

**As soon as
the Indian
economy
revives...**

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of ITD Cementation India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the ITD Cementation India Limited annual report 2014

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... we expect a seven-fold multiplier benefit for ITD Cementation India!

More ports.

More urban
rail (MRTS) networks.

More hydro, dams
and irrigation projects.

More industrial structures.

More water
transmission projects.

More bridges
and flyovers.

More airports.

At ITD Cementation India Limited, we expect to capitalize extensively on this 'infrastructural more' through our deep civil engineering and piling expertise, rich experience in managing large and complex projects, technological sophistication and professional manpower pool.



Pure play.

**Two words that faithfully encapsulate ITD Cementation
India's specialized engagement in India's growing EPC infrastructure space.**

Vision

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

Mission

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

Parentage

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

The parent company is credited with the development of landmark projects:

- Bangkok's Suvarnabhumi International Airport
- Taiwan High Speed Rail Supporting Structure
- 23.5-km Bangkok Mass Transit System (Sky Train)
- Ua-Arthorn Housing Project for National Housing Authority, Thailand
- State Railway of Thailand's track doubling projects at Hua Mark and Pachi Lopburi
- Metropolitan Electricity Authority's Lad Phrao to Vibhavadi substation Ductbank project
- Bangkok's first underground mass transit system (10.5 km of twin tunnels, nine underground stations, park and ride facility)

Core principles

Customers come first

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

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

Timely commencement and completion of projects.

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

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

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

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

India specialist

- ITD Cementation enjoys a rich nation-building legacy of over eight decades, helping evolve India from colonial rule, independence, socialist economy, post-liberalisation to globalisation.
- The Company is engaged in the construction of maritime structures, highways and bridges, metros, airports, hydro tunneling, dams and canals, water and sewage treatment plants, industrial structures and specialist foundation engineering projects.
- Even in a sluggish economy, the Company worked across 71 operational project sites across 16 Indian states (as on 31 December 2014).



Marine Project, JNPT, Mumbai

The verticals of our presence

Operational areas	Civil construction in the following focus areas
Maritime structures	<ul style="list-style-type: none"> Construction of jetties, dolphins and service platforms Construction of quays, berths on concrete and steel piles as well as solid gravity type wharf structures Construction of ship lift, dry dock, wet basin and inclined berth Building of jetties for handling liquid and solid cargo, wharfs, berths and quays for container handling
Hydro power projects, tunnels, dams and irrigation projects	<ul style="list-style-type: none"> Construction of concrete, earth fill and rock fill dams and tunnels Construction of hydroelectric power projects
Urban infrastructure projects/mass rapid transit systems/airports	<ul style="list-style-type: none"> Construction of mass rapid transit systems Construction of airports
Highways, bridges and flyovers	<ul style="list-style-type: none"> Construction of roads, bridges and flyovers
Industrial civil works	<ul style="list-style-type: none"> Construction of civil structures for refineries, petrochemicals, power, steel and fertilizer plants
Water and waste water	<ul style="list-style-type: none"> Design, construction, supply, installation and commissioning of civil engineering works for water and waste water projects by conventional and trenchless technology
Specialist engineering	<ul style="list-style-type: none"> Construction of piles and diaphragm walls, drilling grouting works, rock anchors and slope stabilization

Some of our customers are among the largest spenders in India's infrastructure growth story

Port Trusts	Defence organisations	National Highways Authority of India (NHAI)	Punj Lloyd	JSW Steel	Nhava Sheva	RVNL	SAIL
ISRO	NTPC	NHPC	Airports Authority of India	Indian Railways	Bangalore Metro Rail Corporation	CIDCO, Maharashtra	Delhi Metro Rail Corporation
Department of Irrigation and CAD, Andhra Pradesh	Adani Group	Gujarat Chemical Port Terminal	Gujarat Pipavav Port	Hindustan Zinc	IFFCO	Jaiprakash Associates	Kolkata Metro Rail Corporation
P&O Ports	Port of Singapore Authority	DP World	BASF	ACC	Tata Power Company	Indiabulls	Samsung CT
IHI Corporation, Japan	IIT, Ropar	IL&FS	Reliance Industries	Reliance Infrastructure	Godrej & Boyce	NOIDA	Gangavaram Port

Over the last year we embarked on a number of initiatives to strengthen the Company

	Cause	Effect
01	Bid for large and complex projects with high EPC content	Order book grew at 8% CAGR over the five years (ending 31 December 2014). The Company closed the year 2014 with an order book of ₹476,298 lakh
02	Focus on the absorption of technical capabilities and engineering expertise of the parent company	Executing 10 projects with joint venture partners at the close of 2014
03	Focus on strengthening the Balance Sheet through mobilising long-term working capital	The Company successfully raised ₹14,400 lakh through a QIP

Our shareholder focus

The Company's stock is traded on the BSE and National stock exchanges. Despite a weak economy, the Company's market capitalization increased 375% from ₹16,120 lakh at the start of the 2014 to ₹76,480 lakh as on 31 December 2014.

Our financial standing

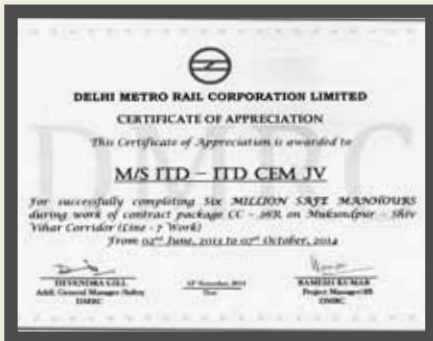
The weak economy notwithstanding, the Company's credit ratings for short-term and long-term facilities were upgraded from A2 to A1 and from BBB+ to A- by CARE and Fitch.

The Company's operations were supported by an 11-member banking consortium (as on 31 December 2014), reflecting the faith in its ability to service lenders.

Our long-term financial performance 2014 (CAGR over the past five years)

Revenue (gross)	EBIDTA	Profit before tax
4%	7%	7%
Profit after tax	Book value per share	Order book
20%	4%	8%

Our recognition - awards and certificates



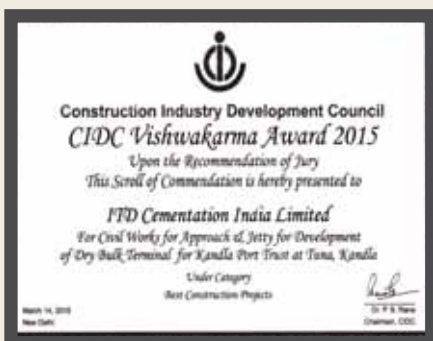
Certificate of appreciation for achieving 6 million safe man-hours from DMRC (for the period June 2013 to October 2014)



CIDC Vishwakarma Award 2015 conferred by the Construction Industry Development Council for underground tunnelling for the Kolkata Metro under the category 'Construction Health, Safety & Environment'



Mr. Adun Saraban, Managing Director, received the prestigious Asia Pacific Entrepreneurship Award 2015, India, under the 'Outstanding and Exemplary Achievements in Entrepreneurship' category



CIDC Vishwakarma Award 2015 conferred by the Construction Industry Development Council for civil works for approach and jetty for development of dry bulk terminal for Kandla Port Trust at Tuna, Kandla, under the category 'Best Construction Projects'



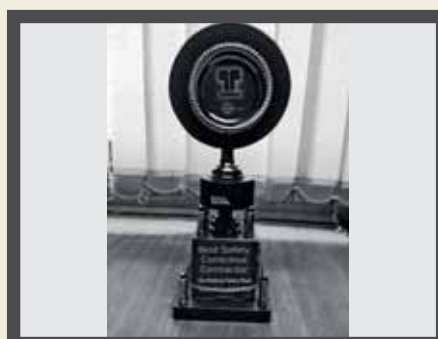
Certificate for 'Excellent Performance in Safety' for the Birla Copper Site from Hindalco Industries Limited



Certificate for 'Safety Excellence' in recognition of outstanding contribution in the achievement of 10 million safe working hours at BASF sites at Dahej



Safety award for achieving good performance in OSH at Adani Power Project at Tirora, Maharashtra - 2014 (Prashansa Patra) by National Safety Council of India



Safety trophy for the "Best Safety Conscious Contractor" at Sabo Power Plant, Talwandi, Punjab, by Thermax Limited



EPC World Award 2014 for 'Outstanding Contribution in Specialized Construction (EPC Category)' for Dry Bulk Terminal at Tuna, Kandla



“Make in India”

Dear shareholders,

Even before these three words caught the imagination of the nation, ITD Cementation was focused on ‘making’ India for the last eight decades.

We take you through our India journey by enunciating some landmark projects that have stood testimony to our ‘Make in India’ commitment.

Through these projects, we have provided training and remuneration benefits to a labour force of around 5,000 at any given point of time.

Premchai Karnasuta
Chairman

The
₹6,656-lakh

Birla Copper jetty
at Dahej

The
₹33,400-lakh

Gujarat Chemical jetty
at Dahej

The
₹1,76,514-lakh

road and elevated
structure projects for
NHAI

The
₹22,493-lakh

ship-lift facility for
Seabird, Karwar

The
₹29,768-lakh

wet basin at Mazgaon
Dock, Mumbai

The
₹1,00,241-lakh

design and construction
of tunnel by shield
TBM for the Delhi
Metro

The
₹1,94,181-lakh

Kolkata airport
modernization project

The
₹32,179-lakh

second container
terminal at
Chennai port

The
₹24,773-lakh

riverfront development
project at Sabarmati,
Ahmedabad

The
₹33,756-lakh

dry dock and slipway for
Garden Reach, Kolkata

The
₹22,043-lakh

Tallah-Palta pipeline and
micro-tunnelling at
Kolkata

The
₹28,693-lakh

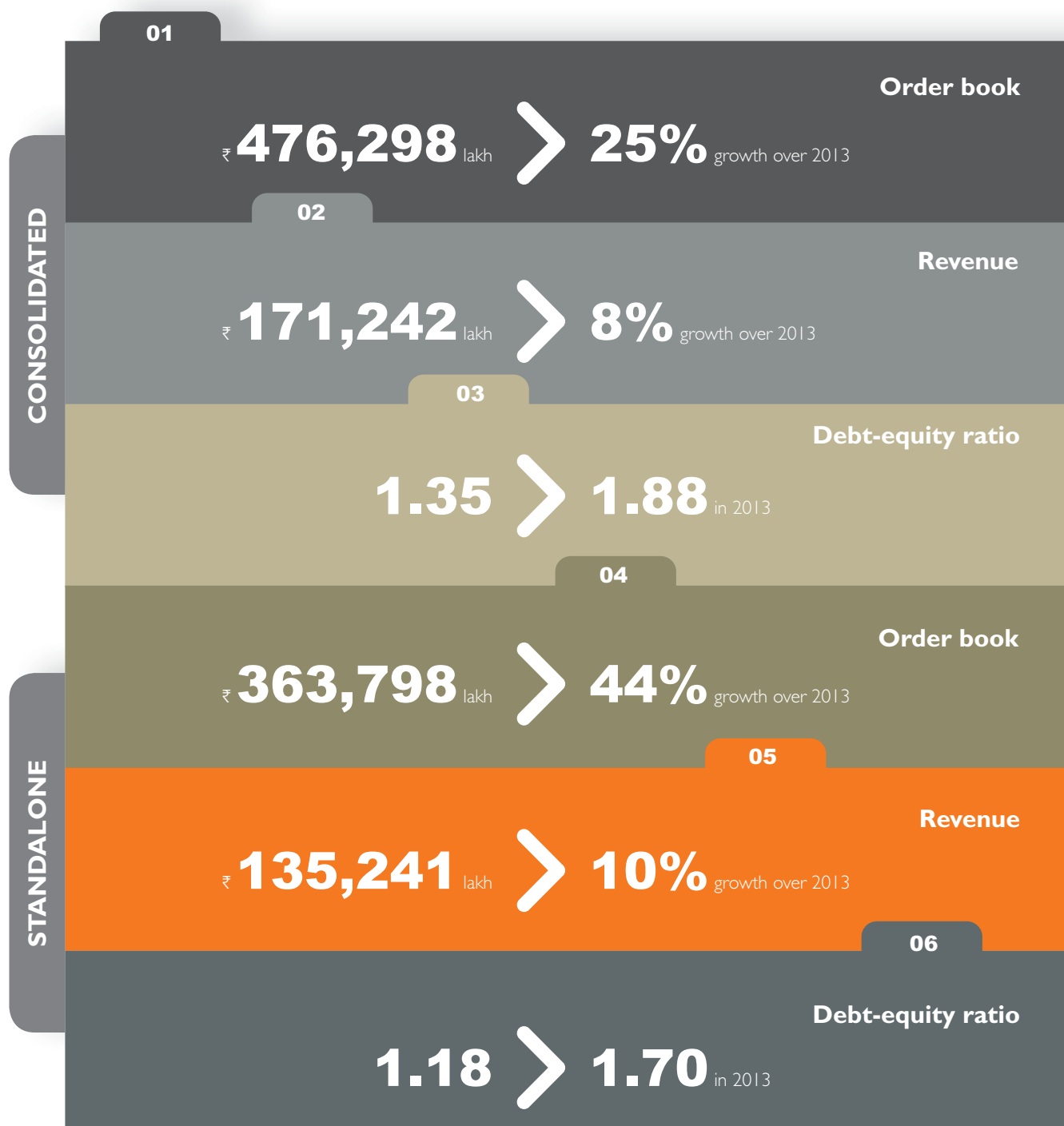
elevated road and metro
viaduct for the Jaipur
Metro

The
₹40,458-lakh

Sripadsagar dam in
Andhra Pradesh

**India's infrastructure
reported one of its
weakest years in 2014.**

**ITD Cementation reported
a creditable performance
instead.**



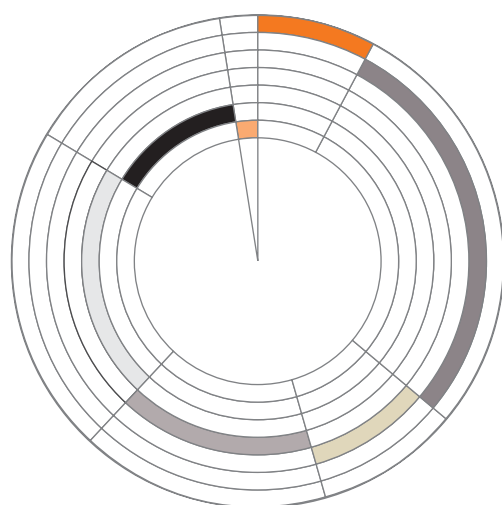
India's fresh infrastructure spending in 2014 was one of its weakest in years.

ITD Cementation reported the highest order book accretion in its existence in 2014 instead.

Our presence, deep and wide

71 projects across
16 states in India

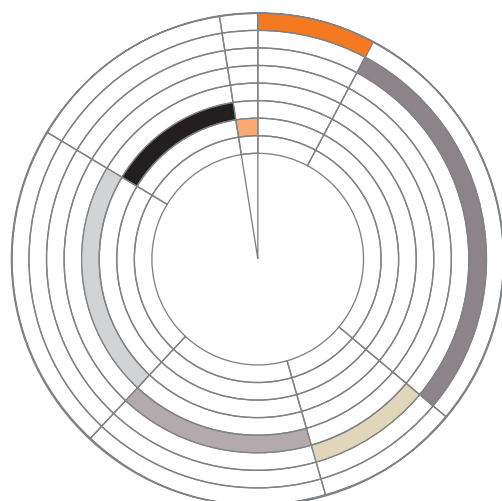
Segment-wise order book, as on 31 December 2014



- Hydro power projects, tunnels, dams and irrigation projects – ₹90,026 lakh
- Maritime structures – ₹136,391 lakh
- Specialist works – ₹28,251 lakh
- Transportation – ₹73,617 lakh
- Industrial structures – ₹56,813 lakh
- Urban infrastructure / MRTS / airports – ₹83,136 lakh
- Water and sewage – ₹8,064 lakh

₹4,76,298 lakh
Total order book for
31 December 2014

Segment-wise new projects secured in 2014



- Hydro power projects, tunnels, dams and irrigation projects – ₹20,491 lakh
- Maritime structures – ₹71,803 lakh
- Specialist works – ₹24,272 lakh
- Transportation – ₹41,547 lakh
- Industrial structures – ₹54,387 lakh
- Urban infrastructure/ MRTS – ₹35,116 lakh
- Water and sewage – ₹6,445 lakh

₹2,54,061 lakh
New projects secured in 2014



Kick-starting our virtuous growth cycle

01



How network infusion has kickstarted a virtuous cycle at ITD Cementation

- 1 **Networth infusion:** ITD Cementation infused ₹14,400 lakh of network in 2014
- 2 **Gearing:** The network infusion helped corrected the Company's gearing from 1.88 in 2013 to 1.35 in 2014
- 3 **Rating:** Two prominent credit rating agencies increased the Company's rating
- 4 **Funding cost:** The improved rating will translate into lower funding costs
- 5 **Profitability:** The lower funding cost will progressively enhance profitability

02



How network infusion will strengthen project qualification credentials at ITD Cementation

- 1 **Networth infusion:** ITD Cementation enhanced its network from ₹40,841 lakh to ₹56,782 lakh in 2014
- 2 **Pre-qualification:** The network infusion strengthened the Company's pre-qualification credentials
- 3 **Project flow:** Stronger credentials will translate into a higher order book accretion
- 4 **Turnover:** The order book accretion will translate into higher revenues
- 5 **Profit:** An increase in turnover will help amortise fixed costs and enhance profits

03



How net worth infusion will enhance resource flow that accelerates project flow

- 1 **Net worth infusion:** ITD Cementation increased its net worth 39% in 2014
- 2 **Vendor selection:** A higher cash availability will strengthen the ability to select the best-fit vendors
- 3 **Resources:** A higher resource availability will accelerate projects completion
- 4 **Flexibility:** Accelerated order book liquidation will enhance room for other projects
- 5 **Bidding:** The vacated room will enhance the Company's room to bid for more projects

04



How knowledge management has strengthened competitiveness at ITD Cementation

- 1 **Knowledge:** ITD Cementation possesses eight decades of intellectual capital in the infrastructure sector
- 2 **Parent capital:** The Company's parent possesses deep knowledge in building challenging projects
- 3 **Alliances:** ITD Cementation has entered into alliances and joint ventures with complementary knowledge partners
- 4 **Specialisation:** The knowledge capital has translated into timely project completion
- 5 **Margins:** The timely completion has translated into incentives and enhanced recognition

05



How ITD Cementation is evolving and growing its industry competitiveness

- 1 **Growing segments:** ITD Cementation addresses either large or rapidly growing industry segments
- 2 **Diversification:** The Company entered the industrial and water segments over the last few years, taking the sectoral tally to seven
- 3 **Capabilities:** The Company widened its competence in these sectors through domain expertise and alliances
- 4 **Showpieces:** The Company completed showpiece projects as a validation of its capability
- 5 **Increased exposure:** Going forward, the new verticals are expected to contribute to a larger share of the Company's revenue pie



RCC Cooling Tower, Dahej

As soon as the Indian economy rebounds...

... A larger quantum of projects will be launched

- India's 12th Plan infrastructure investment estimated at USD 1.3 trillion
- India's new government is implementing reforms to catalyse infrastructure growth

... This will strengthen its pre-qualification for large, profitable and prestigious projects

- The Company's stronger Balance Sheet will facilitate in project prequalification, shortlisting and award
- The aggressive award of projects is expected to kickstart a virtuous profit cycle

... And a higher cash pool has kick-started Balance Sheet rightsizing

- The Company restructured its Balance Sheet in 2014
- The Company infused net worth (grew to ₹56,782 lakh as on 31 December 2014)
- The Company is engaged in replacing expensive debt with cheaper options

... ITD Cementation will be in a better position to pitch for more orders

- The Company is focusing on team building and a focus on specific verticals
- The Company is accelerating project completion to bid for more projects

... ITD Cementation will be attractively positioned for quicker order execution

- The Company is entering complementary joint ventures
- The Company is reinforcing competencies (technical) through JV partners
- The Company is investing selectively in equipment and people resources

... ITD Cementation expects to grow its cash flows and profits

- The Company is growing its focus on larger orders with superior margins
- The Company is focusing on timely project completion
- The Company is reinvesting surpluses, accelerating a virtuous cycle





Building India. Brick by brick.

Adun Saraban, Managing Director, ITD Cementation India Limited, reviews the past year and shares his optimism for the future

Our multi-year experience in building infrastructure has strengthened our conviction.

That infrastructure development = economic growth.

This formula establishes something interesting and critically relevant. That it is not economic growth that creates the surplus for infrastructure development but that infrastructure development creates a climate of lower costs and higher convenience that translates into sustainable economic growth.

ITD Cementation is focused on engaging in large projects across select verticals that catalyse national GDP. This is an extension of what we have believed and demonstrated: over the last decade, the Company executed orders of ₹12,89,208 lakh that enhanced national competitiveness on the one hand and public convenience on the other.

As a future-focused organization, we strengthened our business in 2014 with the objective to accelerate growth that restores our bottomline over the foreseeable future.

Our achievements, 2014

Evolving order mix: ITD Cementation selected a weak industry environment to look within and engage in sectoral re-prioritisation. This re-prioritisation of the verticals that we shall select to work in was inspired by the new government's stated priorities, evolving global trends, risk exposures and established competencies. In view of this, the re-invented ITD Cementation has enhanced its exposure to the lower-risk maritime business, growing revenues from this

A challenging environment notwithstanding, ITD Cementation focused on the execution of value-accretive projects. The Company enhanced topline growth of 8% to ₹171,242 lakh. I am optimistic that this momentum will be sustained in 2015 - and beyond.



segment from 28% of overall revenues in 2013 to 31% in 2014. Similarly, Industrials, the new vertical launched by the Company in 2012, reported order accretion (₹54,387 lakh) despite a sluggish investment environment in only its second full year in 2014.

Financial resources: ITD Cementation recapitalised its Balance Sheet through a QIP issue that mobilized ₹14,400 lakh. This infusion will improve our long-term resources and ability to manage business growth. I am happy to communicate that even as most companies engaged in infrastructure construction are nursing weak Balance Sheets, ITD Cementation is one of the few in its sector to have strengthened its gearing from 1.88 in 2013 to 1.35 in 2014, creating an enabling foundation for profitable and sustainable growth.

Creating an opportunity-ready business

ITD Cementation enjoys attractive credentials to return to profits with speed.

The space of affordable housing construction is expected to be the next growth frontier in India, considering a housing deficit of over 22 mn units in the country. We expect growth in this segment to be catalysed by the government encouraging EPFOs to invest up to 15% of their corpus in affordable housing projects.

Water is widely expected to emerge

as a significant opportunity, especially with the Indian government focused on the Swachh Bharat campaign that comprises large water and sanitation projects. At ITD Cementation, we expect to collaborate with water management technology companies, pooling in synergistic competencies.

The plans for construction of greenfield and modernization of airports are expected to accelerate as the government embarks on the development of more than 100 satellite airports over the foreseeable future. The Company expects to capitalise on this opportunity through an EPC focus (as opposed to BOT), a relatively asset-light approach in building our sectoral exposure and corresponding profitability.

Our long-term growth strategy

At ITD Cementation, we expect to strengthen our operations and financials with the objective to return the Company to profitability and sustainable growth.

We have embarked on the following strategies to build a stronger organisation:

- A progressive deleverage of our Balance Sheet
- A focus on large Indian projects
- A diversification into new geographies through piling, foundation engineering and maritime structures
- A strengthening of financial capabilities

and network with the objective to enhance our project bidding appetite

- A focus on bagging large complex projects with lower competition and attractive margins
- An expansion into construction segments with significant potential (maritime structures, transportation and urban infrastructure)
- An improving equipment uptime and execution productivity
- A skilling and re-skilling of human resources with the objective to enrich intellectual capital and project productivity
- A forging of joint ventures and strategic partnerships with leading global infrastructure companies with the objective to assimilate competencies that make it possible to bid for prestigious projects
- A continued enrichment of our project execution capabilities to complete and monetize projects quicker; strengthening our cash flows

I am optimistic that these initiatives will make it possible for ITD Cementation to capitalise on India's economic rebound, outperform the sector and in doing so, enhance value for all those who own shares in our Company.

Adun Saraban
Managing Director

Our competence

Robust order book with high revenue visibility

ITD Cementation's outstanding order book as on 31 December 2014 was ₹4,76,298 lakh (₹3,82,118 lakh at the close of 2013). This order book secures almost three years of revenue visibility.

Diversified order book

The Company's civil engineering competence comprises segments like maritime structures, highways, bridges and flyovers, urban infrastructure projects/mass rapid transit systems, specialist engineering works, hydroelectric power projects, tunnels and dams, irrigation projects, industrial civil works, airports as well as water and waste water projects.

Established reputation for on-time project execution

At ITD Cementation, we possess competencies, managerial depth, organisational processes and a professional culture that makes it possible to manage multiple, large and complex projects. We own a large equipment fleet coupled with scientific asset management capability that ensures a high utilization leading to quicker project execution. Besides, this access to modern technologies, processes and competencies translates into comprehensive, value-engineered solutions that address civil engineering challenges in ground engineering, piling, maritime construction and irrigation projects.

Strong parentage

The Company's promoter is one of the largest construction companies in Thailand, having contributed to that country's infrastructure for five decades. Its success in this sector comprises the construction of integrated metro rail projects, airports, tunnels, highways, elevated expressways, bridges, railways and buildings. Some key projects comprise the Bangkok Mass Transit System, Suvarnabhumi Airport and elevated corridor projects in Bangkok, among others, representing scale, complexity and sophistication. The parent company provides access to technologies, intellectual capital, access to international design and engineering organisations as well as leading construction groups, a competitive advantage when bidding or participating in large projects.

Extensive sectoral experience and proven track record

The Company possesses an eight decade experience in construction. It has been engaged in landmark civil engineering and construction activities requiring robust engineering skills, rich technical expertise and strong execution capabilities. The Company's competence comprises industrial civil works, maritime construction, mass rapid transit systems, airports and foundations, including piling of all types in different soil and geographic conditions and drilling and grouting, positioning it as a market leader.

Manpower pool

At ITD Cementation, our experienced professional senior management team is supported by capable employees. This makes it possible to sustain strategic direction, manage operations, risk profile and challenges. As a policy, we induct skilled and experienced professionals. As of 31 December 2014, there were 1,771 employees on ITD Cementation's steady roster that included engineers, graduates and post graduates and 3,032 employees engaged on a project-to-project basis.

Quality control and HSE

At ITD Cementation, we have developed integrated systems for the management of quality as well as health, environment and safety (HSE). We maintain global HSE standards that make us a preferred partner for project developers. Our commitment is showcased in that we are accredited by DNV (ISO-9001:2008, OHSAS-18001:2007 and ISO-14001:2004), one of the few construction companies in India to be so accredited.

Key performance indicators

KEY PERFORMANCE INDICATORS

₹ crore

CONSOLIDATED FINANCIALS

Particulars	2014	2013	2012	2011	2010
Order book	4,763.0	3,821.0	2,891.1	2,907.0	3,536.6
Net revenue	1,718.9	1,584.1	1,650.9	1,712.2	1,462.2
EBITDA	205.1	196.5	201.2	176.2	154.4
EBITDA margin (%)	11.9	12.4	12.2	10.3	10.6
EBIT	162.4	152.2	150.6	134.1	112.5
EBIT margin (%)	9.5	9.6	9.1	7.8	7.7
Net profit	19.4	9.3	22.0	22.6	9.4
Net profit margin (%)	1.1	0.6	1.3	1.3	0.6
Net worth	567.8	408.4	400.5	381.2	361.3
Total debt	765.3	769.5	783.4	651.7	546.8
Debt-equity ratio (x)	1.4	1.9	2.0	1.7	1.5
Book value per share (₹)	365.9	354.7	347.8	331.0	313.7
Earnings per share (₹)	15.1	8.1	19.1	19.6	8.2
Return on capital employed (%)	12.2	12.9	12.7	13.0	12.4
Return on equity (%)	3.4	2.3	5.5	5.9	2.6

KEY PERFORMANCE INDICATORS

₹ crore

STANDALONE FINANCIALS

Particulars	2014	2013	2012	2011	2010
Order book	3,638.0	2,534.8	2,150.7	2,216.7	2,475.4
Net revenue	1,369.4	1,260.2	1,305.9	1,302.9	1,086.2
EBITDA	177.3	158.4	169.9	149.0	120.7
EBITDA margin (%)	13.0	12.6	13.0	11.4	11.1
EBIT	147.9	124.9	133.8	114.8	90.0
EBIT margin (%)	10.8	9.9	10.3	8.8	8.3
Net profit	19.4	9.3	22.0	22.6	9.4
Net profit margin (%)	1.4	0.7	1.7	1.7	0.9
Net worth	567.8	408.4	400.5	381.2	361.3
Total debt	670.8	695.0	687.0	633.4	524.7
Debt-equity ratio (x)	1.2	1.7	1.7	1.7	1.5
Book value per share (₹)	365.9	354.7	347.8	331.0	313.7
Earnings per share (₹)	15.1	8.1	19.1	19.6	8.2
Return on capital employed (%)	11.9	11.3	12.3	11.3	10.2
Return on equity (%)	3.4	2.3	5.5	5.9	2.6
Dividend per share (₹)	-	2.3	2.0	2.0	1.5

Note: Year 2014 includes exceptional item relating to write-back of depreciation amounting to ₹95.53 crore.



Business segment review

ITD Cementation enjoys a rich and diversified presence across some of India's fastest-growing infrastructure verticals.

Maritime structures



Marine Project, Vizag

Overview

ITD Cementation entered the business of maritime structures in 1990. Over the years, the Company has worked across all major and minor Indian ports. The Company is a leader in the country's maritime segment, having worked in Chennai, Ennore, Haldia, Kakinada, Kandla, Pipavav, Dahej, Mormugao, Karwar, Mumbai Nhava Sheva, Paradip, Tuticorin and Visakhapatnam. The Company possesses the capability to build jetties for handling liquid and solid cargo, berths, wharves and quays for handling general cargo/containers. The Company's portfolio also comprises dedicated jetties, product handling terminals, ship repair and ship building facilities for public, private and Defence organisations.

What we do

- Construction of jetties, dolphins and service platforms
- Construction of quays and berths on concrete and steel piles as well as solid gravity type wharf structures

- Construction of shiplift, dry dock, wet basin and inclined berth
- Break water and piled approach trestles
- Steel piles (vertical and raker)
- Undersea ground improvement
- Dredging and land reclamation
- Coastal erosion protection and rock bund

Performance, 2014

ITD Cementation's maritime structures order book comprised contracts from DP World, Karanja Terminal, Adani Port, JSW Port and Ennore Port, resulting in a revenue visibility into 2016. The Company was awarded ₹71,803 lakh in fresh orders in 2014, resulting in an order backlog of ₹1,36,391 lakh at the close of the year. The Company protected its zero client litigation record, strengthening project delivery.

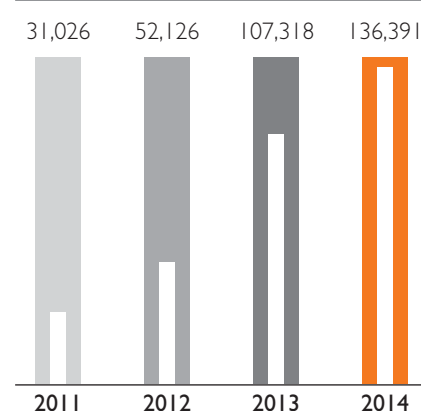
Order book snapshot

Key projects completed in 2014

- Maritime civil works, maritime piling, jetty deck, fixtures and under deck pitching for Gangavaram Port, Visakhapatnam

Order book status

(₹ in lakh)

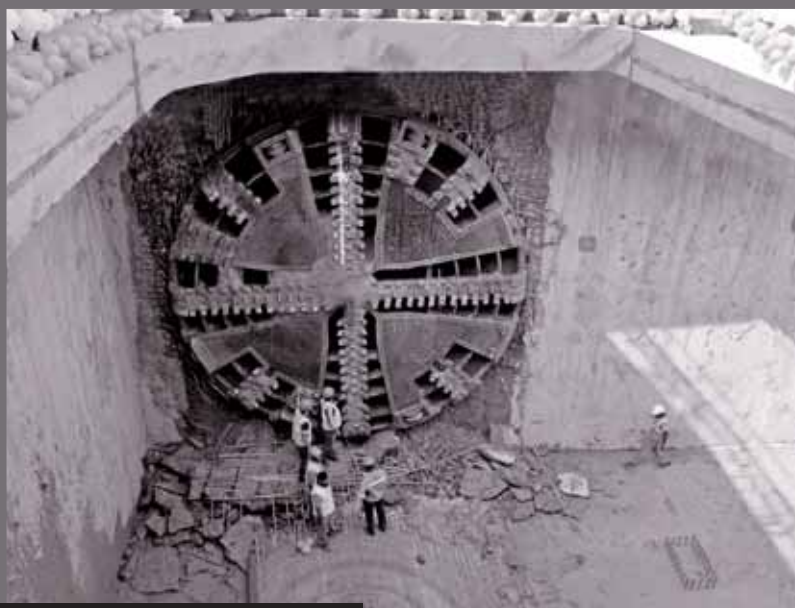


- Expansion Phase II works – Package I Ship repair facility at Lavgan port, Ratnagiri
- Civil works for approach and jetty for the development of a dry bulk terminal at Tuna, Kandla
- Design and detailed engineering, supply of material, construction, commissioning and test run of iron ore terminal at Ennore port for Sical Iron Ore Terminal Ltd.

Projects under construction in 2014

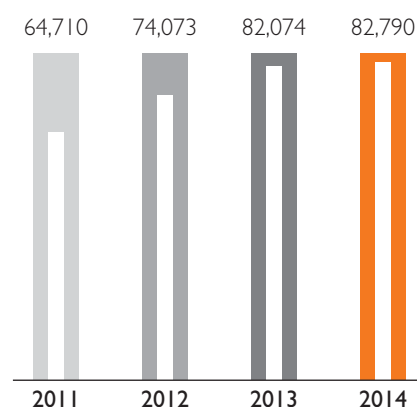
- Development of maritime facilities (approach, multipurpose jetty, internal road, reclamation, berth pocket dredging and miscellaneous civil and electrical works at Karanja Creek, Raigad
- Coal berth number 3 at Ennore port, Chennai
- Engineering, procurement and construction of container terminal (with diaphragm wall) at Ennore port, Chennai
- Container berths and approach for JSW Jaigarh Port Limited at Jaigarh port

Urban infrastructure / MRTS



Delhi Metro Underground Tunneling

Order book status (₹ in lakh)



Overview

ITD Cementation has contributed across eight decades to the growth of India's transportation infrastructure. This segment is engaged in the development of urban infrastructure (mass rapid transport systems and airports).

ITD Cementation was associated with the construction of the Delhi MRTS from the beginning of Phase-I in 1998, meeting the time-bound target of the Delhi Metro Rail Corporation (DMRC). The first foundation package project comprised large diameter piles for elevated Kashmiri Gate Station and diaphragm wall for the underground Line 2. This was the first occasion when peel off stop-end pipes for placing water bars between diaphragm walls panel joints were implemented in India, achieved by ITD Cementation India with support from Cementation UK. Besides, desanders were used for the first time for recycling bentonite, keeping the environment clean.

ITD Cementation entered the Indian airport construction segment in 2008, drawing expertise from its international parent's capability in addressing airport

construction projects across borders (including Bangkok's Suvarnabhumi Airport).

What we do

- Construction of mass rapid transportation systems
- Construction of tunnels and underground railway stations
- Construction of integrated airport passenger terminals and allied services

Order book snapshot

Key projects completed in 2014

- Elevated road and metro viaduct for Jaipur Metro
- Design and construction of approach tunnel, ramp and station for Jaipur Metro

Projects under construction in 2014

- Design and construction of underground section for Kolkata Metro
- Design and construction of elevated viaduct and elevated stations of phase-III for Delhi Metro
- Design and construction of tunnel by TBM for Delhi Metro phase-III

- Supply, installation, testing and commissioning of track work for Bangalore Metro Rail Project
- Construction of seven stations in Kolkata Metro for RVNL

Urban locations need matching infrastructure and often these facilities are in conflict with the existing urban backbone (raillines, roads, sewer lines, water lines and electric cables).

Over the years, ITD Cementation has developed pipe jacking and box jacking technologies to eliminate challenges related to the construction of roads or rail lines in urban locations. The use of these technologies ensures normal traffic flow concurrent with new construction. A large number of projects executed by ITD Cementation comprise the Aladpur subway in Chennai, the Bally underpass in Kolkata, the Belgharia rail under-bridge in Kolkata and a rail subway in Ranchi, among others.

Hydro/dams/tunnels/irrigation projects



Tunnel work at Pranahita

Overview

The Company entered this segment in 1992 through civic assignments for a Tata Power hydro electric project. The Company has since executed complex projects warranting land acquisition, people resettlement and working in challenging terrains. A rich experience has helped the Company establish its reputation in the construction of earth fill, rock fill, concrete dams and tunnels related to hydroelectric power and irrigation systems. The Company possesses a rich experience in the execution of large, medium and small hydroelectric and irrigation projects (pumping stations, power houses, tunnels, intake structures, headrace tunnels, pressure shafts and penstock pipes).

What we do

- Earth fill
- Rock fill
- Concrete dams
- Tunnels
- Hydroelectric power
- Irrigation

Order book snapshot

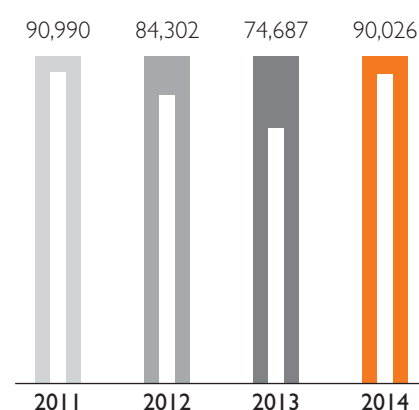
Key projects completed in 2014

- Leshka Hydroelectric Project for Meghalaya Energy Corporation Ltd.

Projects under construction in 2014

- Tunnels between Kauri and Dugga (km 51.9 to 61.0) on Katra-Dharam section of Udhampur-Srinagar-Baramulla new Broad Gauge Railway Link Project (J&K)
- Civil works for the construction of a new UMTRU hydro electric project in Meghalaya
- Tunneling works TI (km 30.000 to km 33.160) including construction of hydraulic protection measures of the Nallah at the TI Adit Portal and Drainage of the TI Adit on the Katra-Dharam Section of Udhampur-Srinagar-Baramulla Rail Link Project (J&K)
- Investigation, design and execution of water conveyor system consisting of canal and tunnel works, Pranahita, Andhra Pradesh

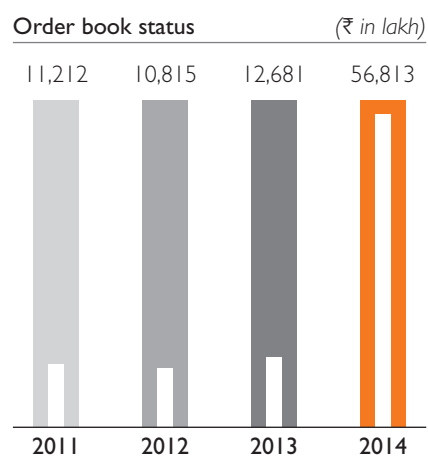
Order book status (₹ in lakh)



Industrial structures



Industrial Civil Works, BASF Plant, Dahej



Overview

The Company is active in construction of industrial structures for refineries, petrochemicals, power plants, cement plants, steel and fertilizer plants and buildings for commercial and academic institutions for reputed companies (government and private). The Company's clients comprise IHI Corporation, Japan; Hooghly & River Bridge Commissioners, Kolkata; Tata Power Co. Ltd.; Reliance Infrastructure; Bose Institute and IIT Ropar.

The Company participated in a number of major pan-Indian industrial projects. The combination of strong parentage and rich experience made it possible for the Company to handle complex multi-segment projects. Some landmark projects of the Company comprised Unchahar (NTPC), Aonla and Phulpur (IFFCO), Bakreswar thermal power project, LNG storage and handling facility at Dabhol and the press building for *The Times of India* at Sahibabad, among others.

What we do

- Construction of civil structures for refineries, petrochemicals, power, steel, fertilizer plants and academic and other institutions.

Order book snapshot

Key projects completed in 2014

- Construction of raw water intake building and channel for the ultra mega power project at Sasan, Madhya Pradesh
- Cryogenic ethylene storage system for OPAL in Dahej
- Conventional building works for BASF's GIR project at Dahej
- Civil and structural works for raw water pump house at Eklahara Barrage for 1,350 MW (5x270 MW) thermal power project at Sinnar SEZ, Nasik

Projects under construction in 2014

- Construction of a new Haj tower complex with tower buildings and civil works in Kolkata

- LNG storage tanks at Mundra
- Civil, miscellaneous structural and architectural works for Tiroda thermal power project, Gondia, Maharashtra
- General civil works and building utilities For 200 kV at Tata Power, Mahalaxmi, Mumbai
- Construction of super structure (G+15) for the Unified Academic Campus of Bose Institute, Kolkata
- Construction of different buildings (including water supply, sanitary installations, internal electrical installation, roads, drainage and sewerage) under phase-I for IIT Ropar at Ropar, Punjab

Highways, bridges and flyovers



Elevated Bridge, Delhi

Overview

Over the last decade, ITD Cementation capitalised on opportunities arising out of the Indian government's ambitious NHAI programmes, especially the ambitious Golden Quadrilateral project linking four major metro cities.

What we do

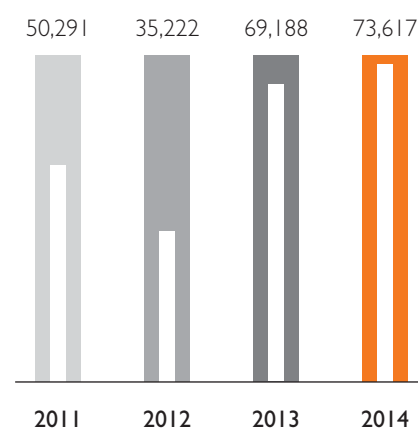
- Construction of bridges, underpass and flyovers
- Rehabilitation/ strengthening/ widening of roads
- Construction of bridges over rivers with specialist foundations

Order book snapshot

Projects under construction in 2014

- Development of the corridor (Outer Ring Road) between Mangolpuri-Madhuban Chowk-Mukarba Chowk, Delhi
- Construction of a six-lane road between National Highway 24 and National Highway 58 (including ROB) on the Delhi-Howrah rail track at Ghaziabad
- Construction of elevated road at Noida
- Construction of Road Project at Pune - Satara

Order book status (₹ in lakh)

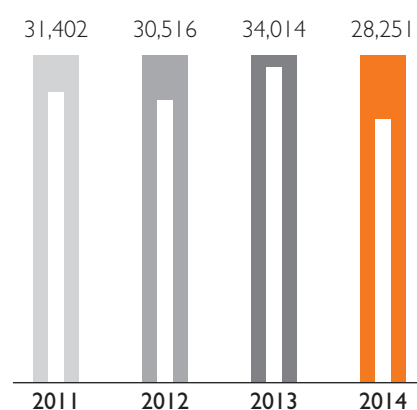


Specialist engineering



Piling Work, Cuttack, Odisha

Order book status (₹ in lakh)



Overview

ITD Cementation was established on the strength of its ground engineering expertise and till date, it continues to lead the industry in this field. For the last eight decades, the Company has been working relentlessly and its past performance and commitment has earned it a special status of being the customer's preferred choice for any geotechnical application. The Company offers the most modern range of techniques for the construction of piles and diaphragm walls, ground improvement, drilling grouting works, rock anchors, slope stabilization and rehabilitation works. For instance, foundation engineering represents a crucial prerequisite in any heavy infrastructure construction project, catering to the needs of multiple industries. ITD Cementation's portfolio comprises projects like the Krishnapatnam thermal power project and Sabarmati River Front, among others.

What we do

- Geotechnical investigation
- Piling

- Diaphragm walling
- Sandwicks/ band drains
- Vibro-floatation stone-columns / vibro compaction
- Drilling and grouting
- Rock / soil anchors
- Colcrete
- Gunit / shotcrete
- Grouted mattress
- Repairs/ rehabilitation/underpinning

Highlights, 2014

- Showcased Secant Piles, which are water-tight and ideal for shallow groundwater table conditions and permeable soils
- Completed projects where others were not able to succeed (Paradip refinery project) in which we received an endorsement from Foster Wheeler and a repeat engagement in scaling a 3,000-pile job to 29,000 piles.

Order book snapshot

Key projects completed in 2014

- Retaining wall, accesses, reinforced anchor slab, special fill behind retaining wall etc. on the East and West Bank

from upstream of Railway Bridge to Vasna barrage on River Sabarmati for the Sabarmati Riverfront Development project, Ahmedabad

- Piling, civil and temporary construction facility works for BASF GIR Project at Dahej
- Piling work in Mahanadi river for the IOCL refinery pipeline in Cuttack, Odisha
- Pre-stressed rock anchors at Wadala, Mumbai

Projects under construction in 2014

- Construction of a substructure and superstructure at a proposed club house at New Cuffe Parade (Wadala project)
- Shore piling and substructure works for Shushrusha Hospital, Mumbai
- Piling for the Visakhapatnam Steel Plant, Andhra Pradesh
- Board cast-in-situ RCC piling works at Manali Refinery of Chennai Petroleum Corporation Limited, Chennai
- Seawater intake and outfall pit work, Mundra, Gujarat
- Miscellaneous civil works for the Chennai Metro Rail project, Chennai

Board of Directors

Mr. Premchai Karnasuta

Chairman

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

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

Mr. Pathai Chakornbundit

Vice Chairman

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

He is a graduate in B. Eng.

Mr. Adun Saraban

Managing Director

Mr. Adun Saraban is a Director of the Company since 2009 and the Managing Director of the Company from 2010. He holds a rich experience of more than three decades in Civil Engineering and Construction Project Management and also brings in vast exposure to global best modern construction methodologies.

He holds a Bachelor's Degree in Civil Engineering from the King Mongkut's University of Technology, Thonburi, Thailand.

Mr. Darius Erach Udwadia

Independent Director

Mr. D.E.Udwadia is the senior most Director of the Company, having been on the Board since 1983. He is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. He is a founder partner of M/s. Udwadia & Udeshi, Solicitors and Advocates, Mumbai since July 1997. In 2012, the firm has merged to form Udwadia Udeshi & Argus Partners where he is a Senior Partner. Mr. Udwadia has spent over 47 years in active law practice and has significant experience and expertise in corporate law, joint ventures, mergers acquisitions and takeovers, corporate restructuring, foreign collaboration, project and infrastructure finance, intellectual property, telecommunications, international loan and finance-related transactions and instruments, mutual funds, real estate and conveyancing.

He holds an Hons. Degree in M.A. and LL.B from the University of Bombay.

Mr. Per Ebbe Hofvander

Independent Director

Mr. Per Hofvander is a Director of the Company since 2005. He has more than four decades of experience in civil engineering and has huge exposure in many overseas projects and international businesses. In his earlier stint he has held many senior positions, the last being as the President of Skanska International AB.

He holds a Degree in M.Sc in Civil Engineering.

Mr. Deba Prasad Roy

Independent Director

Mr. D.P. Roy is a Director of the Company since 2007. He was the Ex-Chairman of SBI Capital Markets Limited and has rich and wide experience in Corporate, International and Investment Banking Sectors of over 40 years. He held various senior executive and managerial posts in State Bank of India like Deputy Managing Director and Group Executive (International Banking), President and CEO New York and Country Manager USA, Deputy Managing Director and Group Executive (Associates and Subsidiaries), Manager in SBI London, etc. He is also a certified Associate of the Indian Institute Bankers and Fellow of India Council of Arbitration and he is actively engaged in Arbitration in NSE, MCX and ICA and is also on the advisory committee of Central Bank of India.

He holds a Degree in M.Sc Chemistry from Jadavpur University, Calcutta.

Mrs. Ramola Mahajani

Independent Director

Mrs. Ramola Mahajani was appointed as an Additional Director w.e.f. 6th November, 2014. She has considerable knowledge and experience in Human Resources Development and Management of over 40 years. Her areas of expertise include application of the principles of occupational psychology in employee selection, training, management development and HR planning, excellent project management and leadership skills, ability to work in team environments and extensive experience interacting with internal as well as external customers.

She holds a Degree in M.Sc., M.A., Chartered Psychologist and Associate Fellowship of the British Psychological Society.

Management team

Mr. Bijoy K. Saha

Sr. Executive Vice President

Mr. K. Rajan

Executive Vice President

Mr. S. Ramnath

Executive Vice President & CFO

Mr. Gautam Basuroy

Sr. Vice President

Mr. Rameshwardas C. Daga

Sr. Vice President & Company Secretary

Mr. Rupak Sarkar

Vice President

Mr. S.N. Patil

Vice President

Mr. Manish Kumar

Vice President

Mr. Jayanta Basu

Vice President

Mr. Manas Ranjan Bhattacharya

Vice President

Mr. Bellary Ramachar Vijaykumar

Vice President – Corporate Affairs

Statutory Section



DIRECTORS' REPORT

The Directors present herewith their Report and Statement of Accounts for the year ended 31st December, 2014.

FINANCIAL RESULTS

(Rupees in Lakh)

	Year 2014	Year 2013
Total Income	137,671.70	127,893.74
Gross Profit / (Loss) before depreciation and bad debts	(3,141.83)	4,944.33
Less: Depreciation on fixed assets	2,942.69	3,348.91
Profit / (Loss) before provision for doubtful debts	(6,084.52)	1,595.42
Less: Provision for doubtful debts	673.69	660.81
Profit / (Loss) before Taxation and exceptional item	(6,758.21)	934.61
Add: Exceptional Item (Write-back of depreciation)	9,553.25	Nil
Profit before Taxation after Exceptional Item	2,795.04	934.61
Less: Provision for Tax	853.66	3.67
Profit after Taxation	1,941.38	930.94
Add : Surplus of previous year brought forward	7,056.27	6,285.11
Amount available for appropriation	8,997.65	7,216.05
Directors' recommendation for appropriation:		
Proposed Dividend	-	115.16
Dividend Distribution Tax(Incl. earlier year)	-	21.35
Transfer to General Reserve	-	23.27
Balance carried to Balance Sheet	8,997.65	7,056.27
	8,997.65	7,216.05

DIVIDEND

The Board of Directors do not recommend any dividend for the year 31st December, 2014 in view of the operating losses incurred by the Company during the year.

REVIEW OF OPERATIONS

Revenue for the year at ₹135,241 Lakh has increased by ₹12,765 Lakh from ₹122,476 Lakh in the year 2013, an increase of about 10% over previous year. Consolidated revenue for the year was at ₹171,242 Lakh as compared to ₹157,837 Lakh for the year 2013, an increase of about 8% over the previous year.

The Company incurred a loss before tax of ₹6,758 Lakh compared to a profit before tax of ₹935 Lakh for the year 2013. However, after Exceptional Item relating to Write-back of depreciation of ₹9,553 Lakh, there was a profit before tax of ₹2,795 Lakh.

The Consolidated loss before tax was ₹6,864 Lakh compared to profit before tax of ₹2,391 Lakh for the year 2013. However, after Exceptional Item relating to Write-back of depreciation of ₹9,553 Lakh, the profit before tax stood at ₹2,689 Lakh. The operating losses were due to execution challenges on some projects and cost overruns on certain other projects.

On a review of the position of outstanding debts, there are no write off of bad debts during the year (2013 – Nil).

Total value of new contracts secured during the year aggregated ₹254,061 Lakh (2013 – ₹267,620 Lakh). Major contracts include-

- Construction of Container Berths at Jaigarh, Maharashtra.
- Construction of Seven Stations of Kolkata Metro Railway Line at Kolkata, West Bengal.
- Design and Construction of Reclamation and Container Yard at Jawaharlal Nehru Port Trust at Navi Mumbai, Maharashtra.
- Construction of LNG Storage Tanks at Mundra, Gujarat.
- Construction of Container Terminal at Mundra, Gujarat.
- Construction of Super Structure for Bose Institute at Kolkata, West Bengal.
- Construction of Elevated Road at Noida, Uttar Pradesh.
- Construction of different buildings for IIT Ropar from CPWD, Ropar, Punjab.
- Construction of Balance Tunneling works in the State of Jammu and Kashmir for Konkan Railway Corporation Limited.

During the year, your Company's Joint Venture, has received two contracts namely:

- o Construction of Laying of Water Trunk main from Garden Reach water works to Taratala Valve Station and Laying of sewerline along Diamond Harbour Road by Microtunnelling method for an approximate value of ₹14,592 Lakh in ITD-ITD Cem Joint Venture.
- o Rehabilitation and Refurbishment of Water Works at Palta and Garden Reach for ₹8,057 Lakh in ITD-CEMINDIA JV.

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

- Construction of Ultra Mega Power Project at Sasan, Madhya Pradesh.
- Design and Construction of Approach Tunnel at Jaipur Metro for Delhi Metro Rail Corporation Limited, Jaipur, Rajasthan.
- Prestressed Rock Anchors at Wadala, Mumbai, Maharashtra
- Soil Consolidation by Drilling and Grouting at LNG Terminal, Dabhol, Maharashtra.
- Design, procurement, construction and commissioning of Marine Civil Works at Gangavaram Port, Andhra Pradesh.
- Civil works for approach trestle and jetty at Kandla, Gujarat.
- Construction of Elevated Road at Jaipur Metro for Delhi Metro Rail Corporation Limited by Company's Joint Venture – ITD-ITD Cem Joint Venture.

With regard to paragraph 6 of the Auditors' Report, your Directors state that:

Trade receivables and Unbilled Work-in-progress as at December 31, 2014 include amounts aggregating ₹2,655 Lakh and ₹1,584 Lakh respectively, which have been outstanding for a substantial period of time. The Company has been actively negotiating for speedy recovery of the balance receivables. In view thereof, the management is reasonably confident of their recovery.

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

The Company has an established Integrated Management System comprising of Quality Management System conforming to ISO 9001:2008, Environmental Management System (EMS) conforming to ISO 14001: 2004 and Occupational Health and Safety Management



System conforming to OHSAS 18001:2007 at all offices, project sites and depots. During the year, the Company's accreditation has been audited and compliance to the requirements of the International Standards has been confirmed by DNV GL-Business Assurance (DNV GL- BA).

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

RAISING OF FUNDS THROUGH QUALIFIED INSTITUTIONS PLACEMENT ("QIP").

The Company has issued of 4,000,000 fully paid-up equity shares of face value ₹10 each at a price of ₹360/- (including a Premium of ₹350) per equity share, aggregating to ₹14,400 Lakh through Qualified Institutional Placement ("QIP"). The shares were allotted on 4th September, 2014.

CORPORATE SOCIAL RESPONSIBILITY

Your Directors are pleased to inform that your Company has constituted a Corporate Social Responsibility Committee and formulated a Policy in this regard. A sum of ₹33 Lakh had been allocated for three projects, where the Company is performing its works, in respect of Corporate Social Responsibility expenditure for this year and of which ₹12.87 Lakh has already been spent on one of the projects.

OUTLOOK

Bolstered by the recent sharp fall in oil prices, cooling inflation and the new government's initiatives to improve the investment climate, prospects for growth in 2015-16 appear to be good. While the capital markets have responded positively to the developments through the infusion of funds into portfolio investments, driving market valuations of many companies, stressed corporate balance sheets are hindering a recovery in private capital spending. Rising bad loans are also making banks wary of lending to companies, especially in the construction and infrastructure space.

The International Monetary Fund (IMF) last month also predicted India would overtake China next year as the fastest growing major economy with 6.5 percent annual growth compared with 6.3 percent for China. The Economic Survey had, in July 2014, projected India's GDP growth for 2014-15 in the range between 5.4% and 5.9%. Recently however, due to a change in methodology of computation of growth and a change in the base year to 2011-12 from the earlier base year of 2004-05 by the Central Statistics Office (CSO), the Indian economy is estimated to grow by 7.4 per cent in the current fiscal year as against 6.9 per cent in 2013-14.

Although RBI has signaled a fall in interest rates by announcing recently a reduction in Statutory Liquidity Ratio by 50 basis points

to 21.5%, banks have yet to respond to this measure. The general expectation is that banks may announce rate cuts in April 2015.

Your Company has, through focused and sustained marketing efforts, built a strong and diversified order book of ₹476,298 Lakh, a rise of nearly 25% over the order book at the beginning of 2014, providing good revenue visibility for the next few years. In January, 2015, your Company has received a contract for Dredging and Reclamation works at Jawaharlal Nehru Port of an approximate value of ₹216,811 Lakh. In addition, your company is also hopeful of bagging some very prestigious and large contracts in the first quarter of 2015. To enable financing this future growth, your Board also raised fresh equity capital in September 2014 amounting to ₹14,400 Lakh.

Despite these very promising overall developments, challenges on execution on some contracts and pressures on profitability will remain a drag on performance for the next couple of quarters.

PARENT COMPANY

Italian-Thai Development Public Company Limited (ITD) is engaged in the business of civil engineering and infrastructure construction and development and has been a major builder of Thailand's infrastructure for over 50 years. ITD achieved an annual consolidated revenue for the year 2013 of approximately Baht 44,902 million (about ₹8,657 crore) which puts it in the lead position amongst contractors in Thailand. In 2013, ITD had a skilled work force of over 28000 employees, including around 1,660 qualified engineers. An experienced in-house training division provides its employees with continuous training in safety and construction skills. The business operations of ITD are in nine major categories namely: buildings; industrial plants; pipelines and utility works; highways, railways, high speed rails, viaducts, trackworks, MRT systems, bridges and expressways; airports, ports and marine works; dams, tunnels and power plants; steel structures; telecommunications and mining.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

A Statement pursuant to Section 212 of the Companies Act, 1956 ("the Act") containing the details of Company's subsidiary is attached.

As required under the Listing Agreements with the Stock Exchanges, Consolidated Financial Statements of the Company and its subsidiary are attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards 21 and 27 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company, its subsidiary and its share in joint ventures.

Pursuant to the provisions of Section 212(8) of the Act, Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated 8th February, 2011 has granted a general exemption, subject to certain conditions, to Holding Companies from complying with the provisions of Section 212 of the Act which requires attaching of its Balance Sheet, Profit and Loss Accounts and other documents

of its Subsidiary Company to its Balance Sheet. Accordingly, the said documents are not included in this Annual Report. The main financial summary of the Company's Subsidiary for the year ended 31st December, 2014 is included in the Annual Report. The Annual Accounts of the Subsidiary Company will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member of the Company at the Registered Office of the Company on any working day during business hours.

RESEARCH AND DEVELOPMENT

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The Research & Development Division of the Company continues to enjoy recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The primary focus of research is to continually refine the frequently used systems at our project sites to derive optimization, reduction in the breakdowns, improve effectiveness and efficiency of use and hence provide a competitive edge for any project.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

Information as per Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the conversion of energy, technology absorption, foreign exchange earnings and outgoings respectively, is attached hereto and forms part of this Report.

Particulars of employees pursuant to Section 217 (2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in the annexure and forms part of this Report. However, in pursuance of Section 219 (1) (b) (iv) of the Act, the Report and Accounts is being sent to all the Members of the Company excluding the aforesaid information and the said particulars will be made available on request and also made available for inspection at the Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors state that in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations have been provided for material departures, wherever applicable. The Board also confirms that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under report. The Board has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities. It is further confirmed that the Directors have prepared the annual accounts on a going concern basis.

DEPOSITORY SYSTEM

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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance alongwith a certificate of compliance from the Auditors are attached hereto and form part of this Report.

DELISTING OF EQUITY SHARES FROM THE CALCUTTA STOCK EXCHANGE LIMITED

The equity shares of the Company has been delisted from The Calcutta Stock Exchange Limited w.e.f. 28th August, 2014.

DIRECTORS

Mr. Premchai Karnasuta will retire by rotation and, being eligible, offer himself for re-appointment.

At a meeting of the Board of Directors held on 6th November, 2014, Mrs. Ramola Mahajani was appointed as an Additional Director of the Company with effect from 6th November, 2014 and also as an Independent Director for a consecutive period of five years from 6th November, 2014 to 5th November, 2019.

Mrs. Ramola Mahajani holds office as Director upto the date of this Annual General Meeting and, being eligible, offers herself for appointment.

AUDITORS

The retiring Auditors, Walker Chandiok & Co LLP, Chartered Accountants, Mumbai, offer themselves for re-appointment.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Premchai Karnasuta
Chairman

February 24, 2015



ANNEXURE TO DIRECTORS' REPORT

Statement pursuant to Section 217 (1) (e) of the Companies Act, 1956.

RESEARCH AND DEVELOPMENT

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The Research & Development Division of the Company continues to enjoy recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The primary focus of research is to continually refine the frequently used systems at our project sites to derive optimization, reduction in the breakdowns, improve effectiveness and efficiency of use and hence provide a competitive edge for any project.

A) Conservation of Energy

(a) Energy Conservation Measures Taken:

- 1) Selection and use of plants with Electronic Controlled Engine with CRDI (Common Rail Direct Injection) Technology.
Increasingly, plants are selected coupled with Engine with CRDI Technology, wherein fuel consumption is less, since specific fuel consumption here is proportional to load, contrary to conventional engine, where specific fuel consumption is independent of load.
- 2) Use of Electronic Fuel Consumption Monitoring Systems
This system is attached to Hydraulic Piling Rigs and this is being fully utilized to record and monitor actual fuel consumption in a more output driven data generation and controls.
- 3) Use of Energy Efficient Lighting System
Energy efficient LED lighting system are being used to replace conventional lighting in a phase-wise manner. The new Kolkata office premises are fully with new LED lighting system.

(b) Additional Investments and Proposals, if any, being implemented for reduction in Consumption of Energy:

- i) Energy efficiency continued to remain one of the major criterion for selection of new plant during the year 2014.
- ii) Use of electrical power driven equipment, wherever possible, to utilize supply power or single source of power generation, in lieu of individual gensets, thereby savings on energy.

(c) Impact of the Measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- i) Decrease in fuel consumption per unit of work done.

- ii) Optimization of fleet size and productivity thus resulting in savings in fuel consumption and reduce pressure on environment.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the annexure to the Rules in respect of industries specified in the Schedule thereto:

Not applicable

B) Technology Absorption

Research & Development (R & D)

1. Use of Polymer Slurry for installation of High Capacity Bored Piles in Sandy Sub-soil Environment

At a construction site near Delhi, high capacity piles were desired, since the number of piles was restricted due to a limited footprint area of structure. Three dedicated load tests were performed on 1000mm diameter piles installed using polymer slurry. To increase the unit weight of the polymer, a commercially available supplement Alfabond was added along with fine sand. A gravel pad was also deployed at the bottom of the bore for improving base resistance. All three piles gave safe capacity excess of 750MT against a normally achieved value of around 500MT with conventional piling procedure. These trials proved significant improvement in frictional capacity using polymer slurry, paving way for economic pile foundation applications.

2. Special Concrete for Soft Piles

Secant piles are overlapping combination of soft and hard piles constructed in an array. In a project site near Delhi involving such piles, a special concrete mix design exercise was undertaken to ensure low strength for initial 7 days while still retaining a desired strength of 20MPa at 28 days. Exercise for trial concrete mixes was undertaken using more than fifty different proportions involving retarders and flyash, while still maintaining required workability for piling concreting. A mix was devised that could achieve a 9-12MPa strength at 7 days, while maintaining a desired 28 day strength of 20MPa. This concrete mix design exercise is expected to minimize to great extent cutting of concrete during boring for adjacent hard piles in the construction of Secant pile wall.

Technology Absorption, Adaption and Innovation

1. Special Adaptation for Secant Pile Construction

Secant piles are deep retaining system which requires elaborate arrangements for cutting of soft piles. To facilitate

convenient execution of secant piles, special MS casing and boring tools were developed and deployed. The Secant piles comprised 8m and 11.5m deep soft and hard piles respectively. MS casing with plunger adapter at top and rock cutting bits at the bottom were developed. Special procedure and sequences ensured that casing driving was simultaneously assisted by boring advancement by tools through a dedicated arrangement in the Kelly of the hydraulic rig. The arrangement could afford not only extracting 8m long casing, but also made possible to use a conventional 180 kN.m torque piling rigs, which otherwise, in a normal situation would have demanded heavier rigs.

2. Top Down Construction – Special Adaptations

Top down technique which allows simultaneous construction of sub- and super-structures has been used for metro stations, multi-level car parking and commercial complexes. New adaptation in the process of Top Down technique, currently in progress at a Vadala site at Mumbai, were undertaken to account for variations in rock level encountered. This technique involved bored pre-cast piling, which, subsequently doubled up as a pre-cast column for the basement. To address variations in rock levels, a plate was fitted at the bottom of precast column to which a structural member with enveloping reinforcement cage was welded later. After lowering the column, the annular portion at the bottom could be concreted in situ. This facility ensured precast column of a standard length and could address variations in rock levels.

3. High Capacity Soil Anchors

Soil anchors with capacity upto 50MT are considered normal in construction industry. In one of the sites involving diaphragm wall as a deep excavation support system, high capacity anchors of 70MT capacity were mandatory requirements under a highly restricted boundary margin.

Special provisions for high capacity anchors included use of corrugated steel pipe to increase the bond, use of pressure grouting and maintaining a special grout mix design to increase the penetrability into the ground. This project proved that in spite of a restricted space, high capacity soil anchors could be successfully constructed. Such exercise was unique and experience and success derived, is expected to pave way for all future works involving deep excavation support systems.

4. Tunnel Boring Machine for Tunneling through Mixed Soil and Rocky Strata

For a project of MRTS for DMRC in Delhi, MIXED SHIELD EPB TBM Machine is utilized for tunneling through mixed soil and rocky strata with great success.

C) Foreign Exchange Earning and Outgo

- 1) The Company did not have any export during the year under the report.
- 2) The Company is continuing its efforts to identify opportunities of securing overseas contract in its specialist activities.
- 3) There were no earnings in foreign exchange from construction and related activities during the year under the report and the outgo on account of traveling, professional and consultancy fees, import of consumables, capital goods, tools and spare parts aggregated to ₹5,268 Lakh.

For and on behalf of the Board

Premchai Karnasuta
 Chairman

February 24, 2015



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

ITD Cementation India Limited is a leading player in the Engineering, Procurement and Construction (EPC) area of construction industry. Its main activities are marine projects, urban transport, foundation specialist engineering, hydroelectric power and tunneling, dams and irrigation, industrial structures, highways and bridges, and airports.

ECONOMIC OVERVIEW

Global economy

The global economy appears to be settling into a 'new normal' of modest growth in developed economies, stabilisation of growth in emerging economies, and a decline in systemic risks emanating from policy mistakes. On the other hand, geopolitical risks appear to have reared their heads lately to a degree we haven't seen in some time. Troubles in Ukraine, Iraq, and the South China Sea have led to concern about the potential impact on economic outcomes.

Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. Growth picked up only marginally in 2014, to 2.6 percent, from 2.5 percent in 2013. Beneath these headline numbers, increasingly divergent trends are at work in major economies.

While activity in the United States and the United Kingdom has gathered momentum as labour markets heal and monetary policy remains extremely accommodative, the recovery has been sputtering in the Eurozone and Japan as legacies of the financial crisis linger,

intertwined with structural bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown. Disappointing growth in other developing countries in 2014 reflected weak external demand, but also domestic policy tightening, political uncertainties and supply-side constraints.

Several major forces are driving the global outlook: soft commodity prices; persistently low interest rates but increasingly divergent monetary policies across major economies; and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

Overall, global growth is expected to rise moderately, to 3.0 percent in 2015, and average about 3.3 percent through 2017. High-income countries are likely to see growth of 2.2 percent in 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labour markets, ebbing fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate, rising from 4.4 percent in 2014 to 4.8 percent in 2015 and 5.4 percent by 2017. Lower oil prices will contribute to diverging prospects for oil-exporting and oil-importing countries, particularly in 2015.

Indian economy

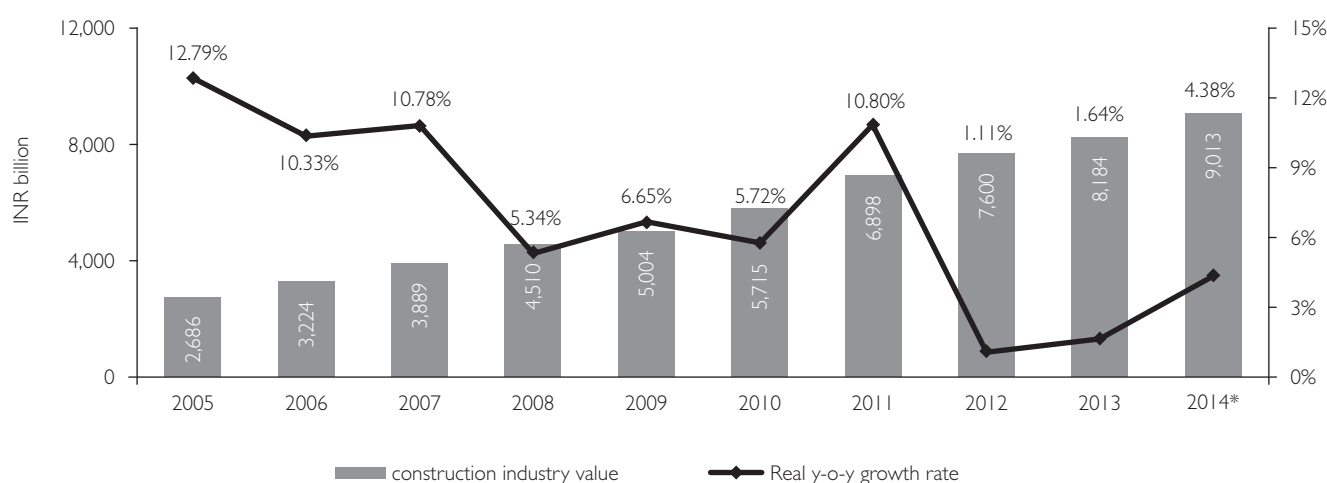
Despite India being the fourth largest economy, a dearth of world-class infrastructure has hindered development compared with China. As per estimates, this inadequate infrastructure has moderated India's GDP growth by 100-200 bps. Besides, the recent growth of the Indian economy has been increasingly stressing its physical infrastructure (electricity, railways, roads, ports, airports, irrigation, water supply and sanitation systems).

An estimated US\$1 trillion has been allocated towards infrastructural investments during the 12th Five Year Plan (2012-17) (Twelfth Plan); approximately 40% of which is expected to come from the country's private sector. A revival in the investment climate will in all likelihood increase the country's infrastructure spending from 7.2 % of GDP in 2012 to 9% by 2017. (Source: Observer Research Foundation)

Indian construction sector

The construction sector in India is the country's second-largest economic segment after agriculture. It employs more than 40 million people and contributed nearly 8.1% to the national GDP in 2012–13. It is expected to have contributed 7.8% in 2013–14. According to industry estimates, the Indian construction industry was worth ₹8,184 billion in FY13, which is estimated to be ₹9,013 billion in FY14. Prior to the global economic crisis in 2008, the industry grew at more than 10% during 2005–07. After 2008, the growth moderated, with the industry registering an average real growth rate of 4.8% during 2008–14. However, the industry is now expected to recover with the formation of a stable Central Government.

Growth of India's construction industry



* Estimated

Source: Business Monitor International

Infrastructure projects are major demand drivers in the Indian construction industry, accounting for an estimated 49% of industry value followed by real estate and housing (42%) and industrial projects (5%). The construction industry is highly fragmented and working capital intensive, particularly in the case of projects of long gestation periods. Although the project risk for contractors is low, due to a relatively small investments commitment in projects, institutions have been cautious about lending to small contractors until recently. This is due to the high risk associated in delay of payment by the client. Consequently, several companies had to meet their working capital requirements by borrowing funds at high interest rates.

Demand for construction continued to remain sluggish in 2014, with industry growth estimated at 1.6% over the previous year. Bottlenecks in new infrastructure projects and deferment of investments and new projects in the industrial sector due to slowdown in the manufacturing sector have contributed significantly to this lack of growth. Developers have faced cash-stress due to subdued capital

markets, which made it difficult to raise equity for projects. Moreover, banks have also reached their sectoral lending limits restricting fresh lending to the sector. Major construction players are experiencing liquidity crunch because of extended recovery timeframes from their customers and tightening of funding norms being employed by institutional financiers. Furthermore, increasing labour costs and commodity prices as well as aggressive tendering have put pressure on companies' margins over the last one to two years. (Source: EPC report)

Contribution to economy

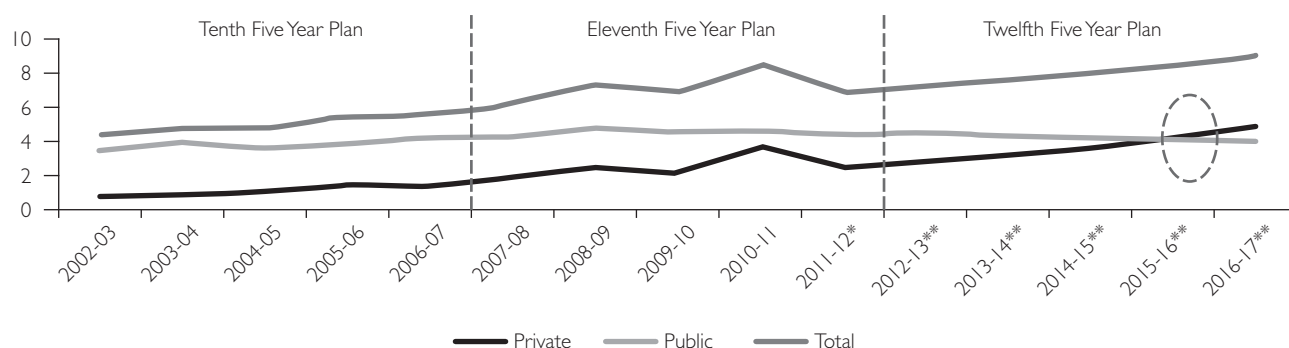
India's economic growth has primarily been driven by considerable investment in infrastructure development after liberalization. These investments were spread across infrastructure sectors such as roads and highways, telecom, airports, ports, power, oil and gas and railways and have helped the Indian economy attain an improved growth trajectory in the last ten years prior to 2012.



They are further estimated to increase to ₹56.3 trillion in the Twelfth Plan. The share of infrastructure as a percentage of GDP increased from 5% in the 10th Five Year Plan to around 7.2% in the 11th Five Year Plan on the back of a favourable policy support. Over the past decade, public sector investment as a percentage of GDP has remained consistent and the increase in total share can be attributed to an increasing share of private sector investment as percentage of GDP.

Sectors such as roads, airport, power and ports have become very attractive for both domestic and foreign investors. This is due to relatively low entry barriers in these markets, a strong project pipeline and a considerable opportunity size. On the other hand, sectors such as railways and buildings are relatively low on the attractiveness scale. The railways are awaiting unbundling, while buildings are waiting for the recovery of the real estate sector. As a result, the market as a whole has become a mixed bag of opportunities in which different types of players are participating. (Source: EPC report)

Investment in infrastructure as a percentage of GDP



* Revised estimates, ** Projected investment

Source: Table 3.16-Investment during the Eleventh Plan as Percentage of GDP and Table 3.17-Projected Investment in infrastructure-Twelfth Plan, Volume-I, Twelfth Five Year Plan (2012-2017), Planning Commission

Evolution of the Indian EPC sector

In India, the construction industry has evolved from item rate packages to lumpsum contracts and then to EPC contracts over the years. It has resulted in a visible shift from owner-managed projects to projects where the risk of time and cost overruns has been transferred to the contractor, along with the responsibility of designing, procuring and constructing. This even protects the developer from currency and interest rate fluctuations. Initially there were only few contractors in India who had the required technological and financial capabilities to take and complete a project in its entirety; therefore, large projects were divided into small EPC packages. Gradually, EPC contractors developed technical expertise and became financially competent. Subsequently, the project owners began to award them complete projects as lumpsum turnkey contracts. The Indian EPC sector is still developing and is different from the global EPC sector where EPC contractors have adopted a modern variation called EPCM — engineering, procurement and construction management. The EPC contractors have donned the mantle of project consultants by overseeing the project from design to commissioning stages. This has limited the role of engineering consultants and large EPC companies around the world with strategically located production hubs across continents. They have highly sophisticated project management and risk management techniques, which help them to monitor and manage projects efficiently across different locations. It has been

observed that some of the global players also acquire a strategic stake in the equity of the project, which express their commitment as well as provide confidence to owners and investors. (Source: EPC report)

Optimism

The Twelfth Plan envisions an investment worth ~ ₹56.3 trillion in Indian infrastructure between 2012 and 2017. This, in turn, is expected to offer significant opportunities for EPC players across various sectors. During the period, the construction opportunity in the infrastructure sector is estimated to be around ₹26.7 trillion. Significant investments in infrastructure projects, along with the revival in the real estate sector and growth in industrial capital expenditure are likely to boost the construction industry and act as a catalyst for growth of EPC companies in India.

The construction intensity which varies significantly across infrastructure sectors, impacts EPC players most directly. While construction-intensive sectors such as roads, railways and MRTS together account for 28% of infrastructure investments, they contribute nearly 42% to the total EPC opportunity. On the other hand, the telecom sector, which has the third-largest investment in infrastructure, accounts for only 3.5% of the total EPC opportunity. (Source: EPC report)

KEY INFRASTRUCTURE SECTORS: INVESTMENT SCENARIO

Roads

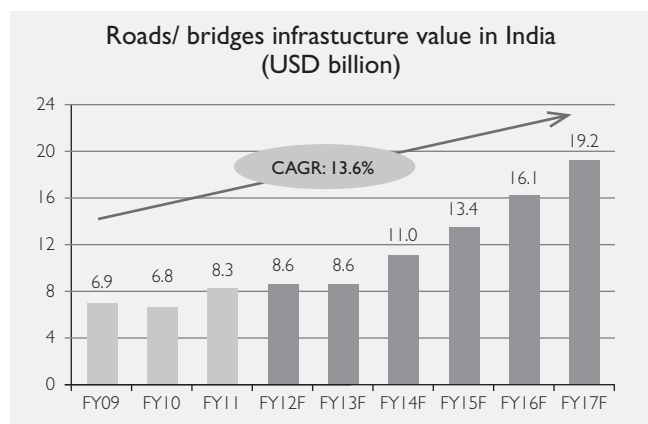
The highways sector has reported significant growth in the past decade driven by large-scale private participation under the government's flagship National Highway Development Project (NHDP). India has the second largest road network in the world (4.7 million kilometres), next only to China. Over 60% of all goods and 85% of the total passenger traffic are road-transported. Even though 40% of the total traffic commutes through India's highways, they account for only 5% of the country's road networks, indicating an enormous opportunity for highway development.

Road network in India

Type of road	Total length (in million kilometres)
National Highways	0.09
State Highways	0.14
Total road length	4.86

(Source: Energy, Infrastructure and Communications, Chapter 11, Economic Survey 2013-14)

The Government of India set aside 20% of its 12th FiveYear Plan infrastructure investment to develop the country's roads. National highways are expected to reach 85,000 kilometres by the end of the Twelfth Plan period from 79,116 kilometres during the previous period. As per the Union Budget 2014-15, the NHAI is expected to receive USD 6.1 billion with USD 487.2 million for constructing roads in North-East India.(Source: Union Budget 2014-15, MoRTH Annual Report 2012-13, Planning Commission, Aranca Research)



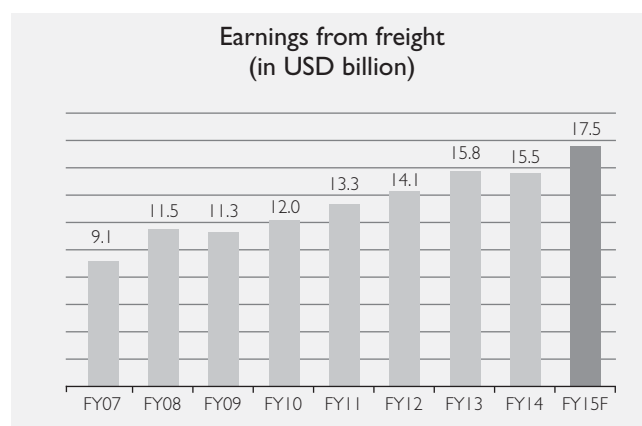
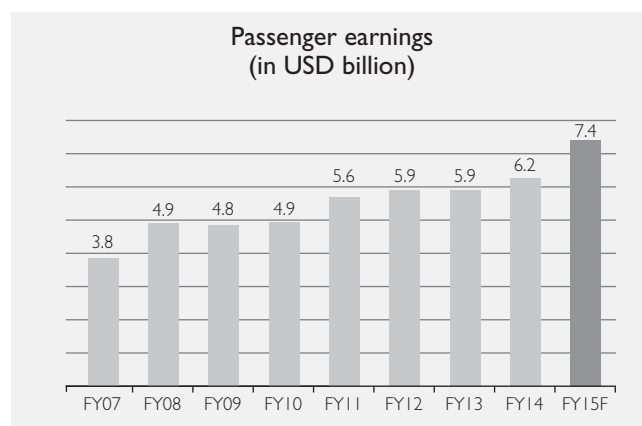
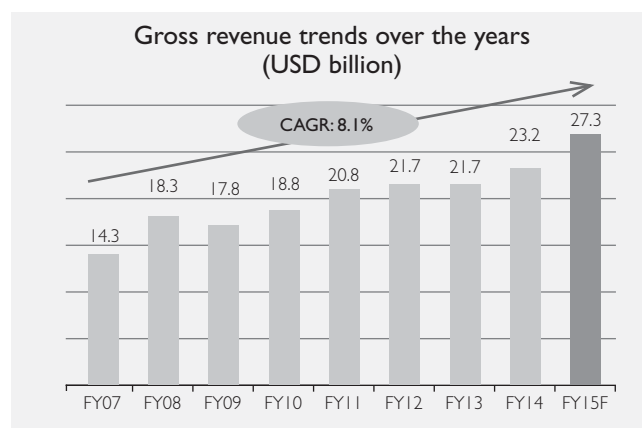
To catalyse infrastructural investment, the government permitted 100%-FDI in the roads sector and encouraged large international players to invest in India.

Railways and MRTS

The Indian Railways transported 23 million passengers daily and 1,050.2 million tonnes of freight during FY14 (Source: IBEF). Private sector companies were encouraged to participate in rail projects. The Indian Railways is constructing dedicated freight lines along the Eastern and Western corridors, which will increase productivity and reduce transportation costs. Growing industrialisation across the

country has increased freight traffic and is set to increase significantly following investments and rising private sector participation.

There has been a rapid increase in the demand for urban mass transportation systems. Metro rail projects are being envisaged across a number of Indian cities over the next decade. Several metro rail projects are underway to improve in-city connectivity. Investments worth USD 42 billion are expected in MRTS networks in India by 2020. An amount of USD 16.7 billion has already been invested in MRTS projects over the next five years.



According to the Twelfth Plan, rail passenger volumes are expected to expand at an 8.3% CAGR during FY13-17, throwing up significant prospects for ITD Cementation to enlarge its presence in the country's rail as well as MRTS projects. (Source: IBEF)



Airports

India is the world's ninth largest civil aviation market. The country ranks fourth globally in domestic passenger volumes (116.3 million in FY14); the industry is set to emerge as the world's third largest by 2020. Travel and tourism is expected to be a USD 270.5 billion industry by 2023, with passenger traffic at Indian airports set to increase to about 450 million by 2020 as against the 154.5 million passengers in FY14 (Source: IBEF). Besides, the share of travel and tourism in India's GDP grew by 7.3 per cent during 2014 and is expected to sustain an annual growth of 7% during 2014-23.

A growing working group and widening middle-class is expected to increase the number of airports to 250 by 2030. The Indian Government has already stated its intention to create 100 airports over the next five years.

The Central Government has announced investments totaling USD 12.1 billion in the airports sector during the Twelfth Plan period, out of which private investments have been pegged at USD 9.3 billion (through the PPP route). A number of measures have been undertaken to enhance investments comprising:

- Enhanced private sector participation
- Tax incentives for developers
- Sectoral liberalisation; dismantling the 5/20 rule (five years of experience and a fleet of 20 aircrafts is mandatory for an aviation company to spread its wings beyond its native shores)
- Granting 49% FDI in aviation

(Source: IBEF)

Ports

India has 13 major ports and 200 non-major ports. These strategically located ports handle almost 95% of trade volumes; cargo traffic has grown in direct proportion with rising trade volumes. India's port traffic is set to rise at a CAGR of 17.1% over FY13-17. In FY14, total cargo handled at Indian ports increased by 4.3% to 976 million tonnes from 935 million tonnes during FY13. Growth dwindled due to sluggish cargo performance at the major ports which registered a meagre 1.8% growth in cargo volumes to 556 million tonnes in FY14. Non major ports on the other hand bucked up the overall growth rate by recording an 8.3% growth in throughput on a y-o-y basis to 420 million tonnes. On a positive note, the major ports were able to stem the rot in terms of declining cargo volumes to register the first increase in cargo throughput since FY11. During the first four

months of FY 15, the cargo throughput at major ports has registered a modest 3.3% growth over the corresponding period of previous year. The growth was supported by an increase in all cargoes except POL (-0.5%) and iron ore (-7.5%), across all ports. The Indian cargo capacity is expected to increase to 2,493.10 million metric tonnes in FY17 from 1,245.3 million metric tonnes in FY12.

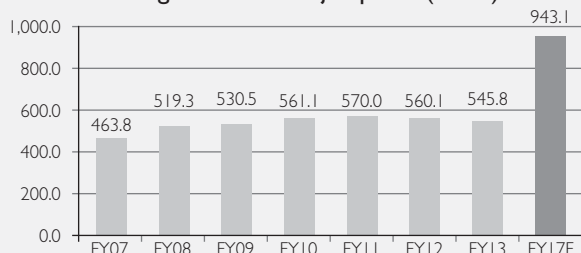
The private sector has extensively participated in port logistics services. To promote private investments, the government has reformed the organisational model of seaports – from a 'service port' model where the port authority offers all the services to a 'landlord port' model where the port authority acts as a regulator. The Ministry of Shipping achieved its target for 2013-14 of awarding 30 port projects. These projects would entail an estimated investment of around ₹210 billion and result in capacity addition of 217 million tonnes per annum (increase of 27% over existing capacity of the major ports). Further the Ministry of Shipping plans to award 35 projects in 2014-15 which is expected to add 259 million tonnes per annum in capacity at an estimated investment of ₹137 billion. Out of these, 23 projects will be taken on a priority basis (entailing an investment of ₹52 billion) while the remaining have been marked as standby projects. The current focus is on developing port infrastructure and improving port connectivity as against capacity augmentation in the earlier years. Out of these, the MoS plans to award 17 projects on PPP which will entail an investment of ₹102.77 billion, the major ones of which would be container terminal at Diamond Harbour at Kolkata Port Trust (₹17.58 billion), liquid terminal at JNPT (₹24.96 billion) and iron ore berth at Paradip Port (₹6.81 billion). These projects are in addition to the projects announced in the last union budget during 2013-14, for development of two major port projects, one in Andhra Pradesh (AP) and the other in West Bengal entailing a combined capacity of 79 million tonnes at an investment of around ₹158 billion. (Source: ICRA, Indian Ports Sector; September 2014)

Government policies supporting port development in India:

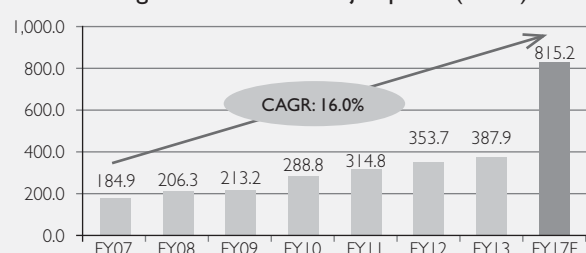
- Initiation of NMDP, an initiative to develop the maritime sector; the planned outlay is USD 11.8 billion
- FDI of 100% under the automatic route and a 10-year tax holiday for enterprises engaged in ports
- Launch of the Maritime Agenda 2010-20 to develop infrastructure and attract investments in port

(Source: IBEF)

Cargo traffic at major ports (MMT)



Cargo traffic at non-major ports (MMT)



Power

The demand for electricity in the country has been growing at a rapid rate and is expected to grow further in the years to come. In order to meet the increasing requirement of electricity, massive addition to the installed generating capacity in the country is required. As per the International Energy Agency (IEA) publication on World Energy Statistics 2013, India ranks 5th in terms of power generation and 110th in terms of per capita consumption. The energy deficit in India has reduced from 9.5 per cent in 2010-11 to 4.5 per cent in 2013-14.

The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The Government of India's focus to attain 'Power for all' has accelerated capacity addition in the country. Simultaneously, the competitive intensity is increasing both in terms of demand as well as supply (fuel, logistics and manpower).

Electricity production in India (excluding captive generation) stood at 911.6 Terawatt-hour (TWh) in FY13, a 4 per cent growth over the previous fiscal. During FY14, electricity production stood at 967 TWh. Over FY 07-14, electricity production expanded at a compound annual growth rate (CAGR) of 5.6 per cent. As of April 2014, total thermal installed capacity stood at 168.4 gigawatts (GW) while hydro and renewable energy installed capacity totaled 40.5 GW and 31.7 GW, respectively. At 4.8 GW, nuclear energy capacity remained broadly constant from that in the previous year.

Indian solar installations are forecasted to be approximately 1,000 megawatt (MW) in 2014, according to Mercom Capital Group, a global clean energy communications and consulting firm. Wind energy market of India is expected to attract about ₹20,000 crore (US\$ 3.24 billion) of investments next year, as companies across sectors plan to add 3,000 MW of capacity powered by wind energy.

The investment climate is positive in the power sector. Due to the policy of liberalisation, the sector has witnessed higher investment flows than envisaged. The Ministry of Power has sent its proposal for the addition of 76,000 MW of power capacity during the Twelfth Plan, to the Planning Commission. The Ministry has set a target of adding 93,000 MW in the 13th Five Year Plan (2017-2022). The industry has attracted FDI worth US\$ 9,309.96 million during the period April 2000 to September 2014.

Governmental initiatives

The Government of India has identified the power sector as a key sector of focus to promote sustained industrial growth. Some of the initiatives taken by the Government of India to boost the power sector of India are as follows:

- India and Bhutan have signed a power project pact to provide a major boost to the 600 MW Kholongchu Hydroelectric Project. It will be the first hydroelectric project to be developed as a joint venture between PSUs of the two countries.

- India and Nepal have signed a power trade agreement effective for the next 25 years and will deal with power trade, cross-border transmission lines and grid connectivity.
- The Ministry of New and Renewable Energy (MNRE) has initiated a scheme for setting up 25 solar parks, each with the capacity of 500 MW and above, to be developed over the next five years in various states.
- Indian Renewable Energy Development Agency Ltd (IREDA) has signed a MoU with the US Exim Bank with respect to cooperation on clean energy investment.
- India's largest thermal power producer, NTPC plans to produce up to 300 million tonnes of coal within the next four to five years.
- The Competition Commission of India (CCI) has given its approval to Adani Power's deal with Lanco Infratech to buy the latter's 1,200 MW imported coal-fired power plant at Udipi in Karnataka for more than ₹6,000 crore.

The government is targeting capacity addition of around 89 GW during the Twelfth Plan and around 100 GW under the 13th Five Year Plan period (2017-22). The expected investment in the power sector during the Twelfth Plan is US\$ 223.9 billion. (Source: IBEF)

OUTLOOK

Bolstered by plummeting oil prices and easing inflation prospects for growth in 2015-16 appear to be good. While the capital markets have responded positively to the developments through the infusion of funds into portfolio investments, driving market valuations of many companies, stressed corporate balance sheets are hindering a recovery in private capital spending. Rising instances of bad loans are also making banks wary of lending to companies, especially to those which operate in the construction and infrastructure space.

The IMF has predicted that India would overtake China next year as the fastest growing major economy with 6.5% annual growth compared to 6.3%. The Economic Survey had, in July 2014, projected India's GDP growth for 2014-15 in the range between 5.4% and 5.9%. Recently however, due to a change in methodology of computation of growth and a change in the base year to 2011-12 from the earlier base year of 2004-05 by the Central Statistics Office (CSO), the Indian economy is estimated to grow by 7.4% in the current fiscal year as against 6.9% in 2013-14.

Although RBI has signaled a fall in interest rates by announcing recently a reduction in Statutory Liquidity Ratio by 50 basis points to 21.5%, banks have yet to respond to this measure. The general expectation is that banks may announce rate cuts in April 2015.

ITD Cementation, through its consistent emphasis on qualitative excellence has been able to build a strong and diversified order book worth ₹476,298 Lakh, a rise of near future. Moreover, ITD



Cememntation is also hopeful of bagging some very hefty contracts in the first quarter of 2015. To enable this growth, the Board also raised fresh equity capital in September 2014 amounting to ₹14,400 Lakh.

Despite these promising developments, executional challenges will continue to pressurise profit margins during the next couple of quarters.

Risk and concerns

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

Measures: The Indian economic scenario over the next five years is conducive to infrastructure investments. The year 2014 was marked by a new government which encouraged private players to revive infrastructure investments. Besides, initiatives like the 'Make in India' campaign, the proposed 100 'smart city' projects and several high-speed railway and road corridor projects are likely to sustain infrastructure opportunities. The Twelfth Plan has outlined investment of a staggering USD 1 trillion in infrastructure construction, benefiting focused players.

Besides, there is a huge portfolio of outstanding projects commissioned during the previous Plan but yet to be executed (Indian Planning Commission has envisaged a sum of ₹30,000-40,000 crore stuck in stalled projects), indicating a growing opportunity.

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

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

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

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

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

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

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

Balance Sheet risk: A large quantum debt could impact profitability.

Measures: The Company embarked on deleveraging its Balance Sheet (among the first in its industry to do so during the prevailing slowdown) by making a QIP to mobilize ₹14,400 Lakh (issuing 40 Lakh shares). A major part of the funds (₹10,000 Lakh) has been utilized in working capital debt reduction and the rest for augmenting long-term resources. Besides, the Company is focused on bidding for projects in the marine and transportation spaces that generate higher blended margins.

Qualification risk

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

Measures: A net worth of about ₹56,782 Lakh (31st December, 2014) prequalifies the Company for most large government and private projects. Besides, the Company entered into joint ventures and consortium partnerships to pool capabilities and bid for large projects. The consortium model enabled the company to deepen its civil engineering competence and graduate to higher margin projects.

Mitigation

A net worth of about ₹56,782 Lakh (31st December, 2014) prequalifies the Company for most large government and private projects. Besides, the company entered into joint ventures and consortium partnerships to pool capabilities and bid for large projects. The consortium model enabled the Company to deepen its civil engineering competence and graduate to higher margin projects.

FINANCE REVIEW

Financial Overview

The economic and operational environment in general and for the construction industry in particular was very challenging.

On a standalone basis, the Company achieved revenue from operations of ₹135,241 Lakh in 2014, an increase of over 10% over the revenues of ₹122,476 Lakh reported last year. However, on account of execution challenges on some projects and cost overruns on certain other projects, the Company has incurred a loss before tax and exceptional items of ₹6,758 Lakh in 2014, in comparison with the profit before tax of ₹935 Lakh achieved last year. After considering credit for excess depreciation provided in earlier years, the Company's profit before tax increased to ₹2,795 Lakh in 2014 from ₹935 Lakh in 2013. After accounting for credits for current tax and deferred tax, the net profit for the year 2014 is ₹1,941 Lakh against ₹931 Lakh.

On a consolidated basis, the revenue from operations stood at ₹171,242 Lakh during the year 2014, against a revenue of ₹157,837 Lakh achieved in 2013, an increase of about 8 %. On account of the reasons stated above, the loss before tax and exceptional items was ₹6,864 Lakh in 2014 in comparison with the profit before tax of ₹2,391 Lakh in 2013. After taking credit for the depreciation write back in respect of earlier years and for current and deferred taxes, the Company's profit before tax and profit after tax stood at ₹2,689

Lakh and ₹1,941 Lakh respectively in 2014, in comparison with ₹2,391 Lakh and ₹931 Lakh respectively achieved in the previous year.

Internal control systems

The Company has in place an internal control system commensurate with its size and nature of business. In accordance with the internal policy of the Company, delegation of authority is exercised prudently across various managerial levels. An internal audit cell conducts audits to test the adequacy of internal systems and suggest continual improvements, round the year. These internal Audit reports and adequacy of internal controls are reviewed by the Board's Audit Committee on a regular basis.

Human resources development and safety

ITD Cementation encourages a performance-oriented culture through transparent employee appraisal systems. ITD Cementation believes in creating a professional, congenial, safe and environment-friendly workplace and consequently has striven to make construction sites as injury-free as possible. As on 31st December, 2014, there were 1,771 employees on ITD Cementation's steady roster and 3,032 employees engaged on a project-to-project basis.



REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Your Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Your Company has in place processes and systems whereby the Company complies with the requirements of Corporate Governance under revised Clause 49 (Clause 49) of the Listing Agreement with the Stock Exchanges. Your Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

2. Board of Directors

(i) Composition

The Board has an optimum combination of Executive and

Non-Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements with the stock exchanges on which the Company's Shares are listed. As on date the Company has seven (7) Directors with a Non- Executive Chairman. Of the seven (7) Directors, six (6) are Non- Executive Directors out of which four (4) are Independent Directors.

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

Name of the Director	Category	No of Board Meetings held during the Year 2014		Last AGM attended	No. of Directorships held in other Indian Public Limited Companies including as an alternate Director	Total No. of *Memberships/ Chairmanships of Committees of Directors held in other Indian Public Limited Companies
		Held	Attended			
Mr. Premchai Karnasuta (Chairman)	Non- Independent, Non- Executive	6	1	Yes	Nil	Nil
Mr. Pathai Chakornbundit (Vice Chairman)	Non- Independent, Non- Executive	6	4	Yes	Nil	Nil
Mr. D. E. Udawadia	Independent, Non- Executive	6	5	Yes	9	8 (includes 2 Chairmanship)
Mr. Per Hofvander	Independent, Non- Executive	6	4	Yes	Nil	Nil
Mr. D. P. Roy	Independent, Non- Executive	6	6	Yes	3	3
Mrs. Ramola Mahajani ¹	Independent, Non- Executive	6	1	-	Nil	Nil
Mr. Adun Saraban (Managing Director)	Executive	6	6	Yes	1	Nil

*Excludes membership / chairmanship of non-mandatory committees.

1. Appointed as an Additional Director and as an Independent Director for a period of 5 years w.e.f. 6th November, 2014

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

Six (6) meetings of the Board were held during the Company's financial year ended 31st December, 2014. The dates on which the meetings were held are as follows: 29th January, 26th February, 8th May, 1st July, 6th August and 6th November, 2014.

(iv) Code of Conduct

The Company has adopted Code of Ethical Conduct for (a) Directors and Senior Management Personnel and (b) Executive Directors and Employees of the Company. As per amended Clause 49, the same have been posted on the Company's website. The Managing Director of the Company has given a declaration to the effect that all the Directors and Senior Management personnel of the Company have given their affirmation of compliance with the Codes of Ethical Conduct.

(v) During the year, information as mentioned in Annexure X to the Listing Agreement had been placed before the Board.

3. Audit Committee

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

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

The Audit Committee comprises four (4) Non-Executive Directors of which three (3), namely Mr. Per Hofvander, Mr. D. E. Udwardia and Mr. D. P. Roy are Independent Directors. During the financial year ended 31st December, 2014 the Audit Committee had held four (4) meetings. Meetings were held on 26th February, 8th May, 6th August and 6th November, 2014. Attendance of directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Per Hofvander, Chairman	4	4
Mr. D.E. Udwardia	4	4
Mr. Pathai Chakornbundit	4	4
Mr. D. P. Roy	4	4

Mr. Per Hofvander, the Chairman of Audit Committee, was present at the last Annual General Meeting.

Mr. R.C. Daga, Company Secretary, attended the meetings of Audit Committee held during the year 2014.

(ii) Terms of reference, role and scope of the Audit Committee are in line with those prescribed by Clause 49 of the Listing Agreement. The Company has also complied with the provisions of Section 177

of the Companies Act, 2013 read with Rules framed thereunder pertaining to Audit Committee and its functioning.

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

4. Nomination and Remuneration Committee

A Remuneration Committee of Directors was constituted by the Company in March 1994.

The Company has renamed the Remuneration Committee as Nomination and Remuneration Committee on 8th May, 2014 pursuant to Section 178(1) of the Companies Act, 2013 read with Rules framed thereunder and also to comply with amended Clause 49 of the Listing Agreement

Terms of reference of the Nomination and Remuneration Committee (NRC) were adopted on 6th August, 2014

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

NRC comprises of four (4) Non-Executive Directors namely Mr. D. E. Udwardia, Mr. Premchai Karnasuta, Mr. Pathai Chakornbundit and Mr. Per Hofvander. Mr. D. E. Udwardia and Mr. Per Hofvander are Independent Directors. The Committee held three (3) meetings during the year 2014 i.e. on 26th February, 6th August and 6th November, 2014

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. D.E. Udwardia, Chairman	3	3
Mr. Premchai Karnasuta	3	-
Mr. Pathai Chakornbundit	3	3
Mr. Per Hofvander	3	3

(ii) Brief description of terms of reference

Terms of reference are as under:

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



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

(iii) Nomination and Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel which has been posted on the Company's website.

(iv) Details of Remuneration to the Directors / Key Managerial Personnel / Senior Management Personnel

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

Key Managerial Personnel and Senior Management Personnel are paid remuneration by way of salary (comprising fixed components and variable component). Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Stock Option Scheme.

No severance pay is payable on termination of appointment.

Non-Executive Directors are paid remuneration by way

of sitting fees for attending the meetings of the Board and Committees thereof. The remuneration of the Non-Executive Directors by way of commission is determined by the Board in terms of the special resolution passed by the shareholders at the Annual General Meeting held on 4th May, 2012.

The Non-Executive Directors are compensated by way of commission based on input given and number of Board / Committee Meetings attended by them.

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

During the year, the Company paid ₹24,88,600/- to M/s Udwadia Udeshi & Argus Partners, Solicitors & Advocates, Mumbai, as fees for professional services that were provided by the said firm to the Company on specific legal matters entrusted to them from time to time. Mr. D. E. Udwadia is a Senior Partner of M/s Udwadia Udeshi & Argus Partners. The Board does not consider the firms' association with the Company to be of a material nature so as to affect the independence of judgement of Mr. D. E. Udwadia as a Director of the Company.

Details of remuneration payable to Executive and Non - Executive Directors of the Company for the year ended 31st December, 2014 are given below:

Name of the Director	Service Contract Years/ months	Salary	Commission	Perquisites and cost of providing furnished residential accommodation	Retirement Benefits (PF and Gratuity)*	Total sitting fees
		₹	₹	₹	₹	₹

(a) Executive Director

1. Mr. Adun Saraban	3 years 01.01.2013 to 31.12.2015	39,60,000	NIL	37,45,280	4,75,200	NIL
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* As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the director is not ascertainable and, therefore, not included above.

(b) Non-Executive Directors

1. Mr. D.E. Udwadia	-	NIL	NIL	NIL	NIL	1,70,000
2. Mr. D. P. Roy	-	NIL	NIL	NIL	NIL	90,000
3. Mrs. Ramola Mahajani	-	NIL	NIL	NIL	NIL	15,000
Total		39,60,600	NIL	37,45,280	4,75,200	2,75,000

Note:

- Sitting fees are paid for attendance by Non- Executive Directors at meetings of the Board and of Committees of the Board.
- None of the Non-Executive Directors had any pecuniary relationship or transaction with the Company other than the Directors Fee and Commission received by them.

5A. Stakeholders Relationship Committee

A Shareholders / Investors' Grievance Committee was constituted on 2nd March, 2001.

The Company has renamed the Shareholders/ Investors Grievance Committee as Stakeholders Relationship Committee on 8th May, 2014 pursuant to Section 178(5) of the Companies Act, 2013 read with Rules framed thereunder and also to fall in line with amended Clause 49 of the Listing Agreement

The terms of reference of Stakeholders Relationship Committee (SRC) were adopted on 6th August, 2014.

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

SRC comprises two (2) Directors and the Committee is headed by Mr. Pathai Chakorbundit, a Non-Executive Director. The Committee held four (4) meetings during the year 2014 on 26th February, 8th May, 6th August and 6th November, 2014

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

(ii) Brief description of terms of reference

SRC consider and resolve the grievances, if any, of all security holders of the Company.

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

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

During the financial year ended 31st December, 2014 Thirty one (31) complaint letters were received from the shareholders which were replied/resolved to the satisfaction of the shareholders. No complaints remained unresolved at the end of the year.

(iv) Name and designation of Compliance Officer

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

5B. Share Transfer Committee

Share Transfer Committee of Directors was constituted in 1980. The terms of reference of Share Transfer Committee were last amended on 11th January, 2010. During the financial year ended 31st December, 2014 the Committee had twenty-four (24) meetings.

Pursuant to Clause 49 (VIII) (E) of the Listing Agreement, Share Transfer Committee are regularly attended to and atleast once a fortnight.

(i) Terms of reference

(a) The Committee is authorised to approve share transfers

and transmissions, change and transposition of names, demat / remat of shares, rectification of entries, renewal/ split/consolidation of share certificates and issue of duplicate share certificates and also to issue share certificates in respect thereof under the Common Seal of the Company.

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

(ii) Number of pending share transfers

As on 31st December, 2014, there was no pending request/ letter involving transfer of shares.

(iii) Pursuant to Clause 49 (VIII)(E) of the Listing Agreement, the particulars of directors who are proposed to be appointed / re-appointed at the 37th Annual General Meeting ('AGM') have been provided in the notice of the said AGM.

6. Subsidiary Company

As on 31st December, 2014 the Company has one wholly owned, non- material and unlisted subsidiary, namely ITD Cementation Projects India Limited. The Financial Statements of the subsidiary are reviewed by the Audit Committee. All minutes of the meetings of the subsidiary are placed before the Company's Board regularly.

7. General Body Meetings

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

For Financial year ended	Date, Time and Location	Special Resolutions passed	
		Nos.	Nature
31.12.2013	8th May, 2014 2.30 p.m. Rama Watumull Auditorium, Mumbai.	None	
31.12.2012	10.05.2013 3.00 p.m. Rama Watumull Auditorium, Mumbai.	None	
31.12.2011	04.05.2012 11.00 a.m. Rama Watumull Auditorium, Mumbai.	1	Payment of commission to the Non - Executive Directors excluding Non -Resident Directors under Section 309 (4) and other applicable provisions of the Companies Act, 1956



(ii) Details of Special Resolutions passed through Postal Ballot

During the Financial Year ended 31st December, 2014, the Company sought approval from its Members on two occasions for passing Special / Ordinary Resolutions through Postal Ballot in accordance with the Provisions of Section 192(A) of the Act read with the Companies (Passing of the Resolutions by Postal Ballot), Rules 2011.

(a) Details of Special Resolutions passed vide Postal Ballot Notice dated 1st July, 2014 under Section 110 of the Act, pertaining to -

Resolution No. 3 Alteration of the Articles of Association of the Company

Resolution No. 4 Raising of Capital by issue of Equity Shares / Convertible Debentures / Securities through QIP of an amount not exceeding ₹150 Crore.

Resolution No. 5 Creation of Charge on moveable and immovable properties of the Company, both present and future.

Resolution No. 6 Borrowing powers of the Board upto an amount not exceeding ₹1200 Crore over and above the aggregate of paid-up share capital and free reserves of the Company.

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

Results of the Postal Ballot – Voting Pattern is as under:

Particulars	Total Votes	Total Valid Votes Cast	Total Valid Votes cast in favour of the Resolution	Total Valid Votes cast against the Resolution
Resolution 3	89,10,769	89,10,140	83,35,140 (93.55)	5,75,000 (6.45)
Resolution 4	89,10,769	89,10,140	83,34,875 (93.54)	5,75,265 (6.46)
Resolution 5	89,10,769	89,10,140	83,34,802 (93.54)	5,75,338 (6.46)
Resolution 6	89,10,769	89,10,140	83,33,822 (93.53)	5,76,318 (6.47)

(b) Details of Special Resolutions passed vide Postal Ballot Notice dated 6th November, 2014 under Section 110 of the Act, pertaining to -

Resolution No. 4 Approval for payment of minimum remuneration upto ₹77,05,280/- to Mr. Adun Saraban, Managing Director of the Company in view of inadequacy of profits for the financial year 31st December, 2014.

An e.voting was also made available to the Members. The Board of Directors of the Company appointed Mr. P.N. Parikh of M/s. Parikh & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot voting process.

Results of the Postal Ballot – Voting Pattern is as under:

Particulars	Total Votes	Total Valid Votes Cast	Total Valid Votes cast in favour of the Resolution	Total Valid Votes cast against the Resolution
Resolution 4	1,11,36,771	1,11,36,002	1,05,60,501 (94.83%)	5,75,501 (5.17%)

8. Disclosures

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

In the ordinary course of business, the Company participates in joint venture / consortium / subcontracting arrangements with the Promoter i.e. Italian-Thai Development Public Company Limited, Bangkok, Thailand or other entities on

identified projects based on customers' requirements and business considerations.

Work on such projects is performed by the Company and is paid for at market rates for similar work.

Necessary disclosures have been made in the Financial Statements in this regard under Related Party Transactions.

The Board has received disclosures from Directors and

Key Managerial Personnel relating to material, financial and commercial transactions where they and /or their relatives have personal interest. There were no transactions of material nature with the Directors or Key Managerial Personnel or with bodies which have shareholding of management and their relatives during the year that may have potential conflict with the interests of the Company at large.

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

(iii) Whistle Blower Policy

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

(iv) The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreement.

(v) CEO/CFO Certification

A Certificate from the CEO/CFO of the Company in terms of Clause 49(IX) of the Listing Agreement was placed before the Board at its meeting held on 24th February, 2015 to approve the Audited Annual Accounts for the year ended 31st December, 2014.

9. Means of Communication

- (i) The quarterly Unaudited Consolidated Financial Results and Audited Annual Consolidated Financial Results are published in prominent daily newspapers. Such Financial Results were published in the Financial Express and Dainik Mumbai Lakshdeep. Quarterly Unaudited Standalone Financial Results and Audited Annual Standalone Financial Results are available on Company's website, www.itdcem.co.in.
- (ii) Half yearly results are not sent to the shareholders. Annual Report and Financial Statements are sent to all the shareholders at their addresses registered with the Company.
- (iii) Code of Ethical Conduct, Whistle Blower Policy, Corporate Social Responsibility Policy and Nomination and Remuneration Policy are available on the Company's Website www.itdcem.co.in.
- (iv) Copy of the Chairman's statement circulated to the members of the Company at the Annual General Meeting of

the shareholders is sent to all shareholders after the Meeting for information.

(v) No presentations have been made to institutional investors or to analysts.

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

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

10. General Shareholders' information

(i) Annual General Meeting

Date: 13th May, 2015

Time: 3.00 p.m.

Venue: Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Vachha Road, Mumbai - 400 020

(ii) Dates of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Thursday, 7th May, 2015 to Wednesday, 13th May, 2015 (both days inclusive).

(iii) Financial Year of the Company

1st January to 31st December.

(iv) Registered Office

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

(v) Stock Exchanges

The equity shares of the Company are listed on BSE Limited, and National Stock Exchange of India Limited.

The listing fees for financial year 2014-2015 (upto 31.03.2015) of all these stock exchanges have been paid.

The equity shares of the Company had been delisted from The Calcutta Stock Exchange Limited w.e.f. 28th August, 2014.

(vi) Stock Code

BSE Limited (BSE): 509496

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

(vii) Market Price Data

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



**High and Low prices of the Company's shares at BSE with corresponding BSE Sensex
January to December 2014**

Months	High ₹		Low ₹		Close ₹	
	ITD Cem price	BSE Sensex	ITD Cem price	BSE Sensex	ITD Cem price	BSE Sensex
January	146.55	21409.66	133.85	20343.78	140.00	20513.85
February	154.50	21140.51	127.35	19963.12	129.80	21120.12
March	144.95	22467.21	120.50	20920.98	142.30	22386.27
April	173.70	22939.31	137.00	22197.51	152.75	22417.80
May	245.20	25375.63	125.35	22277.04	245.20	24217.34
June	336.90	25725.12	245.05	24270.20	333.75	25413.78
July	405.55	26300.17	318.05	24892.00	370.00	25894.97
August	427.90	26674.38	332.00	25232.82	427.90	26638.11
September	478.95	27354.99	401.00	26220.49	435.10	26630.51
October	487.55	27894.32	417.00	25910.77	475.85	27865.83
November	500.00	28822.37	397.00	27739.56	449.35	28693.99
December	522.00	28809.64	435.00	26469.42	493.05	27499.42

**High and Low prices of the Company's shares at NSE with corresponding Nifty
January to December 2014**

Months	High ₹		Low ₹		Close ₹	
	ITD Cem price	Nifty	ITD Cem price	Nifty	ITD Cem price	Nifty
January	146.35	6358.30	133.00	6027.25	140.95	6089.50
February	144.80	6282.70	128.00	5962.05	132.15	6276.95
March	144.00	6723.15	114.30	6212.25	141.15	6704.20
April	172.70	6869.85	140.00	6656.80	153.65	6696.40
May	245.50	7372.95	128.15	6638.55	245.50	7229.95
June	340.50	7700.05	245.00	7239.50	333.95	7611.35
July	405.00	7840.95	320.00	7422.15	371.50	7721.30
August	427.95	7968.25	326.10	7540.10	427.95	7954.35
September	478.90	8135.75	402.10	7923.85	434.00	7964.80
October	488.15	8330.75	410.00	7723.85	479.80	8322.20
November	499.90	8617.00	391.00	8297.65	450.00	8588.25
December	522.35	8588.35	427.50	7961.35	492.75	8282.70

(viii) Registrars and Share Transfer Agents

M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 008, are the Registrars and Share Transfer Agents of the Company.

(ix) Share Transfer Systems

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

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

(x) Dematerialisation of Shares

The shares of the Company are in compulsory demat segment and are available for trading in the Depository System. Under the Depository System, the International Security Investigation Number (ISIN) allotted to the Company's name is INE686A01018.

As on 31st December, 2014, out of the 10061 shareholders, 8023 shareholders have opted for dematerialisation of their shares aggregating to 15350506 shares i.e. around 98.93% of the total paid - up capital of the Company.

(xi) Shareholding Pattern as on 31st December, 2014

Particulars	No. of shares held	Percentage to total share capital
Promoter – Italian-Thai Development Public Company Limited	8011318	51.63
General Public	2632094	16.97
Nationalised Banks	330	0.00
Mutual Funds	3573554	23.03
Corporate Bodies	699777	4.51
NRI/OCB/FII	589959	3.80
Clearing Members	8758	0.06
Total	15515790	100.00

(xii) Distribution of Shareholdings as on 31st December, 2014

No. of Equity Shares	No. of Share holders	% of Shareholders	No. of Shares	% of Shares
1-500	9341	92.84	967471	6.23
501-1000	369	3.67	277289	1.79
1001-2000	177	1.76	255855	1.65
2001-3000	50	0.49	128366	0.83
3001-4000	23	0.23	82705	0.53
4001-5000	18	0.18	83177	0.54
5001-10000	36	0.36	264097	1.70
10001 & above	47	0.47	13456830	86.73
Total	10061	100.00	15515790	100.00

(xiii) Investor correspondence

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

Registrars and Share Transfer Agents:

Karvy Computershare Private Limited
 Unit: ITD Cementation India Limited
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad - 500 008
 Tel: +91 40 67161500
 Fax: +91 40 23420814
 Emails: einward.ris@karvy.com
 raju.sv@karvy.com
 and / or

Branch Office at:

7, Andheri Industrial Estate,
 Off Veera Desai Road,
 Andheri (West),
 Mumbai - 400 053.
 Tel: +91 22 2673 0153 / 2673 0799
 Fax: +91 22 2673 0152
 Email: mumbaiandheri@karvy.com

Compliance Officer:

Mr. R.C. Daga
 Company Secretary
 ITD Cementation India Limited
 National Plastic Building,
 A- Subhash Road,
 Paranjape B Scheme,
 Vile Parle (East),
 Mumbai - 400 057.
 Tel : + 91 22 66931600/67680600
 Fax: + 91 22 66931628/67680841
 Emails: rc.daga@itdcem.co.in
 investors.relation@itdcem.co.in



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE UNDER REVISED CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
ITD Cementation India Limited

We have examined the compliance of conditions of corporate governance by ITD Cementation India Limited ("the Company"), for the year ended 31 December 2014, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in revised Clause 49 of the abovementioned Listing Agreements.

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

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

per **Amyr Jassani**
Partner
Membership No.: 46447

Mumbai
24 February 2015

Independent Auditors' Report

To
 The Members of
 ITD Cementation India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of ITD Cementation India Limited, ("the Company"), which comprise the Balance Sheet as at 31 December 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. As stated in Note 36 to the Financials Statements, the company's trade receivables and unbilled work in progress as at 31 December, 2014 include amounts aggregating ₹2,655 lakhs and ₹1,584 lakhs respectively, being considered as good and fully recoverable by the management. These amounts are presently under negotiation with the customers. In the absence of external balance confirmations from the customers or other alternative audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these receivables, we are unable to comment on the extent to which these balances are recoverable and the consequential impact, if any, on the accompanying financial statements.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2014;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note 37 to the financial statements regarding long-term trade receivables, trade receivables and unbilled work in progress aggregating to ₹2,863 lakhs (31 December 2013: ₹Nil), ₹8,521 lakhs (31 December 2013: ₹11,099 lakhs) and ₹25,467 lakhs (31 December 2013: ₹25,507 lakhs) respectively, outstanding as at 31 December 2014, representing various claims recognised during the earlier year based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of arbitration/litigation, the Company has assessed the recoverability of these claims based on recommendation of Dispute Resolution Board, awards received from Arbitration Tribunal, High Court orders



received and legal opinion from an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the Financial Statement. Our opinion is not modified in respect of these matters.

9. We draw attention to Note 38 to the financial statements which describe the uncertainty related to the recoverability of short-term advances aggregating to ₹6,819 lakhs to ITD Cemindia JV, Company's Joint Venture. The recoverability of these advances is majorly dependent on the Joint Venture's ability to realize the outstanding dues from its customer which are presently under litigation. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:

11. As required by Section 227(3) of the Act, we report that:

- a. *Except for the matter described in the basis for Qualified Opinion paragraph*, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the financial statements dealt with by this report are in agreement with the books of account;

- d. *Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph*, in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
- e. on the basis of written representations received from the directors, as on 31 December 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co.)

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Amy Jassani**

Partner

Membership No.: 46447

Mumbai

24 February 2015

Annexure to the Independent Auditors' Report of even date to the members of ITD Cementation India Limited, on the financial statements for the year ended 31 December 2014.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of wealth tax, service tax, customs duty and cess that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of sales-tax, income-tax and excise duty on account of any dispute, is as follows:



Name of statute	Nature of disputes	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act	Sales Tax	1,659,990	-	Y.E. 1994-95	Revision Board (Tribunal), Kolkata
Sales Tax Act/Works Contract Tax Act	Sales Tax	67,914	34,000	Y.E. 2003-04	Assistant Commissioner of Sales Tax, Orissa
Sales Tax Act/Works Contract Tax Act	Sales Tax	408,950	-	Y.E. 1997-98	Deputy Commissioner of Commercial Taxes
Sales Tax Act/Works Contract Tax Act	VAT	26,580,593	-	Y.E. 2011-12	Joint Commissioner sales tax, West Bengal
Sales Tax Act/Works Contract Tax Act	VAT	12,960,122	1,991,029	Y.E. 2009-10	Joint Commissioner of Commercial Taxes, Rajkot
Sales Tax Act/Works Contract Tax Act	VAT	632,339	-	Y.E. 2010-11	Joint Commissioner (Appeals) Rohtak
Sales Tax Act/Works Contract Tax Act	Sales Tax	18,500	-	Y.E. 2005-06	Assistant Commissioner, Rajasthan
Sales Tax Act/Works Contract Tax Act	Sales Tax	3,196,927	-	Y.E. 2004-05	Assistant Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	2,254,954	-	Y.E. 2003-04	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	4,528,910	-	Y.E. 2005-06	Taxation appellate tribunal, Patna
Sales Tax Act/Works Contract Tax Act	Sales Tax	3,267,931	-	Y.E. 1999-00, 2008-09	Joint Commissioner of Commercial Taxes, Bihar
Sales Tax Act/Works Contract Tax Act	Sales Tax	20,076	-	April 2007 to December 2007	Assistant Commissioner of Commercial Taxes, Uttar Pradesh
Sales Tax Act/Works Contract Tax Act	Sales Tax/CST/ VAT	38,706,490	-	Y.E. 2004-05, 2006-07, 2007-08, 2008-09	Appellate and revisional board, West Bengal
Sales Tax Act/Works Contract Tax Act	Sales Tax	8,319,618	117,125	Y.E. 2006-07, 2007-08 & 2008-09	Appellate Tribunal, Tamil Nadu
Sales Tax Act/Works Contract Tax Act	Sales Tax	1,709,364	-	Y.E. 2009-10	Appellate Deputy Commissioner of Commercial Taxes
Sales Tax Act/Works Contract Tax Act	VAT/ Entry Tax	95,565,080	-	Y.E. 2009-10 and 2010-11	Deputy Commissioner of Commercial Taxes, Allahabad
Sales Tax Act/Works Contract Tax Act	VAT	63,226,914	-	Y.E. 2009-10 & 2010-11	Commissioner, Commercial Taxes, Kolkata
Sales Tax Act/Works Contract Tax Act	VAT	7,983,049	2,394,916	Y.E. 2006-07 & 2007-08	Assistant Commissioner (Appeals), Commercial Taxes, Ernakulam
Sales Tax Act/Works Contract Tax Act	VAT	1,038,399	-	Y.E. 2005-06	Maharashtra Sales Tax Tribunal, Mumbai

Name of statute	Nature of disputes	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	5,169,538	-	May 1998 to January 1999	Commissioner of Central Excise
Income Tax Act, 1961	Income tax	29,622,346	-	A.Y.2003-04 and 2004-05	High Court, Mumbai
Income Tax Act, 1961	Income Tax	54,408,408	-	A.Y. 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	62,952	-	A.Y.2010-11	Assessing Officer, Mumbai
Income Tax Act, 1961	Income Tax	13,784,674	-	A.Y.2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	27,212,390	-	A.Y.2010-11 & 2012-13	Commissioner of Income Tax (Appeals)

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

per **Amy Jassani**
 Partner
 Membership No.: 46447

Mumbai
 24 February 2015



Balance Sheet as at 31 December 2014

(Currency : Indian Rupee in lakhs)

	Notes	As at 31 st December 2014	As at 31 st December 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,551.58	1,151.58
Reserves and surplus	3	55,230.57	39,690.13
		56,782.15	40,841.71
Non-Current Liabilities			
Long-term borrowings	4	2,960.61	1,140.91
Long-term provisions	5	560.70	417.37
		3,521.31	1,558.28
Current Liabilities			
Short-term borrowings	6	59,742.46	65,971.14
Trade payables	7	36,288.59	23,161.07
Other current liabilities	8	34,584.65	29,335.58
Short-term provisions	9	1,078.16	908.36
		131,693.86	119,376.15
Total		191,997.32	161,776.14
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	28,280.38	19,169.86
Capital work-in-progress		178.18	672.87
Non-current investments	11	5,914.11	5,997.14
Deferred tax assets	12	664.20	1,422.20
Long-term loans and advances	13	11,684.39	11,410.88
Long-term trade receivables	17	2,863.37	-
Other non-current assets	14	27.54	22.00
		49,612.17	38,694.95
Current Assets			
Current investment	15	0.26	0.26
Inventories	16	95,943.92	77,172.36
Trade receivables	17	33,457.82	33,477.08
Cash and bank balances	18	1,676.54	1,112.46
Short-term loans and advances	13	11,291.03	11,303.16
Other current assets	19	15.58	15.87
		142,385.15	123,081.19
Total		191,997.32	161,776.14

Notes 1 to 44 form an integral part of these financial statements
This is the balance sheet referred to in our report of even date

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

Amyr Jassani
Partner
Membership No: 46447

Mumbai
24 February 2015

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

S. Ramnath
Chief Financial Officer

Mumbai
24 February 2015

P. Chakornbundit
Director

R. C. Daga
Company Secretary

Statement of Profit and Loss

for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

	Notes	Year ended 31 st December 2014	Year ended 31 st December 2013
REVENUE			
Contract revenue		135,240.84	122,475.67
Other operating income	20	1,699.81	3,547.77
Other income	21	731.05	1,870.30
Total		137,671.70	127,893.74
EXPENSES			
Cost of materials consumed		46,899.41	39,692.55
Sub-contract expense		34,639.10	22,558.92
Employees benefits expense	22	15,611.99	15,520.01
Finance costs	23	11,995.55	11,556.17
Depreciation expense	10	2,942.69	3,348.91
Other expenses	24	32,341.17	34,282.57
Total Expenses		144,429.91	126,959.13
(Loss)/profit before exceptional item & tax		(6,758.21)	934.61
Exceptional item (Refer note I A.1)		9,553.25	-
Profit before tax		2,795.04	934.61
Tax expense			
Current tax		(720.23)	(321.87)
Less: Minimum alternative tax credit entitlement		720.23	-
Current tax for earlier years		(95.66)	-
Deferred tax (charge)/credit		(758.00)	318.20
Net profit for the year		1,941.38	930.94
Earnings per equity share (face value of ₹10 each)	25		
Before exceptional item			
Basic and diluted		(59.38)	8.08
After exceptional item			
Basic and diluted		15.14	8.08

Notes I to 44 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

 For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co.)

Chartered Accountants

Firm Registration No. 001076N/N500013

Amya Jassani

Partner

Membership No: 46447

Mumbai

24 February 2015

For and on behalf of the Board of Directors

Adun Saraban

Managing Director

S. Ramnath

Chief Financial Officer

Mumbai

24 February 2015

P. Chakornbundit

Director

R. C. Daga

Company Secretary



Cash Flow Statement for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

	Year ended 31 st December 2014	Year ended 31 st December 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	2,795.04	934.61
Adjustments for :		
Depreciation	2,942.69	3,348.91
Depreciation written back	(9,553.25)	-
Finance Cost	11,995.55	11,556.17
Interest income	(35.77)	(26.50)
Provision for doubtful debts	673.69	660.81
Provision for doubtful advances	47.33	49.56
Loss/(profit) on sale of fixed assets (net)	52.00	(19.09)
Share of Profit in Joint Ventures	(510.53)	(2,429.71)
Sundry balances written back	(132.12)	(716.64)
Operating profit before working capital changes	8,274.63	13,358.12
Adjustment for change in working capital		
(Increase)/decrease in Inventories	(18,771.56)	1,935.49
Increase in Trade receivables	(3,517.80)	(2,672.83)
(Increase)/decrease in Loans and advances	(1,195.80)	378.69
Increase in Trade payables and other current liabilities	17,235.16	601.24
Cash generated from operations	2,024.63	13,600.71
Direct taxes refund/(paid)	1,339.17	(90.27)
Net cash generated from operating activities	3,363.80	13,510.44
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from divestments in joint venture	593.56	1,164.30
Purchase of fixed assets (including capital work in progress)	(2,799.73)	(3,861.34)
Proceeds from sale of fixed assets	234.14	71.99
Fixed Deposit with bank (maturity beyond three months)	(222.87)	(205.60)
Proceeds from fixed deposit with bank (maturity beyond three months)	205.60	188.82
Interest received	30.51	22.59
Net cash used in investing activities	(1,958.79)	(2,619.24)

Cash Flow Statement *(contd.)* for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

	Year ended 31 st December 2014	Year ended 31 st December 2013
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital - QIP (net of share issue expenses)	13,999.05	-
Repayments/proceeds from short term borrowings (net)	(6,228.68)	6,461.50
Proceeds from long term borrowings	6,841.34	1,020.56
Repayment of long term borrowings	(3,035.11)	(6,681.72)
Interest paid	(12,300.57)	(11,545.04)
Dividend paid	(114.66)	(228.98)
Tax on distributed profits	(19.57)	(39.14)
Net cash used in financing activities	(858.20)	(11,012.82)
Net increase/(decrease) in cash and cash equivalents	546.81	(121.62)
Cash and cash equivalents at the beginning of year	906.86	1,028.48
Cash and cash equivalents at the end of year	1,453.67	906.86
Components of cash and cash equivalents (Refer note 18)		
Cash in hand	174.77	143.35
Balance with scheduled banks		
- current accounts	1,271.46	756.57
- dividend bank accounts	7.44	6.94
	1,453.67	906.86

Notes :

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

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

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

Amyr Jassani
 Partner
 Membership No: 46447

Mumbai
 24 February 2015

For and on behalf of the Board of Directors

Adun Saraban
 Managing Director

S. Ramnath
 Chief Financial Officer

Mumbai
 24 February 2015

P. Chakornbundit
 Director

R. C. Daga
 Company Secretary



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

CORPORATE INFORMATION

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year except for the change in accounting policy of the company as explained below.

A.1 Summary of change in accounting policy

Upto the period ended 30 September 2014, the Company had been accounting for depreciation on fixed assets based on written down value method. Effective 1 October 2014, the Company has with retrospective effect changed its method of providing depreciation on fixed assets from the 'Written Down Value' method to the 'Straight Line' method. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. The Company has also carried out a technical evaluation to assess the revised useful life of fixed assets. The change in the above accounting policy has resulted in a surplus of ₹9,553.25 lakhs relating to the depreciation already charged upto the period ended 30 September 2014 which has been disclosed as an exceptional item. Had the Company continued to use the earlier method of depreciation, the depreciation expense for the current year would have been higher by ₹192.49 lakhs.

B. Accounting estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management

to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Fixed assets

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

D. Depreciation on tangible fixed assets

- (i) Depreciation was provided as per the straight-line method for assets acquired up to 31 March 1993 and as per the written-down value method for assets acquired on or after 1 April 1993 using the rates prescribed under Schedule XIV of Companies Act 1956.

Effective 1 October 2014, method of depreciation on fixed assets is changed from written down value to straight line method (as explained in II A.1 above) using the rates prescribed under the Schedule XIV to the Companies Act, 1956. However in respect of the following asset categories, depreciation is provided at higher rates in line with their estimated useful life.

Tangible Assets	Rate of Depreciation (% p.a.)
i) Plant and Machinery	
a) Drilling machines, demolition & cutting tools	8.33
b) Pumps, Ventilation Fans	8.33
c) Mining Cars, Mucking units	8.33
d) Other minor plant & equipment of construction activity	8.33
ii) Office Equipment	20.00
iii) Furniture and Fixtures	10.00

- (ii) Leasehold improvements are amortised over the lease period or useful life whichever is lower.
- (iii) Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the month of additions/deductions.

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

- (iv) Individual assets costing less than ₹5,000 are depreciated in full in the year they are put to use.

E. Impairment

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

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

F. Investments

Long term investments are stated at cost and diminution in carrying amount, other than temporary, is written down/ provided for. Investments in integrated Joint Ventures are carried at cost of net of adjustments for Company's share in profits or losses as recognised. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

G. Inventories

- i. Construction materials are valued at cost. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities).
- ii. Tools and equipment are stated at cost less the amount amortised. Tools and equipment are amortised over their estimated useful lives ranging from 3 to 10 years. Cost is determined by the weighted average method.
- iii. Machinery spares that are of regular use are charged to the statement of profit and loss as and when consumed.
- iv. Unbilled work in progress: Work done remaining to be certified/billed, as unbilled work-in-progress provided it is probable that they will be recovered in the accounts. The same is valued at the realizable value.

H. Revenue recognition

i. On contracts

Revenue from construction contracts is recognised on

the basis of percentage completion method. The stage of completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

Amounts recoverable in respect of the price and other escalation, bonus claims adjudication and variation in contract work required for performance of the contract to the extent that it is probable that they will result in revenue. In addition, if it is expected that the contract will make a loss, the estimated loss is provided for in the books of account. Contractual liquidated damages, payable for delays in completion of contract work or for other causes, are accounted for as costs when such delays and causes are attributable to the Company or when deducted by the client.

ii. On insurance claims

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

iii. Management fee

Management fee income is recognized based on the contractual terms with the parties.

I. Advances from customers, progress payments and retention

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

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

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

J. Foreign currency transactions

i. Initial Recognition

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

ii. Conversion

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



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

iii. Exchange Differences

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

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

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

K. Employee benefits

i. Defined benefit plan

In terms of the Guidance on implementing Accounting Standard (AS) 15 - Employee Benefits, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the company is treated as a defined benefit plan. This is administered through trusts of the company and the company has no further obligation beyond making the contributions. The Company has to meet the interest shortfall, if any. However, as at the year end, no shortfall remains provided for. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

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

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

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

ii. Defined contribution plan

The certain employees of the Company are also participant in the superannuation plan which is a defined contribution plan. The Company has no obligations to the Plan beyond its contributions.

The company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as incurred.

iii. Other employee benefits

The employees of the company are also entitled for Leave availment and/or Encashment as per the company's policy. The liability for Leave Entitlement is provided on the basis of valuation, as at Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense

L. Earnings per share

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

M. Taxation

Current tax

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

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

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each Balance Sheet date to reassess realization. Timing differences originating and reversing during the tax holiday period are not considered for the purpose of computing deferred tax assets and liabilities.

N. Leases

Leases, where the lessor effectively retains substantially all the

risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss account on a straight-line basis over the lease term.

O. Provisions and Contingent Liabilities

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

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

P. Accounting for Joint Venture Contracts

In respect of contract executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income Tax laws), the services rendered to the Joint Ventures is accounted as income on accrual basis. The share of profit / loss is accounted based on the audited financial statements of Joint Ventures and is reflected as Investments.

Q. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

2. Share capital

	As at 31 st December 2014		As at 31 st December 2013	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity shares of ₹10 each	30,000,000	3,000.00	15,000,000	1,500.00
Redeemable preference shares of ₹10 each	45,000,000	4,500.00	60,000,000	6,000.00
	75,000,000	7,500.00	75,000,000	7,500.00

The Authorised share capital of the Company as at 31 December 2013 was ₹750,000,000 consisting of 15,000,000 Equity shares of ₹10 each and 60,000,000 Redeemable preference shares of ₹10 each respectively. During the year, the shareholders of the Company have approved the reclassification of Authorised share capital into 30,000,000 Equity shares of ₹10 each and 45,000,000 Redeemable preference shares of ₹10 each respectively aggregating ₹750,000,000 through postal ballot.

Issued				
Equity shares of ₹10 each	15,518,316	1,551.83	11,518,316	1,151.83
	15,518,316	1,551.83	11,518,316	1,151.83
Subscribed and fully paid-up				
Equity shares of ₹10 each	15,515,790	1,551.58	11,515,790	1,151.58
	15,515,790	1,551.58	11,515,790	1,151.58

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

	As at 31 st December 2014		As at 31 st December 2013	
	Number	Amount	Number	Amount
Balance at the beginning of the year	11,515,790	1,151.58	11,515,790	1,151.58
Add : Issued during the year	4,000,000	400.00	-	-
Balance at the end of the year	15,515,790	1,551.58	11,515,790	1,151.58

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

During the year, ₹ Nil (31 December 2013 : ₹1.00) per share dividend recognised as distributions to equity share holders.

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

c) Shares held by holding Company

	As at 31 st December 2014		As at 31 st December 2013	
	Number	Amount	Number	Amount
Equity shares of ₹10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	801.13	8,011,318	801.13

d) Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2014

	As at 31 st December 2014		As at 31 st December 2013	
	Number	% Holding	Number	% Holding
Equity shares of ₹10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	51.63	8,011,318	69.57
HDFC Trustee Company Limited	1,028,361	6.63	-	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

2. Share capital (contd.)

- e) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding 31 December 2014**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 December 2014.

- f) Out of the total issued capital, 2,526 (31 December 2013 : 2,526) equity shares of ₹10 each have been kept in abeyance pending final settlement of rights issues.

- g) The Company has issued and allotted 4,000,000 equity shares of ₹10 each fully paid for cash at a premium of ₹350 per equity share to Qualified Institutions Buyers ("QIB") aggregating to ₹14,400 lakhs.

Expenses in relation to shares issued to QIB aggregating to ₹400.94 lakhs debited to Securities premium account.

3. Reserves and surplus

	As at 31 st December 2014	As at 31 st December 2013
Securities premium account		
Balance at the beginning of the year	31,957.38	31,957.38
Add: Additions during the year	14,000.00	-
Less: QIP expenses adjusted	(400.94)	-
Balance at the end of the year	45,556.44	31,957.38
General reserve		
Balance at the beginning of the year	676.48	653.21
Add: Transferred from statement of profit and loss	-	23.27
Balance at the end of the year	676.48	676.48
Surplus in the statement of profit and loss		
Balance at the beginning of the year	7,056.27	6,285.11
Add : Transferred from statement of profit and loss	1,941.38	930.94
Less : Transferred to general reserve	-	(23.27)
Less : Proposed dividend on equity shares	-	(115.16)
Less : Tax on proposed equity dividend	-	(19.57)
Less : Tax on equity dividend for earlier year	-	(1.78)
	8,997.65	7,056.27
	55,230.57	39,690.13

4. Long-term borrowings

	As at 31 st December 2014		As at 31 st December 2013	
	Non-current	Current	Non-current	Current
Secured				
Rupee term loans				
- from bank	1,995.74	3,000.00	-	-
- from others	587.97	865.84	463.34	57.57
Plant loans from financial institution	242.89	297.00	433.61	324.92
Vehicle loans from bank	134.01	37.18	72.23	19.23
Unsecured				
Rupee term loan				
- from others	-	174.50	171.73	1,986.27
	2,960.61	4,374.52	1,140.91	2,387.99
Amount disclosed under "Other current liabilities" (Refer note 8)	-	(4,374.52)	-	(2,387.99)
	2,960.61	-	1,140.91	-



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

4. Long-term borrowings (contd.)

Rupee term loan - from bank (secured)

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

Rupee term loans from others (secured)

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

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

Plant loans from financial institution (secured)

Loans obtained from Tata Capital Limited for purchase of construction equipment carry interest rate ranging between 13.01 to 13.25 percent per annum and are repayable in 57 to 84 monthly installments. These loans are secured by first and exclusive charge on specific equipments financed by the institution.

Vehicle loans from bank (secured)

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

Term loan - from financial institution (unsecured)

Term loan obtained from SREI Equipment Finance Private Limited carries interest rate of 11.56 percent per annum. These loans are repayable in 29 monthly installments commenced from September 2012.

5. Long-term provision

	As at 31 st December 2014	As at 31 st December 2013
Provision for employee benefits		
- Leave entitlement (Refer note 31)	560.70	417.37
	560.70	417.37

6. Short-term borrowings

	As at 31 st December 2014	As at 31 st December 2013
Secured		
Working capital loans from banks	59,028.68	60,860.38
Buyer's credit	713.78	5,110.76
	59,742.46	65,971.14

Working capital loan from banks

Working capital loans availed from consortium bankers carries interest rates ranging between 11.7 to 15.7 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited. These facilities are repayable on demand.

Buyer's credit

Buyer credit loans obtained from bankers carries interest of LIBOR plus 1.5 to 3.5 percent per annum (quarterly rests). These loans are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited.

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

7. Trade payables (Refer note 39)

	As at 31 st December 2014	As at 31 st December 2013
Acceptances	8,048.48	1,517.69
Other than acceptances	28,240.11	21,643.38
	36,288.59	23,161.07

8. Other current liabilities

	As at 31 st December 2014	As at 31 st December 2013
Current maturity of long-term debt (Refer note 4)	4,374.52	2,387.99
Creditors for capital expenses	102.18	62.77
Interest accrued and due	83.65	143.86
Interest accrued but not due	122.98	367.78
Unclaimed dividend *	7.44	6.94
Advances from customers (Refer note 40)	25,158.53	20,348.35
Material received from customers	102.46	213.05
Amount due to customers (Refer note 40)	545.76	1,844.13
Balances with related parties (Refer note 35)	681.42	182.08
Employee related dues	1,799.03	1,824.48
Statutory dues payable	220.72	276.74
Amount due to parent company (Refer note 35)	361.40	681.09
Liability for foreign exchange contracts	5.64	242.73
Others	1,018.92	753.59
	34,584.65	29,335.58

* Not due for credit to Investor Education & Protection Fund

9. Short term provisions

	As at 31 st December 2014	As at 31 st December 2013
Provision for employee benefits		
- Gratuity (Refer note 31)	790.38	531.94
- Leave entitlement (Refer note 31)	109.45	95.73
- Provident fund	178.33	145.96
Proposed dividend	-	115.16
Provision for tax on proposed dividend	-	19.57
	1,078.16	908.36



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

10. Tangible assets

	Freehold land	Leasehold improvements	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
Gross block								
Balance as on 1 January 2013	15.32	331.42	221.94	32,763.93	6,564.22	1,523.38	218.16	41,638.37
Additions	-	122.40	877.23	1,709.74	76.43	348.36	126.28	3,260.44
Deletions	-	-	-	(233.85)	(10.81)	(16.89)	(12.37)	(273.92)
Balance as on 31 December 2013	15.32	453.82	1,099.17	34,239.82	6,629.84	1,854.85	332.07	44,624.89
Additions	-	-	-	2,456.87	139.31	57.43	132.49	2,786.10
Disposals	-	-	-	(1,768.95)	(165.11)	(324.90)	(12.74)	(2,271.70)
Balance as on 31 December 2014	15.32	453.82	1,099.17	34,927.74	6,604.04	1,587.38	451.82	45,139.29
Accumulated depreciation								
Balance as on 1 January 2013	-	39.74	110.95	15,890.11	4,884.26	1,239.52	162.58	22,327.16
Depreciation charge	-	85.69	44.89	2,539.46	517.56	124.89	36.42	3,348.91
Reversal on disposal of assets	-	-	-	(186.83)	(10.55)	(12.91)	(10.75)	(221.04)
As at 31 December 2013	-	125.43	155.84	18,242.74	5,391.27	1,351.50	188.25	25,455.03
Depreciation charge	-	69.80	39.45	2,215.73	454.36	115.10	48.25	2,942.69
Reversal on disposal of assets	-	-	-	(1,490.89)	(129.72)	(353.29)	(11.67)	(1,985.57)
Effect of change in depreciation policy	-	-	(96.34)	(8,263.08)	(1,149.72)	18.31	(62.41)	(9,553.24)
As at 31 December 2014	-	195.23	98.95	10,704.50	4,566.19	1,131.62	162.42	16,858.91
Net block								
As at 31 December 2014	15.32	258.59	1,000.22	24,223.24	2,037.85	455.76	289.40	28,280.38
As at 31 December 2013	15.32	328.39	943.33	15,997.08	1,238.57	503.35	143.82	19,169.86

Note:

Buildings include ₹0.09 lakhs (31 December 2013 : ₹0.09 lakhs) being the cost of shares in co-operative housing societies.

11. Non current investments

	As at 31 st December 2014		As at 31 st December 2013	
	No. of Shares	Book Value	No. of Shares	Book Value
(Valued at cost, fully paid up, unless stated otherwise)				
Investments in equity shares (unquoted) *				
Wholly Owned Subsidiary				
ITD Cementation Projects India Limited	50,000	5.00	50,000	5.00
Investment in unincorporated joint ventures **				
ITD Cemindia JV	-	(331.13)	-	(328.05)
ITD - ITDCem JV	-	4,835.62	-	4,748.98
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	-	1,033.41	-	1,342.52
ITD Cem-Maytas Consortium	-	371.21	-	228.69
		5,914.11		5,997.14

* Face value of ₹10 each, unless otherwise stated

** The Company has 80% share in ITD Cemindia JV, 49% share in ITD-ITDCem JV, 40% share in ITD-ITDCem JV (Consortium of ITD-ITD Cementation) and 95% share in ITD Cem-Maytas Consortium. These joint ventures are jointly controlled entities formed in India. The extent of investment in these unincorporated joint ventures represents entirely the Company's share of profits /(losses) after tax in the joint ventures from inception to date, as reduced by the distribution of profit by the joint ventures, if any.

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

12. Deferred tax assets (net)

	As at 31 st December 2014	As at 31 st December 2013
Deferred tax asset arising on account of (A)		
Provision for doubtful debts	975.54	696.39
Provision for employee benefits	496.43	339.06
Disallowance u/s 43B as per Income Tax Act, 1961	318.33	305.65
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	-	29.27
Provision for doubtful advances	16.09	19.64
Unabsorbed depreciation	1,065.20	-
Unabsorbed loss	984.04	-
Others	14.23	32.19
	3,869.86	1,422.20
Deferred tax liability arising on account of (B)		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	3,205.66	-
Deferred tax assets (A-B)	664.20	1,422.20

13. Loans and advances

	As at 31 st December 2014		As at 31 st December 2013	
	Long term	Short term	Long term	Short term
(Unsecured, considered good unless otherwise stated)				
Capital advances	1,007.13	-	459.40	-
Security and other deposits				
- considered good	253.46	1,752.79	284.30	1,464.71
- considered doubtful	-	47.33	-	49.56
Balances with related parties (Refer note 35)	-	7,532.61	-	8,682.22
Other loans and advances				
Advance recoverable in cash or kind				
- considered good	-	993.32	-	302.78
- considered doubtful	-	-	-	60.52
Prepaid expenses	-	1,001.65	-	840.83
Loans and advances to employees	-	10.66	-	12.62
Balances with statutory / government authorities	8,543.13	-	7,351.69	-
Advance income tax [including MAT tax credit] (net of provisions)	1,880.67	-	3,315.49	-
	11,684.39	11,338.36	11,410.88	11,413.24
Less : Provision for doubtful advances / deposits	-	(47.33)	-	(110.08)
	11,684.39	11,291.03	11,410.88	11,303.16

14. Other non current assets

	As at 31 st December 2014	As at 31 st December 2013
Non-current bank balances (Refer note 18)	22.00	22.00
Interest accrued but not due	5.54	-
	27.54	22.00



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

15. Current investments

	As at 31 st December 2014		As at 31 st December 2013	
	No. of Shares	Book Value	No. of Shares	Book Value
(Non-trade, unquoted at lower of cost and fair value)				
Investments in equity shares				
AVR Infra Private Limited (Face value of ₹10 each)	2600	0.26	2600	0.26
		0.26		0.26

16. Inventories

	As at 31 st December 2014	As at 31 st December 2013
Construction materials	13,078.40	11,349.72
Tools and equipment	4,305.81	4,623.87
Machinery spares	1,158.55	1,289.83
Unbilled work in progress	77,401.16	59,908.94
	95,943.92	77,172.36

17. Trade receivable

	As at 31 st December 2014		As at 31 st December 2013	
	Long term	Short term	Long term	Short term
(unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for more than six months				
- Considered good *	2,863.37	19,104.46	-	21,852.36
- Considered doubtful	-	2,870.08	-	2,196.39
	2,863.37	21,974.54		24,048.75
Less: Provision for doubtful debts	-	(2,870.08)	-	(2,196.39)
	2,863.37	19,104.46	-	21,852.36
Other debts **	-	14,353.36	-	11,624.72
	2,863.37	33,457.82	-	33,477.08
Notes :				
* Includes retention money	-	6,092.38	-	6,334.86
** Includes retention money	-	3,190.19	-	1,706.03

18. Cash and bank balances

	As at 31 st December 2014		As at 31 st December 2013	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash in hand	-	174.77	-	143.35
Balance with scheduled banks				
- current accounts	-	1,271.46	-	756.57
- dividend bank accounts	-	7.44	-	6.94
	-	1,453.67	-	906.86
Other bank balances				
Deposit with maturity of more than 3 months and less than 12 months *	-	222.87	-	205.60
Bank deposits with maturity of more than 12 months **	22.00	-	22.00	-
	22.00	1,676.54	22.00	1,112.46
Less: Amounts disclosed as Other non-current assets (Refer note 14)	(22.00)	-	(22.00)	-
	-	1,676.54	-	1,112.46

* Earmarked against bank guarantees taken by the Company

** Placed as earnest money deposit

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

19. Other current assets

	As at 31 st December 2014	As at 31 st December 2013
Interest accrued but not due	15.58	15.87
	15.58	15.87

20. Other operating income

	Year ended 31 st December 2014	Year ended 31 st December 2013
Service income from unincorporated joint ventures	1,189.28	1,118.06
Company's share in profit after tax of joint ventures (Refer note 34)	510.53	2,429.71
	1,699.81	3,547.77

21. Other Income

	Year ended 31 st December 2014	Year ended 31 st December 2013
Interest income		
- on bank deposits	23.43	24.37
- on income tax refund	320.54	304.46
- on sales tax refund	-	6.16
- from customer on settlement	222.88	399.81
- others	12.34	2.13
Other non operating income:		
- Profit on sale of fixed assets (net)	-	19.09
- Sundry balances written back	132.12	716.64
- Bad debts recovered	7.00	174.38
- Insurance claim	-	81.16
- Miscellaneous income	12.74	142.10
	731.05	1,870.30

22. Employee benefits expense

	Year ended 31 st December 2014	Year ended 31 st December 2013
Salaries and wages	13,873.58	14,084.11
Contribution to gratuity (Refer note 31)	358.44	113.96
Contribution to provident and other funds (Refer note 31)	1,136.14	1,076.83
Staff welfare expenses	243.83	245.11
	15,611.99	15,520.01

23. Finance costs

	Year ended 31 st December 2014	Year ended 31 st December 2013
Interest expenses		
- Working capital loans	8,322.59	8,139.19
- Long term loan	745.72	679.37
- Advances from customers	892.89	496.76
- External commercial borrowings	17.84	72.24
- Others	231.95	113.45
Exchange loss (attributable to finance costs)	204.93	522.40
Bank charges and guarantee commission	1,579.63	1,532.76
	11,995.55	11,556.17



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

24. Other expense

	Year ended 31 st December 2014	Year ended 31 st December 2013
Plant hire expenses	4,626.53	5,149.00
Power and fuel	6,567.00	6,813.53
Sales tax on works contracts	4,342.09	3,863.01
Travelling expenses	790.16	744.58
Tools and equipment	973.02	1,266.87
Foreseeable loss	501.98	308.28
Site transport and conveyance	2,556.41	2,252.18
Repairs and maintenance:		
- Plant & machinery	415.01	410.39
- Others	177.03	162.03
Insurance	506.18	606.53
Professional fees	1,169.63	1,032.97
Rent (Also refer note 41)	2,113.59	1,974.21
Consumption of spares	1,229.01	1,601.76
Security charges	712.76	566.39
Temporary site installations	406.62	1,430.27
Postage, telephone and telegram	177.17	177.97
Auditor remuneration (Also refer note 26)	56.44	52.46
Provision for doubtful debts (Also refer note 27)	673.69	660.81
Provision for doubtful advance/deposits (net)	47.33	49.56
Rates and taxes	135.76	246.72
Water charges	354.92	521.67
Printing and stationery	121.10	116.36
Fees and subscription	45.73	148.70
Infotech expenses	189.22	211.39
Service tax	1,275.52	1,517.72
Labour cess	541.52	533.98
Royalty expense	-	610.84
Exchange loss (net)	83.91	45.88
Directors' sitting fees	2.75	1.65
CSR expenses	12.87	-
Loss on sale of fixed assets (net)	52.00	-
Miscellaneous expenses	1,484.22	1,204.86
	32,341.17	34,282.57

25. Earnings per share

	Year ended 31 st December 2014	Year ended 31 st December 2013
Weighted average number of equity shares outstanding during the year	12,819,900	11,515,790
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	12,819,900	11,515,790
Before exceptional item:		
Net (loss)/profit before exceptional item	(7,611.87)	930.94
Earning per share :		
Basic and diluted	(59.38)	8.08
After exceptional item:		
Net Profit after tax attributable to equity shareholders	1,941.38	930.94
Earning per share :		
Basic and diluted	15.14	8.08

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

26. Auditor remuneration (including service tax)

	Year ended 31 st December 2014	Year ended 31 st December 2013
Audit fee	25.04	23.66
Tax audit fee (including tax accounts)	10.28	10.13
Limited review	14.65	13.53
Certification	5.96	4.26
Out-of-pocket expenses	0.51	0.88
	56.44	52.46

27. Provision for doubtful debts

	Year ended 31 st December 2014	Year ended 31 st December 2013
Bad debts written off during the year	-	-
Add: Provision for doubtful debts, end of year	2,870.08	2,196.39
Less: Provision for doubtful debts, beginning of year	2,196.39	1,535.58
	673.69	660.81

28. Commitment

	Year ended 31 st December 2014	Year ended 31 st December 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,977.92	897.22

29. Contingent Liabilities

	Year ended 31 st December 2014	Year ended 31 st December 2013
a) Guarantees given by banks in respect of contracting commitments in the normal course of business	23,503.42	27,117.78
b) Corporate Guarantee given to bank on behalf of Joint Ventures	51,000.00	51,000.00
c) The Company has a number of claims on customers for price escalation and / or variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims. The Company has received legal advice that none of the counter-claims are legally tenable. Accordingly no provision is considered necessary in respect of these counter claims.	12,016.77	12,244.58
d) Sales Tax matters pending in appeals	2,721.46	3,469.69
e) Income Tax matters pending in appeal	1,165.44	970.68
f) Excise matter pending in appeal	52.00	52.00

Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

30 Particulars of derivative instruments and unhedged foreign currency exposures at the balance sheet date

a) Derivative outstanding at the reporting date

Buyers credit, Trade payables and Acceptances	As at 31 st December 2014			As at 31 st December 2013		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	945,307	63.80	603.11	1,174,215	62.26	731.07
EURO Exposure	283,381	77.84	220.58	4,214,095	86.23	3,633.81
GBP Exposure	-	-	-	725,000	102.88	745.88
Total			823.69			5,110.76

b) Particulars of unhedged foreign currency exposures at the reporting date

Buyers credit, Trade payables and Acceptances	As at 31 st December 2014			As at 31 st December 2013		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	-	-	-	1,516	62.26	0.94
EURO Exposure	-	-	-	8,922	86.23	7.69
Total			-			8.63

31 Employee benefits

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

	Gratuity	
	31 st December 2014	31 st December 2013
The amount recognised in the statement of profit & loss :		
Current service cost	213.28	188.84
Interest cost	157.21	138.07
Expected return on plan assets	(109.59)	(108.72)
Net actuarial (gain) / loss for the period	97.54	(104.23)
Net benefit expense	358.44	113.96
The amount recognised in the balance sheet is as follows :		
Defined benefit obligation	2,157.59	1,757.61
Fair value of plan assets	1,367.21	1,225.67
Plan liability / (asset)	790.38	531.94
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the period	1,757.61	1,709.82
Current service cost	213.28	188.84
Interest cost	157.21	138.07
Actuarial loss/(gain)	145.59	(186.50)
Benefit paid	(116.10)	(92.62)
Present value of defined benefit obligation at end of period	2,157.59	1,757.61
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the period	1,225.67	1,216.84
Expected return on plan assets	109.59	108.72
Contributions by employer	100.00	74.99
Benefit paid	(116.10)	(92.62)
Actuarial gain/(loss) on plan assets	48.05	(82.26)
Fair value of plan assets at end of the period	1,367.21	1,225.67

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

31 Employee benefits (contd.)

The amount of defined benefit obligation, plan assets, the deficit thereof and the experience adjustments on plan assets and plan liabilities for the current and previous four years are as follows:

	2014	2013	2012	2011	2010
Defined Benefit Obligation	2,157.59	1,757.61	1,709.82	1,467.43	1,260.30
Plan Assets	1,367.21	1,225.67	1,216.84	1,081.14	1,085.40
Deficit	(790.38)	(531.94)	(492.98)	(386.29)	(174.90)
Experience adjustments on plan assets	48.05	(82.26)	71.78	(108.93)	13.71
Experience adjustment on plan liabilities	(145.59)	186.50	(118.31)	(28.18)	(104.95)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation of India and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation of India and Birla Sunlife Insurance as at 31 December 2014 are ₹0.15 lakhs (31 December 2013 - ₹0.13 lakhs) and ₹1,367.06 lakhs (31 December 2013 - ₹1,225.54 lakhs) respectively. The management understands that the assets in these portfolios are well diversified and as such the long term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

	31 st December 2014	31 st December 2013
The principal assumptions used in determining the gratuity obligations :		
Discount rate	8.00%	9.25%
Expected rate of return on plan assets	9.00%	9.00%
Salary escalation rate	4.50%	4.50%
Withdrawal rates	Upto age 44 - 2% 45 years & above - 1%	Upto age 44 - 2% 45 years & above - 1%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Guidance Note on implementing AS 15, "Employee Benefits", issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India states that Provident Fund set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be Defined Benefit Plan in accordance with the requirements of paragraph 26(b) of AS 15. Pursuant to the Guidance Note, the liability in respect of the shortfall of interest earnings of the fund is Nil as determined on the basis of an actuarial valuation carried out as at 31 December 2014. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefit", detailed disclosures are not required.

The Company's expense for the superannuation, a defined contribution plan aggregates ₹337.36 lakhs during the year (31 December 2013 - ₹315.90 lakhs).

The Company's expense for the provident fund aggregates ₹798.78 lakhs during the year ended (31 December 2013 - ₹760.93 lakhs)

The liability for leave entitlement and compensated absences as at year end is ₹670.15 lakhs (31 December 2013 : ₹513.10 lakhs).

32. SUPPLEMENTARY PROFIT AND LOSS INFORMATION

	Year ended 31 st December 2014	Year ended 31 st December 2013
a) Expenditure in foreign currency:		
Foreign travel	8.07	6.74
Professional and consultancy fees	-	120.12
Interest on external commercial borrowings	17.84	72.24
Membership & subscription	0.09	-
Royalty expense	-	610.84
	26.00	809.94



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

32. SUPPLEMENTARY PROFIT AND LOSS INFORMATION (contd.)

	Year ended 31 st December 2014	Year ended 31 st December 2013
b) Amount remitted in foreign currency for dividend:		
Number of non-resident shareholders	1	1
Number of shares held (Equity shares of ₹10 each)	8,011,318	8,011,318
Dividend Remitted	80.11	160.23
Year to which dividend relates	2013	2012
c) Value of imports on CIF basis:		
Spare parts	41.66	-
Tools and equipments	-	76.55
Construction materials	106.92	-
Capital goods (including capital work-in-progress)	144.03	439.82
	292.61	516.37

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

	As at 31 st December 2014		As at 31 st December 2013	
	%	Value	%	Value
Spare parts				
Imported	3.39	41.66	-	-
Indigenous	96.61	1,187.34	100.00	1,601.76
	100.00	1,229.00	100.00	1,601.76
Tools and equipment				
Imported	-	-	6.04	76.55
Indigenous	100.00	973.02	93.96	1,190.32
	100.00	973.02	100.00	1,266.87
Construction material				
Imported	0.23	106.92	-	-
Indigenous	99.77	46,792.49	100.00	39,692.55
	100.00	46,899.41	100.00	39,692.55

33 Segment reporting

The activities of the Company comprises of only one business segment viz Construction. The Company operates in only one geographical segment viz India. Hence the Company's financial statements also represents the segmental information.

34 Details of Joint Ventures (unincorporated)

a) Details of Joint Ventures entered into by the Company

Name of the Joint Venture	Participation as at		Nature of business
	31 st December 2014	31 st December 2013	
ITD Cemindia JV	80%	80%	Construction
ITD - ITD Cem JV	49%	49%	Construction
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%	Construction
ITD-Cem Maytas Consortium	95%	95%	Construction

All the above are unincorporated jointly controlled entities in India

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

34 Details of Joint Ventures (unincorporated) (contd.)

b) Details of share of Assets, Liabilities, Income, Expenditure, Capital Commitments and Contingent Liabilities in Joint Ventures

	ITD Cemindia JV	ITD - ITD Cem JV	ITD - ITD Cem JV (Consortium of ITD - ITD Cementation)	ITD-Cem Maytas Consortium
Share of Assets	5,154.40 (5,060.88)	26,446.78 (13,145.75)	768.96 (1,351.44)	2,533.23 (55.72)
Share of Liabilities	5,485.53 (5,388.94)	22,434.40 (8,396.77)	(264.45) (8.92)	2,162.02 (-172.97)
Share of Income	386.71 (266.23)	33,553.87 (27,474.13)	843.96 (5,596.41)	2,376.93 (3,549.61)
Share of Expenditure	389.78 (59.78)	33,467.23 (26,014.51)	559.52 (5,061.45)	2,234.41 (3,320.93)
Share of Contingent Liabilities	1,640.88 (552.91)	- -	878.40 (3,214.18)	- -

(Figures in bracket represents previous year numbers)

35 Related Party Disclosures :

a) Names of related parties and description of relationship

A Enterprise where control exists

i) Holding Company

Italian-Thai Development Public Company Limited

ii) Subsidiary Company

ITD Cementation Projects India Limited

B Other related parties

i) Joint Ventures (unincorporated)

ITD Cemindia JV

ITD - ITD Cem JV

ITD - ITDCem JV (Consortium of ITD - ITD Cementation)

ITD-Cem Maytas Consortium

ii) Fellow subsidiary

Aquathai Co., Ltd.

iii) Key management personnel (KMP)

Mr. Adun Saraban – Managing Director

Mr. S. Ramnath – Chief Financial Officer

Mr. R. C. Daga - Company Secretary

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

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow Subsidiary
Contract Revenue				
Italian-Thai Development Public Company Limited	13.95	-	-	-
	(107.95)	(-)	(-)	(-)
Royalty expense				
Italian-Thai Development Public Company Limited	-	-	-	-
	(610.84)	(-)	(-)	(-)



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

35 Related Party Disclosures : (contd.)

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

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow Subsidiary
Dividend paid				
Italian-Thai Development Public Company Limited	80.11	-	-	-
	(160.23)	(-)	(-)	(-)
Engineering Services				
Aquathai Co., Ltd.	-	-	-	-
	(-)	(-)	(-)	(114.00)
Plant hire income (net of expenses)				
ITD Cemindia JV	-	(16.13)	-	-
	(-)	(-28.81)	(-)	(-)
ITD-ITDCem JV	-	744.64	-	-
	(-)	(1,329.20)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	533.77	-	-
	(-)	(11.46)	(-)	(-)
Sale of Construction materials and spares				
ITD-ITDCem JV	-	42.91	-	-
	(-)	(372.37)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	-	-	-
	(-)	(16.63)	(-)	(-)
ITD-Cem Maytas Consortium	-	-	-	-
	(-)	(29.99)	(-)	(-)
Purchases of Construction materials and spares				
ITD Cemindia JV	-	40.95	-	-
	(-)	(120.53)	(-)	(-)
ITD-ITDCem JV	-	449.76	-	-
	(-)	(156.45)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	68.19	-	-
	(-)	(44.74)	(-)	(-)
Sale of fixed assets				
ITD-ITDCem JV	-	-	-	-
	(-)	(8.05)	(-)	(-)
Purchase of fixed assets				
ITD Cemindia JV	-	-	-	-
	(-)	(1.24)	(-)	(-)
ITD-ITDCem JV	-	0.52	-	-
	(-)	(80.60)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	0.09	-	-
	(-)	(28.14)	(-)	(-)
Employee related expense				
ITD Cemindia JV	-	10.51	-	-
	(-)	(11.56)	(-)	(-)
ITD-ITDCem JV	-	-	-	-
	(-)	(7.06)	(-)	(-)
ITD-Cem Maytas Consortium	-	-	-	-
	(-)	(15.06)	(-)	(-)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

35 Related Party Disclosures : (contd.)

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

Transaction during the year	Holding Company	Joint Venture	KMP	Fellow Subsidiary
Remuneration				
Mr. Adun Saraban	-	-	81.80	-
	(-)	(-)	(81.71)	(-)
Mr. S. Ramnath	-	-	48.36	-
	(-)	(-)	(48.91)	(-)
Mr. R. C. Daga	-	-	42.07	-
	(-)	(-)	(42.25)	(-)
Share of profit/(loss) net of tax in joint ventures				
ITD Cemindia JV	-	-3.07	-	-
	(-)	(206.44)	(-)	(-)
ITD-ITDCem JV	-	86.64	-	-
	(-)	(1,459.62)	(-)	(-)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	284.44	-	-
	(-)	(534.96)	(-)	(-)
ITD Cem Maytas Consortium	-	142.52	-	-
	(-)	(228.69)	(-)	(-)

(Figures in bracket represents previous year numbers)

c) Balances at the year end:

Particulars	Holding Company	Joint Venture
Trade receivables		
Italian-Thai Development Public Company Limited	-	-
	(59.70)	(-)
Other current liabilities		
Italian-Thai Development Public Company Limited	361.40	-
	(681.09)	(-)
Balances - receivable / (payable)		
ITD Cemindia JV	-	6,838.83
	(-)	(6,818.92)
ITD-ITDCem JV	-	693.78
	(-)	(1,840.99)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	(377.40)
	(-)	(22.31)
ITD Cem Maytas Consortium	-	(304.02)
	(-)	(-182.08)
Corporate guarantee issued on behalf of		
ITD-ITDCem JV	-	46,700.00
	(-)	(49,300.00)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	-	4,300.00
	(-)	(4,300.00)

(Figures in bracket represents previous year numbers)

- 36 Trade receivables and Unbilled Work-in-progress as at December 31, 2014 include amounts aggregating ₹2,655 Lakhs and ₹1,584 Lakhs respectively, which have been outstanding for a substantial period of time. The Company has been actively negotiating for speedy recovery of the balance receivables. In view thereof, management is reasonably confident of their recovery.



Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

- 37 (a) Trade receivables as at 31 December 2014 representing variation claims and interim work bills recognized by the Company aggregating ₹6,842 lakhs (31 December 2013 : ₹6,849 lakhs). These claims are presently under various stage of litigations. Considering favorable arbitration awards, claims under consideration at various forums, past experience of the Company and based on the legal opinion received, the management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months..
- (b) Trade receivables as at 31 December 2014 include ₹696 lakhs (31 December 2013 : ₹1,140 lakhs) relating to price escalation claims which are disputed by the customer. The Company has received an arbitration award in its favour which has subsequently been upheld by the High Court. The customer has challenged this High Court order. However, based on the above arbitration award, High Court order and legal opinion, management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months.
- (c) Long term trade receivables as at 31 December 2014 include variation claims of ₹309 lakhs (Trade receivables as at 31 December 2013 : ₹309 lakhs) for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.
- (d) Long term trade receivables and unbilled work-in-progress as at 31 December 2014 include ₹1,140 lakhs (Trade receivables as at 31 December 2013 - ₹1,140 lakhs) and ₹2,756 lakhs (31 December 2013 - ₹2,756 lakhs) respectively, in respect of a contract which has been rescinded by the Company and long term trade receivable and unbilled work-in-progress as at 31 December 2014 include ₹1,414 lakhs (Trade receivables as at 31 December 2013 : ₹689 lakhs) and ₹5,922 lakhs (31 December 2013 - ₹5,922 lakhs) respectively, in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract; for which the Company has also issued guarantees aggregating ₹1,497 lakhs (31 December 2013 - ₹2,227 lakhs). The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the financial statements.
- (e) Trade receivables and unbilled work in progress as at 31 December 2014 includes ₹983 lakhs (31 December 2013 - ₹972 lakhs) and ₹16,789 lakhs (31 December 2013 - ₹16,829 lakhs) respectively in respect of certain road contracts which are executed by the Company. The Company has made claims on the customer for recovery of these amounts. Based on the contract terms and legal opinion obtained, the management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months.
- 38 Short term Loans and advances as at 31 December 2014 include ₹6,819 lakhs on account of advances to ITD Cemindia JV, Company's joint venture. These amounts will be refunded by the joint venture on receipt of money from its customer. The joint venture had recognized various claims during earlier period based on the terms and conditions implicit in the contract, which are presently under various stage of litigations. Considering favorable arbitration award, pending claims at various forums and based on independent legal opinion, management is reasonably confident of recovery of these advances.

39 Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 December 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.

40. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 'Construction Contracts' issued by Institute of Chartered Accountants of India are as under:

	Year ended 31 st December 2014	Year ended 31 st December 2013
a) Contract revenue recognised as revenue in the period Clause 38 (a)	135,240.84	122,475.67
b) Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	425,604.24	475,247.26
c) Advance received on Contract under progress Clause 39 (b)	25,158.53	20,348.35
d) Retention amounts on Contract under progress Clause 39 (c)	9,282.57	8,040.89
e) Gross amount due from customers for contract work as an asset Clause 41 (a)	77,401.16	59,908.94
f) Gross amount due to customers for contract work as an asset Clause 41 (b)	545.76	1,844.13

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

41 Operating lease

- a) The Company has taken various residential/commercial premises and construction equipment on cancellable operating lease. These lease agreements are normally renewed on expiry. Rental expenses in the statement of profit and loss for the year includes lease payments towards premises ₹1,472.70 lakhs (31 December 2013 - ₹1,346.31 lakhs).
- b) The Company, in addition to above, has taken commercial premises on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31 December 2014 are as follows:

	As at 31 st December 2014	As at 31 st December 2013
Minimum Lease Payments		
Payable not later than 1 year	511.50	470.40
Payable later than 1 year and not later than 5 years	826.50	1,338.00
Payable later than 5 years	-	-
Total	1,338.00	1,808.40

These leases have no escalation clauses.

Rental expenses in the statement of profit and loss for the year includes ₹640.89 lakhs (31 December 2013 - ₹627.90 lakhs) towards such non-cancellable leases.

- c) General descriptions of non-cancellable lease terms :
- Lease rentals are charged on the basis of agreed terms.
 - Assets are taken on lease over a period of 3-5 years.
 - The Company did not sublease any of its assets and hence did not receive any sub lease payments during the current or previous year.

- 42 Company has unabsorbed depreciation and business loss during the year which is available for set off against future taxable income under the Income Tax Act. The Company has recognized deferred tax asset on such unabsorbed depreciation and business loss amounting ₹6,029 lakhs on the basis of profitable non-cancellable binding contracts in hand. Management believes that the profitable non-cancellable binding contracts in hand satisfies the test of virtual certainty with convincing evidence as required by Accounting Standard (AS) - 22 on Accounting for taxes on income.
- 43 The tax year for the Company being the year ending 31 March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31 March 2014 and the provision based on the figures for the remaining nine months up to 31 December 2014, the ultimate tax liability of which will be determined on the basis of the figures for the period 1 April 2014 to 31 March 2015.
- 44 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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

Amyr Jassani
 Partner
 Membership No: 46447

Mumbai
 24 February 2015

For and on behalf of the Board of Directors

Adun Saraban
 Managing Director

S. Ramnath
 Chief Financial Officer

Mumbai
 24 February 2015

P. Chakornbundit
 Director

R. C. Daga
 Company Secretary



Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company as at 31 December 2014

(Currency : Indian Rupee in lakhs)

Sr. No.	Name of the Subsidiary	ITD Cementation Projects India Ltd.
1	The financial year of the subsidiary Company ended on	31st December, 2014
2	Shares of the subsidiary Company held by holding Company as on the above date	
	(i) Number	50,000 Equity shares of ₹10/- each
	(ii) Extent of holding	100%
3	Date from which it became a subsidiary	21st June, 2007
4	The net aggregate amount of Profits/(Losses) of the subsidiary so far as they concern the member of the holding Company.	
	(a) Dealt within the holding Company's accounts	
	(i) for the financial year of the subsidiary (Rs.)	Nil
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary (Rs.)	Nil
	(b) Not dealt within the holding Company's accounts	
	(i) for the financial year of the subsidiary (Rs.)	0.05
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary (Rs.)	(0.40)

Details of Subsidiary Company Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956

Sr. No.	Particulars	ITD Cementation Projects India Ltd.
(a)	Capital	5.00
(b)	Reserves	(0.35)
(c)	Total Assets	4.90
(d)	Total Liabilities	0.25
(e)	Investments	Nil
(f)	Turnover	Nil
(g)	Profit/(Loss) before Taxation	0.05
(h)	Provision for Taxation	Nil
(i)	Profit after Taxation	0.05
(j)	Proposed Dividend	Nil

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

P. Chakornbundit
Director

S. Ramnath
Chief Financial Officer

R. C. Daga
Company Secretary

Mumbai
24 February 2015

Consolidated Financial Statements



Independent Auditors' Report

To
The Board of Directors of
ITD Cementation India Limited

1. We have audited the accompanying consolidated financial statements of ITD Cementation India Limited ("the Company"), its subsidiary and joint ventures (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 December 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. As stated in Note 35 to the Financials Statements, the company's trade receivables and unbilled work in progress as at 31 December, 2014 include amounts aggregating ₹2,655 lakhs and ₹1,584 lakhs respectively, being considered as good and fully recoverable by the management. These amounts are presently under negotiation with the customers. In the absence of external balance confirmations from the customers or other alternative audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these receivables, we are unable to comment on the extent to which these balances are recoverable and the consequential impact, if any, on the accompanying financial statements.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 December 2014;
 - ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note 36 to the consolidated financial statements regarding long-term trade receivables, trade receivables and unbilled work in progress aggregating to ₹2,863 lakhs (31 December 2013: ₹ Nil), ₹8,521 lakhs (31 December 2013: ₹11,099 lakhs) and ₹25,467 lakhs (31 December 2013: ₹25,507 lakhs) respectively, outstanding as at 31 December 2014, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of arbitration/ litigation, the Company has assessed the recoverability of these claims based on recommendation of Dispute Resolution Board, awards received from Arbitration Tribunal, High Court orders received and legal opinion from

an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the Financial Statement. Our opinion is not qualified in respect of these matters.

9. We draw attention to Note 37 to the consolidated financial statements which describes the uncertainty related to the recoverability of group's share of trade receivables and unbilled work in progress aggregating to ₹2,076 lakhs and ₹2,394 lakhs, respectively, in ITD Cemindia JV, company's joint venture, outstanding as at 31 December 2014, representing various claims recognized during the earlier periods based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of arbitration/ litigation, the management of the group has assessed the recoverability of these dues based on recommendation of Dispute Resolution Board, awards received from Arbitration Tribunal and legal opinion from an independent counsel. Pending the ultimate outcome of these matters which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.

Other Matters

10. We did not audit the financial statements of a subsidiary included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group

transactions) of ₹4.90 lakhs as at 31 December 2014; total revenues (after eliminating intra-group transactions) of ₹0.30 lakhs and net cash flows aggregating to ₹0.67 lakhs for the year then ended. These financial statements have been audited by other auditor whose audit report has been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit report of the other auditor. Our opinion is not qualified in respect of this matter.

For **Walker, Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co.)

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Amyr Jassani**

Partner

Membership No.: 46447

Mumbai

24 February 2015



Consolidated Balance Sheet as at 31 December 2014

(Currency : Indian Rupee in lakhs)

	Notes	As at 31 st December 2014	As at 31 st December 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,551.58	1,151.58
Reserves and surplus	3	55,230.22	39,689.74
		56,781.80	40,841.32
Non-Current Liabilities			
Long-term borrowings	4	4,038.61	1,140.91
Long-term provisions	5	563.24	417.37
		4,601.85	1,558.28
Current Liabilities			
Short-term borrowings	6	68,119.53	68,522.34
Trade payables	7	41,719.51	29,646.80
Other current liabilities	8	47,135.12	44,305.07
Short-term provisions	9	1,110.97	1,166.89
		158,085.13	143,641.10
Total		219,468.78	186,040.70
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	33,525.83	22,356.48
Capital work-in-progress		328.36	672.87
Deferred tax assets	11	1,485.13	2,121.88
Long-term loans and advances	12	16,595.77	15,620.11
Long-term trade receivables	16	2,863.37	-
Other non-current assets	13	27.54	22.00
		54,826.00	40,793.34
Current Assets			
Current investment	14	0.26	0.26
Inventories	15	113,125.22	95,682.59
Trade receivables	16	41,285.81	40,158.45
Cash and bank balances	17	2,718.20	3,191.82
Short-term loans and advances	12	7,497.54	6,180.96
Other current assets	18	15.75	33.28
		164,642.78	145,247.36
Total		219,468.78	186,040.70

Notes 1 to 43 form an integral part of these consolidated financial statements
This is the consolidated balance sheet referred to in our report of even date

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

Amyr Jassani
Partner
Membership No: 46447

Mumbai
24 February 2015

For and on behalf of the Board of Directors

Adun Saraban
Managing Director

S. Ramnath
Chief Financial Officer

Mumbai
24 February 2015

P. Chakornbundit
Director

R. C. Daga
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

	Notes	Year ended 31 st December 2014	Year ended 31 st December 2013
REVENUE			
Contract revenue		171,242.31	157,836.53
Other operating income	19	652.29	570.69
Other income	20	1,849.47	3,396.12
Total		173,744.07	161,803.34
EXPENSES			
Cost of materials consumed		64,392.02	51,332.05
Sub-contract expense		40,260.28	32,123.64
Employees benefits expense	21	19,363.89	19,229.40
Finance costs	22	13,550.37	12,831.96
Depreciation expense	10	4,270.88	4,422.83
Other expenses	23	38,770.92	39,472.88
Total Expenses		180,608.36	159,412.76
(Loss)/profit before exceptional item & tax		(6,864.29)	2,390.58
Exceptional item (Refer note I A.1)		9,553.25	-
Profit before tax		2,688.96	2,390.58
Tax expense			
Current tax		(964.52)	(1,833.53)
Less: Minimum alternative tax credit entitlement		720.23	-
Short provision for tax for earlier years		132.69	25.41
Deferred tax (charge)/credit		(635.93)	348.45
Net profit for the year		1,941.43	930.91
Earnings per equity share (face value of ₹10 each)	24		
Before exceptional item			
Basic and diluted		(59.38)	8.08
After exceptional item			
Basic and diluted		15.14	8.08

Notes I to 43 form an integral part of these consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co.)

Chartered Accountants

Firm Registration No. 001076N/N500013

Amyr Jassani

Partner

Membership No: 46447

Mumbai

24 February 2015

For and on behalf of the Board of Directors

Adun Saraban

Managing Director

S. Ramnath

Chief Financial Officer

Mumbai

24 February 2015

P. Chakornbundit

Director

R. C. Daga

Company Secretary



Consolidated Cash Flow Statement for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

	Year ended 31 st December 2014	Year ended 31 st December 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	2,688.96	2,390.58
Adjustments for:		
Depreciation	4,270.88	4,422.83
Depreciation written back	(9,553.25)	-
Finance cost	13,550.37	12,831.96
Interest income	(149.70)	(1,148.76)
Provision for doubtful debts	673.69	678.17
Provision for doubtful advances	47.33	49.56
Loss/(profit) on sale of fixed assets (net)	20.03	(52.77)
Sundry balances written back	(132.13)	(819.47)
Prior years provision written back	(176.95)	(883.55)
Operating profit before working capital changes	11,239.23	17,468.55
Adjustment for change in working capital		
Increase in Inventories	(17,442.63)	(348.45)
(Increase)/decrease in Trade receivables	(4,664.43)	(4,451.68)
(Increase)/decrease in Loans and advances	(4,051.90)	(3,053.19)
Increase/(decrease) in Trade payables and other current liabilities	18,662.17	10,233.27
Cash generated from operations	3,742.44	19,848.50
Direct taxes refunds/(paid)	621.16	(1,160.94)
Net cash generated from operating activities	4,363.60	18,687.56
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(4,912.77)	(5,829.42)
Proceeds from sale of fixed assets	342.37	198.47
Fixed deposit with bank (maturity beyond three months)	(222.87)	(795.89)
Proceeds from fixed deposit with bank (maturity beyond three months)	795.89	406.71
Interest received	161.69	1,139.80
Net cash used in investing activities	(3,835.69)	(4,880.33)

Consolidated Cash Flow Statement (contd.) for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

	Year ended 31 st December 2014	Year ended 31 st December 2013
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital - QIP (net of share issue expenses)	13,999.05	-
Repayment/(proceeds) from short term borrowings (net)	(402.81)	5,581.13
Proceeds from long term borrowings	6,841.34	1,020.56
Repayment of long term borrowings	(6,857.11)	(7,993.94)
Interest paid	(13,874.75)	(13,023.57)
Dividend paid	(114.66)	(228.98)
Tax on distributed profits	(19.57)	(39.14)
Net cash (used in)/generated from financing activities	(428.51)	(14,683.94)
Net increase/(decrease) in cash and cash equivalents	99.40	(876.71)
Cash and cash equivalents at the beginning of year	2,395.93	3,272.64
Cash and cash equivalents at the end of year	2,495.33	2,395.93
Components of cash and cash equivalents (Refer note 17)		
Cash in hand	194.75	164.56
Balance with scheduled banks		
- current accounts	1,924.98	1,930.43
- dividend bank accounts	7.44	6.94
- deposits with maturity not more than 3 months	368.16	294.00
	2,495.33	2,395.93

Notes :

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

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

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

Amyr Jassani
 Partner
 Membership No: 46447

Mumbai
 24 February 2015

For and on behalf of the Board of Directors

Adun Saraban
 Managing Director

S. Ramnath
 Chief Financial Officer

Mumbai
 24 February 2015

P. Chakornbundit
 Director

R. C. Daga
 Company Secretary



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

CORPORATE INFORMATION

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The consolidated financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year except for the change in accounting policy of the Company as explained below.

A.1 Summary of change in accounting policy

Upto the period ended 30 September 2014, the Company had been accounting for depreciation on fixed assets based on written down value method. Effective 1 October 2014, the Company has with retrospective effect changed its method of providing depreciation on fixed assets from the 'Written Down Value' method to the 'Straight Line' method. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. The Company has also carried out a technical evaluation to assess the revised useful life of fixed assets. The change in the above accounting policy has resulted in a surplus of ₹9,553.25 lakhs relating to the depreciation already charged upto the period ended 30 September 2014 which has been disclosed as an exceptional item. Had the Company continued to use the earlier method of depreciation, the depreciation expense for the current year would have been higher by ₹192.49 lakhs.

B. Principles of Consolidation

The consolidated financial statements relate to the Company, its subsidiary company, and its unincorporated Joint Ventures in the form of Jointly Controlled Entities (collectively referred to as the 'Group'). The consolidated financial statements have been

prepared on the following basis:

- i. The financial statements of the company, its subsidiary company have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or unrealized cash losses in accordance with Accounting Standard (AS) - 21 "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006, (as amended).
- ii. The Interests in Joint Ventures which are in the nature of jointly controlled entities have been consolidated by using the proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in group unrealized profit or unrealized cash losses as per the Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006, (as amended).
- iii. Consolidated financial statements are prepared using uniform policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- iv. Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statement. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statement has not been disclosed in the consolidated financial statements.
- v. The difference between the cost to the Group of investment in subsidiary and joint ventures and the proportionate share in the equity of the investee company as at the date of the acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

C. Accounting estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

D. Fixed assets

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

E. Depreciation on tangible fixed assets

- (i) Depreciation was provided as per the straight-line method for assets acquired up to 31 March 1993 and as per the written-down value method for assets acquired on or after 1 April 1993 using the rates prescribed under Schedule XIV of Companies Act 1956.

Effective 1 October 2014, method of depreciation on fixed assets is changed from written down value to straight line method (as explained in A.1 above) using the rates prescribed under the Schedule XIV to the Companies Act, 1956. However in respect of the following asset categories, depreciation is provided at higher rates in line with their estimated useful life.

Tangible Assets	Rate of Depreciation (% p.a.)
i) Plant and Machinery	
a) Drilling machines, demolition & cutting tools	8.33
b) Pumps, Ventilation Fans	8.33
c) Mining Cars, Mucking units	8.33
d) Other minor plant & equipment of construction activity	8.33
ii) Office Equipment	20.00
iii) Furniture and Fixtures	10.00

- (ii) In case of Joint Ventures, depreciation on fixed assets is provided on straight-line method at the rates determined as per the useful lives of the respective assets and the life of the project.
- (iii) Leasehold improvements are amortised over the lease period or useful life whichever is lower.
- (iv) Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the month of additions/deductions.
- (v) Individual assets costing less than ₹5,000 are depreciated in full in the year they are put to use.

F. Impairment

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

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

G. Investments

Long term investments are stated at cost and diminution in carrying amount, other than temporary, is written down/ provided for. Investments in integrated Joint Ventures are carried at cost of net of adjustments for Company's share in profits or losses as recognised. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

H. Inventories

Construction materials are valued at cost. Identified direct materials remaining on completion of contract are valued at their estimated scrap value. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities).

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

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

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

I. Revenue recognition

i. On contracts

Revenue from construction contracts is recognised on the basis of percentage completion method. The stage of completion of a contract is determined by the proportion



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

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

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

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

ii. On insurance claims

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

iii. Management Fee

Management Fee income is recognized based on the contractual terms with the parties.

J. Advances from customers, progress payments and retention

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

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

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

K. Foreign currency transactions

i. Initial Recognition

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

ii. Conversion

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

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates

different from those at which they were initially recorded during the year; or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

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

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

L. Retirement and other employee benefits

i. Defined benefit plan

In terms of the Guidance on implementing Accounting Standard (AS) 15 - Employee Benefits, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the company is treated as a defined benefit plan. This is administered through trusts of the company and the company has no further obligation beyond making the contributions. The Company has to meet the interest shortfall, if any. However, as at the year end, no shortfall remains provided for. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

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

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

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

ii. Defined contribution plan

The certain employees of the Company are also participant in the superannuation plan which is a defined contribution plan. The Company has no obligations to the Plan beyond its contributions.

The company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as incurred.

iii. Other employee benefits

The employees of the company are also entitled for Leave availment and/or Encashment as per the company's policy. The liability for Leave Entitlement is provided on the basis of valuation, as at Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

M. Earnings per share

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

N. Taxation

Current tax

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

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

to the effect that Company will pay normal Income Tax during the specified period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each Balance Sheet date to reassess realization. Timing differences originating and reversing during the tax holiday period are not considered for the purpose of computing deferred tax assets and liabilities.

O. Leases

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

P. Provisions and Contingent Liabilities

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

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

Q. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

2. Share capital

	As at 31 st December 2014		As at 31 st December 2013	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity shares of ₹10 each	30,000,000	3,000.00	15,000,000	1,500.00
Redeemable preference shares of ₹10 each	45,000,000	4,500.00	60,000,000	6,000.00
	75,000,000	7,500.00	75,000,000	7,500.00

The Authorised share capital of the Company as at 31 December 2013 was ₹750,000,000 consisting of 15,000,000 Equity shares of ₹10 each and 60,000,000 Redeemable preference shares of ₹10 each respectively. During the year, the shareholders of the Company have approved the reclassification of Authorised share capital into 30,000,000 Equity shares of ₹10 each and 45,000,000 Redeemable preference shares of ₹10 each respectively aggregating ₹750,000,000 through postal ballot.

Issued				
Equity shares of ₹10 each	15,518,316	1,551.83	11,518,316	1,151.83
	15,518,316	1,551.83	11,518,316	1,151.83
Subscribed and fully paid-up				
Equity shares of ₹10 each	15,515,790	1,551.58	11,515,790	1,151.58
	15,515,790	1,551.58	11,515,790	1,151.58

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

	As at 31 st December 2014		As at 31 st December 2013	
	Number	Amount	Number	Amount
Balance at the beginning of the year	11,515,790	1,151.58	11,515,790	1,151.58
Add : Issued during the year	4,000,000	400.00	-	-
Balance at the end of the year	15,515,790	1,551.58	11,515,790	1,151.58

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

During the year, ₹ Nil (31 December 2013 : ₹1.00) per share dividend recognised as distributions to equity share holders.

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

c) Shares held by holding Company

	As at 31 st December 2014		As at 31 st December 2013	
	Number	Amount	Number	Amount
Equity shares of ₹10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	801.13	8,011,318	801.13

d) Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2014

	As at 31 st December 2014		As at 31 st December 2013	
	Number	% Holding	Number	% Holding
Equity shares of ₹10 each				
Italian-Thai Development Public Company Limited, Thailand	8,011,318	51.63	8,011,318	69.57
HDFC Trustee Company Limited	1,028,361	6.63	-	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

2. Share capital (contd.)

- e) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding 31 December 2014**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 December 2014.

- f) Out of the total issued capital, 2,526 (31 December 2013 : 2,526) equity shares of ₹10 each have been kept in abeyance pending final settlement of rights issues.

- g) The Company has issued and allotted 4,000,000 equity shares of ₹10 each fully paid for cash at a premium of ₹350 per equity share to Qualified Institutions Buyers ("QIB") aggregating to ₹14,400 lakhs.

Expenses in relation to shares issued to QIB aggregating to ₹400.94 lakhs debited to Securities premium account.

3. Reserves and surplus

	As at 31 st December 2014	As at 31 st December 2013
Securities premium account		
Balance at the beginning of the year	31,957.38	31,957.38
Add: Additions during the year	14,000.00	-
Less: QIP expenses adjusted	(400.94)	-
Balance at the end of the year	45,556.44	31,957.38
General reserve		
Balance at the beginning of the year	676.48	653.21
Add: Transferred from statement of profit and loss	-	23.27
Balance at the end of the year	676.48	676.48
Surplus in the statement of profit and loss		
Balance at the beginning of the year	7,055.87	6,284.75
Add : Transferred from statement of profit and loss	1,941.43	930.91
Less : Transferred to general reserve	-	(23.27)
Less : Proposed dividend on equity shares	-	(115.16)
Less : Tax on proposed equity dividend	-	(19.57)
Less : Tax on equity dividend for earlier year	-	(1.78)
	8,997.30	7,055.88
	55,230.22	39,689.74

4. Long-term borrowings

	As at 31 st December 2014		As at 31 st December 2013	
	Non-current	Current	Non-current	Current
Secured				
Rupee term loans				
- from bank	3,073.74	3,000.00	-	4,900.00
- from others	587.97	865.84	463.34	57.57
Plant loans from financial institution	242.89	297.00	433.61	324.92
Vehicle loans from bank	134.01	37.18	72.23	19.23
Unsecured				
Rupee term loan				
- from others	-	174.50	171.73	1,986.27
	4,038.61	4,374.52	1,140.91	7,287.99
Amount disclosed under "Other current liabilities" (Refer note 8)	-	(4,374.52)	-	(7,287.99)
	4,038.61	-	1,140.91	-



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

4. Long-term borrowings (contd.)

Rupee term loan - from bank (secured)

Term loan obtained from Exim Bank carries interest rate of 12.25 percent per annum. This loan is repayable in six quarterly installments commenced from December 2013.

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

Rupee term loans from others (secured)

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

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

Plant loan from financial institution (secured)

Loan obtained from Tata Capital Limited for purchase of construction equipment carries interest rate ranging between 13.01 to 13.25 percent per annum and are repayable in 57 to 84 monthly installments. These loans are secured by first and exclusive charge on specific equipment financed by the institution.

Vehicle loan from bank (secured)

Loan obtained from AXIS Bank for purchase of vehicles carries interest rate ranging between 10 to 10.5 percent per annum and are repayable in 60 monthly installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

Term loan - from financial institution (unsecured)

Term loan obtained from SREI Equipment Finance Private Limited carries interest rate of 11.56 percent per annum. These loans are repayable in 29 monthly installments commenced from September 2012.

5. Long-term provision

	As at 31 st December 2014	As at 31 st December 2013
Provision for employee benefits		
- Leave entitlement (Refer note 30)	563.24	417.37
	563.24	417.37

6. Short-term borrowings

	As at 31 st December 2014	As at 31 st December 2013
Secured		
Working capital loans from banks	67,405.75	63,411.58
Buyer's credit	713.78	5,110.76
	68,119.53	68,522.34

Working capital loan from banks

Working capital loans availed from consortium bankers carries interest rates ranging between 11.7 to 15.7 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited. These facilities are repayable on demand.

Buyer's credit

Buyer credit loans obtained from bankers carries interest of LIBOR plus 1.5 to 3.5 percent per annum (quarterly rests). These loans are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Tata Capital Limited.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

7. Trade payables (Refer note 38)

	As at 31 st December 2014	As at 31 st December 2013
Acceptances	8,048.48	1,517.69
Other than acceptances	33,671.03	28,129.11
	41,719.51	29,646.80

8. Other current liabilities

	As at 31 st December 2014	As at 31 st December 2013
Current maturity of long term debt (Refer note 4)	4,374.52	7,287.99
Creditors for capital expenses	303.35	62.77
Interest accrued and due	83.65	143.86
Interest accrued but not due	122.98	387.15
Unclaimed dividend *	7.44	6.94
Advances from customers (Refer note 39)	35,514.07	29,283.28
Material received from customers	102.46	213.06
Amount due to customers (Refer note 39)	951.30	2,177.52
Employee related dues	2,384.98	2,299.32
Statutory dues payable	924.09	907.24
Liability for foreign exchange contracts	5.64	242.73
Others	2,360.64	1,293.21
	47,135.12	44,305.07

* Not due for credit to Investor Education & Protection Fund

9. Short term provisions

	As at 31 st December 2014	As at 31 st December 2013
Provision for employee benefits		
- Gratuity (Refer note 30)	793.62	534.17
- Leave entitlement (Refer note 30)	113.19	98.12
- Provident fund	178.33	145.96
Provision for taxation (net of advance tax)	25.83	253.91
Proposed dividend	-	115.16
Provision for tax on proposed dividend	-	19.57
	1,110.97	1,166.89



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

10. Tangible assets

	Freehold land	Leasehold improvements	Buildings	Plant and machinery	Earth-moving machinery	Office equipment and furniture	Vehicles	Total
Gross block								
Balance as on 1 January 2013	15.32	331.42	221.94	40,574.29	6,730.57	1,807.11	311.15	49,991.80
Additions	-	122.40	877.23	2,289.13	88.11	408.24	170.15	3,955.26
Deletions	-	-	-	(540.16)	(30.16)	(48.23)	(22.34)	(640.89)
Balance as on 31 December 2013	15.32	453.82	1,099.17	42,323.26	6,788.52	2,167.12	458.96	53,306.17
Additions	-	-	-	5,899.83	147.46	65.90	136.18	6,249.37
Disposals	-	-	-	(2,041.53)	(159.32)	(330.53)	(12.74)	(2,544.12)
Balance as on 31 December 2014	15.32	453.82	1,099.17	46,181.56	6,776.66	1,902.49	582.40	57,011.42
Accumulated depreciation								
Balance as on 1 January 2013	-	39.74	110.95	20,152.79	5,005.58	1,495.91	217.07	27,022.04
Depreciation charge	-	85.69	44.89	3,570.68	525.45	146.66	49.46	4,422.83
Reversal on disposal of assets	-	-	-	(411.74)	(23.97)	(43.63)	(15.84)	(495.18)
As at 31 December 2013	-	125.43	155.84	23,311.73	5,507.06	1,598.94	250.69	30,949.69
Depreciation charge	-	69.80	39.45	3,497.64	461.69	143.28	59.02	4,270.88
Reversal on disposal of assets	-	-	-	(1,688.02)	(124.83)	(357.21)	(11.67)	(2,181.73)
Effect of change in depreciation policy	-	-	(96.34)	(8,263.09)	(1,149.72)	18.31	(62.41)	(9,553.25)
As at 31 December 2014	-	195.23	98.95	16,858.26	4,694.20	1,403.32	235.63	23,485.59
Net block								
As at 31 December 2014	15.32	258.59	1,000.22	29,323.30	2,082.46	499.17	346.77	33,525.83
As at 31 December 2013	15.32	328.39	943.33	19,011.53	1,281.46	568.18	208.27	22,356.48

11. Deferred tax assets (net)

	As at 31 st December 2014	As at 31 st December 2013
Deferred tax asset arising on account of (A)		
Provision for doubtful debts	975.54	696.39
Provision for employee benefits	496.43	339.06
Disallowance u/s 43B as per Income Tax Act, 1961	318.33	305.65
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	-	728.95
Provision for doubtful advances	16.09	19.64
Unabsorbed depreciation	1,065.19	-
Unabsorbed loss	984.04	-
Others	368.78	32.19
	4,224.40	2,121.88
Deferred tax liability arising on account of (B)		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	2,739.27	-
Deferred tax assets (A-B)	1,485.13	2,121.88

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

12. Loans and advances

	As at 31 st December 2014		As at 31 st December 2013	
	Long term	Short term	Long term	Short term
(Unsecured, considered good unless otherwise stated)				
Capital advances	1,012.39	-	1,763.89	-
Security and other deposits	-	-		
- considered good	253.46	1,975.47	284.30	1,697.54
- considered doubtful	-	47.33		49.56
Receivable from Holding Company (Refer note 34)	-	1,157.68		1,651.46
Other loans and advances	-	-		
Advance recoverable in cash or kind	-	-		
- considered good	-	2,820.91	-	1,373.60
- considered doubtful	-	-	-	60.52
Prepaid expenses	-	1,526.53	-	1,439.56
Loans and advances to employees	-	16.95	-	18.80
Balances with statutory / government authorities	12,574.43	-	9,855.59	-
Advance income tax [including MAT tax credit] (net of provisions)	2,755.49	-	3,716.33	-
	16,595.77	7,544.87	15,620.11	6,291.04
Less : Provision for doubtful advances / deposits	-	(47.33)	-	(110.08)
	16,595.77	7,497.54	15,620.11	6,180.96

13. Other non current assets

	As at 31 st December 2014	As at 31 st December 2013
Non-current bank balances (refer note 17)	22.00	22.00
Interest accrued but not due	5.54	-
	27.54	22.00

14. Current investments

	As at 31 st December 2014		As at 31 st December 2013	
	No. of Shares	Book Value	No. of Shares	Book Value
(Non-trade, unquoted at lower of cost and fair value)				
Investments in equity shares				
AVR Infra Private Limited (Face value of ₹10 each)	2600	0.26	2600	0.26
		0.26		0.26

15. Inventories

	As at 31 st December 2014	As at 31 st December 2013
Construction materials	15,920.72	13,574.02
Tools and equipment	5,152.54	5,308.45
Machinery spares	1,817.74	1,474.04
Unbilled work in progress	90,234.22	75,326.08
	113,125.22	95,682.59



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

16. Trade receivable

	As at 31 st December 2014		As at 31 st December 2013	
	Long term	Short term	Long term	Short term
(unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for more than six months				
- Considered good *	2,863.37	24,565.38	-	27,552.77
- Considered doubtful	-	2,870.08	-	2,213.75
	2,863.37	27,435.46	-	29,766.52
Less: Provision for doubtful debts	-	(2,870.08)	-	(2,213.75)
	2,863.37	24,565.38	-	27,552.77
Other debts **	-	16,720.43	-	12,605.68
	2,863.37	41,285.81	-	40,158.45
Notes :				
* Includes retention money	-	8,667.24	-	7,986.31
** Includes retention money	-	3,410.04	-	2,347.52

17. Cash and bank balances

	As at 31 st December 2014		As at 31 st December 2013	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash in hand	-	194.75	-	164.56
Balance with scheduled banks		-		
- current accounts	-	1,924.98	-	1,930.43
- dividend bank accounts	-	7.44	-	6.94
Bank deposits with maturity not more than 3 months		368.16		294.00
	-	2,495.33	-	2,395.93
Other bank balances				
Deposit with maturity of more than 3 months and less than 12 months *	-	222.87	-	795.89
Bank deposits with maturity of more than 12 months **	22.00	-	22.00	-
	22.00	2,718.20	22.00	3,191.82
Less: Amounts disclosed as Other non-current assets (Refer note 13)	(22.00)	-	(22.00)	-
	-	2,718.20	-	3,191.82

* Earmarked against bank guarantees taken by the Company

** Placed as earnest money deposit

18. Other current assets

	As at 31 st December 2014	As at 31 st December 2013
Interest accrued but not due	15.75	33.28
	15.75	33.28

19. Other operating income

	Year ended 31 st December 2014	Year ended 31 st December 2013
Service income from unincorporated joint ventures	652.29	570.69
	652.29	570.69

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

20. Other Income

	Year ended 31 st December 2014	Year ended 31 st December 2013
Interest income		
- on bank deposits	131.40	221.10
- on income tax refund	320.88	304.46
- on sales tax refund	-	6.16
- from customer on settlement	222.89	614.26
- others	18.30	2.77
Other non operating income:		
- Profit on sale of fixed assets (net)	-	52.77
- Sundry balances written back	132.13	819.47
- Bad debts recovered	7.00	174.38
- Excess provisions of prior year written back	176.95	883.56
- Insurance claim	-	157.95
- Miscellaneous income	839.92	159.24
	1,849.47	3,396.12

21. Employee benefits expense

	Year ended 31 st December 2014	Year ended 31 st December 2013
Salaries and wages	17,338.61	17,505.79
Contribution to gratuity (Refer note 30)	359.44	111.91
Contribution to provident and other funds (Refer note 30)	1,344.55	1,270.48
Staff welfare expenses	321.29	341.22
	19,363.89	19,229.40

22. Finance costs

	Year ended 31 st December 2014	Year ended 31 st December 2013
Interest expenses		
- Working capital loans	9,069.73	8,332.48
- Long term loan	1,149.08	1,385.12
- Advances from customers	940.89	510.15
- External commercial borrowings	17.84	72.24
- Others	273.20	114.96
Exchange loss (attributable to finance costs)	204.93	522.40
Bank charges and guarantee commission	1,894.70	1,894.61
	13,550.37	12,831.96



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

23. Other expense

	Year ended 31 st December 2014	Year ended 31 st December 2013
Plant hire expenses	4,848.76	6,069.05
Power and fuel	7,057.98	7,002.25
Sales tax on works contracts	5,396.99	4,402.06
Travelling expenses	890.64	854.67
Tools and equipment	1,025.41	1,416.43
Foreseeable loss	1,329.73	308.58
Site transport and conveyance	2,856.71	2,591.28
Repairs and maintenance:		
- Plant & machinery	528.07	478.28
- Others	196.91	182.78
Insurance	849.59	989.74
Professional fees	2,356.09	1,940.75
Rent (Refer note 40)	2,709.79	2,194.51
Spares consumed	1,287.58	1,630.21
Security charges	990.34	751.39
Temporary site installations	449.19	1,820.70
Postage, telephone and telegram	200.27	204.55
Auditor remuneration (Refer note 25)	75.46	70.40
Provision for doubtful debts (Refer note 26)	673.69	678.17
Provision for doubtful advance / deposits	47.33	49.56
Rates & taxes	135.76	246.72
Water charges	370.22	538.36
Printing and stationery	137.01	137.69
Fees and subscription	45.90	149.52
Infotech expenses	200.66	233.35
Service tax	1,300.51	1,570.41
Labour cess	876.66	845.38
Royalty expense	-	610.84
Exchange loss (net)	114.74	52.22
Directors' sitting fees	2.75	1.65
CSR expenses	12.87	-
Loss on sale of fixed assets (net)	20.03	-
Miscellaneous expenses	1,783.28	1,451.38
	38,770.92	39,472.88

24. Earnings per share

	Year ended 31 st December 2014	Year ended 31 st December 2013
Weighted average number of equity shares outstanding during the year	12,819,900	11,515,790
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	12,819,900	11,515,790
Before exceptional item:		
Net (loss)/profit after tax before exceptional item	(7,611.82)	930.91
Earning per share :		
Basic and diluted	(59.38)	8.08
After exceptional item:		
Net Profit after tax attributable to equity shareholders	1,941.43	930.91
Earning per share :		
Basic and diluted	15.14	8.08

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

25. Auditor remuneration (including service tax)

	Year ended 31 st December 2014	Year ended 31 st December 2013
Audit fee	28.93	26.63
Tax audit fee	14.71	15.75
Limited review	24.73	22.45
Certification	5.96	4.26
Out-of-pocket expenses	1.13	1.31
	75.46	70.40

26. Provision for doubtful debts

	Year ended 31 st December 2014	Year ended 31 st December 2013
Bad debts written off during the year	17.36	-
Add: Provision for doubtful debts, end of year	2,870.08	2,213.75
Less: Provision for doubtful debts, beginning of year	2,213.75	1,535.58
	673.69	678.17

27. Commitment

	Year ended 31 st December 2014	Year ended 31 st December 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,977.92	897.22

28. Contingent Liabilities

	Year ended 31 st December 2014	Year ended 31 st December 2013
a) Guarantees/Letter of credits given by banks in respect of contracting commitments in the normal course of business	24,381.82	30,331.96
b) The Company has a number of claims on customers for price escalation and / or variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims. The Company has received legal advice that none of the counter-claims are legally tenable. Accordingly no provision is considered necessary in respect of these counter claims.	12,016.77	12,244.58
c) Corporate Guarantee given to bank on behalf of Joint Ventures	51,000.00	51,000.00
d) Sales Tax matters pending in appeals	3,738.36	3,469.69
e) Income Tax matters pending in appeal	1,454.27	1,188.44
f) Excise matter pending in appeal	52.00	52.00
g) Entry tax matter pending in appeal	335.15	335.15

Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

29 Particulars of derivative instruments and unhedged foreign currency exposures at the balance sheet date

a) Derivative outstanding at the reporting date

Buyers credit, Trade payables and Acceptances	As at 31 st December 2014			As at 31 st December 2013		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	945,307	63.80	603.11	1,174,215	62.26	731.07
EURO Exposure	283,381	77.84	220.58	4,214,095	86.23	3,633.81
GBP Exposure	-	-	-	725,000	102.88	745.88
Total			823.69			5,110.76

b) Particulars of unhedged foreign currency exposures at the reporting date

Buyers credit, Trade payables and Acceptances	As at 31 st December 2014			As at 31 st December 2013		
	Foreign Currency	Exchange Rate	INR in lakhs	Foreign Currency	Exchange Rate	INR in lakhs
US Dollar Exposure	-	-	-	1,516	62.26	0.94
EURO Exposure	-	-	-	8,922	86.23	7.69
Total			-			8.63

30 Employee benefits

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

	Gratuity	
	31 st December 2014	31 st December 2013
The amount recognised in the statement of profit & loss :		
Current service cost	214.41	189.38
Interest cost	157.43	138.31
Expected return on plan assets	(109.59)	(108.71)
Net actuarial (gain) / loss for the period	97.19	(107.07)
Net benefit expense	359.44	111.91
The amount recognised in the balance sheet is as follows :		
Defined benefit obligation	2,160.83	1,759.84
Fair value of plan assets	1,367.21	1,225.67
Plan liability / (asset)	793.62	534.17
Changes in the present value of the defined benefit obligations :		
Defined benefit obligation at beginning of the period	1,759.84	1,714.10
Current service cost	214.41	189.38
Interest cost	157.43	138.31
Actuarial loss/(gain)	145.25	(189.33)
Benefit paid	(116.10)	(92.62)
Present value of defined benefit obligation at end of period	2,160.83	1,759.84
Changes in the fair value of the plan assets of the gratuity plan :		
Plan assets at beginning of the period	1,225.67	1,216.84
Expected return on plan assets	109.59	108.72
Contributions by employer	100.00	74.99
Benefit paid	(116.10)	(92.62)
Actuarial (loss)/gain on plan assets	48.05	(82.26)
Fair value of plan assets at end of the period	1,367.21	1,225.67

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

30 Employee benefits (contd.)

The amount of defined benefit obligation, plan assets, the deficit thereof and the experience adjustments on plan assets and plan liabilities for the current and previous four years are as follows:

	2014	2013	2012	2011	2010
Defined benefit obligation	2,160.83	1,759.84	1,714.10	1,473.32	1,266.02
Plan assets	1,367.21	1,225.67	1,216.84	1,081.14	1,085.40
Deficit	(793.62)	(534.17)	(497.26)	(392.18)	(180.62)
Experience adjustments on plan assets	48.05	(82.26)	71.78	(108.93)	13.71
Experience adjustment on plan liabilities	(145.24)	189.33	(118.31)	(27.20)	(104.50)

The gratuity fund is invested in a Group Gratuity policy invested with the Life Insurance Corporation of India and Birla Sunlife Insurance. The fair value of plan assets with Life Insurance Corporation of India and Birla Sunlife Insurance as at 31 December 2014 are ₹0.15 lakhs (31 December 2013 - ₹0.13 lakhs) and ₹1,367.06 lakhs (31 December 2013 - ₹1,225.54 lakhs) respectively. The management understands that the assets in these portfolios are well diversified and as such the long term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

	31 st December 2014	31 st December 2013
The principal assumptions used in determining the gratuity obligations :		
Discount rate	8.00%	9.25%
Expected rate of return on plan assets	9.00%	9.00%
Salary escalation rate	4.50%	4.50%
Withdrawal rates	Upto age 44 - 2% 45 years & above - 1%	Upto age 44 - 2% 45 years & above - 1%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Guidance Note on implementing AS 15, "Employee Benefits", issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India states that Provident Fund set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be Defined Benefit Plan in accordance with the requirements of paragraph 26(b) of AS 15. Pursuant to the Guidance Note, the liability in respect of the shortfall of interest earnings of the fund is Nil as determined on the basis of an actuarial valuation carried out as at 31 December 2014. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefit", detailed disclosures are not required.

The Company's expense for the superannuation and provident fund aggregates ₹1,344.55 lakhs during the year (31 December 2013 - ₹1,270.48 lakhs)

The liability for leave entitlement and compensated absences as at year end is ₹676.43 lakhs (31 December 2013 : ₹515.49 lakhs).

31 Segment reporting

The activities of the Company comprises of only one business segment viz Construction. The Company operates in only one geographical segment viz India. Hence the Company's financial statements also represents the segmental information.

32 Subsidiaries

The following Subsidiary Company (incorporated in India) has been consolidated in the consolidated financial statement applying Accounting Standard (AS) - 21:

Name of the Subsidiary	31 st December 2014		31 st December 2014	
	Proportion of Ownership Interest	Voting Power	Proportion of Ownership Interest	Voting Power
ITD Cementation Projects India Limited	100%	100%	100%	100%



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

33 Jointly Controlled Entities

The following Jointly Controlled Entities have been consolidated applying Accounting Standard (AS) - 27 ("Financial Reporting of Interests in Joint Ventures").

Name of the Joint Venture	31 st December 2014	31 st December 2014
ITD Cemindia JV	80%	80%
ITD - ITD Cem JV	49%	49%
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%
ITD-Cem Maytas Consortium	95%	95%

All the above are unincorporated jointly controlled entities in India

The proportionate share of assets, liabilities, income and expenditure of the Joint Ventures, consolidated in the accounts is tabulated hereunder:

Balance Sheet Items	As at 31 st December 2014		As at 31 st December 2013	
Assets				
Net block		5,395.62		3,186.62
Capital work-in-progress		-		-
Deferred tax assets		820.93		699.68
Current Assets :				
Inventories	17,181.30		18,510.23	
Trade receivables	7,828.00		6,681.37	
Cash and bank balances	1,037.61		2,075.98	
Loans and advances	3,460.84		3,629.90	
Total Current Assets (A)		29,507.75		30,897.48
Current Liabilities (B)		15,028.02		15,172.89
Net Current Assets (A-B)		14,479.73		15,724.59
Total Assets		20,696.28		19,610.89
Liabilities				
Loan funds :				
Secured loans		9,455.07		7,451.20
Reserves & Surplus				
Opening balance of retained earnings	5,398.58		3,562.42	
Add : Profit for the period	510.53		2,429.71	
		5,909.11		5,992.13
Total Liabilities		15,364.18		13,443.33
Revenue				
Turnover	36,001.47		35,360.86	
Other income	1,160.01		1,525.53	
Total revenue		37,161.48		36,886.39
Less : Expenses				
Site and administration expenses	33,874.09		30,650.96	
Interest and finance expenses	1,554.81		1,275.80	
Depreciation	1,328.18		1,073.92	
Total expenses		36,757.08		33,000.68
Profit before tax		404.40		3,885.71
Provision for tax		15.94		1,485.62
Deferred tax credit		(122.07)		(29.62)
Profit after tax		510.53		2,429.71
Contingent liabilities		2,519.28		3,767.09

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

34 Related Party Disclosures :

a) Names of related parties and description of relationship

A Enterprise where control exists

i) Holding Company

Italian-Thai Development Public Company Limited

B Other related parties with whom the Company had transactions, etc.

Fellow subsidiary

Aquathai Co., Ltd.

Key management personnel (KMP)

Mr. Adun Saraban – Managing Director

Mr. S. Ramnath – Chief Financial Officer

Mr. R. C. Daga - Company Secretary

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

Transaction during the year	Holding Company	KMP	Fellow Subsidiary
Contract revenue			
Italian-Thai Development Public Company Limited	13.95	-	-
	(107.95)	(-)	(-)
Royalty expense			
Italian-Thai Development Public Company Limited	-	-	-
	(610.84)	(-)	(-)
Dividend paid			
Italian-Thai Development Public Company Limited	80.11	-	-
	(160.23)	(-)	(-)
Engineering services			
Aquathai Co., Ltd.	-	-	-
	(-)	(-)	(114.00)
Remuneration			
Mr. Adun Saraban	-	81.80	-
	(-)	(81.71)	(-)
Mr. S. Ramnath	-	48.36	-
	(-)	(48.91)	(-)
Mr. R. C. Daga	-	42.07	-
	(-)	(42.25)	(-)

(Figures in bracket represents previous year numbers)

c) Balances at the year end:

Particulars	Holding Company
Trade receivables	
Italian-Thai Development Public Company Limited	-
	(59.70)
Loans and advances	
Italian-Thai Development Public Company Limited	1,157.68
	(1,651.46)

(Figures in bracket represents previous year numbers)

- 35 Trade receivables and Unbilled Work-in-progress as at December 31, 2014 include amounts aggregating ₹2,655 Lakhs and ₹1,584 Lakhs respectively, which have been outstanding for a substantial period of time. The Company has been actively negotiating for speedy recovery of the balance receivables. In view thereof, management is reasonably confident of their recovery.



Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

- 36 (a) Trade receivables as at 31 December 2014 representing variation claims and interim work bills recognized by the Company aggregating ₹6,842 lakhs (31 December 2013 : ₹6,849 lakhs). These claims are presently under various stage of litigations. Considering favorable arbitration awards, claims under consideration at various forums, past experience of the Company and based on the legal opinion received, the management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months.
- (b) Trade receivables as at 31 December 2014 include ₹696 lakhs (31 December 2013 : ₹1,140 lakhs) relating to price escalation claims which are disputed by the customer. The Company has received an arbitration award in its favour which has subsequently been upheld by the High Court. The customer has challenged this High Court order. However, based on the above arbitration award, High Court order and legal opinion, management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months.
- (c) Long term trade receivables as at 31 December 2014 include variation claims of ₹309 lakhs (Trade receivables as at 31 December 2013 : ₹309 lakhs) for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.
- (d) Long term trade receivables and unbilled work-in-progress as at 31 December 2014 include ₹1,140 lakhs (Trade receivables as at 31 December 2013 - ₹1,140 lakhs) and ₹2,756 lakhs (31 December 2013 - ₹2,756 lakhs) respectively, in respect of a contract which has been rescinded by the Company and long term trade receivable and unbilled work-in-progress as at 31 December 2014 include ₹1,414 lakhs (Trade receivables as at 31 December 2013 : ₹689 lakhs) and ₹5,922 lakhs (31 December 2013 - ₹5,922 lakhs) respectively, in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract; for which the Company has also issued guarantees aggregating ₹1,497 lakhs (31 December 2013 - ₹2,227 lakhs). The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the financial statements.
- (e) Trade receivables and unbilled work in progress as at 31 December 2014 includes ₹983 lakhs (31 December 2013 - ₹972 lakhs) and ₹16,789 lakhs (31 December 2013 - ₹16,829 lakhs) respectively in respect of certain road contracts which are executed by the Company. The Company has made claims on the customer for recovery of these amounts. Based on the contract terms and legal opinion obtained, the management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months.
- 37 Trade receivables and unbilled work-in-progress as at 31 December 2014 include Company's share of ₹2,076 lakhs and ₹2,394 lakhs respectively, in respect of a joint venture, representing escalation and variation claims recognized by the joint venture. These claims are presently under various stages of litigation. Considering favorable arbitration awards, claims under consideration at various forums and based on the legal opinion received, the management is reasonably confident of recovery of these amounts and are expected to be realised within next twelve months.

38 Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 December 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.

39. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 'Construction Contracts' issued by Institute of Chartered Accountants of India are as under:

	Year ended 31 st December 2014	Year ended 31 st December 2013
a) Contract revenue recognised as revenue in the period Clause 38 (a)	171,242.31	157,836.53
b) Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress Clause 39 (a)	600,087.93	655,366.94
c) Advance received on Contract under progress Clause 39 (b)	35,514.07	29,283.28
d) Retention amounts on Contract under progress Clause 39 (c)	9,282.57	10,333.83
e) Gross amount due from customers for contract work as an asset Clause 41 (a)	90,234.22	75,326.08
f) Gross amount due to customers for contract work as an asset Clause 41 (b)	951.30	2,177.52

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 December 2014

(Currency : Indian Rupee in lakhs)

40 Operating lease

- a) The Company has taken various residential/commercial premises and construction equipments on cancellable operating lease. These lease agreements are normally renewed on expiry. Rental expenses in the statement of profit and loss for the year includes lease payments towards premises ₹2,068.90 lakhs (31 December 2013 - ₹1,566.61 lakhs).
- b) The Company, in addition to above, has taken commercial premises on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31 December 2014 are as follows:

	As at 31 st December 2014	As at 31 st December 2013
Minimum Lease Payments		
Payable not later than 1 year	511.50	470.40
Payable later than 1 year and not later than 5 years	826.50	1,338.00
Payable later than 5 years	-	-
Total	1,338.00	1,808.40

These leases have no escalation clauses.

Rental expenses in the statement of profit and loss for the year includes ₹640.89 lakhs (31 December 2013 - ₹627.90 lakhs) towards such non-cancellable leases.

- c) General descriptions of non-cancellable lease terms :
- Lease rentals are charged on the basis of agreed terms.
 - Assets are taken on lease over a period of 3-5 years.
 - The Company did not sublease any of its assets and hence did not receive any sub lease payments during the current or previous year.

41 Company has unabsorbed depreciation and business loss during the year which is available for set off against future taxable income under the Income Tax Act. The Company has recognized deferred tax asset on such unabsorbed depreciation and business loss amounting ₹6,029 lakhs on the basis of profitable non-cancellable binding contracts in hand. Management believes that the profitable non-cancellable binding contracts in hand satisfies the test of virtual certainty with convincing evidence as required by Accounting Standard (AS) - 22 on Accounting for taxes on income.

42 The tax year for the Group being the year ending 31 March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31 March 2014 and the provision based on the figures for the remaining nine months up to 31 December 2014, the ultimate tax liability of which will be determined on the basis of the figures for the period 1 April 2014 to 31 March 2015.

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

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

Amyr Jassani
 Partner
 Membership No: 46447

Mumbai
 24 February 2015

For and on behalf of the Board of Directors

Adun Saraban
 Managing Director

S. Ramnath
 Chief Financial Officer

Mumbai
 24 February 2015

P. Chakornbundit
 Director

R. C. Daga
 Company Secretary

Corporate Information



BOARD OF DIRECTORS

P. Karnasuta, Chairman
P. Chakornbundit, Vice Chairman
A. Saraban, Managing Director
D. E. Udwardia
Per Hofvander
D.P. Roy
Ramola Mahajani
(Appointed w.e.f. 6-11-2014)

COMMITTEES OF DIRECTORS

Audit Committee

Per Hofvander
D. E. Udwardia
P. Chakornbundit
D. P. Roy

Stakeholders Relationship Committee

P. Chakornbundit
A. Saraban

Nomination And Remuneration Committee

D. E. Udwardia
P. Karnasuta
P. Chakornbundit
Per Hofvander

Corporate Social Responsibility Committee

Per Hofvander
P. Chakornbundit
A. Saraban

CHIEF FINANCIAL OFFICER

S. Ramnath

COMPANY SECRETARY

R.C. Daga

AUDITORS

Walker Chandiok & Co LLP, Mumbai

LEGAL ADVISERS

Udwadia Udeshi & Argus Partners,
Mumbai

REGISTERED OFFICE

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

BANKERS

Allahabad Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Central Bank of India
IDBI Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of India
The Federal Bank Limited
Union Bank of India

AREA OFFICES

Mumbai
Kolkata
Delhi
Chennai

R & D LOCATION

Kolkata

REGISTRARS AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited,
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda
Hyderabad – 500 008

ANNUAL GENERAL MEETING

Wednesday, 13th May, 2015, 3.00 p.m
Rama Watumull Auditorium,
Mumbai - 400 020.



Commitment, Reliability & Quality

ITD Cementation India Limited

CIN: L61000MH1978PLC020435

National Plastic Building

A-Subhash Road, Paranjape B Scheme,

Vile Parle (East), Mumbai 400 057

Tel.: +91-22-6693 1600

Fax: +91-22-6693 1627/28

E-mail: admin@itdcem.co.in

Website: www.itdcem.co.in

NOTICE

NOTICE is hereby given that the THIRTY-SEVENTH ANNUAL GENERAL MEETING of the Members of ITD CEMENTATION INDIA LIMITED will be held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Vachha Road, Mumbai - 400 020 on Wednesday, 13th May, 2015 at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2014, the Audited Statement of Profit and Loss of the Company and Cash flow statement for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Premchai Karnasuta (DIN: 00233779), who retires by rotation, and, being eligible, offers himself for re-appointment.
3. To consider, and, if thought fit, give assent or dissent to the following Ordinary Resolution:
"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the retiring Auditors, Messrs. Walker Chandiok & Co. LLP, Mumbai (Firm Registration No.N500013), be and are hereby re-appointed as Auditors of the Company to hold office of a period of two years from the conclusion of the Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company (subject to ratification of their appointment at the next following Annual General Meeting) and to authorize the Board to determine their remuneration based on recommendation of the Audit Committee."
4. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
"RESOLVED THAT Mrs. Ramola Mahajani (DIN: 00613428) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th November 2014 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."
5. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
"RESOLVED THAT pursuant to Section 149, 152 and other applicable provision, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Ramola Mahajani (DIN: 00613428), a non-executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years from 6th November, 2014 to 5th November, 2019."
6. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent be and is hereby granted the payment by the Company of remuneration of ₹ 4,00,000 (Rupees Four Lakh Only) per annum excluding service tax and out of pocket expenses, if any, to Mr. Suresh Damodar Shenoy, Cost Accountant (Membership Number 8318) appointed as the Cost Auditor of the Company for audit of the cost accounting records of the Company for the financial year ending December 31, 2015.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
7. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
"RESOLVED THAT pursuant to Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the applicable provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, consents and sanctions as may be necessary from the concerned

statutory authority(ies), each Equity Share of the Company having a face value of ₹ 10 each fully paid-up be sub-divided into 10 (Ten) Equity Shares of the face value of Re.1 each fully paid-up.

RESOLVED FURTHER THAT on sub-division of Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10 each held in physical form shall be deemed to have been automatically cancelled without any further act or deed and be of no effect on and from the Date to be determined by the Board (the Record Date) and the Company may, without requiring the surrender of the existing share certificate(s) subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Members with the depository participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

8. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:

“RESOLVED THAT pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Memorandum of Association of the Company be and is hereby altered by replacing the following new paragraph for the present first paragraph of the existing Clause V of the Memorandum of Association.

“The authorized share capital of the Company is 75,00,00,000/- comprising of (a) equity share capital of ₹ 30,00,00,000/- divided into 30,00,00,000 equity shares of Re.1/- each and (b) redeemable preference share capital of ₹ 45,00,00,000/- divided into 4,50,00,000/- redeemable preference shares of ₹ 10 each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

9. To consider, and, if thought fit, to give assent or dissent to the following Special Resolution:

“RESOLVED THAT the new set of Articles of Association placed before the meeting and initialed by the Chairman for the purpose of identification be and the same is adopted in substitution for, and to the exclusion of, the present set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company thereof be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Registered Office:

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

Dated: April 2, 2015

By Order of the Board

R.C. DAGA

Company Secretary

NOTES

1. **A Member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than forty-eight hours before the commencement of AGM. A Proxy Form for the AGM is enclosed herewith.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate Members / Societies intending to send their authorized representative to attend the AGM are requested to send a duly certified copy of the Board of Directors / Governing Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
3. The relative Statement of material facts Annexed to Notice pursuant to section 102 (1) of the Companies Act, 2013 (“the Act”) in respect of the businesses under Items 4 to 9 of the Notice, is annexed hereto. The

relevant details of directors seeking appointment / reappointment under Items 2, 4 and 5 of the Notice, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 7th May, 2015 to Wednesday, 13th May, 2015 (both days inclusive).
5. The Company has transferred to the IEPF all unclaimed / unpaid dividends in respect of the financial years 1995-96 to 31st December, 2003.

The Company has uploaded the details of the unclaimed amounts of Dividend of the shareholders as on 8th May, 2014 (date of last Annual General Meeting) on website of the Company (www.itdcm.co.in) as per Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Company) Rules 2012.

6. Members/proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
7. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting.
8. All relevant documents referred to in the accompanying Notice and the Statement Annexed to Notice shall be open for inspection by Members at the Registered Office of the Company during normal business hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) up to the date of the AGM of the Company.
9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members holding shares in physical form are requested to intimate changes pertaining to their bank account details, mandates, nominations, change of address, e-mail address etc., if any, immediately to the Company's Registrar and Share Transfer Agent i.e. M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 008, and / or its Branch Office at 7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai 400 053, email ID : einward.ris@karvy.com. Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants only.
11. Members desirous of seeking any information relating to the annexed Audited Financial Statements of the Company for the financial year ended December 31, 2014, may write to the Company at its Registered Office, Attention Mr. S. Ramnath, Chief Financial Officer, at least seven days in advance of the AGM so that requisite information can be made available at the AGM.
12. In terms of Clause 32 of the Listing Agreement, Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2014 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 37th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 37th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent i.e. M/s Karvy Computershare Private Limited.

15. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement entered into with Stock Exchanges, the Company is pleased to provide members with the facility to cast their votes through e-voting (including remote e-voting) on all Resolutions set forth in this Notice. The Company has agreement with KARVY COMPUTERSHARE PRIVATE LIMITED for facilitating e-voting to enable the shareholders to cast their votes electronically. E-voting is optional.

The facility for voting, through ballot or polling paper shall also be made available at the meeting and members

attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the Meeting.

The instructions for members for e-voting are as under:

I. A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company's Registrar and Share Transfer Agent / Depository Participant(s)]:

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. **User ID and password** mentioned overleaf). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • EVENT NO. followed by Folio Number registered with the Company
Password	In case of shareholders who have not registered their e-mail addresses, their User-Id and Password is provided in the enclosed Attendance Slip for the AGM.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) After entering these details appropriately, click on “**LOGIN**”.
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password (not applicable for Existing Password). The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login and such details may be used for sending future communication(s). You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (v) You need to login again with the new credentials.
- (vi) On successful login with new credentials, the system will prompt you to select the EVENT i.e. **ITD Cementation India Limited**
- (vii) Now you are ready for e-voting as Cast Vote page opens.
- (viii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as on the cut-off date.
- (ix) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- (x) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you click OK, the message “Vote cast successfully” will be displayed and thereafter, you will not be allowed to modify your vote.

During the voting period, Members can login any number of times till they have voted on the Resolution(s).

- (xi) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (xii) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (xiii) **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), who are authorized to vote, to the Scrutinizer at e-mail ID: scrutinizer@itdcem.co.in They may also upload the same in the e-voting module in their login. The scanned image of the abovementioned documents should be in the naming format “Corporate Name_ EVENT NO.”

B. **In case a Member receives physical copy of the Annual General Meeting Notice by Post** [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii **User ID and initial password** as provided in Attendance Slip for the AGM
- iii. Please follow all the steps from (ii) to (xiii) as mentioned in (I).A. above, to cast your vote.

II. Other Instructions

- (i) The e-voting period commences on Sunday, 10th May, 2015 (10.00 a.m. IST) and ends on Tuesday, 12th May, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 6th May, 2015, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM. However, you can attend the meeting and participate in the discussion, if any. Since the Company is providing e-voting facility there will be no voting on a show of hand.
- (ii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese P A of Karvy Computershare Pvt. Ltd. at 040 67161500 or at 1800 345 4001 (toll free).
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. 6th May, 2015. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the meeting.
- (iv) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 6th May, 2015, may obtain the login ID and password by sending a request at einward.ris@karvy.com However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on <https://evoting.karvy.com>.
- (v) Mr. P. N. Parikh of Parikh & Associates, Practicing Company Secretaries (Membership No. FCS 327), has been appointed as the Scrutinizer to scrutinize the e-voting process (including count the votes cast at the AGM).
- (vi) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- (vii) The Results on Resolutions shall be declared at or after the AGM of the Company and the Resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (viii) The Results declared along with the Scrutinizer's Report will be available on the website of the Company (www.itdcem.co.in) and on Karvy's website (<https://evoting.karvy.com>) within 2 (two) days of passing of the Resolutions at the AGM of the Company and communication of the same to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Statement of material facts Annexed to Notice as required under Section 102 (1) of the Companies Act, 2013 ('the Act')

Items 4 and 5

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Ramola Mahajani as an Additional Director with effect from 6th November, 2014 to hold office till the date of the forthcoming Annual General Meeting pursuant to Section 161 of the Act and Articles of Association of the Company.

Mrs. Ramola Mahajani, 67 years, has considerable knowledge and experience of over 40 years in Human Resources Development and Management. Her areas of expertise include application of the principles of Occupational Psychology in Employee Selection, Training, Management Development and HR Planning, Excellent Project Management and Leadership skills, ability to work in team environments and extensive experience interacting with internal as well as external customers.

As on date of this Notice, she holds directorships of :

1. Human Edge Consulting Private Limited
2. The Ravalgaon Sugar Farm Limited

In terms of Section 149 and other applicable provisions of the Act and as per the criteria set out under Clause 49 of the Listing Agreement, Mrs. Ramola Mahajani, being eligible, is proposed to be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto 5th November, 2019, not being liable to retire by rotation. The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Ramola Mahajani for the office of Director of the Company.

Mrs. Ramola Mahajani has consented to act as a Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mrs. Ramola Mahajani fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and she is independent of the management.

The terms and conditions of appointment of Mrs. Ramola Mahajani as an Independent Director are open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays).

Having regard to the qualifications, experience and knowledge, her appointment as Independent Director will be in the interest of the Company. The Board recommends the Resolutions as set out at Items 4 and 5 of the accompanying Notice for the approval by the members of the Company by way of Ordinary Resolutions. She is not related to any other Director of the Company.

Except Mrs. Ramola Mahajani, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Items 4 and 5 in the accompanying Notice.

The Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item 6

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Suresh Damodar Shenoy, Cost Accountant in Practice (Membership No.8318), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending December 31, 2015, at a remuneration of ₹ 4,00,000 (Rupees Four Lakh Only) per annum excluding service tax and out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor needs to be approved by the Members of the Company.

None of the Directors and Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution as set out at Item 6 of this Notice.

The Board recommends the Resolution set out at Item 6 of the accompanying Notice for the approval of the Members of the Company.

Items 7 and 8

The Equity Shares of your Company are listed and traded on the BSE Limited and National Stock Exchange of India Limited. With a view to encourage the participation of small investors by making Equity Shares of the Company affordable, the Board of Directors at its Meeting held on February 24, 2015 considered and approved the sub-division of one Equity Share of the Company having a face value of ₹ 10/- each into 10 (ten) Equity Shares of face value of Re. 1/- each subject to approval of the Members and any other statutory and regulatory approvals, as applicable. The Record Date for the aforesaid sub-division of the Equity Shares will be fixed after approval of the Members is obtained.

Presently, the Authorised Share Capital of your Company is ₹ 75,00,00,000/- comprising of:

- (a) equity share capital of ₹ 30,00,00,000/- divided into 3,00,00,000 equity shares of ₹ 10/- each and
- (b) redeemable preference share capital of ₹ 45,00,00,000/- divided into 4,50,00,000 redeemable preference shares of ₹ 10 each.

The sub-division as aforesaid would require consequential amendments to the capital Clause V of the present Memorandum of Association and Article 3 of the present Articles of Association of the Company to reflect the change in face value of each Equity Share from ₹ 10/- each to Re. 1/- each.

None of the Directors and Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said Resolution as set out at Items 7 and 8 of this Notice.

The Board recommends the Resolution set out at Items 7 and 8 of the accompanying Notice for the approval of the Members of the Company.

Item 9

Following the enactment of the Companies Act, 2013, and the repeal of the Companies Act, 1956 it is necessary to alter the Articles of Association of the Company to bring them fully in conformity with the applicable /corresponding provisions of the Companies Act, 2013.

In view of the foregoing, it is proposed to substitute a new set of Articles of Association for the present set of Articles of Association; rather than making piecemeal alterations in various provisions contained in the existing Articles of Association.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, the new set of Articles of Association would require to be approved by the Shareholders in general meeting by way of Special Resolution. Hence, the Special Resolution at Item 9 of the Notice.

The following are the material alterations made to the existing Articles of Association. These are occasioned by the enactment of the new Companies Act, 2013 and the applicable provisions thereof:

- 1) The existing Article 13(a) relating to further issue of capital has been replaced by new Article 6 in view of the provisions of Section 62 of the Act.
- 2) The existing Article 8 relating to reduction of capital has been replaced by a new Article 8 in view of the provisions of Section 66 of the Act.
- 3) The existing Article 23A relating to Buy-Back of shares has been replaced by a new Article 12 in conformity with Sections 68 to 70 of the Act.
- 4) New Article 13 relating to Sweat equity shares has been inserted to reflect the provisions of Section 54 of the Act.
- 5) Existing Article 28 relating to Notice of calls has been suitably altered in conformity with the applicable provisions of the Act. The corresponding Article is Article 26.
- 6) Article 61 relating to Compliance of Estate Duty Act, 1953 has been deleted since Estate Duty Act, 1953 was repealed several years ago.
- 7) Existing Article 65A relating to Nomination has been replaced by new Article 57 to conform to Section 72 of the Act.
- 8) Existing Article 67 relating to Power to Borrow has been replaced by new Article 58 in view of the provisions of Sections 179 and 180 of the Act.
- 9) Existing Articles 72 and 73 relating to Conversion of shares into Stock and Reconversion has been deleted.
- 10) Existing Article 74 relating to Annual General Meeting has been replaced by new Article 63, in view of Section 96 of the Act.
- 11) Existing Article 79 relating to twenty-one days' notice of meeting to be given has been replaced by new Article 68, in view of Section 101 of the Act.
- 12) Existing Article 111 relating to First Directors has been deleted.
- 13) New Article 103 relating to right of Italian-Thai to appoint Directors has been inserted which corresponds to existing Article 111A.
- 14) New Article 114 relating to Managing Director has been inserted. It corresponds to existing Article 137.
- 15) New Article 120 relating to Chairman has been inserted. It corresponds to existing Article 146.
- 16) Existing Article 149 relating to Directors may appoint Committees has been replaced by new Article 123, in view of the provisions of Section 179 of the Act.
- 17) The existing Article 180 relating to Accounts to be audited has been replaced by new Article 145, in view of the provisions of Sections 139 to 146.

None of the Directors and Key Management Personnel and their relatives are, in any way, concerned or interested in the Special Resolution as set out at Item 9 of the Notice.

A copy of the existing Articles of Association and of the proposed new set of Articles of Association will be open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays).

Registered Office:

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

Dated: April 2, 2015

By Order of the Board

R.C. DAGA
Company Secretary

The particulars of Directors, who are proposed to be appointed / re-appointed at this Annual General Meeting, are given below, as required pursuant to Clause 49 (VIII) (E) of the Listing Agreement:

1. (a) A brief resume of the director:

Name : Mr. Premchai Karnasuta
Qualifications : MBA, B.Sc in Mining Engineering
Director of the Company since 4th November, 2004.

(b) Nature of his expertise in specific functional areas : Experience of over 27 years in construction industry.

(c) Names of other companies in which he holds directorship and membership of the Committees of the Board:

Other Directorships : None in any Indian company
Other Committee Membership : Nil

(d) No. of shares held in the Share Capital of the Company : Nil

2. (a) A brief resume of the director:

Name : Mrs. Ramola Mahajani
Qualifications : M.Sc., M.A., Chartered Psychologist and Associate Fellowship of the British Psychological Society
Director of the Company since 6th November, 2014.

(b) Nature of her expertise in specific functional areas:

Mrs. Mahajani has considerable knowledge and experience in Human Resources Development and Management of over 40 years. Her areas of expertise include application of the principles of Occupational Psychology in Employee Selection, Training, Management Development and HR Planning, Excellent Project Management and Leadership skills, ability to work in team environments and extensive experience interacting with internal as well as external customers.

(c) Names of the other companies in which she holds directorship and membership of the Committees of the Board:

Other Directorships : Human Edge Consulting Private Limited
The Ravalgaon Sugar Farm Limited
Other Committee Membership : Nil

(d) No. of shares held in the Share Capital of the Company : Nil



ITD CEMENTATION INDIA LIMITED

CIN: L61000MH1978PLC020435

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

Phone No.: +91 22 66931600. Fax No.: +91 22 66931628

Email: investors.relation@itdcem.co.in website: www.itdcem.co.in

Serial No.:

ATTENDANCE SLIP

ANNUAL GENERAL MEETING 13TH MAY, 2015 AT 3:00 P.M.

Ref. No.:

Name of Member(s) :
(including joint holders, if any)
IN BLOCK LETTER

Registered Address of the Sole / :
First Named Member

Registered Folio No. / DP ID / Client ID :

Number of Shares held :

Name of Representative / Proxy, if any :

I/We hereby record my presence at the 37th Annual General Meeting of the Company to be held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Vachha Road, Mumbai - 400 020 on Wednesday, May 13, 2015 at 3:00 p.m.

Signature of Member/Representative/Proxy Present _____

**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT
OVER AT THE ENTRANCE**

FOR ATTENTION OF THE MEMBER

Members may please note the User ID and Password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the notes to the AGM Notice.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Even Number)	User ID	Password



ITD CEMENTATION INDIA LIMITED

CIN: L61000MH1978PLC020435

Registered Office: National Plastic Building, A- Subhash Road, Paranjape B Scheme,
Vile Parle (East), Mumbai - 400 057, Maharashtra
Phone No.: +91 22 66931600. Fax No.: +91 22 66931628
Email: investors.relation@itdcem.co.in website: www.itdcem.co.in

FORM NO. MGT-11

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 the Member(s) :
Registered Address :
E-mail ID : DP ID No. and Client ID No./ Folio No.:

I/We, being the member(s) holding..... Shares of ITD Cementation India Limited, hereby appoint

1.	Name : E-Mail ID : Address : Signature :
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Or failing him /her

2.	Name : E-Mail ID : Address : Signature :
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Or failing him/her

3	Name : E-Mail ID : Address : Signature :
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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **37th Annual General Meeting** of the Company, to be held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Vachha Road, Mumbai- 400 020 on Wednesday, May 13, 2015 at 3:00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

1	Adoption of the Audited Balance Sheet as at 31 st December 2014, the Audited Statement of Profit and Loss of the Company and Cash flow statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2	Re-appointment of Mr. Premchai Karnasuta, retiring by rotation.
3	Appointment of M/s. Walker Chandiook & Co. LLP as Statutory Auditors of the Company for two consecutive years and to fix their remuneration.
4	Appointment of Mrs. Ramola Mahajani as a Director.
5	Appointment of Mrs. Ramola Mahajani as an Independent Director.
6	Approve payment of remuneration to Mr. Suresh Damodar Shenoy, Cost Accountant, as Cost Auditor for the financial year ending 31 st December, 2015.
7	Approve Sub-division of Equity Shares.
8	Alteration of Capital Clause of the Memorandum of Association of the Company.
9	Adoption of new Articles of Association of the Company.

Signed this day of 2015.

Affix
Revenue
Stamp of
Re. 1

Signature of Member Signature of Proxy holder(s)

Note: This 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.