to assess the impact of this change, through considering the fact above, management expects the impact to be immaterial.

## 10 Current tax assets (net)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Advance income tax (net of provision For tax INR 10,394.90 lakhs ( 31 March 2017: INR 7,584.61 lakhs))	929.53	2,366.26
<b>Total Current tax assets (net)</b>	<b>929.53</b>	<b>2,366.26</b>

## 11 Other current assets

(unsecured and considered good)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Prepaid expenses	553.41	575.43
Advance VAT / Entry tax (net of payable)	23,784.10	9,513.61
Cenvat credit receivable	-	430.54
Excise duty drawback	-	111.28
Advance to supplier	16,332.99	15,172.36
Advances to employees	211.45	93.94
Others	47.48	24.30
<b>Total</b>	<b>40,929.43</b>	<b>25,921.46</b>

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 12 Equity share capital and other equity

### (a) Equity share capital

Authorised equity share capital

	Number of shares (in lakhs)	Amount
<b>As at 1 April 2016</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2017</b>	<b>350.00</b>	<b>3,500.00</b>
Increase during the year	-	-
<b>As at 31 March 2018</b>	<b>350.00</b>	<b>3,500.00</b>

### (i) Movements in equity share capital

	Number of shares (in lakhs)	Equity share capital (par value)
<b>As at 1 April 2016</b>	<b>335.81</b>	<b>3,358.10</b>
Increase during the year	-	-
<b>As at 31 March 2017</b>	<b>335.81</b>	<b>3,358.10</b>
Increase during the year	-	-
<b>As at 31 March 2018</b>	<b>335.81</b>	<b>3,358.10</b>

### Terms and rights attached to equity shares :

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

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Kalpataru Power Transmission Limited	2,256.29	2,256.29

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

	31 March 2018		31 March 2017	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
<b>Equity shares of INR 10/- each fully paid</b>				
Kalpataru Power Transmission Limited, the Holding Company	225.63	67.19%	225.63	67.19%
HDFC Trustee Company Limited	30.18	8.99%	30.18	8.99%

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

	31 March 2018 Number of shares	31 March 2017 Number of shares
Aggregate number of shares issued for consideration other than cash	-	-





# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

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

### (b) Reserves and surplus

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Securities premium reserve	35,331.64	35,331.64
Retained earnings	6,435.40	4,662.08
General reserves	4,898.30	4,673.30
<b>Total reserves and surplus</b>	<b>46,665.34</b>	<b>44,667.01</b>

#### (i) Securities premium reserve

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Opening balance	35,331.64	35,331.64
Increase during the year	-	-
<b>Closing balance</b>	<b>35,331.64</b>	<b>35,331.64</b>

#### (ii) Retained earnings

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Opening balance	4,662.08	9,820.32
Net profit/ (loss) for the year	2,684.67	(4,297.55)
Items of other Comprehensive income		
- Re measurements of post-employment benefit obligation, net of tax	(117.25)	(21.07)
- Exchange differences of foreign operations, net of tax	36.57	(210.45)
Transfer to general reserve	(225.00)	(225.00)
Dividends paid (including tax thereon)	(606.23)	(404.17)
<b>Closing balance</b>	<b>6,435.40</b>	<b>4,662.08</b>

#### (iii) General reserve

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Opening balance	4,673.30	4,448.30
Transfer from surplus of profit	225.00	225.00
<b>Closing balance</b>	<b>4,898.30</b>	<b>4,673.30</b>

#### Nature and purpose of reserves

##### (i) Securities premium reserve

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

##### (ii) General reserve

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

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

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

### (c) Other reserves

(Currency: Indian rupees in lakhs)

	Amount
As at 1 April 2016	84.81
Increase during the year	1.75
As at 31 March 2017	86.56
Increase during the year	-
As at 31 March 2018	86.56

#### 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.

## 13 Financial liabilities

### (a) Non-current borrowings

(Currency: Indian rupees in lakhs)

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018		31 March 2017	
				Non-current	Current	Non-current	Current
Secured							
Term loans from banks							
Rupee loan							
- from banks		Please refer note 13(a) 1		81,912.02	5,542.89	70,651.18	3,163.28
- from NBFC		Please refer note 13(a) 2		34,252.20	4,667.34	37,168.56	3,771.26
Vehicle loans		Please refer note 13(a) 3	9.40% to 10.75%	151.23	72.30	143.89	68.59
				1,16,315.45	10,282.53	1,07,963.63	7,003.13
Unsecured							
Term loans							
Rupee loan							
- from banks	30-Sep-21	Quarterly unequal instalments. Borrower has a right to prepay the facility anytime and lender has a right to recall the facility, after 5 years from the first drawdown date after 15 day's notice.	Varying interest rate linked to base rate of bank from time to time.	6,077.47	2,565.60	8,659.31	2,094.21
Total non-current borrowings				6,077.47	2,565.60	8,659.31	2,094.21
Amount disclosed under the head "Other current financial liabilities"				1,22,392.92	12,848.13	1,16,622.94	9,097.34
Current maturities of long-term debt (included in note 13(c))				-	(12,848.13)	-	(9,090.90)
Interest accrued (included in note 13(c))				-	-	-	(6.44)
Non-current borrowings (as per balance sheet)				1,22,392.92	-	1,16,622.94	



# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 13 Financial liabilities (Continued)

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

#### 1 Rupee loans from banks

- (i) Term loan from a consortium bank amounting to INR Nil (31 March 2017: INR 468.85 lakhs) is secured by first and exclusive charge over the Property, plant and equipments financed by them. Term loan is repayable in equal quarterly instalments of INR 156.25 lakhs each with 29 December 2017 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (ii) Term loan from a bank amounting to INR 2,495.01 lakhs (31 March 2017: INR 2,910.83 lakhs) is secured exclusively by first charge on movable Property, plant and equipments funded out of the said facility. Term loan is repayable unequal quarterly instalments with 30 September 2021 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (iii) Term loan from a bank amounting to INR 15,000.00 lakhs (31 March 2017: NIL) is secured by first pari passu charge on entire movable Property, plant and equipments 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, commencing from 31 December 2018 with 30 September 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 Yr MCLR.
- (iv) Term loan from a bank amounting to INR 354.19 lakhs (31 March 2017: INR 643.52 lakhs) is secured exclusively by first charge on movable Property, plant and equipments funded out of the said facility. Term loan is repayable in equal quarterly instalments of INR 70.83 lakhs with 10 April 2019 as maturity date with varying interest rate linked to base rate of bank from time to time.
- (v) Term loan from a bank amounting to INR 226.34 lakhs (31 March 2017: INR 278.70 lakhs) is secured exclusively by first charge on movable Property, plant and equipments funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in May 2021 with varying interest rate linked to base rate of bank from time to time.
- (vi) Term loan from a bank amounting to INR 24,534.45 lakhs (31 March 2017: INR 24,973.22 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 to the Lenders, of all borrower's immovable assets, if any both present and future, save and except Project Assets and
- (b) a first charge in favour of Security Trustee for the benefit of the lenders of all the borrower's moveable properties, both present and future, save and except the Project Assets and more specifically mentioned in loan agreement repayable in unequal instalments ending on 30 June 2026.
- (vii) Term Loans from Banks amounting to INR 6,173.97 lakhs (31 March 2017: INR 6,795.47 lakhs) is secured by following assets of the subsidiary company, viz. Brij Bhoomi Expressway Private Limited.
  - a) first mortgage and charge on all the borrower's immovable properties, if any, both present and future; save and except the Project Assets. By way of hypothecation of all the borrower's movable assets; save and except the Project Assets, borrower's receivables save and except the Project Assets and on all intangibles of the borrower.
  - b) first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the Project Documents.
  - c) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the borrower. Repayable in quarterly unequal instalments ending on 1 December 2023.
- (viii) Term loans from banks amounting to INR 38,670.95 lakhs (31 March 2017: INR 37,743.87 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.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 13 Financial liabilities (Continued)

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

- (c) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on 31 December 2024

### 2 Rupee loans from NBFC

- (i) Term loan from NBFC amounting to INR NIL lakhs (31 March 2017: INR 2,500.00 lakhs) is secured by subservient charge over the entire movable tangible assets of the company and further guaranteed by the Holding Company. Term loan is repayable in equal quarterly instalments of INR 1,250 lakhs with 14 December 2017 as maturity date with interest payable monthly at varying interest rate linked to base rate of bank from time to time and further there is a Put Option at the end of 12 months from the date of first disbursement and every year thereafter.
- (ii) Term loan from NBFC amounting to INR 6,930.00 lakhs (31 March 2017: INR 6,930.00 lakh) is secured by first pari passu charge on entire movable Property, plant and equipments 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, commencing from 29 September 2016 with 21 December 2020 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.
- (iii) Term loan from NBFC amounting to INR 5,000.00 lakhs (31 March 2017: INR 3,500.00 lakh) is secured by first pari passu charge on entire movable Property, plant and equipments excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 equal quarterly instalments, commencing from June 2018 and ending in March 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.
- (iv) Term loan from NBFC amounting to INR 180.43 lakhs (31 March 2017: INR 627.26 lakhs) is secured by first and exclusive charge by way of hypothecation for equipments financed by them. Term loans is repayable in 36 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.
- (v) Term loan from NBFC amounting to INR 651.68 lakhs (31 March 2017: INR 899.39 lakhs) is secured by first and exclusive charge by way of hypothecation for equipments financed by them. Term loans is repayable in 16 equal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.
- (vi) Term loan from NBFC amounting to INR 143.33 lakhs (31 March 2017: NIL) is secured by first and exclusive charge by way of hypothecation for equipments 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 157.75 lakhs (31 March 2017: NIL) is secured by first and exclusive charge by way of hypothecation for equipments 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.
- (viii) Term loan from a financial institution amounting to INR 7,235.58 lakhs (31 March 2017: INR 7,455.33 lakhs) is secured by following assets of the subsidiary company, viz. Wainganga Expressway Private Limited (for pledge details refer note 13 (a) (1) (vi)).
- (ix) Term loan from a financial institution amounting to INR 6,988.34 lakhs (31 March 2017: INR 7,161.17 lakhs) is secured by following assets of the subsidiary company, viz. Brij Bhoomi Expressway Private Limited (for pledge details refer note 13 (a) (1) (vii)).
- (x) Term Loans from banks amounting to INR 11,632.44 lakhs (31 March 2017: INR 11,866.69 lakhs) is secured by following assets of the subsidiary company, viz. Vindhyachal Expressway Private Limited (for pledge details refer note 13 (a) (1) (viii)).

### 3 Vehicle loans

Loans of INR 223.53 lakhs (31 March 2017: INR 212.48 lakhs) are secured by way of charge on specific equipments and vehicles financed by them on different loans. Vehicle Loans is repayable in 60 monthly instalments beginning from the month subsequent to disbursement.



# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 13 Financial liabilities (Continued)

### (b) Current borrowings

(Currency: Indian rupees in lakhs)

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018	31 March 2017
<b>Loans repayable on demand</b>					
<b>Secured</b>					
From banks*	Roll over facility	Roll over working capital facility renewed annually	MCLR + Margin	33,655.31	34,006.28
<b>Current borrowings (as per balance sheet)</b>				<b>33,655.31</b>	<b>34,006.28</b>

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

- (a) First charge against hypothecation of stocks, stores and spares, bills receivables, book debts and other current assets.
- (b) Second charge on all movable Property, plant and equipment of the Company.
- (c) First charge on the office premises of the Company.

### (c) Other financial liabilities

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Non-current</b>		
Additional concession fees	35,207.35	32,707.59
Security deposits	21.62	1,543.94
<b>Total other non-current financial liabilities</b>	<b>35,228.97</b>	<b>34,251.53</b>
<b>Current</b>		
Term loans from banks and NBFCs (Refer note 13 (a) 1 & 13 (a) 2)	12,775.83	9,022.31
Loan against vehicles / equipments (Refer note 13 (a) 3)	72.30	68.59
Interest accrued but not due on borrowings	-	6.44
Payables for capital goods	4,130.58	3,869.18
Payable to employees	3,360.74	2,565.93
Additional concession fees	593.06	2,277.98
Security deposits	12,165.90	39.86
Unclaimed dividend	7.66	7.76
Unclaimed matured fixed deposits and interest	3.51	1.83
<b>Total other current financial liabilities</b>	<b>33,109.58</b>	<b>17,859.88</b>

# Notes to the Consolidated Ind AS Financial Statements (Continued)

As at 31 March 2018

## 13 Financial liabilities (Continued)

### (d) Trade payables

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Non-current</b>		
Trade payables	10,898.88	11,780.95
<b>Total non-current trade payables</b>	<b>10,898.88</b>	<b>11,780.95</b>
<b>Current</b>		
Trade payables (other than Micro and Small Enterprises)	78,836.99	71,769.43
Acceptances	3,228.81	2,814.16
Due to Micro and Small Enterprises (refer note 35)	793.14	200.97
<b>Total current trade payables</b>	<b>82,858.94</b>	<b>74,784.56</b>

## 14 Provisions

(Currency: Indian rupees in lakhs)

	31 March 2018			31 March 2017		
	Current	Non-current	Total	Current	Non-current	Total
Defect liability period expenses (refer note 30)	193.65	2,469.38	2,663.03	162.55	2,283.17	2,445.72
Provision for onerous contracts (refer note 30)	53.32	-	53.32	955.26	-	955.26
Major maintenance expense (refer note 30)	-	3,485.76	3,485.76	-	2,494.19	2,494.19
Loss of joint venture (refer note 24)	3,592.06	-	3,592.06	1,321.85	-	1,321.85
Provision for gratuity (refer note 33)	241.52	1,197.85	1,439.37	79.53	901.11	980.64
Leave obligations (refer note 33)	186.18	584.46	770.64	152.93	466.42	619.35
<b>Total provisions</b>	<b>4,266.73</b>	<b>7,737.45</b>	<b>12,004.18</b>	<b>2,672.12</b>	<b>6,144.89</b>	<b>8,817.01</b>

## 15 Other liabilities

(Currency: Indian rupees in lakhs)

	31 March 2018			31 March 2017		
	Current	Non-current	Total	Current	Non-current	Total
Amount due to customers under construction contracts (refer note 31(a))	8,165.18	-	8,165.18	-	-	-
Advance from clients	9,603.25	43,390.88	52,994.13	16,127.06	35,437.09	51,564.15
Other statutory liabilities	9,614.99	-	9,614.99	1,388.68	-	1,388.68
Book overdrafts with bank	199.15	-	199.15	-	-	-
Other Current Liabilities	1,212.38	-	1,212.39	44.10	-	44.10
<b>Total</b>	<b>28,794.95</b>	<b>43,390.88</b>	<b>72,185.83</b>	<b>17,559.85</b>	<b>35,437.09</b>	<b>52,996.93</b>





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 16 Revenue from operations

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Service income</b>		
Contract revenue	2,48,036.45	2,28,823.15
Accrued Value of Work Done (uncertified bills)	27,565.59	4,968.69
Income from toll collection	13,109.62	11,988.30
Utility shifting revenue	102.19	586.21
Claim from Authority*	-	847.49
<b>Total revenue from continuing operations</b>	<b>2,88,813.85</b>	<b>2,47,213.84</b>

\*Note:

Consequent upon the de-monetisation of specified currency notes by the Hon'ble Prime Minister, toll collection had been suspended from 9 November 2016 to 2 December 2016 for which the company has raised claims on Authority for reimbursement of the O&M and interest expenses incurred during this period as per the provisions of the Concession Agreement entered into between the company and authority read along with NHAI circular No. NHAI/CGM/BOT FIN02016-17 dated 29 November 2016 in this regard, amount of INR 847.48 lakhs claimed, being contractually enforceable and certain of recovery, has been recognised as income in March 2017.

## 17 Other income

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Interest income		
- from fixed deposits	87.36	225.22
- from others	780.43	815.28
Net gain on sale of Property, plant and equipments	455.76	203.81
Rent income	344.25	136.52
Liabilities written back	83.93	61.23
Other income	6.15	6.78
<b>Total other income</b>	<b>1,757.88</b>	<b>1,448.84</b>

## 18 Cost of materials consumed

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Raw materials at the beginning of the year	13,877.17	12,087.48
Add: Purchases	1,17,474.31	86,856.52
Less: Scrap sales	(1,346.00)	(631.93)
Less: Raw material at the end of the year	(17,770.25)	(13,877.17)
<b>Total cost of materials consumed</b>	<b>1,12,235.23</b>	<b>84,434.90</b>

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 19 Employee benefit expense

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Salaries, wages and bonus	23,434.24	21,017.91
Contribution to provident fund and other statutory fund	1,889.06	1,446.64
Staff welfare expenses	1,566.31	1,398.79
<b>Total employee benefit expense</b>	<b>26,889.61</b>	<b>23,863.34</b>

## 20 Depreciation and amortisation expense

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Depreciation of property, plant and equipment (refer note 3)	6,969.44	5,669.89
Amortisation of intangible assets (refer note 5(a))	3,023.91	3,042.58
<b>Total depreciation and amortisation expense</b>	<b>9,993.35</b>	<b>8,712.47</b>

## 21 (a) Construction expenses

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Work charges	47,842.08	45,572.86
Composite work charges	19,773.00	23,501.36
Operation and management services	1,528.32	1,518.08
Consumption of spares, tools and stores	1,796.62	1,722.69
Machinery - running and maintenance expenses	4,258.60	4,813.00
Electricity charges	2,232.87	1,857.34
Rent and hire charges	4,957.37	4,640.80
Security expenses	1,767.62	1,396.30
Site expenses	10,631.88	7,727.48
Major maintenance expenses	807.74	1,099.15
Defect liability period expenses	446.59	(14.21)
<b>Total construction expense</b>	<b>96,042.69</b>	<b>93,834.86</b>



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 21 (b) Other expenses

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Building and general repairs	377.82	154.62
Vehicle maintenance charges	248.36	291.44
Travelling expenses	1,296.49	1,068.61
Conveyance expenses	89.51	79.16
Insurance charges	482.00	775.60
Printing and stationery expenses	245.19	255.46
Office rent	820.29	637.78
Office expenses	271.82	289.30
Postage and telephone charges	336.76	260.04
Professional and legal charges	1,705.17	1,256.25
Auditor's remuneration (refer note 21 (b) (i) below)	76.90	68.12
Rates and taxes	3,094.19	7,640.36
Advertisement expenses	40.59	15.46
Computer and IT expenses	491.76	339.44
Bank commission and charges	1,184.33	972.62
Training expenses	60.27	27.75
Loss on assets lost	47.48	6.65
Exchange rate variation expense	(1,569.95)	(1,695.30)
Sitting fees and commission to Non-executive Directors	88.62	68.15
Provision for expected credit loss	4,639.19	1,800.00
Contribution to Electoral Trust Company	-	150.00
Provision for expected credit loss on accrued value of work done	1,220.14	-
Sundry expenses (refer note 21 (b) (ii) below)	436.58	373.71
<b>Total other expenses</b>	<b>15,683.50</b>	<b>14,835.20</b>

### (i) Details of payments to auditor's (excluding taxes)

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017*
<b>Payment to auditor's</b>		
<b>As auditor:</b>		
Audit fees	53.82	49.71
<b>In other capacities</b>		
Certification fees	16.32	12.61
Re-imbursement of expenses	0.97	1.72
Other services	5.79	4.08
<b>Total payments to auditors</b>	<b>76.90</b>	<b>68.12</b>

\*Including payment to erstwhile statutory auditor's.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 21 (b) Other expenses (Continued)

### (ii) Corporate social responsibility expenditure

Sundry expenses includes sum of INR 46.91 lakhs (31 March 2017: INR 25.79 lakhs) spend under Corporate Social Responsibility.

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
A. Gross amount required to be spent by the Company	42.06	33.21
B. Amount spent during the year on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above	46.91	25.79
C. Related party transactions in relation to Corporate Social Responsibility	-	-

## 22 Finance costs

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	17,554.56	18,360.87
Other borrowing costs	626.34	544.11
Exchange differences regarded as an adjustment to borrowing costs	(320.36)	(104.30)
Interest on unwinding of discount	4,546.64	3,828.54
<b>Total finance costs</b>	<b>22,407.18</b>	<b>22,629.22</b>

## 23 Income tax expense

### (a) Amounts recognised in the statement of profit and loss

(Currency: Indian rupees in lakhs)

	31 March 2018	31 March 2017
<b>Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	3,713.30	1,684.75
<b>Total current tax expense</b>	<b>3,713.30</b>	<b>1,684.75</b>
<b>Increase tax</b>		
Increase in deferred tax assets	(1,348.32)	(583.97)
<b>Total deferred tax benefit</b>	<b>(1,348.32)</b>	<b>(583.97)</b>
<b>Income tax expense</b>	<b>2,364.98</b>	<b>1,100.78</b>
Income tax expense is attributable to:		
Profit from continuing operations	2,364.98	1,100.78
	<b>2,364.98</b>	<b>1,100.78</b>

### (b) Amounts recognised in other comprehensive income (OCI) :

(Currency: Indian rupees in lakhs)

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability / (asset)	(179.27)	62.04	(117.23)	(32.23)	11.16	(21.07)
Exchange difference in translating foreign operations	56.57	(20.00)	36.58	(322.45)	112.00	(210.45)
	(122.70)	42.04	(80.65)	(354.68)	123.16	(231.52)



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 23 Income tax expense (Continued)

### (c) Reconciliation of Income Tax Expenses with the accounting profit:

(Currency: Indian rupees in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
	Amount	Amount
<b>Profit/(loss) before tax</b>	5,049.65	(3,196.77)
Tax using the Company's domestic tax rate (34.61%):	1,747.58	-
Tax effect of adjustment to reconcile reported income tax expenses		
Income exempt-Share of profit/loss on investment in JV	9.91	(57.36)
Profit allowance claimed u/s 80IA of the Income Tax Act, 1961	(1,988.83)	(1,317.45)
Tax concessions/ disallowance	2,457.74	1,263.49
Unused tax losses not recognised as deferred Tax	1,661.79	1,914.63
Exchange difference in translating foreign operations	(20.00)	112.00
Temporary timing difference related to :		
Depreciation	8.86	(11.90)
Expenses deductible/ income taxable in different tax accounting period	(428.28)	1,225.79
Re measurement of defined benefit plan	62.04	11.16
Change in method of revenue	1,385.00	271.98
Provision for expected credit loss	(1,315.10)	(622.98)
Fair Value of financial assets and liabilities through Profit & Loss account	168.04	(216.97)
Tax losses	(1,383.77)	(1,471.62)
<b>Effective tax rate</b>	<b>2,364.98</b>	<b>1,100.78</b>

## 24 Interest in Joint Ventures

Set out below are the joint ventures of the group as at 31 March 2018 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	31 March 2018	31 March 2017
Kurukshetra Expressway Private Limited	India	49.57%	Joint Venture	Equity method	-	-

### Summarised financial information for joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not JMC Projects (India) Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 24 Interest in Joint Ventures (Continued)

(Currency: Indian rupees in lakhs)

Summarised balance sheet	31 March 2018	31 March 2017
<b>Current assets</b>		
Cash and cash equivalents	400.97	286.77
Other assets	769.11	935.96
<b>Total current assets</b>	<b>1,170.08</b>	<b>1,222.73</b>
<b>Total non-current assets</b>	<b>1,12,455.08</b>	<b>1,12,441.23</b>
<b>Current liabilities</b>		
Other liabilities	8,804.99	7,110.38
<b>Total current liabilities</b>	<b>8,804.99</b>	<b>7,110.38</b>
<b>Non-current liabilities</b>		
Financial liabilities (excluding trade payables)	1,07,079.16	1,04,871.42
Other liabilities	4,987.21	4,348.07
<b>Total non-current liabilities</b>	<b>1,12,066.37</b>	<b>1,09,219.49</b>
<b>Net assets</b>	<b>(7,246.19)</b>	<b>(2,665.92)</b>

### Reconciliation to carrying amounts

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Opening net assets	(2,665.92)	4,494.32
(Loss) for the year	(4,580.28)	(7,160.24)
<b>Closing net assets</b>	<b>(7,246.19)</b>	<b>(2,665.92)</b>
Group's share in %	49.57%	49.57%
Group's share in INR	(3,592.06)	(1,321.85)
Considered in Provision*	3,592.06	1,321.85
<b>Carrying amount</b>	<b>-</b>	<b>-</b>

\*Note: Provision for loss in joint venture in excess of investment has been disclosed under Provisions (Refer Note 14)

### Summarised statement of profit and loss

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Revenue	10,898.16	9,209.53
Other income	1.59	15.10
Construction cost	(1,441.37)	(1,253.36)
Employee benefits expense	(107.24)	(95.05)
Finance costs	(10,691.89)	(11,361.33)
Depreciation and amortisation expense	(1,516.70)	(1,641.99)
Other expenses	(1,969.30)	(2,166.35)
Deferred tax	246.46	133.20
<b>(Loss) from continuing operations</b>	<b>(4,580.28)</b>	<b>(7,160.24)</b>
(Loss) from discontinued operations	-	-
<b>(Loss) for the year</b>	<b>(4,580.28)</b>	<b>(7,160.24)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(4,580.28)</b>	<b>(7,160.24)</b>
<b>Share of loss from joint ventures</b>	<b>(2,270.52)</b>	<b>(3,549.46)</b>





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 25 Contingent liabilities in respect of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
A. Bank guarantees	38.00	6.50
B. Guarantees given in respect of performance of contracts of joint ventures entities in which company is one of the member / holder of substantial equity	23,367.96	17,146.92
C. Guarantee given in favour of a subsidiary for loan obtained by them	3,753.00	3,655.00
D. Claims against the Company not acknowledged as debts	2,625.45	1,509.05
E. Show Cause Notice Issued by Service Tax Authorities	5,290.17	8,062.15
F. Trichy Madurai Road Project Royalty Matter	39.87	39.87
G. Disputed Income Tax Demand in appeal before Appellate Authorities	797.05	899.72
H. Disputed Income Tax Demand of Joint Ventures in appeal before Appellate Authorities	143.90	143.90
I. Disputed VAT Demand in appeal before Appellate Authorities	2,499.52	3,556.84

- 26** The management is of the opinion that as on the balance sheet date, there are no indications of a material impairment loss on Property, plant and equipment, hence the need to provide for impairment loss does not arise.

## 27 Capital and other commitments

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,921.97	717.53
Commitments on account of Toll, Operation and Maintenance Contracts	1,660.09	1,348.14

- 28** In the opinion of the management, the assets other than Property, plant and equipment and non current investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these consolidated Ind AS financial statements.

## 29 Lease transactions

The Group's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipments (operating lease). Lease agreements in respect of residential / office premises and certain equipments are cancelable and renewable by mutual consent on mutually agreed terms. The aggregate lease rental / hire charges payable on these premises / equipments are charged as rent & hire charges amounting to INR 2,463.22 lakhs (31 March 2017: INR 2,113.78 lakhs).

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 30 The disclosure in respect of Provisions is as under :

(Currency: Indian rupees in lakhs)

Particulars	Major maintenance	Defect liability period	Onerous contracts
<b>Balance at 1 April 2016</b>	<b>1,256.60</b>	<b>1,421.86</b>	<b>1,735.00</b>
Additions during the year	1,237.59	1,783.32	-
Utilisation during the year	-	(178.23)	-
Reversal (withdrawn as no longer required)	-	(581.23)	(779.74)
<b>As at 31 March 2017</b>	<b>2,494.19</b>	<b>2,445.72</b>	<b>955.26</b>
Additions during the year	991.57	750.76	-
Utilisation during the year	-	(332.58)	-
Reversal (withdrawn as no longer required)	-	(200.87)	(901.94)
<b>As at 31 March 2018</b>	<b>3,485.76</b>	<b>2,663.03</b>	<b>53.32</b>
Non- current	3,485.76	2,469.38	-
Current	-	193.65	53.32

**Provision for major maintenance** - The Group has made provision for major maintenance on its BOOT projects as per the concession agreements. The provision is based on the technical evaluation and historical data associated with particular project. The Group expects to incur the related expenditure over the concession period

**Provision for defect liability period** - The Group has made provision for defect liability period based on the defect liability period mentioned in contracts. The provision is based on the estimates made from historical data associated with similar project. The Group expects to incur the related expenditure over the defect liability period

**Provision for onerous contracts** - The Group has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 11 the Group has to provide for these losses. The provision is based on the estimate made by the management

## 31 Disclosure as per Ind AS -11

### (a) Construction contracts

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
(1) Contract Revenue Recognised During the year	2,75,924.92	2,17,151.18
(2) Aggregate amount of Cost Incurred & Recog P/(L)	8,68,126.37	8,27,201.34
(3) Advances received	62,714.13	40,170.89
(4) Retention Receivable	10,845.69	8,804.98
(5) Gross Amount Due from Customer	26,377.65	11,962.59
(6) Gross Amount Due to Customer	8,165.18	8,878.53

### (b) Service concession arrangement

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 23rd December 2010,
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.



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 31 Disclosure as per Ind AS -11 (Continued)

### (b) Service concession arrangement (Continued)

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. Additionally the Group has received the right to charge users a fee for using the toll road, which the Group will collect and retain. At the end of concession period, the toll road will become the property of the grantor and the Group will have no further involvement in its operation and maintenance 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 2018, the Group has recognised revenue of INR 13,264.85 lakhs, consisting of INR 8.72 lakhs on construction and INR 13,256.13 lakhs on operation of toll road which is the amount of tolls collected and other income. The Group has recognised loss before tax of INR (7,073.73) lakhs consisting of profit of INR NIL on construction and a loss of INR (7,073.73) lakhs on operation of toll. The revenue recognised in relation to construction in 2018 represent the fair value of construction services provided in construction of toll road.

The Group has recognised an intangible asset received as consideration for providing construction or upgrade service in a service concession arrangements of INR 1,65,410.90 lakhs of which INR 2,802.31 lakhs has been amortised in 2018. 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 2018	31 March 2017
i) Net profits/(loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR In lakhs)	2,684.67	(4,297.55)
ii) Weighted average number of equity shares used as denominator for calculating EPS	3,35,81,034	3,35,81,034
iii) Basic and Diluted Earnings per Share (in INR)	7.99	(12.79)
iv) Face Value per Equity Share (in INR)	10.00	10.00

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 33 Retirement Benefits

### a. Defined Contribution Plan

The Group makes contribution towards provident fund and superannuation fund which are defined contribution retirement plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner and the superannuation fund is administered by the LIC. Under the schemes, the Group is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Group recognised INR 992.70 lakhs (31 March 2017: INR 841.02 lakhs) for Provident Fund contributions and INR 60.19 lakhs (31 March 2017: INR 60.90 lakhs) for Superannuation contributions in the Statement of Profit & Loss. The contribution payable to these plans by the Group are at rates specified in the rules.

### b. Defined Benefit Plan

The scheme provides for lump sum payment to vested employees at retirement, upon death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the Group's consolidated Ind AS financial statements as at 31 March 2018

#### Disclosure

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
<b>i Change in benefit obligations:</b>		
Projected benefit obligation at the beginning of the year	1,112.69	922.17
Service Cost	272.38	221.07
Interest Cost	68.90	71.68
Actuarial (Gain) / Loss		
- changes in demographic assumptions	-	58.13
- changes in financial assumptions	(24.10)	53.66
- experience adjustments	179.79	(102.79)
Benefits Paid	(128.38)	(111.25)
<b>Projected benefit obligation at the end of the year</b>	<b>1,481.28</b>	<b>1,112.69</b>
<b>ii Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	132.05	226.69
Expected return on plan assets	11.82	22.07
Employer's contribution	50.00	17.76
Benefit paid	(128.38)	(111.25)
Actuarial gain / (loss)	(23.58)	(23.23)
<b>Fair value of plan assets at the end of the year</b>	<b>41.91</b>	<b>132.05</b>
<b>iii Net gratuity cost for the year ended</b>		
Service cost	272.38	221.07
Interest of defined benefit obligation	68.90	71.68
Expected return on plan assets	(11.82)	(22.07)
Net actuarial gain recognised in the year	23.58	23.23
<b>Net gratuity cost</b>	<b>353.04</b>	<b>293.91</b>
<b>Actual return on plan assets</b>	<b>(11.76)</b>	<b>(1.16)</b>



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 33 Retirement Benefits (Continued)

### b. Defined Benefit Plan (Continued)

Particulars	31 March 2018	31 March 2017
<b>iv Amount recognised in the Balance Sheet:</b>		
Liability at the end of the year	1481.28	1112.69
Fair Value of Plan Assets at the end of the year	41.91	132.05
Amount recognised in Balance Sheet	1439.37	980.64
<b>v Assumptions used in accounting for the gratuity plan:</b>		
Discount rate	7.30%	6.90%
Salary Escalation rate	6.00%	6.00%
Expected rate of return on plan assets	7.30%	6.90%
Attrition rate	17.00%	17.00%

### Employee benefits

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Net defined benefit liability - gratuity	1,439.37	980.64
Liability for compensated absences	770.64	619.35
<b>Total employee benefit liability</b>	<b>2,210.01</b>	<b>1,599.99</b>
Non- current	1,782.31	1,367.53
Current	427.70	232.46

### 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 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	1,444.03	1,508.46	1,082.17	1,130.41
Salary Escalation rate (0.50% movement)	1,499.75	1,446.77	1,126.68	1,085.50
Attrition rate (1% movement)	1,469.97	1,475.54	1,101.80	1,109.63

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 2018	31 March 2017
Year 1	283.43	211.58
Year 2	249.17	172.55
Year 3	274.33	208.38
Year 4	290.30	236.57
Year 5	357.07	251.28
Next 5 years	1,606.33	1,247.47

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 34 Related Party Disclosure

<b>Kalpataru Power Transmission Limited</b>	Holding Company
<b>Fellow Subsidiary Companies</b>	<b>Nature of Relationship</b>
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 Nigeria Limited	Subsidiary of Holding Company
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary of Holding Company
Kalpataru SA (Proprietary) 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
<b>Joint Ventures (with whom transactions have taken place during the year)</b>	<b>Nature of Relationship</b>
Kurukshetra Expressway Private Limited	Joint Venture
JMC - KPTL - STS JV	Joint Venture
<b>Key Managerial Personnel (KMP) (with whom transactions have taken place during the year)</b>	<b>Nature of Relationship</b>
Mr. Shailendra Tripathi	CEO & Dy. Managing Director
Mr. Manoj Tulsian (w.e.f. 27 May 2016)	Whole-time Director & CFO
Mr. D. R. Mehta	Non-Executive Director
Mr. Shailendra Raj Mehta	Non-Executive Director
Mr. Mahendra G. Punatar (up to 20 February 2017 )	Non-Executive Director
Mr. Hemant Modi	Non-Executive Director
Ms. Anjali Seth	Non-Executive Director
<b>Enterprises over which significant influence exercised with whom company has transactions (EUSI)</b>	<b>Nature of Relationship</b>
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





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 34 Related Party Disclosure (Continued)

(Currency: Indian rupees in lakhs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Joint Ventures	KMP	EUSI
<b>I. Transactions During the Year</b>					
1	Other Expenses	-	-	-	<b>31.31</b>
		-	-	-	(84.25)
2	Financial Cost	-	-	-	-
		-	(116.43)	-	-
3	Rent Paid	<b>49.85</b>	-	-	<b>444.50</b>
		(35.28)	-	-	(367.55)
4	Guarantee Commission Expenses	<b>11.26</b>	-	-	-
		(25.00)	-	-	-
5	Sub-Contract Charges paid	<b>1,956.12</b>	-	-	-
		(3,566.73)	-	-	-
6	Rentals Income	-	-	-	-
		(2.21)	-	-	-
7	Licence purchase for Capital Goods	-	-	-	-
		(23.76)	-	-	-
8	Contract Revenue	-	-	-	<b>12,437.19</b>
		-	-	-	(3,001.87)
9	Managerial Remuneration	-	-	<b>616.56</b>	-
		-	-	(435.79)	-
<b>II. Balance as on 31 March 2018</b>					
1	Trade Receivables #	<b>66.25</b>	<b>67.58</b>	-	<b>6,162.44</b>
		(284.06)	(77.64)	-	(1,133.71)
2	Liabilities at the end of the year	<b>1,819.16</b>	-	<b>261.34</b>	<b>485.16</b>
		(1,675.34)	-	(156.24)	(0.75)
3	Loans & Advances given	<b>23.44</b>	<b>13,796.88</b>	-	<b>161.00</b>
		-	(10,793.04)	-	-
4	Advance taken from Clients <sup>§</sup>	-	-	-	<b>990.42</b>
		-	(50.63)	-	(839.52)
5	Investment in Joint Venture entity	-	<b>9,826.62</b>	-	-
		-	(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. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to the amounts owned by related parties (31 March 2017: 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.

<sup>§</sup>Advances taken from clients herein are Gross amount before adjustment of Trade Receivables.

All balances o/s with related parties are unsecured.

Figures shown in bracket represents corresponding amounts of previous year.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 34 Related Party Disclosure (Continued)

Key management personnel compensation comprised the following:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Short-term employee benefits	315.58	247.82
Post-employment benefits	25.89	19.98
Sitting fee	13.75	11.75
Commission	261.34	156.24
<b>Total</b>	<b>616.56</b>	<b>435.79</b>

The terms and conditions of transactions with related parties were no more favourable than those available, or which might be expected to be available, in similar transactions with non related parties on an arm's length basis.

## 35 Micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures.

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone Ind AS financial statement as at March 31, 2018 based on the information received and available with the Company. On the basis of such information, credit balance as at March 31, 2018 of such enterprises is INR 793.14 lakhs (31 March 2017: INR 200.97 lakhs). There are no dues on account of interest. Auditors have relied upon the information provided by the Company.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Principal amount remaining unpaid to any supplier as at the period end	793.14	200.97
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 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 financial instruments :

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	
	31 March 2018	31 March 2017
Neither past due nor impaired	31,446.71	26,059.42
<b>Past due but not impaired</b>		
Past due upto 180 days	37,494.57	38,246.32
Past due from 181 days to 1 year	4,946.50	2,949.44
From 1 year to 2 years	5,790.56	2,292.00
From 2 year to 3 years	1,041.23	2,121.64
Above 3 years	2,317.29	1,066.33
	<b>83,036.86</b>	<b>72,735.15</b>

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 March 31, 2018 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (i) Credit risk (Continued)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

On the above basis, the Group estimates the following provision matrix at the reporting date:

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
	Default rate	Default rate
Upto 180 days	2.15%	0.39%
From 181 days to 1 year	33.10%	3.27%
From 1 year to 2 years	35.91%	11.08%
From 2 year to 3 years	59.77%	59.30%
Above 3 years	100.00%	100.00%

#### Accrued value of work done

As at 31 March 2018 and 31 March 2017, the Group has accrued value of work done and amounts due on account of construction contracts. The Group has recognised a specific provision of INR 1,220.14 lakhs (31 March 2017: Nil). Apart from the specific 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 during the year was as follows:

(Currency: Indian rupees in lakhs)

Particulars	Trade receivables	Accrued value of work done
<b>Balance as at 1 April 2016</b>	<b>1,024.00</b>	-
Provision recognised	1,800.00	-
Amount utilised	-	-
<b>Balance as at 31 March 2017</b>	<b>2,824.00</b>	-
Provision recognised	4,639.19	1,220.14
Amount utilised	(939.19)	-
<b>Balance as at 31 March 2018</b>	<b>6,524.00</b>	<b>1,220.14</b>

#### Cash and cash equivalents

The Company held cash and cash equivalents which comprises of :

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Balance with banks	15,472.01	2,583.23
Cash on hand	95.76	122.62
<b>Total cash and cash equivalents</b>	<b>15,567.77</b>	<b>2,705.85</b>

The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (i) Credit risk (Continued)

##### 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 2018 and 31 March 2017, 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 2018 and 31 March 2017. The Group monitors the credit worthiness of such lessors where the amount of security deposit is material.

##### Loans, investments in group companies

The Group has given unsecured loans to its subsidiaries as at 31 March 2018 and 31 March 2017. The Group does not perceive any credit risk pertaining to loans provided to subsidiaries or the investment in such subsidiaries.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

#### (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 2018, the Group had working capital (Total current assets - Total current liabilities) of INR 52,021.27 lakhs including cash and cash equivalents of INR 15,567.77 lakhs, these cash and cash equivalents includes investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 181.06 lakhs. As of 31 March 2017, the Group had working capital (Total current assets - Total current liabilities) of INR 33,275.65 lakhs including cash and cash equivalents of INR 2,705.85 lakhs, these cash and cash equivalents includes investments in term deposits (i.e., bank certificates of deposit having original maturities of less than 3 months) of INR 2.03 lakhs.

##### Exposure to liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

\* all non derivative financial liabilities

\* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2018 Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non derivative financial liabilities</b>						
Borrowings - Term loans	1,68,896.36	2,20,860.55	58,121.98	24,879.70	75,592.19	62,266.67
Trade payables	93,757.82	93,757.82	82,858.94	-	10,898.88	-
Other financial liabilities	55,490.44	1,07,678.06	20,072.67	3,596.40	10,661.42	73,347.57

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (ii) Liquidity risk (Continued)

(Currency: Indian rupees in lakhs)

Particulars	Carrying amount	31 March 2017 Contractual cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non derivative financial liabilities						
Borrowings - Term loans	1,59,726.56	2,31,032.77	56,233.62	23,156.41	68,221.24	83,421.50
Trade payables	86,565.52	86,565.52	74,784.52	-	11,781.00	-
Other financial liabilities	43,014.08	97,783.10	8,603.45	1,960.69	10,515.48	76,703.48

#### (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 2018			31 March 2017		
	USD	ETB	LKR	USD	ETB	LKR
Trade receivables	-	2,689.90	454.19	-	1,896.22	425.89
Payables for capital goods	-	(487.20)	(25.82)	-	(1,499.85)	(3.50)
Trade payables	(7,168.84)	(1,320.69)	(2,482.60)	(5,662.43)	(1,509.63)	(1,649.30)
<b>Net statement of financial position exposure</b>	<b>(7,168.84)</b>	<b>882.01</b>	<b>(2,054.23)</b>	<b>(5,662.43)</b>	<b>(1,113.26)</b>	<b>(1,226.91)</b>





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (iii) Market risk (Continued)

##### (a) Currency risk (Continued)

##### Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Parent Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of balance sheet.

(Currency: Indian rupees in lakhs)

Effect in INR Lakhs	Profit or loss	
	Strengthening	Weakening
<b>31 March 2018</b>		
USD	(716.88)	716.88
ETB	88.20	(88.20)
LKR	(205.42)	205.42
	(834.10)	834.10

(Currency: Indian rupees in lakhs)

Effect in INR Lakhs	Profit or loss	
	Strengthening	Weakening
<b>31 March 2017</b>		
USD	(566.24)	566.24
ETB	(111.33)	111.33
LKR	(122.69)	122.69
	(800.26)	800.26

##### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. The Group manages its interest rate risk arising from foreign currency floating rate loans by using interest rate swaps as hedges of variability in cash flows attributable to interest rate risk.

For details of the Group's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 13(a) & 13(b) of these consolidated Ind AS financial statements.

##### Interest rate sensitivity - fixed rate instruments

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

##### Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### A. Risk management framework (Continued)

#### (iii) Market risk (Continued)

##### (b) Interest rate risk (Continued)

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 31 March 2018</b>		
Rupee Loans - From banks	(750.11)	750.11
Rupee Loans - From NBFC's	(247.92)	247.92
Unsecured Loan - Rupee Loans - From banks	(87.50)	87.50
Working capital loans repayable on demand from banks	(336.55)	336.55
<b>Sensitivity (net)</b>	<b>(1,422.08)</b>	<b>1,422.08</b>

(Currency: Indian rupees in lakhs)

	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>As at 31 March 2017</b>		
Rupee Loans - From banks	(603.77)	603.77
Rupee Loans - From NBFC's	(265.29)	265.29
Unsecured Loan - Rupee Loans - From banks	(108.75)	108.75
Working capital loans repayable on demand from banks	(340.06)	340.06
<b>Sensitivity (net)</b>	<b>(1,317.87)</b>	<b>1,317.87</b>

(Note: The impact is indicated on the profit/loss and equity before tax basis).



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### 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)

31 March 2018	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
<b>Financial assets</b>								
(i) Loans	16,770.13	-	-	16,770.13	-	-	-	-
(ii) Trade receivables	76,512.86	-	-	76,512.86	-	73,135.88	-	73,135.88
(iii) Cash and cash equivalents	15,567.77	-	-	15,567.77	-	-	-	-
(iv) Bank balances other than above	7.66	-	-	7.66	-	-	-	-
(v) Others	68,697.09	-	-	68,697.09	-	-	-	-
	<b>1,77,555.51</b>	-	-	<b>1,77,555.51</b>	-	<b>73,135.88</b>	-	<b>73,135.88</b>
<b>Financial liabilities</b>								
(i) Borrowings	1,68,896.36	-	-	1,68,896.36	-	-	-	-
(ii) Trade payables	93,757.82	-	-	93,757.82	-	82,280.47	-	82,280.47
(iii) Other financial liabilities	55,490.41	-	-	55,490.41	-	35,800.41	-	35,800.41
	<b>3,18,144.59</b>	-	-	<b>3,18,144.59</b>	-	<b>1,18,080.88</b>	-	<b>1,18,080.88</b>

(Currency: Indian rupees in lakhs)

31 March 2017	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
<b>Financial assets</b>								
(i) Loans	12,794.60	-	-	12,794.60	-	-	-	-
(ii) Trade receivables	69,911.15	-	-	69,911.15	-	65,739.07	-	65,739.07
(iii) Cash and cash equivalents	2,705.84	-	-	2,705.84	-	-	-	-
(iv) Bank balances other than above	7.76	-	-	7.76	-	-	-	-
(v) Others	53,282.43	-	-	53,282.43	-	-	-	-
	<b>1,38,701.78</b>	-	-	<b>1,38,701.78</b>	-	<b>65,739.07</b>	-	<b>65,739.07</b>
<b>Financial liabilities</b>								
(i) Borrowings	1,59,726.55	-	-	1,59,726.55	-	-	-	-
(ii) Trade payables	86,565.52	-	-	86,565.52	-	74,302.62	-	74,302.62
(iii) Other financial liabilities	43,014.08	-	-	43,014.08	-	34,985.59	-	34,985.59
	<b>2,89,306.15</b>	-	-	<b>2,89,306.15</b>	-	<b>1,09,288.21</b>	-	<b>1,09,288.21</b>

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### B. Fair values (Continued)

#### (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

### C. Master netting or similar arrangements

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 March 31, 2018 and March 31, 2017.

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross amounts	Financial instrument collateral	Net amount
<b>31 March 2018</b>			
<b>Financial assets</b>			
Loans	16,770.13	-	16,770.13
Trade receivables	76,512.86	(686.39)	75,826.47
Cash and cash equivalents	15,567.77	(15,403.32)	164.45
Bank balances other than above	7.66	-	7.66
Others	68,697.09	(20.52)	68,676.57
<b>Total</b>	<b>1,77,555.51</b>	<b>(16,110.23)</b>	<b>1,61,445.28</b>
<b>Financial liabilities</b>			
Borrowings	1,68,896.36	(16,110.23)	1,52,786.14
Trade payables	93,757.82	-	93,757.82
Other financial liabilities	55,490.41	-	55,490.41
<b>Total</b>	<b>3,18,144.59</b>	<b>(16,110.23)</b>	<b>3,02,034.37</b>



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 36 Financial instruments – Fair values and risk management (Continued)

### C. Master netting or similar arrangements (Continued)

(Currency: Indian rupees in lakhs)

Particulars	Effects of offsetting on the balance sheet	Related amounts not offset	
	Gross amounts	Financial instrument collateral	Net amount
<b>31 March 2017</b>			
<b>Financial assets</b>			
Loans	12,794.60	-	12,794.60
Trade receivables	69,911.15	(14,191.41)	55,719.74
Cash and cash equivalents	2,705.84	(2,705.05)	0.79
Bank balances other than above	7.76	-	7.76
Others	53,282.43	(18.39)	53,264.04
<b>Total</b>	<b>1,38,701.78</b>	<b>(16,914.85)</b>	<b>1,21,786.93</b>
<b>Financial liabilities</b>			
Borrowings	1,59,726.55	(16,914.85)	1,42,811.70
Trade payables	86,565.52	-	86,565.52
Other financial liabilities	43,014.08	-	43,014.08
<b>Total</b>	<b>2,89,306.15</b>	<b>(16,914.85)</b>	<b>2,72,391.30</b>

#### (a) Offsetting arrangements

##### (i) Derivatives

The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counter party 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 & expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has 2 reportable segments as described below:

Reportable segments	Operations
Engineering, Procurement and Construction	Relating to buildings and factories, roads and bridges, water pipelines, metro, power, railways etc.
Developmental Projects	Operation and maintenance of toll roads.

#### (b) Information about reportable segment

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's management review committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 37 Segment Reporting (Continued)

### A. Operating Segments (Continued)

#### (c) Adjusted EBITDA

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Engineering, Procurement and Construction	29,356.65	21,505.52
Developmental Projects	7,225.74	5,598.90
<b>Total Adjusted EBITDA</b>	<b>36,582.39</b>	<b>27,104.42</b>

Adjusted EBITDA reconciles to profit before income tax as follow :

(Currency: Indian rupees in lakhs)

Particulars	Notes	31 March 2018	31 March 2017
<b>Total Adjusted EBITDA</b>		<b>36,582.39</b>	27,104.42
Finance Cost	22	(22,407.18)	(22,629.22)
Interest Income	17	867.79	1,040.50
Depreciation and Amortisation Expenses	20	(9,993.35)	(8,712.47)
<b>Profit/(Loss) before income tax from continuing operations</b>		<b>5,049.65</b>	(3,196.77)

#### (d) Segment Revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018			31 March 2017		
	Total Segment Revenue	Inter Segment Revenue	Revenue from External Customers	Total Segment Revenue	Inter Segment Revenue	Revenue from External Customers
Engineering, Procurement and Construction	2,75,573.11	-	<b>2,75,573.11</b>	2,33,239.99	-	2,33,239.99
Developmental Projects	13,240.74	-	<b>13,240.74</b>	13,973.85	-	13,973.85
<b>Total segment revenue</b>	<b>2,88,813.85</b>	-	<b>2,88,813.85</b>	2,47,213.84	-	2,47,213.84

#### (e) Segment Assets

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018			31 March 2017		
	Segment Assets	Investments accounted for using equity method	Additions to non-current assets*	Segment Assets	Investments accounted for using equity method	Additions to non-current assets*
Engineering, Procurement and Construction	2,84,754.87	-	6,883.37	2,30,225.01	-	7,213.75
Developmental Projects	1,67,689.73	-	(849.30)	1,69,006.75	-	249.92
<b>Total Segment Assets</b>	<b>4,52,444.60</b>	-	<b>6,034.07</b>	3,99,231.76	-	7,463.67
Intersegment Eliminations	-	-	-	-	-	-
<b>Total Assets as per the Balance Sheet</b>	<b>4,52,444.60</b>	-	<b>6,034.07</b>	3,99,231.76	-	7,463.67

\*Other than Financial & Deferred Tax Assets





# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 37 Segment Reporting (Continued)

### A. Operating Segments (Continued)

#### (f) Segment Liabilities

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Engineering, Procurement and Construction	3,42,420.48	2,84,279.90
Developmental Projects	1,10,024.12	1,14,951.86
<b>Total Segment liabilities</b>	<b>4,52,444.60</b>	3,99,231.76
Intersegment Eliminations	-	-
<b>Total liabilities as per the Balance Sheet</b>	<b>4,52,444.60</b>	3,99,231.76

### B. Geographical information

#### i) Revenue

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
<b>India</b>	<b>2,68,551.20</b>	2,32,670.08
<b>All foreign countries</b>		
Ethiopia	12,832.65	10,804.22
Sri Lanka	7,430.00	3,739.54
<b>Total</b>	<b>2,88,813.85</b>	<b>2,47,213.84</b>

#### ii) Non-current assets\*

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
<b>India</b>	<b>2,06,932.14</b>	2,07,588.77
<b>All foreign countries</b>		
Ethiopia	4,778.25	5,973.57
Sri Lanka	220.42	181.43
<b>Total</b>	<b>2,11,930.81</b>	<b>2,13,743.77</b>

\*Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets.

### C. Information about major customers

Revenues from one customer from India represented approximately INR 41,720.97 lakhs (31 March 2017 - INR 42,390.70 lakhs) of the Group's total revenues.

## 38 Loans and Borrowings

### Breach of loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the few financial covenants. The Group has complied with these covenants throughout the reporting period as at 31 March 2018.

# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

## 39 Disclosure of Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Currency: Indian rupees in lakhs)

Particulars	SBNs (INR 1,000 and INR 500)*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	85.89	64.25	150.14
(+) Permitted receipts	194.74	903.77	1,098.51
(-) Permitted payments	(3.98)	(120.02)	(124.00)
(-) Amount deposited in Banks	(276.65)	(740.98)	(1,017.63)
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>107.02</b>	<b>107.02</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

## 40 Note for Proposed dividend

The Board of Directors at its meeting held on 24 May 2018 have recommended a payment of final dividend of INR 3 per share (31 March 2017: INR 1.5 per share) of face value of INR 10 each for the financial year ended 31 March 2018. The same amounts to INR 1,007.43 lakhs (31 March 2017: INR 503.72 lakhs)

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

## 41 Additional information as required by paragraph 2 of the general instruction for preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013

### 31 March 2018

(Currency: Indian rupees in lakhs)

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Asset	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs
<b>Parent</b>								
JMC Projects (India) Limited	157.45%	78,899.13	395.31%	10,612.74	100.00%	(80.66)	404.46%	10,532.08
<b>Subsidiaries</b>								
<b>Indian</b>								
JMC Mining and Quarries Limited	0.04%	19.61	(0.01%)	(0.28)	-	-	(0.01%)	(0.28)
Brij Bhoomi Expressway Private Limited	(0.46%)	(231.83)	(35.48%)	(952.56)	-	-	(36.58%)	(952.56)
Wainganga Expressway Private Limited	(4.96%)	(2,483.80)	(143.97%)	(3,865.14)	-	-	(148.43%)	(3,865.14)
Vindhyachal Expressway Private Limited	31.70%	15,884.29	(28.80%)	(773.12)	-	-	(29.69%)	(773.12)
<b>Total interest in all subsidiaries</b>	<b>26.32%</b>	<b>13,188.27</b>	<b>(208.26%)</b>	<b>(5,591.10)</b>	<b>-</b>	<b>-</b>	<b>(214.71%)</b>	<b>(5,591.10)</b>
<b>Joint Venture (as per equity consolidation method)</b>								
Kurukshetra Expressway Private Limited	-	-	(84.57%)	(2,270.52)	-	-	(87.19%)	(2,270.52)
Adjustment arising out of consolidation	(83.77%)	(41,977.40)	(2.48%)	(66.45)	-	-	(2.55%)	(66.45)
<b>Total</b>	<b>100.00%</b>	<b>50,110.00</b>	<b>100.00%</b>	<b>2,684.67</b>	<b>100.00%</b>	<b>(80.66)</b>	<b>100.00%</b>	<b>2,604.01</b>



# Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2018

**41** Additional information as required by paragraph 2 of the general instruction for preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013 (Continued)

**31 March 2017**

(Currency: Indian rupees in lakhs)

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Asset	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs	As % of Consolidated Profit or (Loss)	Amount INR in lakhs
Parent								
JMC Projects (India) Limited	143.36%	68,973.30	(135.56%)	5,825.87	100.00%	(231.52)	(123.52%)	5,594.35
Subsidiaries								
Indian								
JMC Mining and Quarries Limited	0.04%	19.88	0.05%	(1.95)	-	-	0.04%	(1.95)
Brij Bhoomi Expressway Private Limited	(2.61%)	(1,253.32)	29.41%	(1,263.78)	-	-	27.90%	(1,263.78)
Wainganga Expressway Private Limited	(11.62%)	(5,589.67)	100.80%	(4,331.89)	-	-	95.65%	(4,331.89)
Vindhyachal Expressway Private Limited	3.85%	1,851.27	19.48%	(837.00)	-	-	18.48%	(837.00)
<b>Total interest in all subsidiaries</b>	<b>(10.33%)</b>	<b>(4,971.84)</b>	<b>149.73%</b>	<b>(6,434.62)</b>	-	-	<b>142.07%</b>	<b>(6,434.62)</b>
Joint Venture (as per equity consolidation method)								
Kurukshetra Expressway Private Limited	-	-	82.59%	(3,549.46)	-	-	78.37%	(3,549.46)
Adjustment arising out of consolidation	(33.03%)	(15,889.79)	3.24%	(139.33)	-	-	3.08%	(139.33)
<b>Total</b>	<b>100.00%</b>	<b>48,111.67</b>	<b>100.00%</b>	<b>(4,297.54)</b>	<b>100.00%</b>	<b>(231.52)</b>	<b>100.00%</b>	<b>(4,529.06)</b>

## 42 Capital management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group monitors capital using a ratio of 'net debt' (total borrowings net of cash & cash equivalents) to 'total equity' (as shown in the balance sheet).

The Group's policy is to keep the ratio below 4.00. The Group's net debt to equity ratios are as follows.

(Currency: Indian rupees in lakhs)

Particulars	31 March 2018	31 March 2017
Net debt (total borrowings - cash and cash equivalents)	1,53,328.60	1,57,014.28
Total equity	50,109.99	48,111.66
<b>Net debt to equity ratio</b>	<b>3.06</b>	<b>3.26</b>

## 43 Regrouping and reclassification

The figures for the previous year regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013".

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

24 May 2018

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

DIN : 03156123

Mumbai

24 May 2018

For and on behalf of the Board of Directors of

**JMC Projects (India) Limited**

CIN: L45200GJ1986PLC008717

**Manoj Tulsian**

Whole-time Director & CFO

DIN : 05117060

**Samir Raval**

Company Secretary

Membership No. FCS-7520

# Notice of Annual General Meeting



## JMC Projects (India) Limited

(A Kalpataru Group Enterprise)

**Regd. Office:** A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015.

Tel: 079 30011500, Fax: 079 30011700, Website: [www.jmcprojects.com](http://www.jmcprojects.com), E-mail: [cs@jmcprojects.com](mailto:cs@jmcprojects.com) CIN: L45200GJ1986PLC008717

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting ('AGM') of the Members of **JMC Projects (India) Limited** will be held on **Monday, August 06, 2018 at 03.30 p.m.** at Ahmedabad Textile Mills' Association, ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad - 380009, to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone Ind AS Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon; and the Audited Consolidated Ind AS Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Report of the Auditors thereon.

#### Item No. 2 – Declaration of Dividend

To declare a Final Dividend of ₹ 3/- per equity share of face value of ₹ 10/- each, for the financial year 2017-18.

#### Item No. 3 – Appointment of Mr. Hemant Modi (DIN: 00171161) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Hemant Modi (DIN: 00171161), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### Item No. 4 – Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 000024), appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, be paid remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to the above resolution."

#### Item No. 5 – Issue of Non-Convertible Debentures on a Private Placement Basis

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and the other rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulation, 2008 and/or SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and other applicable SEBI regulations and guidelines, if any, the provisions of Memorandum and Articles of Association of the Company and subject to any other approvals that may be required, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted to exercise any or all of its powers including the powers conferred by this resolution), to make an offer of or invite subscription to listed/unlisted secured / unsecured Non-Convertible Debentures (hereinafter referred to as NCDs), during the period of 1 (one) year from the date of this Annual General Meeting for an aggregate amount upto ₹ 150 Crores (Rupees One Hundred Fifty Crores only), in one or more series / tranches, on a private placement basis, to one or



more eligible investors whether bodies corporate, banks/financial institutions, mutual funds, NBFC, other investors / investing agencies etc. upon the terms and conditions as may be decided by the Board in its absolute discretion and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time to time.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above and for the purpose of giving effect to the above, the Board be and is hereby authorized to determine as to the time of issue of the NCDs, the terms of the issue, number of NCDs to be allotted in each tranche, issue price, rate of interest, redemption period, security, listing on one or more recognized stock exchanges and all such terms as are provided in offering of a like nature as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to perform all such acts, deeds, matters and things, execute all such deeds and documents as may be necessary and settle any questions or difficulties that may arise in regard to the said issue(s).

**RESOLVED FURTHER THAT** the approval is hereby accorded to the Board to appoint lead managers, arrangers, underwriters, depositories, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents etc. with such agencies.

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to the above resolution."

#### **Item No. 6 – Alteration of Articles of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time, the consent of the members of the Company is hereby accorded to alter the Articles of Association of the Company (hereinafter referred to as "AOA") by substituting Article 70 of the AOA of the Company with the following Article:

Article 70 - Subject to the provisions of the Companies Act, 2013 for the time being in force, at least one of the persons appointed or nominated by Promoter for appointment as Director or Promoter Director(s) shall be liable to retire by rotation. The Board shall have

the power to determine the Director(s) whose period of office is or is not liable to determine by retirement by rotation. Unless otherwise assented by Promoter, any one Promoter Director shall act as a Chairperson of the Board.

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to the above resolution."

#### **Item No. 7 – Fixation of fees for delivery of any document through a particular mode of delivery to a member**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by delivering to his/her office or address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him/her, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to the above resolution."

#### **Item No. 8 – Continuation of Directorship of Mr. D. R. Mehta (DIN:01067895), Independent Non-Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) (Amendment) Regulations, 2018, the consent of the members of the Company be and is hereby accorded to continue the directorship of Mr. D. R. Mehta (DIN:01067895) as an Independent Non-Executive Director of the Company, who has already attained the age of 75 (seventy five) years.

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

By Order of the Board  
For **JMC Projects (India) Limited**

**Samir Raval**

Company Secretary  
May 24, 2018, Mumbai

**Registered Office:**

A-104, Shapath 4, Opp. Karnavati Club,  
S. G. Road, Ahmedabad – 380015  
CIN: L45200GJ1986PLC008717

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM' or 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL/BALLOT INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy duly completed must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting, either in person or through post. A proxy form is appended with the attendance slip is enclosed.

Pursuant to the provisions of Section 105 of the Companies Act, 2013 ('the Act'), a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Member holding more than ten percent of the total share capital of the Company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. If shares are held jointly, proxy form must be signed by all the members. If proxy form is signed by authorized representative of body corporate or attorney, certified copy of board resolution / power of attorney / other authority must be attached with the proxy form.

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 01, 2018 to Monday, August 06, 2018 (both days inclusive) in connection with the Annual General Meeting and for determining the names of members eligible for equity dividend, if declared at the AGM.
- Members who hold shares in dematerialized form are requested to bring details of their demat account (DP ID and client ID) for speedy and easier identification of attendance at the meeting.
- Corporate Members intending to send their authorised representative to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Resolution authorizing their representative to attend and vote at the Meeting.
- Members may note that the details of the Director seeking re-appointment as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 issued by the Institute of Company Secretaries of India forms an integral part of the notice. Requisite declarations have been received from the Director for seeking his re-appointment.
- Relevant documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days during business hours and will also be made available at the meeting.
- The dividend on equity shares, if declared at the AGM, will be payable on or after August 10, 2018 to those members:
  - whose name appears as Member in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Company's Registrar and Transfer Agent on or before July 31, 2018; and
  - whose name appears in the list of Beneficial Owners on July 31, 2018 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS/NECS/electronic transfer, of those shareholders holding shares in electronic form/demat and having registered relevant bank details. In respect to those shareholders holding shares in physical form or in case of ECS / NECS / electronic payment rejected, dividend will be paid by dividend warrants / demand drafts.





10. Members are requested to notify immediately any change in their address, bank account details and / or e-mail id to their respective Depository Participant (DP) in respect of their electronic shares / demat accounts and in respect of physical shareholding, to the Registrar and Transfer Agent (RTA) of the Company at M/s. Link Intime India Private Limited, Unit: JMC Projects (India) Limited, 506 to 508, 5<sup>th</sup> Floor, Amarnath Business Centre - 1 (ABC-1), Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad - 380009. Tel. & Fax: 079 26465179, E-mail: ahmedabad@linkintime.co.in
11. Members may opt for the direct credit of dividend / ECS wherein members get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of bank instrument in transit. To avail this facility, the members are requested to update with their DP, the active bank account details including 9 digit MICR code and IFSC code, in case the holding is in dematerialized form. In case of shares held in physical form, the said details may be communicated to the Company or 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.
12. Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013 read with relevant rules. Members desiring to avail of this facility may send their nomination in the prescribed Form SH13 duly filled in, signed and send to the Company or RTA.
13. Equity Shares of the Company are traded under the compulsory demat mode on the Stock Exchanges. Considering the advantages of scrip less / demat trading, shareholders are advised to get their shares dematerialized to avail the benefits of scrip less trading.
14. Member / proxy holder shall hand over the attendance slip, duly signed and filled in all respect at the entrance of AGM venue for attending the meeting. Route map of venue of AGM is given in this notice.
15. Members desirous for any information or queries on accounts/ financial statements or relating thereto are requested to send their queries at least ten days in advance to the Company at its Registered Office/Corporate Office address to enable the Company to collect the relevant information and answer them in the meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company or the RTA.
17. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
18. (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 ₹ 1,30,876/- being the unpaid and unclaimed dividend amount pertaining to Financial Year 2009-10 on August 24, 2017 to the IEPF.  
  
Details of the unpaid/ unclaimed dividend are also uploaded as per the requirements, on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com) and on Ministry of Corporate Affairs' website. Members, who have not encashed their dividend pertaining to Financial Year 2010-11 onwards are advised to write to the Company immediately claiming dividends declared by the Company.
- (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 18,872 equity shares of ₹ 10/- each to the IEPF Authority on which the dividends remained unpaid or unclaimed for seven consecutive years with reference to the due date of October 31, 2017 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 2010-11 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](http://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](http://www.jmcprojects.com)

Members are requested to support green initiative by registering their e-mail id (a) in case of electronic / demat holding with their respective Depository Participant and (b) in case of physical holding either with the RTA by sending e-mail to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) or with the Company by sending e-mail to [cs@jmcprojects.com](mailto:cs@jmcprojects.com) by quoting name and folio number.

This initiative would enable the members to receive communication promptly besides paving way for reduction in paper consumption and wastage. You would appreciate this initiative taken by the Ministry of Corporate Affairs (MCA) 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 the same manner as mentioned above.

The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com)

## 20. PROCEDURE OF VOTING AT AGM

Members who do not vote by e-voting are entitled to vote at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.

Voting to the resolutions as contained in the Notice shall be conducted through ballot/poll. Relevant facility for voting shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting. Members who are entitled to vote can cast their vote through ballot paper in the AGM. The Company will make arrangement in this respect including distribution of

ballot papers under the supervision of Scrutinizer appointed for the purpose. Members will need to write on the ballot paper, inter alia, relevant Folio no., DP ID & Client ID and number of shares held etc. If the Company opts to provide facility of electronic voting system at the meeting, then members present at the meeting shall be able to vote as per arrangement made by the Company.

## 21. E-VOTING FACILITY

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 at the 32<sup>nd</sup> AGM 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 Company has appointed M/s. D. S. Associates, Practicing Company Secretaries (Membership No. F8687 & CP No. 7347), to act as the Scrutinizer, for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 32<sup>nd</sup> AGM. The members attending the AGM, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Members whose names appear in the Register of Members/list of Beneficial Owners as on July 31, 2018 ("cut-off date") are entitled to vote on the resolutions set forth in this Notice. Person who is not member as on the said date should treat this Notice for information purpose only.

For any queries/grievances or guidance for e-voting, members may contact Ms. Alpa Ramani at the Corporate Office, on landline number 022-3005 1500 or Mr. Ragesh Khatri at the Registered Office, on landline number 079-3001 1500 or may write to [cs@jmcprojects.com](mailto:cs@jmcprojects.com). Member may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact CDSL on 1800225533.

On submission of the report by the Scrutinizer, the result of voting at the meeting and e-voting shall be declared. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.jmcprojects.com](http://www.jmcprojects.com) and on the website of CDSL. The results shall be simultaneously communicated to the stock exchanges.



The Members must refer to the detailed procedure on electronic voting provided below.

**The instructions for members for voting electronically are as under.**

- (i) The e-voting period begins on August 03, 2018 (09.00 a.m.) and will end on August 05, 2018 (05.00 p.m.). During this period, shareholders of the Company holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 31, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Mailing Slip / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) of JMC Projects (India) Limited to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT." A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4 – Ratification of remuneration of Cost Auditors

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, Infrastructures 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, as the Cost Auditors of the Company for the financial year ending March 31, 2019, at a remuneration of ₹ 40,000/- per annum (Rupees Forty Thousand only) plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any. The remuneration payable to the 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution for the above matter as set out at Item No. 4 of the accompanying Notice.

### Item No. 5 – Issue of Non-Convertible Debentures on a Private Placement Basis

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a Company cannot issue securities on a private placement basis unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the shareholders of such Company, by a special resolution for each offer or invitation, and further provides that in case of an offer or invitation for secured / unsecured Non-Convertible Debentures (NCDs), it shall be sufficient if the Company passes a special resolution once a year for all the offers and invitations for such NCDs to be made during the said year.

In order to augment long term resources for financing, inter alia, the working capital requirement, capital expenditure, business expansion and for general corporate purposes, the Company proposes to offer, issue and allot secured and/or unsecured, listed and/or unlisted NCDs or invite subscription to NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the special resolution by the Members, for an aggregate amount upto ₹ 150 Crores (Rupees One Hundred Fifty Crores only) which is within the overall borrowing limits of the Company as approved by the Members from time to time. It is proposed that the Board which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution, be authorized to issue NCDs within the aforesaid limits, on such terms and conditions as it may deem fit. NCDs may be secured by mortgage / charge on the assets of the Company and may be listed on one or more stock exchanges. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time for a year from the date of passing this resolution.

Accordingly, the consent of the members is sought for the proposed issue of NCDs by passing a Special Resolution as set out at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of Special Resolution as set out at Item No. 5 of the accompanying Notice.

### Item No. 6 – Alteration of Articles of Association of the Company

Section 152 (6) of the Companies Act, 2013 provides that unless the articles provide for the retirement of all Directors at every Annual General Meeting, not less than two-thirds of the total number of Directors of a Public Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

Current Article 70 of the Articles of Association of the Company reads as under:

Persons appointed or nominated by Promoter for appointment as Director or Promoter Directors shall not be liable to retire by rotation. The Board shall have the power to determine the Directors whose period of office is or is not liable to determine by retirement of rotation. Unless otherwise assented by Promoter, any one Promoter Director shall act as a Chairperson of the Board.

In order to make at least one of the persons appointed or nominated by Promoter for appointment as Director or Promoter Director(s), liable to retire by rotation, it is necessary to alter Articles of Association of the Company.



In terms of Section 14 of the Companies Act, 2013, alteration of the Articles of Association can be effective only by passing a Special Resolution. Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 6 of the Notice for alteration of Articles of Association of the Company. A copy of proposed set of Articles of Association is available for inspection by the members at the Registered Office and Corporate Office of the Company on all working days during business hours and will also be made available at the meeting.

Mr. Manish Mohnot and Mr. Kamal Jain being the Promoter Directors of the Company are interested at Item No. 6 of the Notice. None of the other Directors or any Key Managerial Personnel of the Company or any of their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of Special Resolution as set out at Item No. 6 of the accompanying Notice.

#### **Item No. 7 – Fixation of fees for delivery of any document through a particular mode of delivery to a member**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her by Post or by Registered post or by Speed post or by Courier or by delivering at his/her office or address, or by electronic or such other mode as may be prescribed. Further, a member may request for delivery of any document to him/her through a particular mode, for which he/she shall pay such fees in advance as may be determined by the Company in its AGM.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice relating to serving the documents to the members of the Company in a requested mode.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of an Ordinary Resolution as set out at Item No. 7 of the accompanying Notice.

#### **Item No. 8 – Continuation of Directorship of Mr. D. R. Mehta (DIN:01067895), Independent Non-Executive Director of the Company**

The Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution is passed to that effect.

In view of the same, approval of the Members is sought through Special Resolution for continuation of directorship of Mr. D. R. Mehta, as an Independent Non-Executive Director of the Company, who has already attained the age of 75 (seventy five) years.

Mr. D. R. Mehta has rich experience of more than 40 years after he joined the Indian Administrative Service in 1961. Mr. Mehta has held various positions in Government of Rajasthan, Government of India. He was Deputy Governor of Reserve Bank of India, Chairman of SEBI etc. He has been associated with the Company since more than last 9 years. As a Chairman of the Board of the Company, Mr. Mehta brings to the Board extensive leadership including deep knowledge and understanding of the Company's business operations, strategies and the business environment into which the Company operates. His vast experience provides a much needed insight, guidance and support to the management on various matters related to the business of the Company.

The Members at the 28<sup>th</sup> AGM of the Company held on September 27, 2014 has approved the appointment of Mr. D. R. Mehta as an Independent Director of the Company to hold office for a term of 5 (five) years upto September 26, 2019. He serves as a Chairman of Audit Committee and Corporate Social Responsibility Committee of the Company. He is a member of Nomination and Remuneration Committee of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the view that his strong knowledge, independent perspective and continued association will immensely benefit the Company and therefore, recommends the continuation of his Directorship.

Accordingly, consent of the Members is sought for passing Special Resolution as set out at Item No. 8 of the Notice relating to continuation of the directorship of Mr. D. R. Mehta as an Independent Non-Executive Director of the Company.

Mr. D. R. Mehta, whose continuation of Directorship is being considered, is interested in the resolution at Item No. 8 of the Notice. None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of Special Resolution as set out at Item No. 8 of the accompanying Notice.

By Order of the Board  
For **JMC Projects (India) Limited**

**Samir Raval**  
Company Secretary

May 24, 2018, Mumbai

**Registered Office:**  
A-104, Shapath 4, Opp. Karnavati Club,  
S. G. Road, Ahmedabad - 380015  
CIN: L45200GJ1986PLC008717

**DETAILS OF DIRECTOR(S) SEEKING RE-APPOINTMENT / CONTINUATION OF DIRECTORSHIP IN THE FORTHCOMING ANNUAL GENERAL MEETING.**

Name of Director	Mr. Hemant Modi	Mr. D. R. Mehta																							
Director Identification No.	00171161	01067895																							
Date of Birth	June 23, 1955	June 25, 1937																							
Age	62 Years	80 Years																							
Date of first appointment	June 05, 1986	December 11, 2008																							
Terms & conditions of re-appointment/continuation of Directorship	Non-Executive Director (Non Independent), liable to retire by rotation.	Appointed as an Independent Director of the Company to hold office for a term of 5 (five) years upto September 26, 2019, not liable to retire by rotation.																							
Qualification	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.	B.A., LL.B. and Management Graduate of Royal Institute of Public Administration, London and Alfred Sloan & School of Management MIT-Boston, U.S.A.																							
Experience / Expertise in functional field and brief resume	He has over 30 years of experience in the field of management and execution of construction of Industrial structures and factory buildings.	He has rich experience of more than 40 years, during which he held various positions in Government of Rajasthan, Government of India. He was Deputy Governor of Reserve Bank of India, Chairman of SEBI etc.																							
No. of Shares held in the Company	99,014	None																							
No. of Board Meetings attended during the financial year 2017-18	5 out of 6	6 out of 6																							
Details of remuneration sought to be paid and the remuneration last drawn by him	Besides payment of sitting fees, he is entitled for the commission as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. He has been paid Rs. 2.5 lakh towards sitting fees and Rs. 20 lakh towards commission for the F.Y. 2017-18.	Besides payment of sitting fees, he is entitled for the commission as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. He has been paid Rs. 4.25 lakh towards sitting fees and Rs. 25 lakh towards commission for the F.Y. 2017-18.																							
Other Directorships	JMC Mining and Quarries Limited JMC Infrastructure Limited Sai Consulting Engineers Private Limited	Glenmark Pharmaceuticals Limited Jain Irrigation Systems Limited Poly Medicure Limited Atul Rajasthan Date Palms Limited MM Auto Industries Limited Ashray Homes Buildwell Private Limited																							
Chairmanship / Membership of Committees of other Companies	None	<table border="1"> <thead> <tr> <th>Name of the Company</th><th>Name of Committee</th><th>Chairman/Member</th></tr> </thead> <tbody> <tr> <td rowspan="3">Poly Medicure Limited</td><td>Corporate Social Responsibility Committee</td><td>Chairman</td></tr> <tr> <td>Audit Committee</td><td>Member</td></tr> <tr> <td>Nomination and Remuneration Committee</td><td>Member</td></tr> <tr> <td rowspan="3">Glenmark Pharmaceuticals Limited</td><td>Stakeholders Relationship Committee</td><td>Member</td></tr> <tr> <td>Nomination and Remuneration Committee</td><td>Member</td></tr> <tr> <td>Risk Management Committee</td><td>Member</td></tr> <tr> <td>Jain Irrigation Systems Limited</td><td>Corporate Social Responsibility Committee</td><td>Member</td></tr> <tr> <td>Atul Rajasthan Date Palms Limited</td><td>Nomination and Remuneration Committee</td><td>Member</td></tr> </tbody> </table>	Name of the Company	Name of Committee	Chairman/Member	Poly Medicure Limited	Corporate Social Responsibility Committee	Chairman	Audit Committee	Member	Nomination and Remuneration Committee	Member	Glenmark Pharmaceuticals Limited	Stakeholders Relationship Committee	Member	Nomination and Remuneration Committee	Member	Risk Management Committee	Member	Jain Irrigation Systems Limited	Corporate Social Responsibility Committee	Member	Atul Rajasthan Date Palms Limited	Nomination and Remuneration Committee	Member
Name of the Company	Name of Committee	Chairman/Member																							
Poly Medicure Limited	Corporate Social Responsibility Committee	Chairman																							
	Audit Committee	Member																							
	Nomination and Remuneration Committee	Member																							
Glenmark Pharmaceuticals Limited	Stakeholders Relationship Committee	Member																							
	Nomination and Remuneration Committee	Member																							
	Risk Management Committee	Member																							
Jain Irrigation Systems Limited	Corporate Social Responsibility Committee	Member																							
Atul Rajasthan Date Palms Limited	Nomination and Remuneration Committee	Member																							
Relationship with other Directors, Manager and Key Managerial Personnel	None	None																							





## JMC Projects (India) Limited

(CIN:L45200GJ1986PLC008717)

**Regd. Office:** A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015.

### ATTENDANCE SLIP

I hereby certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the 32<sup>nd</sup> **Annual General Meeting** of the Company being held on **Monday, August 06, 2018** at **03.30 p.m.** at Ahmedabad Textile Mills' Association, ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad – 380009.

Registered Folio No./ DP ID/Client ID	
Name and address of the Member	
Joint Holder 1	
Joint Holder 2	
No. of equity shares	

Name of the Proxy : \_\_\_\_\_

\_\_\_\_\_  
**Signature of Proxy**

\_\_\_\_\_  
**Signature of Member**

Shareholders may please note the user id and password given below for the purpose of e-voting in terms of Section 108 and applicable provisions of the Companies Act, 2013 and rules framed thereunder.

ELECTRONIC / E-VOTING PARTICULARS		
EVSN - Electronic Voting Sequence No.	User ID	Password
180613003		

#### Notes:

**1.** A Member / Proxy attending the meeting must complete this Attendance slip in legible writing and hand it over at the entrance at the AGM venue. Sign at appropriate place as applicable to you. **2.** E-voting period will commence on August 03, 2018 (09.00 a.m.) and will end on August 05, 2018 (05.00 p.m.). **3.** Body Corporate / Company, who is a member, may attend through its representative. Original copy of authorization / resolution should be deposited with the Company. **4.** Please read the instructions printed under the Notes to the Notice of this AGM. **5.** Route map of venue of AGM is given in this Report.



## ROUTE MAP / DIRECTION TO REACH AT THE VENUE OF AGM





## JMC Projects (India) Limited

(CIN:L45200GJ1986PLC008717)

**Regd. Office:** A-104, Shapath 4, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015.

### PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

Name of Member	Registered address & E-mail Id:	
DP ID & Client ID	Folio	No. of equity shares

I / We, being the member(s) holding \_\_\_\_\_ shares of the above Company, hereby appoint below at sl. no. 1 or failing him sl. no. 2 or failing him sl. no.3,

Sl. No.	Name of Proxy	Address & E-mail Id	Signature
1			
2			
3			

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on **Monday, August 06, 2018** at **03.30 p.m.** at Ahmedabad Textile Mills' Association, ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad – 380009 and at any adjournment thereof in respect of such resolutions as are indicated below.

Item No.	Resolutions	Vote (Optional, see Note 2)	
		For	Against
Ordinary Business			
1	To consider and adopt the Audited Standalone and Consolidated Ind AS financial statements etc. of the Company for the Financial Year ended March 31, 2018.		
2	To declare dividend for the Financial Year ended March 31, 2018.		
3	To appoint a Director in place of Mr. Hemant Modi, who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4	To ratify remuneration payable to Cost Auditors M/s. K. G. Goyal & Associates, Cost Accountants for the Financial Year 2018 - 19.		
5	To issue Non-Convertible Debentures on a Private Placement Basis.		
6	To alter the Articles of Association of the Company.		
7	To fix fees for delivery of any document through a particular mode of delivery to a member.		
8	To continue the Directorship of Mr. D.R. Mehta, Independent Non-Executive Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Affix  
revenue  
stamp

\_\_\_\_\_  
Signature of Proxy holder(s)

\_\_\_\_\_  
Signature of Shareholder

#### Notes:

- The form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
- It is optional to indicate your preference by tick mark. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.





## JMC Projects (India) Ltd.

A Kalpataru Group Enterprise

### REGISTERED OFFICE

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

Tel: +91 79 30011500 | Fax: +91 79 30011700

### CORPORATE OFFICE

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

Tel: +91 22 30051500 | Fax: +91 22 30051555

CIN: L45200GJ1986PLC008717

Email: [cs@jmcprojects.com](mailto:cs@jmcprojects.com)

[www.jmcprojects.com](http://www.jmcprojects.com)

[www.kalpatarupower.com](http://www.kalpatarupower.com)