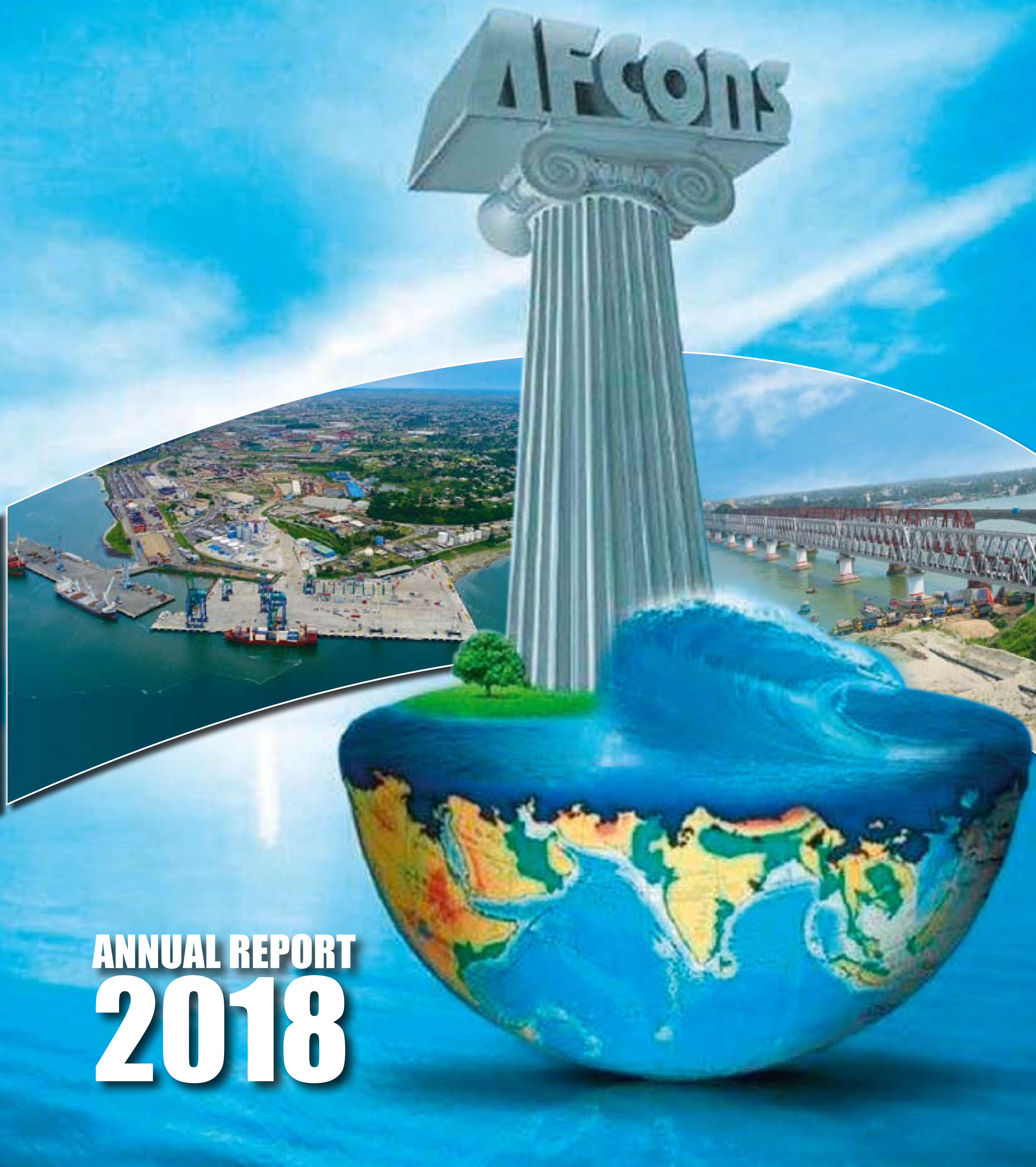
AFCONS

Shapoorji Pallonji



ANNUAL REPORT 2018

Mission

"To be a prominent transnational infrastructure company recognised for business innovations, focused on total satisfaction and enhanced value creation for all its stakeholders"

The ground breaking ceremoney of Lusaka City Decongestion Project was held on April 12, 2018, in the presence of President of Zambia Mr. Edgar Chagwa Lungu and President of India Mr. Ram Nath Kovind. Mr. S. Paramasivan, Managing Director, and Mr. Akhil Gupta, Executive Director - Operations & BU Surface Transport were at the helm of Afcons team on the occasion. The company has been entrusted with designing and construction of Lusaka City Decongestion Project by the Ministry of Local Government and Housing, Zambai.

AFCONS INFRASTRUCTURE LIMITED

BOARD OF DIRECTORS

S. P. Mistry - Chairman

K. Subramanian - Executive Vice Chairman

P. S. Mistry

N. D. Khurody

P. N. Kapadia

R. M. Premkumar

U. N. Khanna

R.M. Nentin (Ms.)

S. Paramasivan - Managing Director

Giridhar Rajagopalan - Executive Director (Technical)

Akhil Kumar Gupta - Executive Director (Operations)

AUDIT COMMITTEE MEMBERS

N. D. Khurody - Chairman

P. N. Kapadia

R. M. Premkumar

COMPANY SECRETARY

P. R. Rajendran

AUDITORS

M/s. Price Waterhouse Chartered Accountants L.L.P,
Chartered Accountant (ICAI registration no. 012754N500016)
M/s.HDS & Associates LLP, Chartered Accountants,
(ICAI registration no. W100144)

REGISTERED OFFICE

"AFCONS HOUSE" 16, Shah Industrial Estate,
Veera Desai Road, Azad Nagar P.O.
Andheri (West) Mumbai- 400 053
Website: www.afcons.com
CIN : U45200MH1976PLC019335

Forty-Second Annual General Meeting on Thursday, 27th September, 2018 at 4.30 p.m. at "Afcons House", 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar P.O. Andheri (West), Mumbai- 400 053

BANKERS

State Bank of India

UCO Bank

Oriental Bank of Commerce

Axis Bank Ltd.

Bank of India

Dena Bank

BNP Paribas

Kotak Mahindra Bank Ltd.

ICICI Bank Ltd.

Union Bank of India

IDBI Bank Ltd.

Standard Chartered Bank

Yes Bank Ltd.

Hongkong and Shanghai Banking Corporation Ltd.

Export Import Bank of India

REGISTRARS & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building,
1 Club House Road,
Chennai-600002
Tel. no.: 044-28460390
Fax no.: 044-28460129
Email id.: afcons@cameoindia.com

CONTENTS

AFCONS INFRASTRUCTURE LIMITED

BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the Forty-Second Annual Report together with the Audited Financial statement for the year ended 31st March 2018.

1. FINANCIAL RESULTS

Particulars	Consolidated		Standalone	
	₹ in crores		₹ in crores	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Total Income	6,687.73	6,405.72	5,953.07	5,842.59
Profit/(Loss) before Tax	244.14	206.85	208.85	113.86
Provision for Taxation	82.58	53.83	82.56	38.38
Excess/(short) provision for tax in respect of earlier years	-2.56	0.32	-2.56	0.36
Profit/(Loss) after Tax (before Minority Interest)	164.12	152.70	128.85	75.12
Minority Interest	9.49	1.53	-	-
Profit/ (Loss) for the year	173.61	154.23	128.85	75.12
Balance brought forward from previous years	966.70	840.10	844.73	797.24
Other items classified to other comprehensive income	-0.55	-3.66	-0.55	-3.66
Profit available for Appropriation	1,139.76	990.67	973.03	868.70
Less: Appropriation				
(i) Interim Dividend on Equity	24.77	21.59	25.19	21.59
(ii) Dividend on Preference Shares	0.05	0.05	0.05	0.05
(ii) Tax on Dividend	5.14	4.40	5.14	4.40
(iv) Transferred to Debenture Redemption Reserve	18.75	-2.07	18.75	-2.07
Balance Carried Forward to Balance Sheet	1,091.05	966.70	923.90	844.73

2. OPERATIONS

(a) Standalone Results

Your Company has achieved total income of ₹ 5,953.07 crores for the year compared to the previous year ₹ 5,842.59 crores showing an increase of 1.89%. The Profit before Tax for the year was ₹ 208.85 crores compared to ₹ 113.86 crores in the previous year resulting in increase of 83.43%. The Profit after Tax for the year was ₹ 128.85 crores compared to ₹ 75.12 crores in the previous year resulting in an increase by 71.53%.

(b) Consolidated Results

Your Company has achieved total income of ₹ 6,687.73 crores for the year compared to the previous year's ₹ 6,405.72 crores showing an increase of 4.40%. The EBIDTA for the year was ₹ 706.52 crores compared to ₹ 646.71 crores in the previous year resulting in an increase by 9.25%. The Consolidated Profit before Tax for the year was ₹ 244.14 crores compared to ₹ 206.85 crores in the previous year resulting in an increase of 18.03%. The Consolidated Profit after Tax for the year was ₹ 164.12 crores compared to ₹ 152.70 crores in the previous year resulting in an increase by 7.48%. All intercompany transactions are netted out at the time of consolidation and hence, the profits and revenues are reduced to that extent. Your Company's Order book as on 31st March, 2018 was ₹ 22,992 crores.

(c) There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

(d) During the year under review, the following major works were completed:

i. Construction of Wharf and Approach Trestle Construction Works, Fourth Container Terminal (Phase I) at JNPT for Bharat Mumbai Container Terminals Private Limited.

ii. Sulphur Handling Facility (Revamp & New) Project, at MAA Refinery, Kuwait for Daelim Industrial Co., Limited.

iii. Construction of Elevated stabling line for Kalindi kunj depot including and other extra development works at Jasola Vihar on Janakpuri west to Botonical Garden Corridor Phase-III of Delhi MRTS for Delhi Metro Rail Corporation Limited.

iv. Construction of In-Pit Road and associated infrastructure at Gangra, Liberia for Arcelor Mittal Liberia Limited.

v. Development of Kannauj (village Narmau) to Unnao (village Neval) (km 172.5 to km 236.5) access controlled Expressway (Green Field) Project at Uttar Pradesh for U. P. Expressway Industrial Development Authority.

vi. Design and Construction of balance works of underground Tunnels from South End of May Day Park to the North Shaft of AG-DMS for Chennai Metro Rail Limited.

vii. Shore Protection works for reclamation boundary at Libreville, Gabon for Gabon Special Economic Zone Mineral Ports, S.A. awarded to Afcons Overseas Project Gabon SARL (subsidiary of Afcons).

viii. EPC Contract for a New General Cargo Terminal at Owendo, Gabon for Gabon Special Economic Zone Ports, S.A. awarded to Afcons Overseas Project Gabon SARL (subsidiary of Afcons).

ix. Construction of 2nd Bhairab Railway Bridge along with approach rail lines with all other related works in Bangladesh for Bangladesh Railway awarded to Ircon Afcons Joint Venture.

x. Design and Construction of four underground stations from Shenoy Nagar to Thirumangalam and associated tunnels for Chennai Metro Rail Limited awarded to Transtonnelstroy Afcons Joint Venture.

(e) During the year under review, the Company has secured the following major Contracts:

i. Engineering, Procurement and Construction (EPC) of marine facilities at Gopalpur port, Orissa of Gopalpur Ports Limited of ₹ 613 crores.

ii. Construction of Offshore Island Breakwater at Chhara Port, Gujarat, of Shapoorji Pallonji Infrastructure Capital Company Private Limited of ₹ 793 crores.

iii. Engineering, procurement, supply and construction of jetty, retaining wall including construction of onshore/ offshore civil, structural and Architectural works for 2X660 MW Maitree STPP, Rampal, Bangladesh of Bharat Heavy Electricals Limited of ₹ 405 crores.

iv. Construction of Sedimentation Ponds at Gangra in Liberia of Arcelor Mittal Liberia Limited of ₹ 20 crore.

v. Construction of Four laning of end of Pandoh bypass to Takoli section of NH-21 from km 221.305 to km 242.000 in the State of Himachal Pradesh under NHDP Phase IVB-Package-II on Hybrid Annuity Mode of Shapoorji Pallonji Roads Private Limited of ₹ 1,962 crores.

vi. Design and Construction of Elevated Vaiduct of length 2.607 km between Gaddigodam to Sitbuildi (excluding stations) and railway span near Gaddigodam viaduct and road from cum rail flyover (double decker) of length 0.465 km including approach ramps in Reach:2, Nagpur of Maharashtra Metro Rail Corporation Limited of ₹ 524 crores.

vii. Civil work for Rehabilitation of Road between Tica, Buzi and Nova Sofala in Sofala Province, Maputo, Mozambique of Administracao Nacional DE Estradas (ANE) of ₹ 768 crores.

viii. Contract for Construction of New General Cargo Terminal Phase II, Extension of 300m x 60.5m berth and Extension of 80m x 62.5m berth at Owendo, Gabon of Gabon Special Economic Zone Ports, S.A. awarded to Afcons Overseas Project Gabon SARL (subsidiary of Afcons) of ₹ 310 crores.

ix. Formation of Sri Komaravelli Mallanna Sagar Reservoir with a capacity of 50 TMC – Formation of Earth Bund with all its associated components for Reach-1 from Km 0.000 to Km.8.500 along with its structures and adjoining with the Reach-2 at Km 8.500 project of State of Government of Telangana awarded to the Joint Venture of the Company and Vijeta Projects and Infrastructures Limited of ₹ 1,874 crores.

x. Construction of Civil works comprising of Part Head Race Tunnels, Adits, Surge Shafts, Pressure Shaft, Valve House, Underground Power House, MIV Cavern, Transformer Cavern, Adits and Access Tunnels, Tail Race Tunnels, TRT Outlet Structure and Pothead Yard etc. of Pakal Dul Hydro Electric Project at Jammu and Kashmir, awarded to the Joint Venture of the Company and Jaiprakash Associates Limited of ₹ 883 crores.

xi. Variation in UG/1 Package for Design and Construction of Underground section upto west end Esplandade station, New Mahakaran Station at Lal Dighi and all Additional Tunnels & Cross passages along revised alignment upto the West End of Esplanade Station Contract of Kolkata Metro Rail Corporation Limited awarded to the Joint Venture of the Company and Transtonnelstroy Limited of ₹ 364 crores.

3. CREDIT RATING

ICRA has reaffirmed the long term rating of "AA/Stable" which signifies high credit quality and short term rating of "A1+" which reflects highest credit quality. Additionally, India Ratings has also given short term rating of "A1+" indicating highest credit quality.

Dun & Bradstreet has assigned rating of "5A2" which signifies the overall status of the Company is good.

4. DIVIDEND

The Company has declared an Interim dividend to the equity shareholders @ 35% (i.e. ₹ 3.5 per equity share of ₹ 10 each) on the paid-up capital of ₹ 71,97,02,380 aggregating to total outflow of ₹ 30.32 crores (i.e. Interim dividend amount of ₹ 25.19 crores and dividend distribution tax of ₹ 5.12 crores). Your Directors recommend the said Interim dividend on the Equity shares as final dividend for the financial year 2017-18.

The Directors recommend, for approval of members, dividend of 0.01% on the Convertible Preference Shares of the Company. The dividend, if declared, would involve an outflow of ₹ 0.054 crores including dividend distribution tax.

5. SHARE CAPITAL

There was no change in the Company's Share Capital during the year under review.

6. SUBSIDIARIES/ ASSOCIATE/ JOINT VENTURE

(a) During the year under review, your Company has not incorporated any new Subsidiary Company.

(b) Pursuant to provisions of Section 129(3) of the Companies Act, 2013, ("**Act**") and other applicable provisions, if any of the Act read with Rule 5 of Companies (Accounts) Rules, 2014 a statement containing salient features of the financial statements of the Company's subsidiaries, associate company and joint venture in Form AOC-1 is attached to financial statement of the Company.

(c) The consolidated financial statements presented by the Company include financial statement of the Subsidiaries prepared in accordance with the applicable accounting standards.

(d) There are no material changes in the nature of business of the Company or any of its subsidiaries or associates.

7. CORPORATE GOVERNANCE

Your Company, being a value driven organization, believes in coherent and self-regulatory approach in the conduct of its business to achieve the highest levels of good corporate governance practices. Therefore, the Company in the interest of the Stakeholders voluntarily complies with the requirements of Corporate Governance. A Report on Corporate Governance is attached separately to this Annual Report. The details of Committees of the Board, their composition, terms of reference and details of such committee meetings held are provided in Corporate Governance Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, is presented in a separate section which forms part of this Annual Report.

9. DIRECTORS AND KEY MANAGERIAL PERSONNELS OF THE COMPANY

(a) Mr. Shapoor. P. Mistry (DIN:00010114) and Mr. K. Subramanian (DIN:00047592), Directors of the Company are liable to retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

(b) Mr. K. Subramanian ceased to be Managing Director w.e.f 30th March, 2018. Subsequently, pursuant to the recommendation of the Nomination and Remuneration Committee meeting held on 30th March 2018 and subject to Members approval at the ensuing Annual General Meeting, the Board of Directors at its meeting held on 30th March 2018 have appointed Mr. K. Subramanian as Whole Time Director designated as Executive Vice Chairman and Mr. S. Paramasivan (DIN:00058445) as Managing Director for the remaining tenure of their earlier appointment i.e. upto 30th June 2020 respectively.

(c) Details of proposal of the above appointment and re-appointment are mentioned in the explanatory statement attached to the Notice of the Forty-Second Annual General Meeting.

10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, are available on https://www.afcons.com/images/NRC-Policy.pdf. Kindly refer to the Corporate Governance Report under head "Nomination and Remuneration Committee" for matters relating to constitution, meetings, functions of the Committee an salient features of the Policy.

11. STATEMENT ON EVALUATION OF PERFORMANCE OF DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out the annual performance evaluation of its own performance, Board Committees and that of Individual Directors of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

12. DECLARATION FROM INDEPENDENT DIRECTORS

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Act, that there has been no change in the circumstances which may affect their status as independent director during the year and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act.

13. MEETINGS OF BOARD

Four (4) meetings of the Board were held during the financial year. The details of the meetings of the Board, is given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act.

14. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Act, your Directors hereby state and confirmed that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

iii. the directors had 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;

iv. the directors had prepared the annual accounts on a going concern basis;

v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. QUALITY, HEALTH, SAFETY & ENVIRONMENT

The Company firmly believes that the pursuit of excellence is one of the most critical components for a competitive success. With Quality, Health, Safety & Environment being an essential part of the Company's policy, it strives to deliver services by maintaining the highest level of Quality, Health, Safety & Environmental Standards.

The policy of the Company is to conduct its construction business through an established Quality, Health, Safety & Environmental (QHSE) Management System, which aims to achieve customer satisfaction and in the process a continual improvement of Company's competencies and competitiveness.

The Company is certified for ISO 9001:2015 for Quality Management System, ISO:14001:2004 for Environment Management System and OHSAS:18001:2007 for Occupation, Health & Safety Management Systems. All the three systems are well established, documented, implemented and maintained across the Company.

The Company has a commendable record in terms of safety at our various project sites and has received awards as well as appreciation letters from our clients, some of which are detailed below:

i. Institute of Directors has awarded Golden Peacock Award for Agra Lucknow Expressway Project, Etawah.

ii. Greentech Foundation has awarded Gold Award in Construction Sector towards outstanding achievements in Safety Management for Jammu Tunnel Project and Chennai Metro Rail Project.

iii. Confederation of Indian Industry (CII) has awarded Safety, Health and Environment (SHE) Excellence Award 2016-17 in the category of Large Scale- Service Construction Sector for Kolkata Metro Project.

iv. British Safety Council's International Safety Award 2017 for KNPC - (MAA) refinery project site, Kuwait.

v. Uttar Pradesh Expressway Industrial Development Authority (Upeida) has issued letter of appreciation for the Company's efforts towards efficient and speedy completion of Agra-Lucknow Expressway Project.

vi. Arcelor Mittal Liberia Limited has issued appreciation letter for Health, Environmental and Safety (HSE) for the Gangra Sediment Control Dam Project.

vii. Gopalpur Port Limited has issued Appreciation Certificate for Achieving One Million Safe Man Hours at Gopalpur Port Project Site.

viii. Government of Telangana has issued a Letter of appreciation for achieving more than 1 lakh cum concrete placing in a single month (December 2017) for Annaram Barrage project including achieving highest 4300 cum in a single day.

ix. Ircon International Limited has issued certificate of appreciation for 7 Million Safe man Hours, for Udhampur Shrinagar Baramula Rail link Project.

x. Gabon Special Economic Zone Ports S.A. has issued Certificate of Achievement for achieving 6 Million Safe Man hours, without any loss time injury accident free work place for construction of New General Cargo Terminal, at Owendo, Gabon.

xi. Daelim Industrial Company Limited has awarded appreciation for achieving 4 million safe man-hours without lost work day cases for Kuwait refinery project site.

These milestones are the reflections of the strict HSE standards followed at the worksite and the commitment of AFCONS management towards Quality, Health, Safety & Environment.

16. AWARDS AND RECOGNITIONS

During the year, the Company has received several awards and recognitions, some of which are detailed below:

i. EPC World Awards 2017 for Outstanding Contribution in Specialised Construction for Underwater Metro tunnels for Kolkata Metro Rail Project in EPC Category .

ii. Dun & Bradstreet Award for India's Leading Infrastructure Companies, for Ganga Bridge and Agra-Lucknow Expressway Project under the project-based category.

iii. Construction Week Award 2017 for Agra-Lucknow Expressway Project under Best Construction Company in Roads and Bridges category.

iv. Construction World Award 2017 for being the Second-Fastest Growing Infrastructure Company (Large Category).

v. Construction Time Award for Agra Lucknow Expressway Project under the category of Best Executed Road Project of the Year.

vi. CIA World Builders & Infra Awards 2017 for Agra Lucknow Expressway Project under the category Best Infrastructure Company in Roads & Bridges.

vii. Construction Industry Awards for Chennai Metro project under the category Excellence in Infrastructure Projects – Metro Rail.

17. AUDITOR AND AUDITOR'S REPORT

(a) STATUTORY AUDITORS AND THEIR REPORT

Price Waterhouse Chartered Accountants LLP, Chartered Accountant (ICAI Firm Registration no. 012754N/N500016) ("**PWC**") were appointed as one of the Joint Statutory Auditors of the Company at the Forty-First Annual General Meeting held on 27th September, 2017 for a period of five years commencing from the Forty-First Annual General Meeting till the conclusion of the Forty-Sixth Annual General Meeting.

HDS & Associates LLP, Chartered Accountants (ICAI registration no.W100144) ("**HDS**") were appointed as one of the Joint Statutory Auditors of the Company at the Fortieth Annual General Meeting held on 29th September, 2016 for a period of five years commencing from the Fortieth Annual General Meeting till the conclusion of the Forty-Fifth Annual General Meeting.

Pursuant to Companies (Amendment) Act, 2017 the proviso regarding ratification of appointment of auditors in every annual general meeting by the members is removed vide notification dated 7th May 2018. Therefore, both HDS and PWC continues to hold office up to the conclusion of Forty-Fifth and Forty-Sixth Annual General Meeting respectively.

PWC and HDS have provided their respective consent, certificates and declarations as required under Section 139 and 141 of the Act and Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditor's Report to the members on the Accounts of the Company for the financial year ended 31st March 2018 does not contain any qualifications or reservation or adverse remark or disclaimer.

(b) SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. Parikh Parekh & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18. The report of the Secretarial Auditor is enclosed as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

The Company has complied with the Secretarial Standards as applicable to the Company pursuant to the provisions of the Act.

(c) COST AUDITOR

In terms of Section 148 of the Act, read with Companies (Cost records and audits) Rules, 2014, as amended, your Company is covered under the ambit of mandatory cost audit.

The Audit Committee recommended and the Board of Directors has re-appointed M/s. Kishore Bhatia & Associates, Cost Accountant (Firm Registration no. 00294) as the Cost Auditors, to carry out the cost audit for the Company in relation to the financial year from 1st April, 2018 to 31st March, 2019. The Company has received consent from M/s.Kishore Bhatia & Associates for their re-appointment. The members consent is being sought at the ensuing Annual General Meeting for ratification of the remuneration of the Cost Auditor for the financial year 2018-19.

18. INTERNAL FINANCIAL CONTROLS

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

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable.

During the year under review, no fraud was reported by the auditors to the Board of Directors.

19. FIXED DEPOSIT

Your Company did not invite or accept deposits from the public or shareholders during the year under review.

20. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, there was no unclaimed dividend which was required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.

21. PARTICULARS OF EMPLOYEES

In terms of the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the name and other particulars of the employees are enclosed to this Annual Report.

22. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy

Whenever you save energy, you not only save money, you also reduce the demand for such fossil fuels as coal, oil, and natural gas. Less burning of fossil fuels also means lower emissions of gases such as CO2, CO, HFC etc., the primary contributor to global warming, and other pollutants.

i. The Company is continuing its effort to convert all sites from fossil power to grid power thereby minimizing the carbon foot print.

   This has been implemented to all sites as per feasibility. The total conversion of fossil power of 69.90 MVA by Grid power of 11.38 MVA considering all the sites. The reduction GHG (Green House Gas) emission by 19652 tonnes.

ii. The steps taken by the company for utilizing alternate sources of energy - NIL

iii. The capital investment on energy conservation equipments - NIL

(b) Technology absorption

1. KWH meter become mandatory in all New and old panels installed at site to monitor energy consumption parameter, the work is in progress.
2. Automatic power factor correction panels installed at all sites where grid power is available used for maximum utilization of Energy and availing rebate in Electricity bill.
3. Imported technology (imported during the last three years reckoned from the beginning of the financial year) – Nil

(c) FOREIGN EXCHANGE EARNING AND OUTGO (Standalone)

(₹ in crores)

	Current year	Previous year
Earnings	656.17	885.85
Outgo	684.67	866.96

23. PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of Section 186 of the Act, except sub-section (1) pertaining to loans, guarantees and securities as the Company is engaged in providing infrastructure facilities. In view of non-applicability of section 186 of the Act, the details required to be made thereunder in the financial statements are not applicable in relation to loan made, guarantee given or security provided. The investments covered under the provisions of Section 186 of the Act, are disclosed in the financial statements.

24. RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year 2017-18 were on an arm’s length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee for approval.

In terms of Section 134(3)(h) read with section 188(2) of the Act, there are no material related party transactions entered by your Company during the year, that individually or taken together with previous transactions during a financial year, exceed the prescribed limits under Rule 15(3) of Companies (Meeting of Board and its Powers) Rules, 2014, as amended. Accordingly, there being no information to be disclosed in AOC-2 format, the same is not enclosed. The disclosure of related party transactions is made in the financial statements of the Company.

The Company has out of abundant precautionary measure obtained Shareholders approval (vide postal ballot, result declared on 29th March, 2016) for entering the related party transactions which may exceed the thresholds prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 as amended.

25. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of Annual Return as on 31st March, 2018 in prescribed form MGT - 9 is enclosed as **Annexure II** to this Report.

26. VIGIL MECHANISM POLICY

In accordance with section 177(9) of the Act, read with rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Company has established a Vigil Mechanism Policy to provide a framework for responsible whistle blowing and for adequate safeguards against victimization of persons who use such mechanism. The said vigil mechanism policy is available on the website of the Company at www.afcons.com.

27. RISK MANAGEMENT

The Company has in place a Risk Management Committee to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business and to ensure sustainable business growth with stability. There is no risk identified which in the opinion of the Board may threaten the existence of the Company.

28. CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company has framed Corporate Social Responsibility (CSR) Policy. A brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year is enclosed as **Annexure III** to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at www.afcons.com.

29. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place Sexual Harassment Policy. A committee has also been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no complaints pertaining to sexual harassment were received by the Company.

30. EMPLOYEE STOCK OPTION SCHEME

On 22nd December, 2006, the Company, had obtained shareholder approval for issue of 17,85,000 ESOP, of which the Company has granted 721,150 stock options to its eligible employees at a price of ₹ 17 per option in terms of Employees Stock Option Scheme 2006 of the Company. There is no ESOP in force since 31st March 2015 and Company has not granted any options during the Financial Year. As on 31st March 2018 there are no Options outstanding in any manner. Accordingly, there is no information to be disclosed under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

31. OTHER DISCLOSURES/REPORTING

a) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Buyback of shares
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.
- Neither the Managing Director nor the Whole-Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

b) There are no significant and material orders passed by the regulator or courts or tribunal impacting the going concern.

c) There is no material change or commitments after closure of the financial year till the date of the report.

32. ACKNOWLEDGEMENT

Your Directors would like to acknowledge with gratitude the continued support and co-operation received by the Company from its Clients, Bankers, Financial Institutions, Government authorities, Employees and its valued Investors.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S.P.MISTRY
DIN:00010114
CHAIRMAN

Place: Mumbai
Date: 11th June, 2018

Annexure I to Board's Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

Afcons Infrastructure Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

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

1. Contract Labour (Regulation and Abolition) Act, 1970
2. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
3. Contract Labour (Regulation and Abolition) central rule, 1971

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

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

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

i. Redemption of 9.99%, 500, Non Convertible Debenture of ₹ 10,00,000 each aggregating to ₹ 50,00,00,000

For Parikh Parekh & Associates
Company Secretaries

Sd/-

Place: Mumbai — Mitesh Dhabliwala

Date: 11th June, 2018 — FCS No: 8331 CP No: 9511

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

'Annexure A'

To,

The Members

Afcons Infrastructure Limited

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

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

For Parikh Parekh & Associates
Company Secretaries

Sd/-

Place: Mumbai — Mitesh Dhabliwala

Date: 11th June, 2018 — FCS No: 8331 CP No: 9511

Annexure II to Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS :

CIN	U45200MH1976PLC019335
Registration Date	21.11.1976
Name of Company	Afcons Infrastructure Limited
Category/ Sub-Category of the Company	Public Company limited by Share Capital / Indian Non-Government Company
Address of the Registered office and contact details	Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Andheri West, Mumbai-400053 Tel.: +91 22 67191000 Fax: +91 22 26730027 / 1031 / 0047 Email id: rajendran@afcons.com Website : www.afcons.com
Whether Listed company	No
Name, Address and Contact details of Registrar and Transfer agent, if any	Cameo Corporate Service Limited Subramanian Building, 1 Club House Road, Chennai-600002 Tel.no.: 044-28460390 Fax no.: 044-28460129 Email id.: afcons@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sr. No.	Name and Description of main products /services	NIC Code of the product / service	% of total turnover of the company
1.	Construction Activities	41001, 42101, 42102, 42201,	100

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN /GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Shapoorji Pallonji and Company Private Limited 70 Nagindas Master Road, Fort , Mumbai-400023	U45200MH1943PTC003812	Holding	*51.75	2(46)
2.	Hazarat & Co. Private Limited Warden House, Sir P.M.Road, Mumbai-400023	U74999MH1982PTC028701	Subsidiary	100%	2(87)(ii)
3.	Afcons Corrosion Protection Private Limited Afcons House, 16,Shah Industrial Estate, Veera Desai Road, Andheri West, Mumbai-400053	U28920MH1985PTC036876	Subsidiary	100%	2(87)(ii)
4.	Afcons Offshore and Marine Services Private Limited Afcons House, 16,Shah Industrial Estate, Veera Desai Road, Andheri West, Mumbai-400053	U11101MH1984PTC032807	Subsidiary	100%	2(87)(ii)
5.	Afcons Construction Mideast LLC Suite #1203, Platinum Business Centre, Bagdad Street, Al Nadha, Dubai, UAE	-	Subsidiary	49%	2(87)(i)
6.	Afcons Gulf International Projects Services FZE P O Box 4835, Fujairah, UAE	-	Subsidiary	100%	2(87)(ii)
7.	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL 14th Floor, Unit A,Olympia Tower, Salmiya Gulf Road, Kuwait City	-	Subsidiary	49%	2(87)(i)
8.	Afcons Mauritius Infrastructure Limited 4th Floor, C.A. Building,19, Poudriere Street, Port Louis, Mauritius	-	Subsidiary	100%	2(87)(ii)
9.	Afcons Overseas Singapore Pte Ltd. 33, UBI Avenue 3, #08-68 Vertex, Singapore 408868	-	Subsidiary	100%	2(87)(ii)
10.	Afcons Infra Projects Kazakhstan LLP Office#509-510,15 Satpaeva Avenue, Republic Square, Almaty 050013, Republic of Kazakhstan	-	Subsidiary	100%	2(87)(ii)
11.	Afcons Sener LNG Construction Projects Pvt.Ltd. Afcons House, 16,Shah Industrial Estate ,Veera Desai Road, Andheri West, Mumbai-400053	U45400MH2015PTC260889	Associate	49%	2(6)
12.	Afcons Overseas Project Gabon SARL Ancien Sobraga, Face entrée Clinique Union Medicale, Rez-de-Chaussee, Imeduble de limprimerie, BP20211, Libreville (Gabon)	-	Subsidiary	100%	2(87)(ii)
13.	Afcons Saudi Construction LLC. BO 16560, Riyadh 11474, Riyadh, KSA	-	Subsidiary	95%	2(87)(i)

* Considered percentage of total share capital held along with its subsidiary companies.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	49053819	21048429	70102248	97.4044	49073682	21058029	70131711	97.4454	0.0409
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	**49053819**	**21048429**	**70102248**	**97.4044**	**49073682**	**21058029**	**70131711**	**97.4454**	**0.0409**
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**49053819**	**21048429**	**70102248**	**97.4044**	**49073682**	**21058029**	**70131711**	**97.4454**	**0.0409**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1) :	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	-	50000	50000	0.0694	-	50000	50000	0.0694	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	94901	273369	368270	0.5116	95381	243426	338807	0.4707	-0.0409
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	91145	57148	148293	0.2060	131744	16549	148293	0.2060	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Director and their relatives	107657	2400	110057	0.1529	107657	2400	110057	0.1529	-
Trusts	-	1191370	1191370	1.6553	-	1191370	1191370	1.6553	-
Sub-total (B) (2) :	**293703**	**1574287**	**1867990**	**2.5955**	**334782**	**1503745**	**1838527**	**2.5545**	**-0.0409**
Total Public Shareholding (B) = (B)(1) +(B)(2)	**293703**	**1574287**	**1867990**	**2.5955**	**334782**	**1503745**	**1838527**	**2.5545**	**-0.0409**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Total Custodian (C)	-	-	-	-	-	-	-	-	-
Grand Total (A) +(B) +(C)	**49347522**	**22622716**	**71970238**	**100.00**	**49408464**	**22561774**	**71970238**	**100.00**	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	SHAPOORJI PALLONJI & COMPANY PRIVATE LIMITED	49053819	68.1584	-	49083282	68.1993	-	0.0409
2.	FLOREAT INVESTMENTS LIMITED	13015929	18.0851	-	13015929	18.0851	-	-
3.	HERMES COMMERCE LIMITED	4016250	5.5804	-	4016250	5.5804	-	-
4.	RENAISSANCE COMMERCE PRIVATE LIMITED	4016250	5.5804	-	4016250	5.5804	-	-
	Total	**70102248**	**97.4043**	**-**	**70131711**	**97.4452**	**-**	0.0409

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	SHAPOORJI PALLONJI & COMPANY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	49053819	68.1584	49053819	68.1584
	Purchase 08-Sept-2017	11896	0.0165	49065715	68.1750
	Purchase 19-Jan-2018	7967	0.0110	49073682	68.1860
	Purchase 16-March-2018	9600	0.0133	49083282	68.1993
	At the end of the Year 31-Mar-2018	49083282	68.1993	49083282	68.1993
2.	FLOREAT INVESTMENTS LIMITED				
	At the beginning of the year 01-Apr-2017	13015929	18.0851	13015929	18.0851
	At the end of the Year 31-Mar-2018	13015929	18.0851	13015929	18.0851
3.	HERMES COMMERCE LIMITED				
	At the beginning of the year 01-Apr-2017	4016250	5.5804	4016250	5.5804
	At the end of the Year 31-Mar-2018	4016250	5.5804	4016250	5.5804
4.	RENAISSANCE COMMERCE PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	4016250	5.5804	4016250	5.5804
	At the end of the Year 31-Mar-2018	4016250	5.5804	4016250	5.5804

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Afcons Shareholding (Holiday Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
2.	Afcons Shareholding (Holiday Assistance) Trust No.2 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
3.	Afcons Shareholding (Holiday Assistance) Trust No.3 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
4.	Afcons Shareholding (Educational Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
5.	Afcons Shareholding (Educational Assistance) Trust No.2 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
6.	Afcons Shareholding (Educational Assistance) Trust No.3 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
7.	Afcons Shareholding (Health Promotion) Trust No.1 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
8.	Afcons Shareholding (Health Promotion) Trust No.2 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
9.	Afcons Shareholding (Health Promotion) Trust No.3 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694
10.	Afcons Shareholding (General Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year 1-April-2017	50000	0.0694	50000	0.0694
	At the end of the year 31-March-2018	50000	0.0694	50000	0.0694

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. S. P. Mistry				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
2.	Mr. Pallon S Mistry				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
3.	Mr. N. D. Khurody				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
4.	Ms. Roshen M Nentin				
	At the beginning of the year	3310	0.0045	3310	0.0045
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	3310	0.0045	3310	0.0045
5.	Mr. P. N. Kapadia				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. R. M. Premkumar				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. U. N. Khanna				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mr. K. Subramanian				
	At the beginning of the year	58208	0.0808	58208	0.0808
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	58208	0.0808	58208	0.0808
9.	Mr. S. Paramasivan				
	At the beginning of the year	26280	0.0365	26280	0.0365
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	26280	0.0365	26280	0.0365
10.	Mr. Giridhar Rajagopalan				
	At the beginning of the year	2400	0.0033	2400	0.0033
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	2400	0.0033	2400	0.0033
11.	Mr. Akhil Kumar Gupta				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name of the KMP	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. P. R. Rajendran				
	At the beginning of the year	3942	0.0054	3942	0.0054
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	3942	0.0054	3942	0.0054
2.	Mr. Ashok G. Darak	760	0.0010	760	0.0010
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	760	0.0010	760	0.0010

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment (₹ in crores)

	Secured Loan	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	1152.58	851.68	-	2004.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	7.41	-	7.41
Total (i + ii + iii)	**1152.58**	**859.09**	**-**	**2011.67**
Change in indebtedness during the financial year				
• Addition	596.65	2357.25	-	2953.90
• Reduction	589.17	2717.33	-	3306.50
Net Change	7.48	-360.08	-	-352.60
Indebtedness at the end of financial year				
i) Principal amount	1160.06	493.49	-	1653.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5.52	-	5.52
Total (i + ii + iii)	**1160.06**	**499.01**	**-**	**1659.07**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. ***Remuneration to Managing Director, Whole-Time Directors and /or Manager :***

A I. ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Mr. K. Subramanian Executive Vice Chairman	Mr. S. Paramasivan Managing Director	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	295.56	245.66	541.22
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	7.60	6.25	13.85
	(c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			-
	- as % of profit	-	-	-
	- others, please specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL (A I)	**303.16**	**251.91**	**555.07**

A II. ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Mr. Giridhar Rajagopalan - Executive Director (Technical)	Mr. Akhil Kumar Gupta - Executive Director (Operations)	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	154.69	160.19	314.88
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	2.20	2.20	4.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			-
	- as % of profit	-	-	-
	- others, please specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL (A II)	**156.89**	**162.39**	**319.28**
	TOTAL (A I + A II)	**874.35**		
	Ceiling as per the Act #	**1,934.60**		

calculated @10% of the net profits of the Company under section 198 of the Companies Act, 2013.

B. Remuneration to other directors :

1. Independent Directors ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. N. D. Khurody	Mr. R. M. Premkumar	Mr. P. N. Kapadia	
a.	Fees for attending Board/ Committee meetings	7.50	4.50	8.50	20.50
b.	Commission	-	-	-	-
c.	Others, please specify	-	-	-	-
	Total (1)	**7.50**	**4.50**	**8.50**	**20.50**

2. Other Non Executive Directors ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S. P. Mistry	Mr. Pallon S. Mistry	Ms.Roshen M Nentin	Mr. Umesh Khanna	
a.	Fees for attending Board/ Committee meetings	2.75	1.00	2.50	3.00	**9.25**
b.	Commission	-	-	-	-	-
c.	Others, please specify	-	-	-	-	-
	Total (2)	2.75	1.00	2.50	3.00	**9.25**
	TOTAL B =(1+2)	**29.75**				
	Total Managerial Remuneration*	**904.10**				
	Overall ceiling as per the Act^	**2,128.06**				

* Total Managerial Remuneration means Total remuneration to Managing Director, Whole- time Director and Other Directors (being Total of A and B)

^ Calculated @11% of the net profits calculated under section 198 of the Companies Act, 2013.

C. ***Remuneration to Key Managerial Personnel other than MD/Manager/WTD :*** ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr. Ashok G. Darak, Chief Financial Officer	Mr. P. R. Rajendran, Company Secretary	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83.78	89.66	173.44
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.59	0.22	0.81
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, please specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL C	**84.37**	**89.88**	**174.25**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Annexure III to Boards' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes	:	Afcons' CSR Policy aims at implementing its CSR activities in accordance with section 135 of the Companies Act, 2013 and the Rules thereunder. The CSR Committee shall periodically review the implementation of the CSR. CSR Policy is available on the website of the Company www.afcons.com/ web link: https://www.afcons.com/images/csrpolicy.pdf
2.	The Composition of the CSR Committee	:	Mr. K. Subramanian – Chairman Mr. P. N. Kapadia – Member Mr. Umesh Khanna – Member
3.	Average net profit of the Company for last three financial years	:	₹ 65.36 Crores In terms of the definition of Net Profit provided in the Companies (Corporate Social Responsibility Policy) Rules 2014, the profits arising out of overseas branches have not been considered.
4.	Prescribed expenditure (two per cent. of the amount as in item 3 above)	:	₹ 1.27 Crores

5. Details of CSR spent during the financial year 2017-18

   a) Total amount to be spent for the financial year; : ₹ **1.45 Crores**

   b) Amount unspent, if any; : **NIL**

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or Program wise (₹ In Crores)	Amount spent on the project or Programs Sub Heads; (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: direct or through implementing agency
1.	Ashramshala School Project	Education Schedule VII clause (ii)	1. Padsare, Raigad District 2. Maharashtra	0.10	Direct Expenditure through corporate office	-	through implementing agency
2.	Shree Hariharaputra Bhajan Samaj	Eradicating hunger, poverty and malnutrition Schedule VII class (i)	1. Mumbai 2. Maharashtra	1.00	Direct Expenditure through corporate office	-	Direct
3.	Foundation for Development of Udwada	Protection of National Heritage Schedule VII class (v)	1. Udwada 2. Gujarat	0.25	Direct Expenditure through corporate office	-	Direct
4.	Shri Guruvayurappan Dharma Kala Samuchayam	Protection of Art Schedule VII class (v)	1. Ponani 2. Kerala	0.10	Direct Expenditure through corporate office	-	Direct
	Total			**1.45**			

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – **Not Applicable**
7. The implementation and monitoring of Corporate Social Responsibility policy is in compliance with CSR Objectives of the Company.

Sd/-
K. Subramanian
Din:00047592
Executive Vice Chairman &
Chairman of the CSR Committee

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Global Economy

For the first time since the global economic crisis, all major regions of the world are experiencing economic growth as cited in Global Economic Prospects, January 2018 report by World Bank. A broad based cyclical global recovery is ongoing which is aided by rebound in global trade and investment, conducive financing conditions, diminishing impact of commodity price collapse and accommodative government and monetary policies.

Global growth at 3.8% in 2017 was fastest since 2011 as per IMF. This growth was driven by continued strong growth in Asia, especially India and China, investment recovery in developed economies, a notable upswing in Europe, and sign of recovery in commodity exporters. Global economy is further expected to rise to 3.9% in both 2018 and 2019 buttressed by supportive financial conditions and domestic and international repercussions of expansionary fiscal policy in US.

Growth in developed economies is projected at 2.5% in 2018. In US growth is expected to rise from 2.3% in 2017 to 2.9% in 2018 on account of expansionary fiscal policy, corporate tax reform and strong external demand. EU economies are expected to continue its recovery from 2.3% in 2017 to 2.4% in 2018, reflecting strong domestic demand in EU area, supportive monetary policy and improvement in external demand prospects. Japan's growth rate is expected to slow further from 1.7% in 2017 to 1.2% in 2018. Medium term outlook of economy is positive with rising private investment and introduction of supplementary budget.

Emerging market and developing economies are expected to continue its growth momentum. These economies will grow by 4.9% in 2018. China's growth is projected to decline to 6.6% in 2018 from 6.9% in 2017 with its GDP continuing to rebalance from industry sector to services sector. Recent trade war with US, likelihood of increased nationalist policies in developed countries economies and weaknesses in financial sector are key risks for China's growth.

For the first time since 2014, Latin America and Caribbean countries have experienced positive growth, with a growth rate of 0.9% in 2017. This growth rate was mainly contributed by private consumption. In Brazil, after two years of economic contraction, growth is back on track with retail trade and industrial production picking up pace. Argentina is headed for another currency crisis with Argentine Peso hitting historical low against US dollar. Other commodity reliant economies like Colombia, Chile, Peru suffered due to weak or contractive production in extractive industries.

Growth in MENA (Middle East and North Africa) region declined to 1.8% in 2017 from previous year. Growth among oil exporters was affected by OPEC oil production cut and fiscal consolidation. Growth is projected to improve to 3.0% in 2018 on the back of improvement in geopolitical tensions and rise in oil prices. Modest recovery is underway in Sub-Saharan Africa supported by improvement in commodity prices. Growth has rebounded to 2.4% in 2017 and is expected to rise to 3.2% in 2018. Ghana is expected to come out of IMF debt in following year resulting in lower interest outgo and government will be in a better position to finance infrastructure projects. IMF expects Mozambique to default on its foreign debt until 2023.

OVERVIEW OF THE INDIAN ECONOMY

Indian economy is estimated to grow by 6.7% in 2017-18 as per IMF's World Economic Outlook. Prolonged weaknesses on balance sheet and high levels of non-performing loans of approximately ₹ 8.5 lakh crores in banking sector has resulted in weak private investment. There was significant push by government in public infrastructure investment to mitigate low private investment. Exports continues to rise while imports slid as rupee is on weakening track against US dollar. Crude oil prices touching 4-year high amid rising geopolitical risks poses serious risk to India's current account deficit.

India continues to be the fastest growing major economy in the world – expected to grow at an average of 7.4% in 2018 and 7.8% in 2019, close to double the world average growth. Demonetization effects are fading, and economy as a whole is getting more comfortable dealing with Goods and Services Tax (GST) system. GST is expected to aid economic activity and improve fiscal position by reducing cost of complying with multiple tax systems and expanding the tax base. Government of India has announced recapitalization package of ₹ 2.11 lakh crores for public sector banks to resolve banking sector balance sheets, enhance credit limits to private sector and increase investment in the country.

Developing nation's infrastructure was key point in Union Budget 2018–19. Finance Minster stated that India needs investment of ₹ 50 lakh crores for infrastructure development. Government unveiled largest ever rail and road budget at ₹ 1.48 lakh crores and ₹ 1.21 lakh crores respectively. For funding infrastructure projects, government has proposed various monetizing methods like Toll, Operate and Transfer (TOT) and Infrastructure Investment trust (InvIT). Under Smart City initiative, 99 cities out of total 100 were identified with a budgeted outlay of ₹ 2.04 lakh crores.

India stabilizes its position in the Global Competitiveness Report 2017–18 after its big leap forward in previous two years. India ranked 40th position in recent rankings compared to 39th position in previous year, with scores improving across most pillars of competitiveness – infrastructure, higher education and training, technological readiness, Information and communication technology etc. Access to financing, tax rates, inadequate supply of infrastructure were some of most problematic factors for doing business in India.

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian construction industry growth is back on track. Infrastructure sector has largely recovered from the negative impact of demonetization. Total construction industry value in India is estimated to be ~ ₹ 11.4 lakh crores in 2017 and is forecasted to reach ₹ 18.7 lakh crores by 2022 as per Business Monitor International (BMI). Construction industry real growth is projected at 6.1% in 2018 and to further rise to 6.4% from 2018 to 2022. Urbanization is the major growth driver with several big-ticket size projects coming up in Maharashtra, Gujarat, Andhra Pradesh, Telangana, NCR. Japanese companies and investors are projected to be the largest foreign investor in Indian infrastructure market. Transport segment is projected to grow at fastest rate among infrastructure.

MARINE

India has 12 major ports, 6 each on eastern and western coast. In additional to these major ports, India also has approximately 200 non-major ports, out of which one-third are currently operational along the coastline of more than 7,517 km. Ports in India handle around 95% of international trade volume of the country.

Under the National Perspective Plan for Sagarmala, six new mega ports are proposed to be developed in India. Government of India is planning to make India as first country in the world to operate all 12 major domestic government ports on renewable energy by 2019. Central Government is planning to build 14 Coastal Economic Zones (CEZs) to boost manufacturing and jobs. First mega CEZ at Jawaharlal Nehru Port in Maharashtra was cleared last November 2017. To promote private investments, the government has introduced 'Landlord port' model where port authority acts as a regulator and landlord while port operations are carried out by private companies against the traditional model of 'Service port' where port authority is both landlord and cargo terminal operator and offers all services. Major ports are working towards implementing 'Landlord Port' model. A port regulator is under proposal for all ports to set, monitor and regulate service levels, technical and performance standards. Revised model concession agreement (MCA) for ports was approved by Government of India to attract investment in port sector and make port projects more investor friendly. This revised MCA now provides exit route to developers by way of divesting their equity up to 100% after completion of two years from the commercial operation date, similar to the MCA provisions of highways sector.

SURFACE TRANSPORT

ROAD

Indian road networks spanning 5.6 million km is one of the largest in the world. Approximately 90% of passenger traffic uses road network to commute and around 65% of all goods in country are transported through roads. 95% of road networks are district and rural roads whereas national and state highways with ~ 2.9 lakh km of road network forms remaining 5%. The government has plans to increase the length of National Highways from current 122,432 km to 200,000 km. Roads and bridges are going to be growth driver for construction industry, with highest pace of growth among transport segment.

Government of India has launched Bharatmala Pariyojana. This is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across country. Bharatmala Pariyojana components includes National Corridor Efficiency Improvement, Economic Corridors development, Inter-corridor and Feeder routes development, Coastal and Port Connectivity Roads, Border and International Connectivity Roads and Green-field Expressways. Estimated outlay of ₹ 5.35 lakh crores is earmarked for Phase I for constructing 24,800 km of highways and additional 10,000 km of balance works under NHDP over the course of five years.

NHAI awarded an all-time high road projects in FY 2017 – 18 since its inception in 1995. NHAI awarded 150 road projects of 7,400 km worth ₹ 1.22 lakh crores in last financial year. Out of total awarded projects, HAM had major share with project value of ₹ 76,500 crores covering 3,396 km and 3,791 km of road project worth ₹ 43,000 crores were tendered on EPC basis. Balance 209 km of roads were awarded on Toll mode with total value of ₹ 2,500 crores. Rajasthan, Maharashtra, Odisha, UP and Tamil Nadu were top 5 states in road projects awarded. Construction of highways also hit an all-time high of around 28 km per day with total constructed length of approximately 10,000 km in FY 2017 – 18 as per Ministry of Road Transport and Highways. This was 20% increase from 8,231 km in FY 2016 – 17 over last year. NHAI has been given powers to appraise and sanction EPC projects of any value, up to ₹ 2,000 crores for Built-Own-Transfer (BOT) and HAM projects. Under Bharatmala Pariyojana, NHAI target for awarding highways has been increased to 10,000 km.

A gradual shift in roads order procurement is taking place with HAM model cornering most number of road projects awarded by NHAI. NHAI has a pipeline of ~ ₹ 1.4 lakh crores of highways projects of ~ 7,800 km. HAM projects has ~ ₹ 90,000 crores of share, while remaining ₹ 50,000 crores road projects are to be placed on EPC basis. while this being so, some HAM projects are also facing financial closure issues. Banks follow a pattern of "once bitten twice shy" and only reasonable sound Companies are able to get financial closure.

RAILWAYS

India is home to World's 3rd largest rail network. Indian Railways operates more than 22,300 trains daily over the route network of 67,368 km. Indian Railways has 12,617 passenger trains carrying over 23 million passengers daily. On the commercial front, freight traffic of Indian Railways increased to 1.16 billion tonnes in FY 2017 – 18 from 1.10 billion tonnes in FY 2016 – 17.

Union Budget 2018 – 19 gave highest ever budgetary allocation to Indian Railways at ₹ 1.48 lakh crores. Out of this, ₹ 1.46 lakh crores is for capital expenditure for that will be used for capacity creation and redevelopment of 600 railway stations. Electrification of around 4,000 km railway tracks is planned to be commissioned in this FY 2018 – 19. For eliminating capacity constraint, doubling of 18,000 km of railways tracks and 5,000 km of third and fourth lines will be converted into brad gauge. As a part of its 'Safety First' policy, over 3,600 km of track renewal is targeted in current fiscal year. High end technology like Fog safe, train protection and warning system would also be implemented. Mumbai – Ahmedabad High Speed Rail (HSR), India's first high speed rail project spanning 508 km, is put on fast track basis and foundation was laid on Sep 2017. With a soft loan from Japan government, Mumbai – Ahmedabad HSR project is expected to start execution in current financial year and Indian government is targeting to complete it by August 2022.

URBAN INFRASTRUCTURE

India's metro rail network is expanding at fast pace with over operational metro rail networks in 10 cities and over two dozen metro projects in various stages of planning and under construction. Total metro rail network in India is ~ 430 km, with more than half of it concentrated in National Capital region. Delhi metro is set to become fourth largest metro network in the world after Shanghai, Beijing and London.

Government of India has introduced a new metro policy, which make it mandatory to have PPP component for availing central government assistance for new metro projects. Under new metro policy, private participation either for complete provision of Metro rail or for some unbundled components like Automatic fare collection, operations and maintenance of services is essential requirement for all new metro rail projects in India seeking central financial assistance. This new metro policy can affect sanction of new metro projects and resultant metro growth in the Country.

There are huge opportunities in current market scenario in India, with metro under planning / development phase in 20+ cities covering 1000+ km. New segment of rapid rail transit system is also proposed near NCR which will have ~ ₹ 30,000 crores projects in next 3-4 years. Urban elevated corridors, iconic bridges and sea links are the new upcoming segments under Urban Infrastructure offering large value projects opportunities for contractors.

HYDRO & UNDERGROUND

India has 45.29GW of installed capacity in hydro power, approximately ~ 13% of total installed power capacity of India. Apart from this, India has close to 4.5 GW of installed capacity of small hydro power projects. Indian ranks 5th in the world in terms of proved hydro potential of ~ 148 GW.

In FY 2017 – 18 hydro power generation saw a revival with growth rate of 3% after three years of lean generation due to below normal rains and snowfall. Government is planning to propose a new hydro power policy. New hydro policy will aim to resolve several issues affecting hydro power segment by providing long term cheaper loan, extending loan repayment period, sharing burden of enabling infrastructure for hydro power projects and considering all hydro power projects as renewable irrespective of their capacities. The policy will also aim to provide a subsidy of ₹ 16,000 crores for hydro projects that are put in operation by 2027.

Interlinking of Rivers (ILR) Programme is an ambitious initiative taken up on high priority by Ministry of Water Resources, River Development and Ganga Rejuvenation under the leadership of Honourable Prime Minister of India. This ambitious project of ~ ₹ 5.5 lakh crores aims to link rivers through network of reservoirs and canals across India. The mission of this programme is to ensure greater equity in the distribution of water by enhancing the availability of water in drought prone and rain fed area. India's National Water Development Agency (NWDA) under Union Ministry of Water Resources is managing river linking projects. Ken-Betwa link project in MP is declared as national project by the Government of India.

Overview of the Global Construction Industry

Total global construction industry value is estimated to be $ 4.3 trillion in 2017 as BMI. It is expected to grow at a real rate of 3.8% from 2018 to 2022 and forecasted to reach $ 5.7 trillion in 2022. Construction has seen growth recovery in emerging markets and developed markets continues to maintain strong growth rates. Transportation segment has a positive outlook with high growth rate. The global major infrastructure project pipeline is ~ $ 10.5 trillion, out of which transport segment accounts for approximately 50% of projects.

Infrastructure construction is projected to grow at an average nominal rate of 9% in Africa. Total infrastructure construction output in Africa is expected to reach $ 196 billion in 2021. African countries are in recovery mode due to higher commodity prices, easing of local inflation and improving global conditions. East African countries like Kenya, Tanzania, Ethiopia are projected to lead growth rate of 13.4%. Electricity & Power, Railways and Roads projects are leading in infrastructure project pipeline. In Africa, total infrastructure funding commitments is fluctuating over the past several years, with substantial contribution coming from China, G-8 countries, Arab Co-ordination group.

In Middle East region, strong growth in port segment is expected with rising oil prices bolstering infrastructure projects. UAE and Qatar are in particular emerging as favourable market for infrastructure investment due to number of tourism infrastructure projects in pipeline – Dubai Expo 2020 in UAE and FIFA World Cup 2022 in Qatar. A combination of gradually rising oil prices, positive democracies, and a commitment among select few governments in region to invest in infrastructure as a means to facilitate economic diversification can have positive outlook for construction industry.

In ASEAN countries like Philippines, Vietnam, Indonesia, Malaysia etc. infrastructure spending is outpacing GDP growth. Manufacturers shifting their base out of China and relocating to ASEAN countries is primarily driving this growth in infrastructure development. Infrastructure is primarily driven by increasing urbanization, increase in mobility and trade competitiveness of ASEAN countries. Asian Development Bank (ADB) estimates that total infrastructure investment needs of ASEAN countries from 2016 – 2030 will be approximately $ 2.3 trillion.

Latin America's construction industry is estimated to have third straight year of contraction in 2017. Growth recovery is expected to be delayed towards the end of 2018 due to negative impact on investment of corruption allegations mostly linked with Odebrecht scandal, elevated political uncertainty in number of key markets ahead of elections and the weak recovery of global oil prices. Colombia is projected to see strongest growth in Latin America due to recovery in residential construction sector and strong private investment in country's 4G concessions programs. Argentina with its currency crisis will continue to suffer while Brazil is expected to have slight growth in its construction industry. Venezuela construction activity will continue to contract due to severe economic and political crisis.

Economic recovery in Commonwealth of Independent States (CIS) countries is largely on track with geopolitics playing a key role in future growth. An anticipated increase in oil prices will help the governments in CIS countries to direct more funding towards infrastructure projects, supporting a positive outlook over next year. Chinese government and investors' continued interest in Kazakh infrastructure as a part of its Belt and Roads Initiative, economic diversification schemes and external multilateral funding will be decisive factors fuelling robust construction growth in Kazakhstan. Ukraine construction industry is projected to contract due to limited public spending capacity and elevated economic and political risks.

Business Overview

In the financial year 2017-18, the Company bagged orders worth ₹ 8,516 crores. The pending order book position of company as on 31st March 2018 was ₹ 22,992 crores. Majority of orders were procured from domestic market with several international orders from Africa and one rail project in Bangladesh. The Company has experienced increased level of competitive intensity in the infrastructure segment it operates, both in India and overseas. While our quality of orders is good, and the order size is about 3 times of our turnover, we aim to further increase the order book size in coming years.

During the last decade, the Company has executed projects in Abu Dhabi, Dubai, Qatar, Oman, Yemen, Algeria, Jordan, Kuwait, Bahrain, Gabon, Guinea, Mauritius, Madagascar, Liberia, Bangladesh, Sri Lanka and Kazakhstan.

The growth of the Company has been well diversified across different segment and geographies on the desired line and focus. All the segments are well balanced and there is no over dependence on any one sector or geography and we remain present in all segments with reasonable participation.

RISK AND CONCERNS

A. Global Events

- Abrupt tightening of global financing conditions or sudden rise in financial market volatility could upset growth plans.
- Trade wars between US and other countries can result in increasing cost of doing business and affect international trade relations.

- US tariff on steel and aluminum and range of other Chinese products and the retaliatory tariffs on US imports by China can further escalate and worsen trade relations between these two countries. This can result in rapid correction of asset prices and trigger potentially disruptive portfolio adjustments.
- Waning popular support for global economic integration can disrupt global supply chain and logistics.
- Sudden increase in oil prices can affect Indian economy by worsening its current account deficit.
- A faster than expected increase in US interest rates may lead to contraction in global liquidity.
- Protectionist steps adopted by US Government and rising protectionism across economies may impact the global economy.
- Increase in commodity prices volatility may have an adverse impact on the global financial markets.
- Deterioration of Geo Political conditions across globe.

B. Domestic Events

- Due to stressed banking environment and overhang of NPAs, financing to infrastructure sector can suffer or interest rates might go up for construction players.
- Lackluster implementation of reforms to improve corporate and financial sector balance sheet can send wrong signal to international investors.
- Increasing high public debt and failure to achieve budget’s deficit target can result in worsening fiscal position thereby derailing several government initiatives.
- Delays in obtaining clearances for execution and commissioning of infrastructure projects can result in financial stress.
- Availability of skilled manpower and high attrition levels of employees in the industry.
- Aggressive and irrational bidding done by newer entrants to corner market share.
- Increasing competitive intensity across segments, due to mushrooming of competition in the last few years, and slowdown in award of projects.

OUTLOOK

The global economy is recovering with most major economies expected to continue their growth path. India is projected to be the fastest major growing economy in the world and has achieved 6.7% GDP growth in FY 2017 – 18. This growth would further accelerate to 7.4% in FY 2018 – 19.

Your company will continue to follow a path of de-risking as a key component of its growth. We have been successful to build about 20% of turnover from the overseas market and would focus on to increase its share from overseas market.

Your company would continue to adhere to its stated mission to be a prominent Transnational Infrastructure company that is recognized for Business Innovations, focused on Total Satisfaction and creating Enhanced value for all its stakeholders.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company is maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The internal control system is managed through continuous internal audit by outside professionals who conduct audits of Project sites of the Company throughout the year to test the adequacy of the internal systems and suggest continual improvements. All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit reports and managements responses/replies thereon. The operational control exists through well laid out system of checks and balances and hierarchy of reporting from site level to central management groups to the senior management and the Directors.

HUMAN RESOURCES DEVELOPMENT

The Company is certified as Great Workplace. Your company is the first Indian Infrastructure company to be certified as Great Workplace and among few companies to be certified in its first attempt.

The Company HR Policy focuses on:

- Talent Acquisition through a defined talent management strategy in alignment with business goal and targets.
- Imparting Learning and Development to employees and prepare them for their current and future roles.
- Adequate Compensation Package coupled with Incentives, rewards and recognitions.
- Building a culture of innovation and creativity in construction process.

The Company continued to take numerous initiatives towards effective training and development for the employees at various levels. Some of the innovative initiatives includes Anugam-HR Induction program initiated through E-Learning platform, launching of web-based knowledge management portals i.e. AFCONIANS and AFCONS GNOSIS, Classroom @ site and Classroom @ HO program as knowledge sharing platform, Whole Wellness Program, focused training sessions and workshops to continuously improve the skill sets of the employees. It is heartening to note that the Company has set new benchmark of training in the industry, in the globe.

The Company endeavour to provide its employees a professional, congenial, safe working environment coupled with opportunities for personal growth and development. In fact, this is one area where Company aspires to become a leader in the industry.

CAUTIONARY STATEMENT

The statement in Management Discussions and Analysis describing the Company’s operations and expectations are “forward looking statements”. Actual results may differ owing to environmental dynamics.

REPORT ON CORPORATE GOVERNANCE

I. CORPORATE GOVERNANCE PHILOSOPHY

The Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

II. BOARD OF DIRECTORS

a. Composition

As on 31st March, 2018 the Board of Directors of the Company comprised of 11 Directors out of which 4 are Executive Directors and the remaining 7 are Non-Executive Directors. The Chairman of the Board is Non-Executive Director and the Board consists of 3 Independent Directors. All the Directors possess the requisite qualification & experience in Industry, Management, Finance, Research, Law and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

b. Board Meetings and Attendance

During the year 2017-18, Four (4) Board Meetings were held on the following dates 22nd June 2017, 27th September, 2017, 21st December 2017 and 30th March 2018. The notice for the Board Meeting and the detailed agenda papers were circulated to all the Directors well in advance to enable them to attend and take an informed decision at the Meetings.

The minutes of the proceedings of each Board and committee meeting are properly recorded and entered into Minutes book. There is effective post meeting followup, review and reporting process for decision taken by the Board.

None of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

The name and category of the Directors on the Board, their attendance at the Board meetings during the year and at the last Annual General Meeting, as also the number of Directorship & Committee memberships held by them in other Companies are given below:

Name of the Director	Category	Total no. of Board Meetings during the year 2017-18		No. of other Directorship(s) in other Public co.[1]	No of Committee position held in other Public co.[2]		Whether attended last AGM held on 27.09.2017
		Held	Attended	Member	Chairman	Member	
Mr. S.P. Mistry	Chairman, Non-Executive Director	4	3	3	-	-	Yes
Mr.K.Subramanian*	Executive Vice Chairman	4	4	-	-	-	Yes
Mr.N.D.Khurody	Independent Director	4	4	1	-	-	No
Mr.P.N.Kapadia	Independent Director	4	4	4	1	5	Yes
Mr.R.M.Premkumar	Independent Director	4	3	3	2	2	Yes
Mr. U.N. Khanna	Non-Executive Director	4	3	1	-	-	Yes
Mr.Pallon S Mistry	Non-Executive Director	4	2	3	-	-	Yes
Ms.Roshen M Nentin	Non-Executive Director	4	4	-	-	-	Yes
Mr.S.Paramasivan**	Managing Director	4	4	-	-	-	Yes
Mr.Giridhar Rajagopalan	Executive Director (Technical)	4	3	-	-	-	Yes
Mr. Akhil Kumar Gupta	Executive Director (Operations)	4	3	-	-	-	Yes

Note:

1. Excludes Directorship in association, Private Companies, Foreign Companies & Companies registered under section 8 of the Companies Act, 2013 **("Act")**.
2. Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee in other Public Companies have been considered.

* Mr.K.Subramanian ceased to be Managing Director w.e.f. 30th March, 2018. He was appointed as Whole-Time Director designated as Executive Vice Chairman.

** Mr.S.Paramasivan is re-designated as Managing Director w.e.f 30th March 2018.

III. AUDIT COMMITTEE

a. The Audit Committee of the Company was constituted on 7th March, 2001.

b. Terms of reference of the Audit Committee:

In compliance with the provisions of Section 177 of the Act, and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 amended the terms of reference of the Audit Committee which are as under:

- Overseeing the Company's financial reporting process and the disclosure of financial information;
- Recommending the appointment and removal of external auditors and fixing of audit fees;
- Review with management the annual financial statements and auditor's report before submission to the Board;

- Review with management, external and internal auditors, the adequacy of internal controls;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- To obtain professional advice from external sources and have full access to information contained in the records of the company;
- To oversee the vigil mechanism;
- In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;
- All other powers and duties as per Section 177 of the Act and the Rules made thereunder;

c. Four Meetings were held during the year on the following dates:

22nd June 2017, 27th September, 2017, 21st December 2017 and 30th March 2018.

d. As on 31st March, 2018 composition of Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. N.D.Khurody	Independent Director	Chairman	4	4
Mr. P.N. Kapadia	Independent Director	Member	4	4
Mr. R.M. Premkumar	Independent Director	Member	4	3

IV. NOMINATION AND REMUNERATION COMMITTEE

a. The Committee was originally constituted as Remuneration Committee on 25th March, 2003. In compliance with the provisions of Section 178 of the Act and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have renamed the said Committee as "Nomination and Remuneration Committee" (hereinafter "**Committee**").

b. Terms of Reference of the Committee, as amended by the Board of Directors of the Company at its meeting held on 24th June, 2014, are as under:

- To identify persons who are qualified to become directors and who may be appointed in senior management.
- To recommend to the Board the appointment/ removal of the Directors or senior management personnel.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other senior employees.
- All other powers and authorities as provided under the provisions of Schedule V and other applicable provision of the Act and the Rules made thereunder and any amendment thereof, if any, in granting the approval of remuneration to Whole Time Directors and the Managing Directors of the Company.

c. As on 31st March, 2018 the composition of Committee and particulars of meetings attended by the members of Committee are given below:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. N.D.Khurody	Independent Director	Chairman	3	3
Mr. P.N. Kapadia	Independent Director	Member	3	3
Mr. S.P Mistry	Non-Executive Director	Member	3	2

d. Three Meetings were held during the year on the following dates:

22nd June 2017, 21st December 2017 and 30th March 2018.

e. Remuneration Policy

Remuneration policy of the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

The Salient feature of the Nomination and Remuneration policy are as under:

- The remuneration to Executive Director, KMP and Senior Management Personnel, shall involve 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 remuneration (including payment of minimum remuneration) to Executive Directors shall be within the overall ceiling prescribed under the Act. Within the said overall ceiling of remuneration, the Executive Directors will be entitled to avail of the perquisites under different heads as may be applicable to the other Senior Management Personnel of the Company. Such remuneration to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to prior/post approval of the shareholders of the Company.
- The annual increments to Executive Directors, will be decided by the Committee and/or the Board of Directors in its absolute discretion and will be merit based and will also take into account Company's performance.
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director.
- The Committee shall evaluate the performance of the Director as per the requirement of the Act.
- The qualification attributes, terms and conditions of appointment and removal of KMP and Senior Management Personnel as also their remuneration and the evaluation of their performance shall be as decided by the Executive Vice Chairman in line with the Company's policies.
- The Committee shall ratify such appointment and removal of KMP and Senior Management Personnel.

f. Details of Remuneration paid to Directors during the financial year 2017-18:

i. Executive Directors (in ₹ p.a.)

Name of Director	Basic Salary	PF/SA	Perquisites	Total Remuneration
Mr.K.Subramanian$	58,50,000	15,79,500	2,37,45,507	3,11,75,007
Mr.S.Paramasivan$$	49,50,000	13,36,500	1,96,56,000	2,59,42,500
Mr. Giridhar Rajagopalan	22,50,000	6,07,500	1,33,15,647	1,61,73,147
Mr. Akhil Kumar Gupta	22,50,000	6,07,500	1,38,36,857	1,66,94,357
Total	**1,53,00,000**	**41,31,000**	**7,05,54,011**	**8,99,85,011**

$ Mr.K.Subramanian ceased to be Managing Director w.e.f. 30th March, 2018. He was appointed as Whole-Time Director designated as Executive Vice Chairman.

$$ Mr.S.Paramasivan is re-designated as Managing Director w.e.f 30th March 2018.

The number of stock options granted till date to the Executive Directors is as under:

Name of the Director	Stock options granted till date
Mr. K.Subramanian	35,040
Mr. S.Paramasivan	26,280

ii. Non-Executive Directors

The Non-Executive Directors were not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and / or Committees thereof. The details of the sitting fees paid to the Non-Executive directors are as under:

Name of the Director	Sitting Fees (in ₹)	Equity Shareholding in the Company	
		No. of Shares	% holding
Mr.S.P. Mistry	2,75,000	-	-
Mr.N.D.Khurody	7,50,000	-	-
Mr.P.N. Kapadia	8,50,000	-	-
Mr.U.N.Khanna	3,00,000	-	-
Mr.R.M.Premkumar	4,50,000	-	-
Mr. P.S. Mistry	1,00,000	-	-
Ms. R. M. Nentin	2,50,000	3,310	0.0046
Total	**29,75,000**	**3,310**	**0.0046**

The Company does not have any material pecuniary relation or transactions with its Non-Executive Directors.

V. Corporate Social Responsibility Committee

a. In accordance with the requirement of Section 135 of the Act and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have constituted a Corporate Social Responsibility Committee.

b. The terms of reference of the Corporate Social Responsibility Committee are as under:

- Framing of Corporate Social Responsibility (CSR) Policy and recommending Board for approval.
- Recommending spending of CSR Fund.

- Implementation & monitoring of CSR Policy.
- Recommend amendments and improvements in the CSR Policy and its implementation.

c. As on 31st March, 2018 the Composition and particulars of meetings attended by the members of Corporate Social Responsibility Committee is as under:

One Meeting was held during the year on 22nd June, 2017.

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.K.Subramanian$	Executive Vice Chairman	Chairman	1	1
Mr.P.N.Kapadia	Independent Director	Member	1	1
Mr.Umesh Khanna	Non-Executive Director	Member	1	1

$ Mr.K.Subramanian ceased to be Managing Director w.e.f. 30th March, 2018. He was appointed as Whole-Time Director designated as Executive Vice Chairman.

VI. Stakeholders Relationship Committee:

a. The Committee was constituted on 28th November 2006 as Shareholders / Investor's Grievances Cum Share Transfer Committee. The Board of Director at its meeting held on 24th September 2008 renamed the said Committee as Shareholders / Investor's Grievance Cum Share Transfer cum ESOP Share Allotment Committee. Thereafter the Committee was again renamed at the meeting of the Board of Directors held on 12th March, 2014 as Shareholder/Investors' Grievance cum Share Transfer cum Shares Allotment Committee **("STC")**. The Board of Directors again at the meeting held on 22nd March, 2016 has renamed the committee as Stakeholders Relationship Committee **("SRC")**.

b. The broad terms of reference of SRC is as under:

- To allot equity shares to the employees exercising the ESOP options granted under the ESOP Scheme 2006 of the Company.
- To issue and allot Equity Shares, Convertible Preference shares (fully/party/optionally convertible).
- To exercise such powers and to do all such act, deed, matters and things in connection with the issue and allotment of the Equity Shares, Convertible Preference shares (fully/party/optionally convertible) as the Committee deems fit and proper.
- To approve transfer of the Equity and Preference Shares of the Company and further delegate such powers to the Registrar for the Transfer of Shares of the Company.
- To allot Debentures to the Investor.
- To approve/record Transfer, Dematerialisation / Rematerialisation of Debentures, issue of duplicate Debenture Certificates, issue of new Debenture certificates on split / Consolidation.
- To look into matters pertaining to the shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non- receipt of declared dividends, redress complaints of Debentureholder pertaining to the issue including non-receipt of interests, etc.
- To decide on all other matters related to Debentures.
- To investigate into any matter in relation to areas specified above or referred to it by the Board of Directors and for this purpose will have full access to information contained in the records of the Company.
- To determine the conversion price of the Convertible Preference shares (fully/party/optionally convertible).
- To sub-delegate any of the said powers and authorities to any of the Committee members and/or to any other person as the Committee deems fit.
- To pass any resolution by Circulation.

c. Three meetings were held during the year on the following dates:

6th July, 2017, 5th December, 2017 and 16th March, 2018.

d. As on 31st March, 2018 the Composition and attendance of members at the meetings of the Shareholders / Investor's Grievance Cum Share Transfer Cum Share Allotment Committee was as under:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.P.N.Kapadia	Independent Director	Chairman	3	3
Mr. U. N. Khanna	Non-Executive Director	Member	3	3
Mr.S.Paramasivan$	Managing Director	Member	3	3

$ Mr.S.Paramasivan appointed as Managing Director w.e.f 30th March, 2018

e. Name and Designation of the Compliance Officer

Mr. P.R.Rajendran, Company Secretary is the Compliance officer of the Company.

f. Status of Investor's Complaints

During the financial year all the letters / complaints received by the Registrar and Share Transfer Agent have been redressed and there were no complaints pending with the Company / Registrar and Share Transfer Agent. All the valid share transfers requests received during the year were duly attended to and processed in time. There was no valid request pending for share transfer as on 31st March 2018.

VII. Independent Directors meeting

The meeting of the Independent Directors of the Company was held on 30th March, 2018. As per the provisions of Section 149 read with Schedule IV of the Act, at the said meeting, the Independent Directors discuss & review the performance of the chairman, Non-independent Directors, Non–Executive directors and executive directors & review the performance of the Board of Directors as a whole. All the independent Directors were present at the Meeting.

VIII. COMMITTEE OF DIRECTORS

The Committee of Directors (**"COD"**) was reconstituted on 27th June, 2016 with revised powers for delegation of certain powers of the Board of Directors to Committee of Directors which are of routine & urgent nature can be approved/ passed by the said Committee.

i. The broad terms of reference of COD is as under:

a. opening and closing of bank accounts of the company.

b. Issuance of Power of Attorneys for tax, administration, legal and project bidding, execution purposes.

c. Authorisation to representative of the Company for representation before statutory authorities.

d. Availing of credit facilities (including amendment thereof) from bank [s.179(3)].

e. Giving of loans and providing of guarantees [s.179(3)].

f. Incorporating Company in India or Overseas.

g. Setting up of Branch office, representative office and licensing office.

h. Availing corporate internet Banking with online transaction Rights from Banks for our routine corporate transactions.

i. Other transactions of routine nature which cannot be referred to the next Board meeting.

ii. Four meetings were held during the year on the following dates:

29th May, 2017, 13th November, 2017, 5th February, 2018 and 9th March, 2018.

iii. As on 31st March, 2018 the Composition and attendance of members at the meetings of the Committee of Directors is as under:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.N.D. Khurody	Independent Director	Chairman	4	4
Mr.P.N.Kapadia	Independent Director	Member	4	4
Mr.Umesh Khanna	Non-Executive Director	Member	4	2
Mr. S Paramasivan	Managing Director	Member	4	3

IX. GENERAL BODY MEETINGS

a. The details of the Annual General Meetings (AGM) held in the last 3 years:

For Financial Year ended	Location	Date of AGM	Time
31.03.2017	registered office of the Company	27.09.2017	4.30 p.m
31.03.2016	registered office of the Company	29.09.2016	4.30 p.m
31.03.2015	registered office of the Company	30.09.2015	4.30 p.m

b. Details of Extra Ordinary General Meeting (EGM) held in the last 3 years:

There was no EGM held in the last 3 years.

c. Details of the special resolutions passed at the Annual General Meeting in the previous 3 years:

41st AGM dated 27.09.2017	i.	Consent of the Company for variation of appointment and remuneration of Mr. S. Paramasivan, (DIN:00058445) Deputy Managing Director for the period from 21st May 2017 to 30th June 2017.
	ii.	Consent of the Company for re-appointment and revise remuneration of Mr. K. Subramanian, (DIN:00047592) as a Vice Chairman & Managing Director of the Company for a period of term of 3 years from 1st July, 2017 to 30th June 2020.
	iii.	Consent of the Company for re-appointment and revise remuneration of Mr. S.Paramasivan (DIN:00058445) as a Deputy Managing Director of the Company for a period of term of 3 years from 1st July, 2017 to 30th June 2020.
	iv.	Consent of the Company for appoint of Mr. Giridhar Rajagopalan (DIN:02391515) as Whole-Time Director and designated as Executive Director (Technical) of the Company.
	v.	Consent of the Company for appoint of Mr. Akhil Kumar Gupta (DIN:03188873) as Whole-Time Director and designated as Executive Director (Operations) of the Company.
	vi.	Consent of the Company for re-appointment of Mr. N.D Khurody as Independent Director of the Company.
	vii.	Consent of the Company for re-appointment of Mr. R.M.Premkumar as Independent Director of the Company.
	viii.	Consent of the Company for raising ₹ 200 Crores (Rupees Two Hundred Crores only) through issue of Unsecured, Redeemable, Unlisted Non-Convertible Debentures ("NCDs") on private placement basis.
40th AGM dated 29.09.2016	i.	Consent of the company for raising ₹ 200 Crores (Rupees Two Hundred Crores only) through issue of Unsecured, Redeemable, Unlisted, Rated, Non-Convertible Debentures ("NCDs") on private placement basis.
	ii.	Consent of the Company under section 180(1)(a) of the Act to create charges, mortgages or any other hypothecation on movable or non-movable assets of the Company not exceeding ₹ 20,000 Crores.
39th AGM dated 30.09.2015	i.	Consent of the Company for raising ₹ 200 Crores (Rupees Two Hundred Crores only) through issue of Unsecured, Redeemable, Unlisted, Rated, Non-Convertible Debentures ("NCDs") on private placement basis.
	ii.	Consent of the Company to Increase in limits of investments in other bodies corporate under Section 186 and all other applicable provisions, if any, of the Act to invest/acquire the securities of anybody corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 100 crores, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more.

X. DISCLOSURES

a. There were no materially significant related party transactions during the financial year 2017-18 that may have potential conflict with the interests of the Company at large. The detail of the related party transactions as per IND AS 24 are included in the notes to accounts forming part of the Annual Reports.

b. Although the Company is not listed with any stock Exchange, it voluntarily complies with Corporate Governance requirement of the Listing Agreement.

XI. MEANS OF COMMUNICATION

a. The Company has its own website and all the vital information relating to the Company is displayed on the website. Address of the website is www.afcons.com.

b. Annual Report containing Inter alia, Audited Annual Report, Financial Statements, Directors Report, Auditors Report and other important information is circulated to the members and others entitled thereto.

XII. GENERAL SHAREHOLDERS INFORMATION

a.	Annual General Meeting		
	Date	:	27th September, 2018
	Time	:	4.30 pm
	Venue	:	Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Mumbai 400 053
b.	Financial Year	:	1st April to 31st March
c.	Date of Book Closure	:	20th September, 2018 to 27th September, 2018 (both days Inclusive)
d.	ISIN No.	:	INE101I01011
e.	Registrar & Share Transfer Agent	:	Cameo Corporate Service Limited Subramanian Building, 1 Club House Road, Chennai-600002 Tel. No.:044-28460390 Fax No.:044-28460129 Email id.: afcons@cameoindia.com
e.	CIN	:	U45200MH1976PLC019335
f.	Tel	:	+91 22 67191000
g.	Fax	:	+91 2226730027 /1031/0047
h.	Email id	:	rajendran@afcons.com
i.	website	:	www.afcons.com

XIII. SHAREHOLDING PATTERN AS ON 31st MARCH, 2018

Sr. No.	Category	No. of Shares	% of total
1.	Promoter's holding		
	Indian Promoters -Bodies Corporate	70131711	97.45
	Sub total (1)	70131711	97.45
2.	Non Promoters Holding		
	Companies / Bodies Corporate	50000	0.07
	Employees Trust	1191370	1.66
	Directors & their Relatives	110057	0.15
	Employees / Retired Employees / General Public	487100	0.67
	Subtotal (2)	1838527	2.55
	Total (1+2)	71970238	100.00

XIV. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2018

Number of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 to 100	66	14.5374	5431	0.0075
101 to 500	255	56.1674	69771	0.0969
501 to 1000	34	7.4889	26694	0.0370
1001 to 2000	19	4.1850	29184	0.0405
2001 to 3000	7	1. 5418	17616	0.0244
3001 to 4000	9	1.9823	31817	0.0442
4001 to 5000	4	0.8810	18548	0.0257
5001 to 10000	22	4.8458	155056	0.2154
10001 & above	38	8.3700	71616121	99.5079
Total	454	100.0000	71970238	100.0000

XV. Address for Correspondence:

Afcons Infrastructure Limited

Afcons House,16, Shah Industrial Estate,

Veera Desai Road, Azad Nagar, P.O.,

Andheri (W), Mumbai – 400053

Tel.no.: +91 22 67191000

Fax.no.: +91 2226730027 /1031/0047

Website: www.afcons.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFCONS INFRASTRUCTURE LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS standalone financial statements of **Afcons Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated 12 jointly controlled operations as referred to in Note 2 in the standalone financial statements.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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

Other Matter

9. We did not audit the standalone Ind AS financial statements of 10 jointly controlled operations included in the standalone Ind AS financial statements of the Company, which constitute total assets of Rs 1,944 crores and net assets of Rs 7 crores as at March 31, 2018, total revenue of Rs. 1,861 crores, total comprehensive income (comprising of loss and other comprehensive income) of Rs 5 crores and net cash flows amounting to Rs 8 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the standalone Ind AS financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
10. We did not audit the standalone financial statements of 2 jointly controlled operations included in the standalone Ind AS financial statements of the Company which constitute total assets of Rs 134 crores and net liabilities of Rs 20 crores as at March 31, 2018, total revenue of Rs. 0.5 crores, total comprehensive income (comprising of loss and other comprehensive income) of Rs 3 crores and net cash outflows amounting to Rs. 0.1 crores for the year then ended. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the standalone Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid jointly controlled operations is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Company.
11. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited jointly by Deloitte Haskins & Sells, chartered accountants and HDS & Associates LLP, chartered accountants under the Companies Act, 2013 who, vide their report dated June 22, 2017, expressed an unmodified opinion on those financial statements.

    Our opinion is not qualified in respect of this matter

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and reports of other auditor.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account of the Company and Jointly controlled operations.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 30, 39, 40 and 42;

        ii. The Company has long-term contracts including derivative contracts as at 31st March, 2018 for which there were no material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Mumbai
11th June, 2018

For HDS & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K. Joshi
Partner
Membership No. 030035

Mumbai
11th June, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Afcons Infrastructure Limited on the standalone financial statements for the year ended 31st March, 2018

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

1. We have audited the internal financial controls with reference to financial statements of Afcons Infrastructure Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to 12 jointlly controlled operations.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls over financial reporting

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

Opinion

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

For Price Waterhouse
Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Mumbai
11th June, 2018

For HDS & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K. Joshi
Partner
Membership No. 030035

Mumbai
11th June, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Afcons Infrastructure Limited on the standalone financial statements as of and for the year ended 31st March, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. Also refer note 41 of the standalone financial statements.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Also refer note 37 of the standalone financial statements.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax with effect from 1st July, 2017, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of value added tax, sales tax and income tax as at 31st March, 2018, which have not been deposited on account of a dispute, are as follows:

Statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where Dispute is pending
Andhra Pradesh General Sales Tax Act 1957	Sales Tax	0.16	1995-96, 1996-97, 1997-98	Sales Tax appellate Tribunal, Hyderabad
		0.002	1997-98	Appellate Deputy Commissioner of Commercial taxes, Hyderabad
Delhi Value Added Tax Act, 2004		-	2007-08,	Addl. Commissioner (Appeals)
			2008-09	
Karnataka Sales Tax Act, 1957		0.58	2008-09	Joint Commissioner, Mangalore
Madhya Pradesh General Sales Tax Act 1958		0.10	1985-86	Deputy Commissioner
		0.13	1987-88, 1988-89, 1989-90	Addl. Commissioner
Orissa Sales Tax Act, 1947		0.23	1998-99	Appellate Tribunal of Sales Tax, Cuttack
		0.31	1999-00	High Court, Orissa
		0.15	2004-05	Addn. Commissioner of Sales Tax, Bhubaneshwar
Tamilnadu General Sales Tax Act, 1959		0.01	1992-93, 1994-95,	Deputy Commissioner Of Commercial Taxes, Chennai
			1995-96, 1996-97	
West Bengal Sales Tax Act, 1954		0.06	1987-88, 1988-89	West Bengal Commercial Tax Tribunal, Kolkata
		0.11	1994-95	Deputy Commissioner of Commercial Taxes, Durgapur
West Bengal Sales Tax Act, 1954	Sales Tax	2.67	2012-13	Additional Commissioner of Sales Tax
		6.07	2013-14	Deputy Commissioner of Sales Tax

Statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where Dispute is pending
Chapter V, Finance Act,1994	Service Tax	47.29	2007-08,	High Court, Mumbai
			2008-09,	
			2009-10,	
			2010-11	
		0.18	2009-10	Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai
		2.30	2008-2010	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		1.23	2008-09	
		1.01	2008-09	
		60.30	2010-14	
		0.06	2010-11	
		26.60	2007-10	
		6.49	2009-14	
		2.21	2014-15	

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of borrowings to any bank as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him within the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Mumbai
11th June, 2018

For HDS & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K. Joshi
Partner
Membership No. 030035

Mumbai
11th June, 2018

Balance Sheet as at 31st March, 2018

₹ in Crores

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3.A	1,563.92	1,609.18
	(b) Capital work-in-progress		21.74	20.80
	(c) Intangible assets	3.B	1.64	2.18
	(d) Financial assets			
	(i) Investments	4	12.00	109.24
	(ii) Trade receivables	5	125.04	129.65
	(iii) Other financial assets	7	781.90	606.17
	(e) Non current tax assets (net)	11	71.64	74.63
	(f) Other non-current assets	8	90.00	93.23
	Total Non-current Assets		**2,667.88**	**2,645.08**
2	**Current assets**			
	(a) Inventories	9	497.94	515.30
	(b) Financial assets			
	(i) Trade receivables	5	1,327.91	711.78
	(ii) Cash and cash equivalents	10	65.54	21.63
	(iii) Bank balances other than (ii) above	10.1	17.88	19.62
	(iv) Loans	6	159.31	112.64
	(v) Other financial assets	7	2,585.19	2,606.83
	(c) Other current assets	8	280.19	203.43
	Total Current Assets		**4,933.96**	**4,191.23**
	Total Assets (1+2)		**7,601.84**	**6,836.31**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	12	521.97	521.97
	(b) Other equity	13	1,087.78	981.87
	Equity attributable to shareholders of the Company		**1,609.75**	**1,503.84**
2	**Liabilities**			
	(A) Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	755.72	831.20
	(ii) Trade payables	15	195.75	147.85
	(iii) Other financial liabilities	16	209.92	100.39
	(b) Provisions	18	7.76	8.99
	(c) Deferred tax liabilities (net)	21	147.98	124.99
	(d) Other non-current liabilities	17	763.09	486.28
	Total Non-current Liabilities		**2,080.22**	**1,699.70**
	(B) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20	753.91	1,063.27
	(ii) Trade payables	15	1,567.58	1,340.63
	(iii) Other financial liabilities	16	696.47	860.33
	(b) Provisions	18	26.75	24.47
	(c) Current tax liabilities (net)	19	11.21	13.29
	(d) Other current liabilities	17	855.95	330.78
	Total Current Liabilities		**3,911.87**	**3,632.77**
	Total Liabilities (A+B)		**5,992.09**	**5,332.47**
	Total Equity and Liabilities (1+2)		**7,601.84**	**6,836.31**
	See accompanying notes 1 to 43 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

Place: Mumbai
Date: 11th June, 2018

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2018

₹ in Crores

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1	Revenue from operations	22	5,805.31	5,739.66
2	Other income	23	147.76	102.93
3	**Total income (1 + 2)**		**5,953.07**	**5,842.59**
4	**Expenses**			
	(a) Cost of material consumed	24	1,680.38	2,002.31
	(b) Cost of construction	24.1	2,161.54	2,085.42
	(c) Cost of traded Goods	25	64.72	29.99
	(d) Employee benefits expense	26	632.58	585.14
	(e) Finance costs	27	301.97	299.06
	(f) Depreciation and amortisation expense	28	195.20	166.22
	(g) Other expenses	29	707.83	560.59
	Total expenses		**5,744.22**	**5,728.73**
5	**Profit before tax (3 - 4)**		**208.85**	**113.86**
6	**Tax expense:**	21		
	(a) Current tax		56.48	27.01
	(b) Deferred tax		26.08	11.37
	(c) Tax expense / (income) relating to prior year (net)		(2.56)	0.36
			80.00	**38.74**
7	**Profit for the year (5 - 6)**		**128.85**	**75.12**
8	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss			
	(a) Changes in fair value of equity investment measured at FVTOCI		7.72	(3.37)
	(b) Remeasurements of defined benefit plans		(0.85)	(5.60)
	(c) Deferred tax on remeasurement of defined benefit plans		0.30	1.94
	B) Items that may be reclassified to profit or loss			
	(a) Exchange differences on translating the financial statements of a foreign operation		0.27	0.41
	(b) Income tax relating to items that will not be reclassified to profit or loss #		#	-
	# Amount is below the rounding off norms adopted by the Company			
			7.44	**(6.62)**
9	**Total comprehensive income for the year (7 + 8)**		**136.29**	**68.50**
10	**Earnings per share (Face value of ₹ 10 each):**	32		
	(a) Basic		17.90	10.43
	(b) Diluted		3.78	2.20
	See accompanying notes 1 to 43 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

S.P.MISTRY
Chairman
Din:00010114

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S.PARAMASIVAN
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P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

Place: Mumbai
Date: 11th June, 2018

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Statement of changes in equity for the year ended 31st March, 2018

a) Equity share capital ₹ in Crores

Balance as at 1st April, 2017	71.97
Changes in equity share capital	-
Balance as at 31st March, 2018	**71.97**

b) Preference share capital ₹ in Crores

Balance as at 1st April, 2017	450.00
Changes in preference share capital	-
Balance as at 31st March, 2018	**450.00**

c) Other Equity ₹ in Crores

Particulars	Reserve and surplus							Other comprehensive income		Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	Contin-gencies reserve	Debenture redemption reserve	General reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Equity Instru-ments through other compre-hensive income	
Balance as at 1st April, 2016	0.19	0.13	10.28	8.00	44.57	65.70	797.24	(1.64)	14.94	**939.41**
Profit for the year	-	-	-	-	-	-	75.12	-	-	**75.12**
Other comprehensive income for the year	-	-	-	-	-	-	(3.66)	0.41	(3.37)	**(6.62)**
Dividends including tax thereon	-	-	-	-	-	-	(26.04)	-	-	**(26.04)**
Transfer to retained earnings	-	-	-	-	(2.07)	-	2.07	-	-	**-**
Balance as at 31st March, 2017	**0.19**	**0.13**	**10.28**	**8.00**	**42.50**	**65.70**	**844.73**	**(1.23)**	**11.57**	**981.87**
Balance as at 1st April, 2017	0.19	0.13	10.28	8.00	42.50	65.70	844.73	(1.23)	11.57	**981.87**
Profit for the year	-	-	-	-	-	-	128.85	-	-	**128.85**
Other comprehensive income for the year	-	-	-	-	-	-	(0.55)	0.27	7.72	**7.44**
Dividends including tax thereon	-	-	-	-	-	-	(30.38)	-	-	**(30.38)**
Transfer to debenture redemption reserve	-	-	-	-	18.75	-	(18.75)	-	-	**-**
Balance as at 31st March, 2018	**0.19**	**0.13**	**10.28**	**8.00**	**61.25**	**65.70**	**923.90**	**(0.96)**	**19.29**	**1,087.78**

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2018

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash flow from operating activities		
Profit after tax	128.85	75.12
adjustments for :		
Income tax expense recognised in Profit or loss	80.00	38.74
Depreciation and amortisation	195.20	166.22
Loss on sale of fixed assets *(net)*	2.84	2.59
Dividend income recognised in profit or loss	(1.25)	(1.86)
Interest income recognised in profit or loss	(98.98)	(60.96)
Insurance claim received	(9.47)	(15.87)
Finance cost	301.97	299.06
Remeasurement of defined benefit liabilities / (assets) through OCI	(0.55)	(3.66)
Bad/irrecoverable debtors /unbilled revenue /advances / duty scrip w/off	171.19	0.80
Provision for doubtful debtors / advances no longer required written back	(3.05)	(0.44)
Creditors / excess provision written back	(17.46)	(1.96)
Provision for doubtful investment	-	0.36
Reversal of expected credit loss on financial assets	-	(0.14)
Provision for expected credit loss	(0.04)	0.13
Net (gain) / loss arising on financials assets measured at fair value through profit or loss	(0.03)	(0.03)
Provision for projected losses on contract (net)	-	(4.46)
Operating profit before working capital changes	**749.22**	**493.64**
Decrease / (increase) in inventories	17.36	(21.38)
(Increase) in trade receivables	(611.48)	(240.74)
(Increase) in loans and advances and other assets	(338.54)	(0.14)
Increase in trade, other payables and provisions	1,008.53	289.39
Cash from Operations	**825.09**	**520.77**
Direct taxes - (paid) (including interest and refunds)	(56.08)	(48.64)
Net Cash flow from operating activities	**769.01**	**472.13**
Cash flow from investing activities		
Payment for property, plant and equipment	(176.14)	(198.59)
Proceeds from disposal of property, plant and equipment	6.79	6.76
Dividend received	1.25	1.86
Proceeds from sale of Investment	104.97	-
Investment in other bank balance (made) / redeemed	1.74	(14.99)
Interest received	11.53	66.37
Insurance claim received	9.47	15.87
Net Cash flow (used in) investing activities	**(40.39)**	**(122.72)**
Cash flow from financing activities		
Proceeds from long-term borrowings	100.29	189.95
Repayment of long-term borrowings	(142.63)	(266.62)
(Repayment) / proceeds from short term borrowings - net	(309.36)	44.15
Finance cost	(302.63)	(295.94)
Dividend paid on equity shares (including tax thereon) (Interim)	(30.32)	(25.98)
Dividend paid on preference shares (including tax thereon)	(0.06)	(0.06)
Net Cash flow (used in) financing activities	**(684.71)**	**(354.50)**
Net (decrease) in cash and cash equivalents	**43.91**	**(5.09)**
Cash and cash equivalents at the beginning of the year	21.63	26.72
Cash and cash equivalents at the end of the year	**65.54**	**21.63**

Notes

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in Ind AS 7 '*Cash Flow Statements*'.
2. Figures relating to previous year have been recast where necessary to conform to figures of the current year.

Cash Flow Statement for the year ended 31st March, 2018 (Continued)

Net debt reconciliation

(₹ in crores)

Particulars	31st March, 2018	31st March, 2017
Cash and Cash equivalent	65.54	21.63
Liquid investments	17.88	19.62
Current borrowings	(911.66)	(1,188.54)
Non-current borrowings	(755.72)	(831.20)
Net Debt	**(1,583.96)**	**(1,978.49)**

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid investment	Finance lease obligations	Non-current borrowings	Current borrowings	
Net Debt as on 1st April,2016	**26.72**	**4.63**	**-**	**(857.65)**	**(1,208.15)**	**(2,034.45)**
Cash flows	(5.09)	14.99	-	76.67	(44.15)	**42.42**
Foreign exchange adjustments	-	-	-	16.66	-	**16.66**
Interest expense	-	-	-	(57.95)	(213.29)	**(271.24)**
Interest paid	-	-	-	53.65	214.47	**268.12**
Net debt as on 31st March, 2017	**21.63**	**19.62**	**-**	**(768.62)**	**(1,251.12)**	**(1,978.49)**
Cash flows	43.91	(1.74)	-	42.34	309.36	**393.87**
Interest expense	-	-	-	(68.86)	(192.42)	**(261.28)**
Interest paid	-	-	-	69.52	192.42	**261.94**
Net debt as on 31st March,2018	**65.54**	**17.88**	**-**	**(725.62)**	**(941.76)**	**(1,583.96)**

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

Place: Mumbai
Date: 11th June, 2018

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Notes forming part of the financial statements as at and for the year ended 31st March, 2018

Note No 1: Significant Accounting Policies

1.1. General information

Afcons Infrastructure Limited (the "Company" or "Afcons ") is a limited company incorporated in India. Its Parent Company is Shapoorji Pallonji & Company Private Limited.

The address of its registered office is "Afcons House" ,16 Shah Industrial Estate, Veera Desai Road, Andheri (West), Mumbai 400 053 and principal place of business is Mumbai, India. The principal activity of the Company is Infrastructure activities. Afcons has a presence in almost the entire spectrum of infrastructure activities in India and Overseas. The Company is engaged in Marine Works, Highways, Bridges, Metro Works, Power Houses, Tunnels, Oil and Gas, LNG Tanks and other general Civil Engineering Projects both in India and Overseas.

1.2. Basis of preparation and presentation

i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Current versus non-current classification

The balance sheet presents current and non-current assets, and current and non-current liabilities, as separate classifications. For this purpose, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

iii) New standards or interpretations adopted by the Company

The Company has applied the following amendment for the first time for its annual reporting period commencing 1st April, 2018:

Amendment to Ind AS 7 "Statement of Cash Flows"

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of standalone financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The adoption of this amendment did not have any material impact on the amounts recognised in the financial statements.

iv) New standards or interpretations issued by but not yet effective

The Company will apply the following standard for the first time for its annual reporting period commencing 1st April, 2018:

a) Ind AS 115 – Revenue from contracts with customers

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1st April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1st April 2018 and that comparatives will not be restated.

The Management is in the process of evaluating the impact of adoption of the same.

b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

This appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

(a) The appendix can be applied:

(b) retrospectively for each period presented applying Ind AS 8;

prospectively to items in scope of the appendix that are initially recognised

- on or after the beginning of the reporting period in which the appendix is first applied (i.e. 1st April 2018 for entities with March year-end); or
- from the beginning of a prior reporting period presented as comparative information (i.e. 1st April 2017 for entities with March year-end).

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1st April 2018).

The Management is in the process of evaluating the impact of adoption of the same.

v) Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.2.1 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Interest in joint operations is recognised as below.

a) Its assets, including its share of any assets held jointly;
b) Its liabilities, including its share of any liabilities incurred jointly;
c) Its revenue from the sale of the output arising from the joint operation;
d) Its share of the revenue from the sale of the output by the joint operation and
e) Its expenses, including its share of any expenses incurred jointly.

1.2.2 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and rebates but excludes Goods and Service Tax (GST), Works Contract Tax (WCT), Value Added Tax (VAT) and amount collected on behalf of third parties.

Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Contract revenue is measured at the fair value of the consideration received or receivable.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that its receipt is considered probable and the amounts are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the statement of profit and loss in the period in which the change is made and in subsequent periods.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

Contract revenue in case of 'Cost Plus' contracts are determined by adding the aggregate cost plus proportionate margin as agreed with the customer.

Contract cost include cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other costs as are specifically chargeable to the customer under the terms of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the statement of profit and loss in the period in which such probability occurs.

Claims and amounts in respect thereof are recognised only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be reliably measured. In the case of Arbitration Awards (the "Awards") which are granted in favor of the Company, the award amount (including interest thereon), are accounted when they are granted and where it is reasonable to expect ultimate collection of such awards.

The Company evaluates whether it is acting as a principal or agent by considering a number of factors, including, among other things, whether the Company is the primary obligor under the arrangement, has inventory risk, has customer's credit risk and has latitude in establishing prices. Where the Company is the principal in the transaction, revenue and related costs are recorded at their gross values. Where the Company is effectively the agent in the transaction, revenue and related costs are recorded at their net values.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rendering of Services

Revenue from rendering of services is measured at fair value of consideration received or receivable. Revenue is recognised over the life of the contract using percentage completion method and when the outcome of the transaction is estimated reliably.

The outcome of a transaction is estimated reliably when all the following conditions are satisfied:

a) the amount of revenue can be measured reliably;

b) it is probable that the economic benefits associated with the transaction will flow to the entity;

c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

1.2.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

1.2.4 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is Company`s functional and presentation currency.

(ii) Transactions and balances

In preparing the financial statements of the entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Any exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognised in the financial statement until the year ended 31st March, 2016, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statements, the assets and liabilities of the Company’s foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

1.2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.2.6 Employee benefits

1.2.6.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and leave encashment.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the financial statement represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

1.2.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date.

1.2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.2.7.1 Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.2.7.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted bv the end of the reporting period and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income.

1.2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.2.8 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. It also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the recognition criteria.

Carrying amount of items replaced is derecognised. Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised (if they meet the asset recognition criteria) and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Estimated useful lives of the assets are as follows:

Buildings - 60 years

Furniture and Fixtures - 10 years

Vehicles - 10 years

Office equipments - 5 years

Freehold land is not depreciated.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

For following assets estimated useful life is different than the useful life prescribed in schedule II to the Companies Act, 2013 and has been assessed on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant & Equipment (except Tunnel Boring Machines) which includes Cranes < 100 mt., Concreting, Crushing, Piling, Road making, Laboratory & Welding Equipments, Floating Equipments - 20 Years.

Tunnel Boring Machines - Length of the tunnel bored over life of the construction project for where it is used.

Cost of shuttering materials, issued to jobs, is charged off equally over a period of four years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.2.8.1 Capital work-in-progress

Projects under property, plant and equipment that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.2.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Useful life is as below:

Computer Software - 5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses from derecognition of intangible assets, measured at the difference between the net disposal proceeds and the carrying amount of the assets are recognised in profit or loss when the asset is derecognised.

1.2.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on the basis of weighted average method.

1.2.12 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised. Information on contingent liabilities is disclosed in the notes forming part of financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

1.2.13 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

1.2.14 Financial assets

Classification and subsequent measurement of financial assets:

1.2.14.1 Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

1.2.14.2 Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income: Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity instruments

Investments in equity instruments at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

1.2.14.3 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

1.2.14.4 Effective Interest Method

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the consolidated statement of profit and loss.

1.2.14.5 De-recognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

1.2.14.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

1.2.15 Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1.2.15.1 Classification and subsequent measurement

Financial liabilities are measured at amortised cost.

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.2.15.2 De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.2.15.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' as 'Net foreign exchange gains/(losses)'.

1.2.16 Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

1.2.17 Government grants, subsidies and export incentives

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

Ordinary shares to be issued upon conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

1.2.19 Credit risk

The Company assess on a forward looking basis the expected credit losses associated with its assets measured at amortised cost which includes lease receivables, trade receivables, other contractual rights to receive cash etc. The impairment methodology applied depends on whether there has been a significant increase in the credit risk since initial recognition of these financial assets. For the evaluation, the Company considers historical credit loss experience and adjusted for forward-looking information. Note 43.8 details how the Company determines whether there has been a significant increase in credit risk.

1.3. Critical estimates and judgements

a) Revenue recognition

The Company's revenue recognition policy, which is set out in Note 1.2.2, is central to how the Company values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of long-term construction services, which require assessments and judgements to be made on changes in scope of work and claims and variations.

Across construction services there are several long-term and complex projects where the Company has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract.

- Determination of stage of completion;
- Estimation of project completion date;
- Provisions for foreseeable losses; and
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

b) Taxation

The Company is subject to tax in a number of jurisdictions and judgement is required in determining the worldwide provision for income taxes. The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved it is not expected that such contingencies will have material effect on its financial position or profitability.

d) Useful lives of property, plant and equipment

As described at note 1.2.8 above, the Company reviews the estimated useful lives of property, plant and equipment and residual values at the end of each reporting period. There was no change in the useful life and residual values of property, plant and equipment as compared to previous year.

e) Recoverable value of recognised receivables

The Company has recognised trade receivables with a carrying value of ₹ 1,452.95 Crores (as at 31st March, 2017: ₹ 841.43 Crores). The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable.

The Company has a policy of assessing the creditworthiness of potential customers before entering into transactions by performing a credit evaluation on the financial condition of accounts receivable using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable. The expected credit loss allowance for trade receivables is made based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Where the actual cash shortfalls vary from those estimated, these could impact the level of profit or loss recognised by the Company.

f) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

g) Retirement benefit obligations

Details of the Company's defined benefit pension schemes are set out in Note 1.2.6, including tables showing the sensitivity of the pension scheme obligations and assets to different actuarial assumptions.

At 31st March, 2018 the retirement benefit liability recognised on the Company's balance sheet was ₹ 15.29 Crores (as at 31st March, 2017 ₹ 15.47 Crores). The effects of changes in the actuarial assumptions underlying the benefit obligation and discount rates and the differences between expected and actual returns on the schemes' assets are classified as actuarial gains and losses. For the year ended the Company recognised net actuarial losses of ₹ 0.85 Crores in Other Comprehensive Income (as at 31st March, 2017 ₹ 5.60 Crores loss), including its share of the actuarial gains and losses arising in joint operations and associates.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

h) Arbitration claims

The forecast profit on contracts includes key judgements over the expected recovery of costs arising from the following: variations to the contract requested by the customer, compensation events, and claims made by the Company for delays or other additional costs for which the customer is liable. These claims could result in disputes that get settled through an arbitration process wherein the outcome of these awards including the timing and the amount (including interest thereon) requires a reasonable degree of estimation. The inclusion of these amounts requires estimation of their recoverability and could impact the level of profit or loss recognised by the Company.

i) Classification of assets / liabilities as Current and Non-current

The balance sheet presents current and non-current assets and current and non-current liabilities, as separate classifications. This classification involves managements estimate on expected realisation of assets and settlement of liabilities within 12 months after the reporting period.

j) Classification of Joint Arrangement as a Joint Operation /Joint Venture

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When an entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

a) Its assets, including its share of any assets held jointly;

b) Its liabilities, including its share of any liabilities incurred jointly;

c) Its revenue from the sale of the output arising from the joint operation;

d) Its share of the revenue from the sale of the output by the joint operation and

e) Its expenses, including its share of any expenses incurred jointly.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Accordingly, the Company has evaluated all its joint arrangements on the basis of the contractual arrangements entered into between the parties to the joint arrangements for execution of the project irrespective of the legal form.

Note No 2. Details of Joint Operations at the end of the reporting period are as follows.

Name of joint operations	Country of incorporation	Percentage holding-share
Transtonnelstroy Afcons Joint Venture	India	99%
Dahej Standby Jetty Project undertaking	India	100%
Afcons Gunanusa Joint Venture	India	80%
Afcons Pauling Joint Venture	India	100%
Strabag AG Afcons Joint Venture	India	40%
Saipem Afcons Joint Venture	Oman	50%
Ircon Afcons Joint Venture	India	47%
Afcons Sener LNG Construction Projects Pvt.Ltd.	India	49%
Afcons Sibmost Joint Venture (w.e.f. 3rd August, 2016)	India	100%
Afcons Vijeta PES Joint Venture (w.e.f. 25th May, 2016)	India	100%
Afcons SMC Joint Venture (w.e.f. 14th July, 2016)	India	100%
Afcons Vijeta Joint Venture (w.e.f. 2nd August, 2017)	India	100%

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 3. Property, plant and equipments

A. Tangible assets

₹ in Crores

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2017	Additions	Disposals	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Depreciation for the year	Disposal	Balance as at 31st March, 2018	Balance as at 31st March, 2018
(a) Freehold land	203.00	-	-	203.00	-	-	-	-	203.00
(b) Buildings	34.63	7.31	(0.09)	41.85	15.70	0.87	#	16.57	25.28
(c) Plant and equipment	1,781.59	92.70	(52.36)	1,821.93	715.53	135.02	(43.54)	807.01	1,014.92
(d) Furniture and fixtures	36.66	5.67	(0.65)	41.68	12.66	3.53	(0.30)	15.89	25.79
(e) Vehicles	19.50	4.26	(0.59)	23.17	7.87	1.60	(0.40)	9.07	14.10
(f) Office equipments	39.40	8.26	(0.98)	46.68	27.11	4.64	(0.89)	30.86	15.82
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	220.18	-	(1.92)	218.26	30.42	14.38	(1.83)	42.97	175.29
(i) Laboratory equipments	2.00	0.53	-	2.53	0.53	0.09	-	0.62	1.91
(j) Shuttering materials	90.83	26.30	-	117.13	34.93	25.39	-	60.32	56.81
(k) Accessories and attachments	43.18	13.66	-	56.84	17.04	8.80	-	25.84	31.00
Total	**2,473.76**	**158.69**	**(56.59)**	**2,575.86**	**864.58**	**194.32**	**(46.96)**	**1,011.94**	**1,563.92**

Previous year

₹ in Crores

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2016	Additions	Disposals	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation for the year	Disposal	Balance as at 31st March, 2017	Balance as at 31st March, 2017
(a) Freehold land	203.00	-	-	203.00	-	-	-	-	203.00
(b) Buildings	32.59	2.04	-	34.63	14.98	0.72	-	15.70	18.93
(c) Plant and equipment	1,535.45	261.12	(14.98)	1,781.59	610.75	115.76	(10.98)	715.53	1,066.06
(d) Furniture and fixtures	33.34	3.66	(0.34)	36.66	9.56	3.20	(0.10)	12.66	24.00
(e) Vehicles	18.36	1.65	(0.51)	19.50	6.23	1.95	(0.31)	7.87	11.63
(f) Office equipments	34.35	5.28	(0.23)	39.40	23.36	3.93	(0.18)	27.11	12.29
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	220.26	0.36	(0.44)	220.18	16.31	14.54	(0.43)	30.42	189.76
(i) Laboratory equipments	0.85	1.15	-	2.00	0.49	0.04	-	0.53	1.47
(j) Shuttering materials	72.65	18.18	-	90.83	18.44	16.49	-	34.93	55.90
(k) Accessories and attachments	34.00	9.18	-	43.18	8.70	8.34	-	17.04	26.14
Total	**2,187.64**	**302.62**	**(16.50)**	**2,473.76**	**711.61**	**164.97**	**(12.00)**	**864.58**	**1,609.18**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 3. Property, plant and equipments (Contd.)

Notes:

(1) Additions for the year includes foreign exchange capitalised during the year amounting to ₹ Nil (previous Year ₹ 10.69 crores).

(2) Freehold land with a carrying amount of ₹ 203.00 crores (as at 31st March 2017 ₹ 203.00 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Buildings carrying amount of ₹ 25.28 crores (as at 31st March 2017 ₹ 18.93 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Movable Plant and machinery, construction equipments, machinery spares, tools and accessories with a carrying amount of ₹ 1,234.63 Crores (as at 31st March 2017 ₹ 1,287.10 Crores) has been secured by way of hypothecation in favour of term lenders and consortium banks have been secured through Indenture of Mortgage. Refer Note No. 14.

(3) # Amount is below the rounding off norms adopted by the Company.

B. Intangible assets

₹ in crores

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2017	Additions	Disposals	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Amortisation for the year	Disposal	Balance as at 31st March, 2018	Balance as at 31st March, 2018
Computer software - acquired	11.70	0.34	-	12.04	9.52	0.88	-	10.40	1.64
Total	**11.70**	**0.34**	**-**	**12.04**	**9.52**	**0.88**	**-**	**10.40**	**1.64**

Previous year

₹ in crores

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2016	Additions	Disposals	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Amortisation for the year	Disposal	Balance as at 31st March, 2017	Balance as at 31st March, 2017
Computer software - acquired	10.99	0.71	-	11.70	8.27	1.25	-	9.52	2.18
Total	**10.99**	**0.71**	**-**	**11.70**	**8.27**	**1.25**	**-**	**9.52**	**2.18**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 4. Non-current investments

	Particulars	Face Value	As at 31st March, 2018 Quantity	As at 31st March, 2018 Amount	As at 31st March, 2017 Quantity	As at 31st March, 2017 Amount
				₹ in Crores		₹ in Crores
A.	**Investments at cost**					
	Unquoted investments (fully paid)					
(a)	Investment in equity instruments :					
	(i) of subsidiaries					
	Hazarat & Co.Pvt.Ltd.	₹ 10	202,610	0.20	202,610	0.20
	Afcons Offshore & Marine Services Pvt. Ltd.	₹ 10	100,000	0.26	100,000	0.26
	Afcons Corrosion Protection Pvt. Ltd.	₹ 10	80,000	0.06	80,000	0.06
	Afcons Construction Mideast LLC.*	AED 1000	147	0.18	147	0.18
	Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL.*	KD 1200	49	0.96	49	0.96
	Afcons Mauritius Infrastructure Ltd.	Euro 1	1,100,000	9.17	1,100,000	9.17
	Acons Overseas Singapore Pte. Ltd.	SGD 1	50,000	0.24	50,000	0.24
	Afcons Saudi Constructions LLC	SAR 100	4,750	0.80	4,750	0.80
	(ii) of associates					
	Afcons (Mideast) Constructions & Investments Pvt. Ltd.	₹ 100	1	#	1	#
				11.87		11.87
	Less: Provision for diminution in value of investment ^			0.36		0.36
				11.51		**11.51**
	^ Provision is for Afcons Saudi Constructions LLC					
	* Subsidiary on the basis of control on the composition of the board of directors.					
	Investments carried at Cost (A)			**11.51**		**11.51**
B.	**Investment in equity instruments at fair value through other comprehensive income**					
	Quoted investments (fully paid)					
(a)	Investment in equity instruments :					
	Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	0.44	40,072	0.31
	Hindustan Construction Co. Ltd.	₹ 1	2,000	#	2,000	0.01
	Simplex Infrastructures Ltd.	₹ 2	500	0.03	500	0.02
	ITD Cementation India Ltd.	₹ 1	1,000	0.02	1,000	0.02
	Gammon India Ltd.	₹ 2	250	#	250	#
	Tata Consultancy Services Ltd.	₹ 1	-	-	400,000	97.24
	Total aggregate quoted investments			**0.49**		**97.60**
	Unquoted investments (fully paid)					
(b)	Investment in equity instruments :					
	Simar Port Ltd.	₹ 10	1,000	#	1,000	#
	Afcons Overseas Construction LLC, Qatar.	QAR 1000	-	-	98	0.15
				-		0.15
	Less: Provision for diminution in value of investment @			-		0.15
	Total aggregate unquoted investments			**-**		**-**
	@ Provision is for Afcons Overseas Construction LLC, Qatar					
	# Amount is below the rounding off norms adopted by the Company.					
C.	**Investment at fair value through profit or loss**					
(a)	**Investment in mutual funds :**					
	Quoted:					
	SBI Infrastructure Fund	₹ 10	-	-	50,000	0.07
	UTI Infrastructure Fund - Growth Plan	₹ 10	-	-	12,731	0.06
				-		0.13
	Total aggregate mutual fund investment			-		0.13
	Total investments carrying value (A+B+C)			**12.00**		**109.24**
	Aggregate amount of quoted investments			0.30		86.13
	Aggregate market value of quoted investments			0.49		97.73
	Aggregate carrying value of unquoted investments			11.51		11.51

Category-wise Other Investments - As per Ind-AS 109 classification: ₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets measured at FVTPL - mutual fund	-	0.13
Financial assets measured at FVTOCI - equity instruments	0.49	97.60
Financial Assets measured at amortised cost	11.51	11.51
	12.00	**109.24**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 5. Trade receivables

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
i) Unsecured, considered good	1,327.91	125.04	711.78	129.65
ii) Doubtful	-	20.59	-	20.63
	1,327.91	145.63	711.78	150.28
Less: Allowance for expected credit losses	-	20.59	-	20.63
	1,327.91	125.04	711.78	129.65
Total	**1,327.91**	**125.04**	**711.78**	**129.65**

Note No 5.1 - Movement in the expected credit loss allowance

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Balance at beginning of the year	-	20.63	-	20.50
Add : Created during the year	-	1.78	-	0.71
Less : Utilised during the year	-	1.82	-	0.58
Balance at end of the year	**-**	**20.59**	**-**	**20.63**

Note No 6. Loans

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Advances to related parties (unsecured, considered good)				
To Subsidiaries / fellow subsidiaries	112.21	-	56.03	-
To Joint operations	47.10	-	56.61	-
Total	**159.31**	**-**	**112.64**	**-**

These financial assets are carried at amortised cost

Note No 7. Other financial assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Amounts due from customer under construction contracts				
Unsecured, considered good	2,358.79	655.79	2,459.34	484.69
Doubtful	-	-	-	1.22
	2,358.79	655.79	2,459.34	485.91
Less: doubtful provision	-	-	-	1.22
	2,358.79	655.79	2,459.34	484.69
(b) Interest on trade receivables as per arbitration awards	219.41	116.22	136.58	111.60
(c) Others	0.38	-	1.40	-
(d) Deposits (unsecured, considered good)				
(i) Security deposits	6.53	8.82	9.48	9.03
(ii) Other deposits	0.08	1.07	0.03	0.85
	6.61	9.89	9.51	9.88
(e) Other loans and advances (doubtful)	-	0.16	-	0.64
Less: provision for other doubtful loans and advances	-	0.16	-	0.64
	-	-	-	-
Total	**2,585.19**	**781.90**	**2,606.83**	**606.17**

Note No 7.1 Amounts due from (to) customers under construction contracts

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Contracts in progress at the end of the reporting period:		
Construction cost incurred plus recognised profits less recognised loss to date	19,869.90	17,895.43
Less : Progress billings	17,252.69	15,079.47
	2,617.21	**2,815.96**
Recognised and included in the financial statements as amounts due:		
- from customers under construction contracts	3,014.58	2,944.03
- to customers under construction contracts	(397.37)	(128.07)
	2,617.21	**2,815.96**

As at 31st March, 2018, retentions held by customers for contract work amounted to ₹ 266.83 crores (As at 31st March, 2017 ₹ 188.88 crores). Advances received from customers for contract work amounted to ₹ 1,642.88 crores (As at 31st March, 2017 ₹ 1,354.93 crores)

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 8. Other non-current and current assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Capital advances	16.77	-	-	0.60
(b) Prepayments	19.27	8.54	59.14	3.96
(c) Balances with government authorities				
(i) GST / VAT credit receivable	99.26	59.24	24.14	66.48
(ii) Service tax credit receivable	3.53	22.22	17.47	22.19
(iii) Income tax refund receivable	-	-	4.00	-
(iv) Duty credit receivables	1.57	-	0.48	-
	104.36	81.46	46.09	88.67
(d) Others				
(i) Advance to vendors and others	107.81	-	68.70	-
(ii) Other receivables	30.94	-	27.55	-
(iii) Advances to employees	1.04	-	1.95	-
Total	**280.19**	**90.00**	**203.43**	**93.23**

Note No 9. Inventories

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Construction materials - at lower of cost and net realisable value		
Steel	242.12	211.30
Aggregate	35.25	47.28
Other construction material	45.60	55.96
	322.97	314.54
(b) Stores and spares - at lower of cost and net realisable value	174.97	200.76
	174.97	200.76
Total	**497.94**	**515.30**

Note No 10. Cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Balances with banks	64.52	20.89
(b) Cash on hand	1.02	0.74
Total cash and cash equivalents	**65.54**	**21.63**

Note No 10.1. Bank balance other than cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Earmarked balance with banks		
- Unpaid dividend accounts	0.58	0.54
- Balances held as margin money or security against borrowings, guarantees and other commitments	0.26	0.09
- Other earmarked accounts / escrow account Investment in term deposit	0.52	18.68
Bank deposit with original maturity of more than three months but less than twelve months.	16.52	0.31
Total	**17.88**	**19.62**

Note No 11. Non current tax assets (Net)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance income tax (net of provisions ₹ 37.82 crores) (As at 31st March, 2017 ₹ 74.74.crores)	71.64	74.63
Total	**71.64**	**74.63**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 12. Share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	₹ in Crores	Number of shares	₹ in Crores
(a) Authorised				
Equity shares of ₹ 10 each.	350,000,000	350.00	350,000,000	350.00
Preference shares of ₹ 10 each.	650,000,000	650.00	650,000,000	650.00
	1,000,000,000	**1,000.00**	1,000,000,000	1,000.00
(b) Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each. (Refer note 12.1 below)	71,970,238	71.97	71,970,238	71.97
0.01% Non cumulative and non profit participatory convertible preference shares of ₹ 10 each. (Refer note 12.2 below)	100,000,000	100.00	100,000,000	100.00
0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.3 below)	250,000,000	250.00	250,000,000	250.00
0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.4 below)	100,000,000	100.00	100,000,000	100.00
Total	**521,970,238**	**521.97**	**521,970,238**	**521.97**

12.1 Rights, preferences and restrictions attached to equity shares:

(a) Rights to receive dividend as may be approved by the board / annual general meeting.

(b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

(c) Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company.

12.2 Rights, preferences and restrictions attached to 0.01% Non Cumulative and non profit participatory convertible preference shares:

(a) The preference shares shall be non- cumulative and non profit participating convertible preference shares carrying a fixed rate of dividend of 0.01% per annum to be paid in priority to the holders of any other class of shares.

(b) The preference shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the preference shares mentioned in note iii(a) below.

(c) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

12.3 Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares shall be automatically and mandatorily converted into equity shares on 13th January, 2019 ("mandatory conversion date") i.e. on the eleventh year from the issue date. The mandatory conversion date of the 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares has been revised from 13th January, 2013 (5th year from the date of issue) to 13th January, 2019 (11th year from the date of issue) in terms of the consent letter obtained from the preference shareholder and the special resolution passed by the members of the Company at the extra ordinary general meeting of the Company held on 10th January, 2013.

(b) On mandatory conversion date, the preference shares shall be converted into such number of equity shares of the Company constituting 74% of the outstanding equity share capital and convertible preference shares of the Company calculated on a fully diluted basis on the date of issue (i.e. 13th January, 2008) resulting into 24,65,40,258 equity shares.

(c) The preference shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it.

(e) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

12.4 Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares shall be automatically and mandatorily converted into equity shares on 21st March, 2019 ("mandatory conversion date") i.e. on the expiry of five year from the issue date.

(b) On mandatory conversion date, the preference shares shall be converted into such number of equity shares of the Company at the price of ₹ 132 per equity shares (consisting of par of ₹ 10 and a premium of ₹ 122).

(c) The preference shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it.

(e) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 12.5 Reconciliation of number of equity shares of the Company and amount outstanding at the beginning and at the end of the year.

Particulars	Numbers (in crores)	₹ in crores
Equity shares outstanding as at 31st March, 2017	7.20	71.97
Add: Shares issued during the year	-	-
Equity shares outstanding as at 31st March, 2018	**7.20**	**71.97**

Note No 12.6 Details of shares held by each shareholder holding more than 5% of shares of the Company:

Class of shares / name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Company Private Limited	49,083,282	68.20	49,053,819	68.16
Floreat Investments Limited	13,015,929	18.09	13,015,929	18.09
Renaissance Commerce Private Limited	4,016,250	5.58	4,016,250	5.58
Hermes Commerce Limited	4,016,250	5.58	4,016,250	5.58
0.01% Non cumulative and non profit participatory convertible preference shares				
Floreat Investments Limited	100,000,000	100.00	100,000,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Goswami Infratech Private Limited	250,000,000	100.00	250,000,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Shapoorji Pallonji & Company Private Limited	100,000,000	100.00	100,000,000	100.00

Note No 12.7 Details of shares held by the holding Company, their subsidiaries and associates:

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Equity shares	0.01% Non cumulative and non profit participatory convertible preference shares	0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares	Equity shares	0.01% Non cumulative and non profit participatory convertible preference shares	0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares
	Number of shares			Number of shares		
Shapoorji Pallonji & Company Private Limited, the holding Company	49,083,282	-	100,000,000	49,053,819	-	100,000,000
Subsidiaries of the holding Company:						
Floreat Investments Limited (FIL)	13,015,929	100,000,000	-	13,015,929	100,000,000	-
Renaissance Commerce Private Limited	4,016,250	-	-	4,016,250	-	-
Hermes Commerce Limited	4,016,250	-	-	4,016,250	-	-

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 13. Other Equity

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital reserve	0.19	0.19
Capital redemption reserve	0.13	0.13
Securities premium account	10.28	10.28
Contingencies reserve	8.00	8.00
Debenture redemption reserve	61.25	42.50
General reserve	65.70	65.70
Foreign currency translation reserve	(0.96)	(1.23)
Retained earnings	923.90	844.73
Reserve through other comprehensive income	19.29	11.57
Total	**1,087.78**	**981.87**

Movement in other equity:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Capital reserve		
Opening balance	0.19	0.19
Closing balance	0.19	0.19
(b) Capital redemption reserve		
Opening balance	0.13	0.13
Closing balance	0.13	0.13
(c) Securities premium account		
Opening balance	10.28	10.28
Closing balance	10.28	10.28
(d) Contingencies reserve		
Opening balance	8.00	8.00
Closing balance	8.00	8.00
(e) Debenture redemption reserve		
Opening balance	42.50	44.57
Add : Transferred from surplus in statement of profit and loss	18.75	(2.07)
Closing balance	61.25	42.50
(f) General reserve		
Opening balance	65.70	65.70
Closing balance	65.70	65.70
(g) Foreign currency translation reserve		
Opening balance	(1.23)	(1.64)
Add : transferred from surplus in statement of profit and loss	0.27	0.41
Closing balance	(0.96)	(1.23)
(h) Surplus in statement of profit and loss		
Opening balance	844.73	797.24
Add: Profit for the year	128.85	75.12
Add: Other items classified to other comprehensive income	(0.55)	(3.66)
Less: Appropriations		
Interim dividend on equity shares (₹ 3.50 per share) (previous Year ₹ 3.00 per share)	25.19	21.59
Dividend on preference shares (₹ 0.001 per share) (previous Year ₹ 0.001 per share)	0.05	0.05
Tax on dividend	5.14	4.40
Transferred to debenture redemption reserve	18.75	(2.07)
Closing balance	923.90	844.73
(i) Reserve for equity instruments through other comprehensive income		
Opening balance	11.57	14.94
Add: Net fair value gain/(loss) on investments in equity instruments measured at FVTOCI	7.72	(3.37)
Closing balance	19.29	11.57
Total	**1,087.78**	**981.87**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 13. Other Equity (Continued)
Nature and purpose of each reserve within other equity

Capital reserve

The capital reserve is on account of acquisition of subsidiary Companies

Capital redemption reserve

As per the provisions of Companies Act, capital redemption reserve is created out of the general reserve for the amount equivalent to the paid up capital of shares bought back by the Company.

Securities premium account

Where Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” as per the provisions of applicable Companies Act. This reserve is utilized as per the provisions of the Companies Act.

Debenture redemption reserve

The Companies Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The amounts credited to the debenture redemption reserve may not be utilized by the Company except to redeem debentures

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the foreign operations from their functional currencies to the presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earning and dividend on equity shares:

This represent the surplus / (deficit) of the profit or loss. The amount that can be distributed by the Company to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

On 21st March, 2018, an interim dividend of ₹ 3.50 per share (total dividend ₹ 25.19 crores) was paid to holders of fully paid equity shares.

Reserve for equity instrument measured through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

Note No 14. Non current borrowings

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
(a) Debentures (Unsecured) (Refer note 14.1)	350.00	400.00
(b) Working capital loans (Refer note 14.2 (i))		
From banks (Secured)	25.00	50.00
(c) Equipment loan from banks (Secured) (Refer note 14.2 (ii))		
Rupee loan	333.34	307.00
Foreign currency loan	39.04	58.37
(d) Other loans and advances (Refer note 14.2 (iii))		
Foreign currency loan (Secured)		
Buyers credit from banks	8.34	15.83
Total	**755.72**	**831.20**

14.1 Details of debentures

₹ in Crores

Particulars	Terms of repayment	As at 31st March, 2018		As at 31st March, 2017	
		Secured	Unsecured	Secured	Unsecured
Unsecured, redeemable, unlisted, non-convertible debentures (NCDs)					
i) 9.99% NCDs	Refer note 14.1 (i) below	-	-	-	50.00
ii) 9.87% NCDs	Refer note 14.1 (ii) below	-	50.00	-	50.00
iii) 9.05% NCDs	Refer note 14.1 (iii) below	-	100.00	-	100.00
iv) 8.60% NCDs	Refer note 14.1 (iv) below	-	100.00	-	100.00
v) 8.65% NCDs	Refer note 14.1 (v) below	-	100.00	-	100.00
Total Non-Convertible Debentures		**-**	**350.00**	**-**	**400.00**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 14. Non current borrowings (Continued)

Notes:

14.1 (i) The NCDs carry interest @ 9.99% per annum payable annually and are redeemable in full on 26th April, 2018 (i.e. at the end of 3 years and 40 days from the date of allotment).

14.1 (ii) The NCDs carry interest @ 9.87% per annum payable semi annually and are redeemable in full on 6th April, 2020 (i.e. at the end of 5 years and 20 days from the date of allotment).

14.1 (iii) The NCDs carry interest @ 9.05% per annum payable semi annually and are redeemable in full on 15th January, 2021 (i.e. at the end of 5 years from the date of allotment). The NCDs carry a Put option to the holders and Call option to the Company to get the NCDs redeemed at any time after 30th April, 2019 (i.e. 3 years 3 months and 16 days from the date of allotment), by giving 30 days notice to the other party.

14.1 (iv) The NCDs carry interest @ 8.60% per annum payable annually and are redeemable in full on 6th September, 2021 (i.e. at the end of 5 years from the date of issue).

14.1 (v) The NCDs carry interest @ 8.65% per annum payable annually and are redeemable in full on 23rd February, 2022 (i.e. at the end of 5 years from the date of issue).

14.2 Details of terms of repayment of long-term borrowings from banks and security provided in respect thereof:

₹ in Crores

Particulars	Terms of repayment and security	As at 31st March, 2018		As at 31st March, 2017	
		Secured	Unsecured	Secured	Unsecured
14.2 (i) Working capital loans from banks					
State Bank of India	Refer Note 14.2 (iv) & 14.2 (v) below	25.00	-	50.00	-
Total - Term loan		**25.00**	**-**	**50.00**	**-**
14.2 (ii) Equipment loan from banks					
Rupee loan:					
Axis Bank	Refer Note 14.2 (vi) below	200.00	-	100.00	-
State Bank of India		133.34	-	207.00	-
Foreign currency loan (ECB):					
Societe Generale		39.04	-	58.37	-
Total - Equipment loan		**372.38**	**-**	**365.37**	**-**
14.2 (iii) Other loans and advances from banks - Buyer's credit foreign currency loans					
Yes Bank	Refer Note 14.2 (vii) below	2.70	-	7.36	-
Axis Bank		2.82	-	5.65	-
Kotak Mahindra Bank		2.82	-	2.82	-
Total - Other loans and advances		**8.34**	**-**	**15.83**	**-**
Total long-term borrowings from banks		**405.72**	**-**	**431.20**	**-**

14.2 (iv) Working capital loan from State Bank of India is secured by second charge on plant and machinery.

14.2 (v) Working capital loan from State Bank of India carries interest at 9.15% per annum. The repayment schedule of the loan is as follows:

As at 31st March, 2018 ₹ in Crores

Bank name	Loan amount	Repayment in 2019-20
State Bank of India	25.00	1 installment of 25.00

14.2 (vi) Secured by first pari passu charge on plant & machinery. The rupee loan of Axis Bank Limited carry interest @ 8.90% per annum and State Bank of India carry interest ranging from 9.30% to 9.35% per annum. Foreign currency loans carry interest @ 4.9538% per annum. The repayment schedule of the loans are as follows :

As at 31st March, 2018 ₹ in Crores

Nature	Bank name	Loan amount	Repayment schedule
Rupee Loan	Axis Bank Ltd.	200.00	Each annual installment of ₹ 40 crores upto 2023-24
	State Bank of India	133.34	Each annual installment of ₹ 33.33 crores upto 2022-23
Foreign Currency Loan	Societe Generale	39.04	Semi annual installment of ₹ 9.76 crores upto 2020-21

14.2 (vii) Secured by first charge by way of equitable mortgage on the immovable properties of the Company situated at Andheri, Mumbai on a pari passu basis. Company's stock of construction material, stores, WIP, book debt is further secured under IOM and first charge on movable plant & machinery of the Company upto 50% of the fund based limits with other term lenders on pari passu basis and also by goods covered under letters of credit. The loan carry interest ranging from 2.36% to 2.40% per annum.

Repayment schedule of buyer's credit foreign currency loans are as follows:

As at 31st March, 2018 ₹ in Crores

Nature	Bank name	Loan amount	Repayment in 2019-20
Buyer's Credit	Yes Bank	2.70	2.70
	Axis Bank	2.82	2.82
	Kotak Mahindra Bank	2.82	2.82

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 15. Trade payables ₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Trade payables for goods and services	1,567.58	195.75	1,340.63	147.85
Total	**1,567.58**	**195.75**	1,340.63	147.85

Disclosures as required under the micro, small and medium enterprises development Act, 2006 (MSMED Act) ₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	5.52	3.32
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	0.09	0.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act,beyond the appointed day during the period	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier periods	0.09	0.18

Note No 16. Other financial liabilities ₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Current maturities of long-term debt (Refer note 16.1 below)	149.44	-	116.30	-
(b) Amount due to customers	397.37	-	128.07	-
(c) Advances from customers	87.70	138.24	541.68	36.73
(d) Interest accrued but not due on borrowings	8.31	-	8.97	-
(e) Unclaimed / unpaid dividends #	0.58	-	0.54	-
(f) Interest accrued on advance from customers	0.87	-	10.90	-
(g) Other payables				
(i) Trade / security deposits received	31.32	-	36.73	-
(ii) Amount received on invocation of bank guarantees	-	71.67	-	63.65
(iii) Distribution of profit payable to member of JV	-	0.01	-	0.01
(iv) Others	20.88	-	17.14	-
	52.20	71.68	53.87	63.66
Total	**696.47**	**209.92**	**860.33**	**100.39**

The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Note No 16.1 ₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Debentures (Unsecured) (Refer note no 14.1 (i))	50.00	-	-	-
(b) Working capital loans from banks (Secured)	25.00	-	50.00	-
(c) Equipment loans from banks (Secured)	52.06	-	53.33	-
(d) Foreign currency loans (Secured)	22.38	-	12.97	-
Total	**149.44**	**-**	**116.30**	**-**

Note No 17. Other non-current and current liabilities ₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Advances from customers	819.85	763.09	284.93	486.28
(b) Advance against sale of scrap	0.10	-	1.05	-
(c) Other payables				
(i) Statutory remittances (VAT, GST, Service tax, etc.)	34.14	-	43.90	-
(ii) Advance from subsidiaries	1.86	-	0.90	-
Total	**855.95**	**763.09**	**330.78**	**486.28**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 18. Provisions

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Provision for employee benefits:				
Provision for compensated absences (Refer note 31)	19.22	-	17.99	-
Provision for gratuity (Refer note 31)	7.53	7.76	6.48	8.99
Total	**26.75**	**7.76**	**24.47**	**8.99**

Note :The provision for employee benefits includes annual leave and vested long service leave entitlements accrued, gratuity and ex-gratia.

Note No 19. Current tax liabilities (net)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Provision for tax (net of advance tax ₹ 69.25 crores) (As at 31st March, 2017 ₹ 12.37 crores)	11.21	13.29
Total	**11.21**	**13.29**

Note No 20. Current borrowings

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Working capital demand loans from banks		
Secured (Refer note 20.1 below)	-	100.00
Unsecured	-	75.00
	-	175.00
(b) Short term loans from bank		
Foreign currency loan:		
Buyers credit (Secured) (Refer note 20.1 below)	10.49	-
(c) Cash credit facility from banks		
Secured (Refer note 20.1 below)	644.41	505.08
Unsecured	-	0.01
	644.41	505.09
(d) Commercial papers (Unsecured)		
From banks	48.89	49.49
From other parties	49.76	273.11
	98.65	322.60
(e) Acceptances	-	60.58
(f) From related parties (Unsecured)	0.36	-
Total	**753.91**	**1,063.27**

Note No 20.1

Details of security for the secured short-term borrowings:

₹ in Crores

Particulars	Terms of security	As at 31st March, 2018	As at 31st March, 2017
Working capital demand loans (WCDL)			
From banks:			
Export Import Bank of India	Refer note 20.2 below	-	100.00
Short term loans from bank			
Foreign currency loan:			
Buyers credit			
Axis bank	Refer note 20.2 below	10.49	-
Cash credit facility	Refer note 20.2 below	644.41	505.08

Note No 20.2

A. Security:

Secured by first charge by way of equitable mortgage on the immovable properties of the Company situated at Andheri, Mumbai on a pari passu basis. Company's stock of construction material, stores, WIP, book debt is further secured under indenture of mortgage and first charge on movable plant & machinery of the Company upto 50% of the fund based limits with other term lenders on pari passu basis. Cash credit facility / working capital demand loan is further secured by the Company's proportionate share of current assets in all the joint ventures both present and future.

B. Interest:

Cash credit facility and working capital demand loan from banks carry interest ranging from 7.45% to 11.00% per annum (as on 31st March, 2017 interest ranging from 7.50% to 11.00% per annum). Commercial papers carry interest ranging from 7.20% to 7.60% per annum (as on 31st March, 2017 interest ranging from 6.50% to 8.21% per annum). Buyers credit interest ranges from 1.99% to 2.24% per annum as on 31st March, 2018.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 21. Current tax and deferred tax

(a) Income tax expense ₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current tax:		
Current tax in respect off current year	56.48	27.01
Adjustments in respect of previous years	(2.56)	0.36
Deferred tax		
In respect of current year	26.08	11.37
Total tax expense recognised in profit and loss account	**80.00**	**38.74**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: ₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount	Tax rate	Amount	Tax rate
Profit before tax	208.85		113.86	
Income tax using the Company's domestic tax rate #	72.28	34.61%	39.40	34.61%
Effect of income that is exempt from taxation				
Non-taxable income	(0.43)	-0.21%	(0.64)	-0.56%
Loss in respect of which deferred tax assets not recognised due to uncertainty	6.38	3.05%	(3.39)	-2.98%
Disallowable expenses	1.57	0.75%	1.59	1.40%
Effect of tax rates differences of entities operating in other jurisdictions / having different tax rates	(0.32)	-0.15%	0.82	0.72%
Charge/(credit) in respect of previous years	(2.56)	-1.23%	0.36	0.32%
Effect of change in tax rate	2.66	1.27%	-	-
Others	0.42	0.20%	0.60	0.53%
Income tax recognised In P&L (effective tax rate)	**80.00**	**38.29%**	**38.74**	**34.04%**

The tax rate used for the reconciliation above is the corporate tax rate of 30%, surcharge of 12% on corporate tax, education cess 3% and secondary and higher education cess of 1% on corporate tax.

(c) Movement of deferred tax ₹ in Crores

Particulars	For the year ended 31st March, 2018				
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Others	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	96.99	(8.93)	-	-	88.06
Arbitration awards	125.74	95.94	-	-	221.68
FVTPL financial asset	0.01	(0.01)	-	-	-
	222.74	87.00	-	-	309.74
Tax effect of items constituting deferred tax assets					
Employee benefits	(11.58)	(0.18)	(0.30)	-	(12.06)
Expected credit loss	(1.25)	(0.63)	-	-	(1.88)
Provisions	(6.47)	1.10	-	-	(5.37)
Carry forward losses	-	(11.23)	-	-	(11.23)
Other items	(2.90)	(1.40)	-	-	(4.30)
Minimum alternate tax credit	(75.55)	(48.58)	-	(2.79)	(126.92)
	(97.75)	(60.92)	(0.30)	(2.79)	(161.76)
Net tax asset (liabilities)	**124.99**	**26.08**	**(0.30)**	**(2.79)**	**147.98**

Particulars	For the Year ended 31st March 2017				
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Others	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	88.30	8.69	-	-	96.99
Arbitration awards	109.67	16.07	-	-	125.74
FVTPL financial asset	0.01	-	-	-	0.01
	197.98	24.76	-	-	222.74
Tax effect of items constituting deferred tax assets					
Employee benefits	(6.64)	(3.00)	(1.94)	-	(11.58)
Expected credit loss	(1.30)	0.05	-	-	(1.25)
Provisions	(7.59)	1.12	-	-	(6.47)
Other items	(1.73)	(1.17)	-	-	(2.90)
Minimum alternate tax credit	(65.16)	(10.39)	-	-	(75.55)
	(82.42)	(13.39)	(1.94)	-	(97.75)
Net tax asset (liabilities)	**115.56**	**11.37**	**(1.94)**	**-**	**124.99**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 22. Revenue from operations

₹ in Crores

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a)	Revenue from sale of goods (Including excise duty, if any) (Construction materials)	30.01	14.15
(b)	Construction contract revenue (Refer note 22.1 below)	5,710.38	5,658.82
(c)	Other operating income (Refer note 22.2 below)	64.92	66.69
	Total	**5,805.31**	**5,739.66**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
22.1	**Construction contract revenue comprises:**		
	Construction revenue	5,755.58	5,895.93
	Less : Value added tax	45.20	237.11
	Total - Sale of services	**5,710.38**	**5,658.82**
22.2	**Other operating income comprises:**		
	Sale of scrap	21.01	9.86
	Others	43.91	56.83
	Total - Other operating revenues	**64.92**	**66.69**

Note No 23. Other income

₹ in Crores

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a)	Interest income on financial assets at amortised cost (Refer Note 23.1 below)	98.98	60.96
(b)	Dividend income:		
	From non trade, on current investments	1.25	1.86
(c)	Other non operating income (Refer Note 23.2 below)	47.50	40.08
(d)	Fair value gain on financial assets designated at FVTPL	0.03	0.03
	Total	**147.76**	**102.93**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
23.1	**Interest income comprises:**		
	Interest on arbitration awards	88.22	43.36
	Other interest	10.76	17.60
	Total - Interest income	**98.98**	**60.96**
23.2	**Other non operating income comprises:**		
	Provision for doubtful debtors / advances no longer required written back	3.05	0.44
	Miscellaenous provision written back	17.46	1.96
	Insurance claim received	9.47	15.87
	Provision for projected loss written back	-	4.46
	Net gain on foreign currency transactions and translation (net)	-	11.78
	Miscellaneous income	17.52	5.57
	Total - Other non-operating income	**47.50**	**40.08**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 24. Cost of material consumed

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cost of construction materials consumed (Including bought out Items)	1,680.38	2,002.31
Total	**1,680.38**	**2,002.31**

Note No 24.1 Cost of construction

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores and spare consumed	507.70	489.92
Subcontracting expenses (Including lease payment for equipments hired)	1,094.76	1,119.34
Site installation	72.24	51.46
Technical consultancy	160.70	76.70
Power and fuel consumed	240.47	277.77
Freight and handling charges	85.67	70.23
Total	**2,161.54**	**2,085.42**

Note No 25. Cost of traded goods

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Construction materials	64.72	29.99
Total	**64.72**	**29.99**

Note No 26. Employee benefits expense

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and wages, including bonus	567.96	522.90
Contributions to provident and other funds (Refer Note 31)	38.57	39.82
Staff welfare expenses	26.05	22.42
Total	**632.58**	**585.14**

Note No 27. Finance costs

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest expense on financial liabilities not at fair value through profit or loss :		
Bank overdrafts and loans	193.27	220.38
Advance from clients	57.77	46.75
Others	10.24	4.12
	261.28	271.25
Other borrowing costs:		
Bank guarantee commission including bank charges	39.37	26.10
Others	1.32	1.71
Total	**301.97**	**299.06**

Note No 28. Depreciation and amortisation expenses

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation on Property, plant and equipment	194.32	164.97
Amortisation on intangible assets	0.88	1.25
Total	**195.20**	**166.22**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 29. Other expenses

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Water and electricity	11.86	8.11
Rent	47.56	56.25
Repairs and maintenance - Buildings	0.02	0.01
Repairs and maintenance - Machinery	15.49	14.07
Repairs and maintenance - Others	8.27	6.16
Insurance charges	90.27	45.83
Rates and taxes	87.69	149.27
Communication	5.63	5.38
Travelling and conveyance	69.58	64.71
Security charges	30.61	25.82
Donations and contributions	2.15	0.96
Expenditure on corporate social responsibility (Refer note 34)	1.45	0.13
Legal and professional	94.31	126.62
Auditors remuneration (Refer note 29.1 below)	0.75	0.99
Bad / irrecoverable debtors / unbilled revenue written off (Refer note 38)	171.19	0.80
Net loss on foreign currency transactions and translation (Net)	17.79	-
Expected credit loss on financial assets	1.78	1.86
Loss on sale of fixed assets	2.84	2.59
Miscellaneous expenses	48.59	51.03
Total	**707.83**	**560.59**

Note No 29.1

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Auditors remuneration comprises *		
(a) To statutory auditors (excluding taxes)		
As auditors - statutory audit	0.55	0.77
For taxation matters	0.06	0.03
For other services	0.12	0.16
Reimbursement of expenses	#	0.01
# Amount is below the rounding off norms adopted by the Company		
	0.73	0.97
(b) To cost auditors for cost audit (excluding taxes)		
As auditors	0.02	0.02
	0.02	0.02
Total (a + b)	**0.75**	**0.99**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 30: Contingent liabilities and commitments (to the extent not provided for) ₹ in Crores

Particulars		As at 31st March, 2018	As at 31st March, 2017
(i)	**Contingent liabilities**		
(a)	Claims against the Company not acknowledged as debts		
	Represent dispute with sub-contractors with respect to rates and quantity of materials and various other matters.	214.04	72.73
(b)	Claims against the jointly controlled operations not acknowledged as debts		
	Differences with sub-contractors / clients in regard to scope of work.	103.91	97.24
	The above claim is not accepted by the joint venture and is contested by the subcontractor / client. The management is confident that the claim will be successfully contested.		
(c)	Guarantees		
	Bank guarantees given on behalf of subsidiaries and jointly controlled operations and counter guaranteed by the Company.	2,388.76	1,545.10
(d)	Sales tax and entry tax		
	Represents demands raised by sales tax authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on Ind AS11 turnover c) Entry tax and d) Interest and penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	20.51	20.95
(e)	Excise duty		
	Represents demands raised by central excise department for excisability of girders. The Company is confident that the cases will be successfully contested.	0.66	0.66
(f)	Service tax		
	Represents demand confirmed by the CESTAT / Asst. commissioner of service tax for a) disallowance of cenvat credit, since abatement claimed by the Company, b) disallowance of general exemption of private transport terminals and c) taxability under "Commercial or Industrial Construction Service", etc. The Company has appealed / in the process of appeal against the said order with commissioner of service tax Mumbai,CESTAT / High court and is confident that the cases will be successfully contested.	177.85	167.03
Note:-	In respect of items mentioned under paragraphs (a), (b), (d), (e) and (f) above, till the matters are finally decided, the financial effect cannot be ascertained and future cashflows in respect of above matters are determinable only on receipts of judgements / decisions pending at various forums / authorities		
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	11.18	15.01

Note No 31 : Employee benefit plans

a. Defined contribution plan

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the Life Insurance Corporation (LIC). Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The total expense recognised in profit or loss of ₹ 34.58 crores (for the year ended 31st March, 2017: ₹ 36.25 crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

b. Defined benefit plans

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement / termination of an amount equivalent to 15 days salary and on death while in employment or on death of an employee an amount equivalent to one month salary, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 31 : Employee benefit plans (Continued)

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance Company.

No other post-retirement benefits are provided to these employees.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31st March, 2018 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

c. Details of defined benefit plan - Gratuity

The principle assumptions used for the purpose of actuarial valuation were as follows :

Particulars	Valuation as at	
	31st March, 2018	31st March, 2017
Expected Return on Plan Assets	7.83%	7.20%
Rate of Discounting	7.83%	7.20%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	For service 4 years and below 6.00% p.a. & For service 5 years and above 2.00% p.a	
Mortality Rate During Employment *	Indian Assured Lives Mortality (2006-08)	

* Based on India's standard mortality table with modification to reflect expected changes in mortality.

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

₹ in Crores

Particulars	Gratuity (Funded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
(i) Components of defined benefit cost		
Service cost:		
Current service cost	2.76	1.94
Past service cost and (gain)/loss from settlements	-	0.69
Interest cost on benefit obligation (Net)	1.23	0.82
Total defined benefit costs recognised in profit or loss	**3.99**	**3.45**
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.08)	0.06
Actuarial (gains) / losses arising from changes in financial assumptions	(1.55)	2.42
Actuarial losses arising from experience adjustments	2.48	3.12
Total defined benefit costs recognised in OCI	0.85	5.60
Total defined benefit costs recognised in profit or loss and OCI	**4.84**	**9.05**
(ii) Net assets/(liabilities) recognised in the Balance Sheet		
Present value of defined benefit obligation	27.65	25.54
Fair value of plan asset	12.36	10.07
Net liabilities recognised in the Balance Sheet	(15.29)	(15.47)

(iii) Movements in the present value of the defined benefit obligation are as follows. ₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening defined benefit obligation	25.54	20.77
Current service cost	2.76	1.94
Interest cost	1.86	1.66
Remeasurement (gains) / losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	(1.55)	2.42
Actuarial losses arising from experience adjustments	2.48	3.12
Past service cost, including losses on curtailments	-	0.69
Benefits paid	(3.44)	(5.06)
Closing defined benefit obligation	**27.65**	**25.54**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 31 : Employee benefit plans (Continued)

(iv) Movements in the fair value of plan assets are as follows. ₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening fair value of plan assets	10.07	10.58
Interest income	0.73	0.85
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.08	(0.06)
Contributions from the employer	4.92	3.76
Benefits paid	(3.44)	(5.06)
Closing fair value of plan assets	**12.36**	**10.07**

The Company pays premium to the Group gratuity scheme of LIC and the fund is managed by LIC

(v) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 2.17 crores (increase by ₹ 2.54 crores) (as at 31st March, 2017: decrease by ₹ 2.05 crores (increase by ₹ 2.41 crores)).
2) If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 2.56 crores (decrease by ₹ 2.22 crores) (as at 31st March, 2017: increase by ₹ 2.41 crores (decrease by ₹ 2.09 crores)).
3) If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by ₹ 0.32 crores (decrease by ₹ 0.38 crores) (as at 31st March, 2017: increase by ₹ 0.18 crores (decrease by ₹ 0.21 crores)).

(vi) Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31st March, 2018 is 16 years (as at 31st March, 2017: 16 years).

The Company expects to make a contribution of ₹ 7.53 crores (as at 31st March, 2017: ₹ 6.48 crores) to the defined benefit plans during the next financial year.

(vii) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting

	₹ in Crores
1st following year	3.23
2nd following year	1.37
3rd following year	1.96
4th following year	1.82
5th following year	2.44
Sum of years 6 To 10	12.38

d. Compensated Absences

The compensated absences cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 19.22 crores (as at 31st March, 2017 – ₹ 17.99 crores) is presented as current liabilities, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 32 Earnings per share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

Particulars	Year ended 31st March, 2018 (₹)	Year ended 31st March, 2017 (₹)
Basic earnings per share	17.90	10.43
Diluted earnings per share	3.78	2.20

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share	128.85	75.12
Dividends paid on convertible non-participating preference shares	(0.05)	(0.05)
Earnings used in the calculation of basic earnings per share	128.80	75.07
Profits used in the calculation of basic earnings per share	**128.80**	**75.07**

The weighted average number of equity shares for the purpose of basic earnings per share is as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Number	**Number**
Weighted average number of shares used in calculation of basic earnings per share	**71,970,238**	**71,970,238**

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share	128.85	75.12
Earnings used in the calculation of diluted earnings per share	128.85	75.12
Profits used in the calculation of diluted earnings per share	**128.85**	**75.12**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Number	**Number**
Weighted average number of shares used in calculation of basic earnings per share	71,970,238	71,970,238
Shares deemed to be issued for no consideration in respect of:		
- Convertible preference shares	268,768,030	268,768,030
Weighted average number of shares used in calculation of diluted earnings per share	**340,738,268**	**340,738,268**

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 33. Operating lease arrangements

The Company as lessee

Leasing arrangements:

The Company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and 3 years under leave and licence agreement and are renewable by mutual consent on mutually agreeable terms. The Group does not have an option to purchase the leased assets at the expiry of the lease periods.

Payments recognised as an expense ₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Lease payments recognised for residential and other properties in the statement of profit and loss under 'Rent' in Note 29.	47.56	56.25
(ii) Lease payments for equipments are recognised in the statement of profit and loss under 'Subcontracting Expenses' in Note 24.1.	161.26	200.00
The Company as lessor		
Rental income earned by the Company from lease receipts for equipments are recognised in the statement of profit and loss Under 'Revenue from Operations' in Note 22.	27.94	40.06

Note No 34. Corporate social responsibility: ₹ in Crores

Gross amount required to be spent by the Company during the year:	1.27

Amount spent during the year:

CSR activities (in cash)	Paid	To be paid	Total
(i) Construction/acquisition of an asset	-	-	-
(ii) Purposes other than (i) above	1.45	-	**1.45**
Total	**1.45**	**-**	**1.45**

Note No 35: Segment information :

a) Segment information for Primary reporting (by business segment)

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the geographic perspective. Accordingly, the Company has only one reportable business segment of construction business relating to infrastructure, hence information for primary business segment is not given.

b) Segment information for Secondary segment reporting (by geographical segment).

The Company has two reportable geographical segments based on location of customers.

(i) Revenue from customers within India - Local projects

(ii) Revenue from customers outside India - Foreign projects

Secondary : Geographical (Location of customers) ₹ in Crores

Particulars	Local Projects	Foreign Projects	Total
Income from operation	**5,319.87**	**485.44**	**5,805.31**
	(5,079.25)	(660.41)	(5,739.66)
Carrying amount of asset	**1,663.06**	**14.24**	**1,677.30**
	(2,200.20)	(9.90)	(2,210.10)

Figures in parenthesis are those of previous year.

Revenue from major products and services: The major activity of the Company is infrastructure activities

Information about major customers: Revenue from external customers contributing to more than 10% of the Company's revenue amounts to ₹ 1,782.50 crores (for the year ended 31st March, 2017 ₹ 2,988.80 crores). These customers pertain to metro rail and hydro projects.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 36 Related party disclosures

(a) Details of related parties:

Related party where control exists

Holding Company

Shapoorji Pallonji & Co. Private Limited

Subsidiaries of the Company

Hazarat & Company Private Limited
Afcons Corrosion Protection Private Limited
Afcons Offshore and Marine Services Private Limited
Afcons Construction Mideast LLC
Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL
Afcons Overseas Construction LLC (upto 18th September, 2017)
Afcons Gulf International Project Services FZE
Afcons Mauritius Infrastructure Ltd (AMIL)
Afcons Overseas Singapore Pte Ltd.
Afcons Infra Projects Kazakhstan LLP
Afcons Saudi Constructions LLC
Afcons Overseas Project Gabon SARL

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

Fellow subsidiaries

Floreat Investments Limited
Hermes Commerce Limited
Renaissance Commerce Private Limited
SP Jammu Udhampur Highway Private Limited
Forvol International Services Limited
Armada C-7 Pte Ltd.
Forbes & Company Limited
Shapoorji & Pallonji Qatar, WLL
Eureka Forbes Limited
Armada Madura EPC Limited
Stertling and Wilson Private Limited
Forbes Facility Services Private Limited
Shapoorji Pallonji Rural Solutions Private Limited
S.D.Corporation Private Limited

Joint operations

Transtonnelstroy Afcons Joint Venture
Dahej Standby Jetty Project undertaking
Afcons Gunanusa Joint Venture
Afcons Pauling Joint Venture
Strabag AG Afcons Joint Venture
Saipem Afcons Joint Venture
Ircon Afcons Joint Venture
Afcons Sener LNG Construction Projects Private Limited
Afcons Sibmost Joint Venture (w.e.f. 3rd August, 2016)
Afcons Vijeta PES Joint Venture (w.e.f. 25th May, 2016)
Afcons SMC Joint Venture (w.e.f. 14th July, 2016)
Afcons Vijeta Joint Venture (w.e.f. 2nd August, 2017)

Key management personnel

Mr. S. P. Mistry – Chairman
Mr. K. Subramanian – Executive Vice Chairman
Mr. S. Paramasivan – Managing Director
Mr. Giridhar Rajagopalan (w.e.f. 1st October, 2016)
Mr. Akhil Kumar Gupta (w.e.f. 1st October, 2016)

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 36 Related party disclosures (Continued)

₹ in Crores

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Associate Company		Key Management Personnel		Total	
	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17
(b) Transactions with related parties														
Managerial Remuneration paid														
a) Short Term Employee Benefit														
S.Paramasivan	-	-	-	-	-	-	-	-	-	-	2.59	2.14	**2.59**	2.14
K.Subramanian	-	-	-	-	-	-	-	-	-	-	3.12	2.67	**3.12**	2.67
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	-	-	1.62	0.75	**1.62**	0.75
Akhil Kumar Gupta	-	-	-	-	-	-	-	-	-	-	1.67	0.91	**1.67**	0.91
b) Post Employment Benefits														
S.Paramasivan	-	-	-	-	-	-	-	-	-	-	0.39	0.32	**0.39**	0.32
K.Subramanian	-	-	-	-	-	-	-	-	-	-	0.43	0.36	**0.43**	0.36
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	-	-	0.10	0.07	**0.10**	0.07
Akhil Kumar Gupta	-	-	-	-	-	-	-	-	-	-	0.04	0.02	**0.04**	0.02
c) Other Long Term Benefits														
S.Paramasivan	-	-	-	-	-	-	-	-	-	-	0.26	0.24	**0.26**	0.24
K.Subramanian	-	-	-	-	-	-	-	-	-	-	0.32	0.30	**0.32**	0.30
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	-	-	0.07	0.06	**0.07**	0.06
Akhil Kumar Gupta	-	-	-	-	-	-	-	-	-	-	0.05	0.04	**0.05**	0.04
Sitting Fees paid														
S.P.Mistry	-	-	-	-	-	-	-	-	-	-	0.03	0.03	**0.03**	0.03
Dividend on Preference Shares														
Floreat Investments Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	**0.01**	-
Shapoorji Pallonji & Co. Pvt. Ltd.	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	-
Interim Dividend on Equity Shares														
Shapoorji Pallonji & Co. Pvt. Ltd.	17.18	14.72	-	-	-	-	-	-	-	-	-	-	**17.18**	14.72
Floreat Investments Limited	-	-	-	-	4.56	3.90	-	-	-	-	-	-	**4.56**	3.90
Hermes Commerce Limited	-	-	-	-	1.41	1.20	-	-	-	-	-	-	**1.41**	1.20
Renaissance Commerce Private Ltd.	-	-	-	-	1.41	1.20	-	-	-	-	-	-	**1.41**	1.20
K.Subramanian	-	-	-	-	-	-	-	-	-	-	0.02	0.02	**0.02**	0.02
S.Paramasivan	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	0.01
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	0.00
Income from Consultancy Services														
Shapoorji Pallonji & Co. Pvt. Ltd.	-	0.36	-	-	-	-	-	-	-	-	-	-	**-**	0.36
Overhead Charges Recovered														
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	7.58	3.30	-	-	-	-	**7.58**	3.30
Interest Income														
Afcons Construction Mideast, LLC	-	-	9.25	2.30	-	-	-	-	-	-	-	-	**9.25**	2.30
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	0.15	0.13	-	-	-	-	**0.15**	0.13
Ircon Afcons Joint Venture	-	-	-	-	-	-	-	0.07	-	-	-	-	**-**	0.07
Income from Services charges														
Afcons Overseas Singapore Pte Ltd.	-	-	2.72	0.06	-	-	-	-	-	-	-	-	**2.72**	0.06
Afcons Construction Mideast, LLC	-	-	1.61	0.74	-	-	-	-	-	-	-	-	**1.61**	0.74
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	7.23	-	-	-	-	-	**7.23**	-
Afcons Overseas Project Gabon SARL	-	-	2.47	10.46	-	-	-	-	-	-	-	-	**2.47**	10.46
Other Income														
Afcons Overseas Project Gabon SARL	-	-	1.99	-	-	-	-	-	-	-	-	-	**1.99**	-
Afcons Construction Mideast, LLC	-	-	1.71	-	-	-	-	-	-	-	-	-	**1.71**	-
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	0.01	-	-	-	-	-	**0.01**	-
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	0.25	-	-	-	-	-	**0.25**	-
Subcontract Income														
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	0.72	0.76	-	-	-	-	**0.72**	0.76

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 36 Related party disclosures (Continued) ₹ in Crores

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Associate Company		Key Management Personnel		Total	
	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17
Income from Equipment Hire														
Ircon Afcons Joint Venture	-	-	-	-	-	-	0.00	0.27	-	-	-	-	**0.00**	0.27
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	0.99	0.95	-	-	-	-	**0.99**	0.95
Afcons Overseas Project Gabon SARL	-	-	16.28	38.84	-	-	-	-	-	-	-	-	**16.28**	38.84
Afcons Overseas Singapore Pte Ltd.	-	-	10.56	-	-	-	-	-	-	-	-	-	**10.56**	-
Distribution of profit / (loss) from jointly controlled operations														
Ircon Afcons Joint Venture	-	-	-	-	-	-	-	15.00	-	-	-	-	**-**	15.00
Sale of Spares/Materials/Assets														
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	0.06	0.14	-	-	-	-	**0.06**	0.14
Afcons Construction Mideast, LLC	-	-	3.99	0.83	-	-	-	-	-	-	-	-	**3.99**	0.83
Afcons Overseas Project Gabon SARL	-	-	1.95	13.19	-	-	-	-	-	-	-	-	**1.95**	13.19
Afcons Overseas Singapore Pte Ltd.	-	-	2.74	-	-	-	-	-	-	-	-	-	**2.74**	-
Advance Given														
Afcons Construction Mideast, LLC	-	-	95.72	54.04	-	-	-	-	-	-	-	-	**95.72**	54.04
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	1.65	0.42	-	-	-	-	-	-	-	-	**1.65**	0.42
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	6.30	6.32	-	-	-	-	**6.30**	6.32
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	0.45	1.04	-	-	-	-	**0.45**	1.04
Ircon Afcons Joint Venture	-	-	-	-	-	-	-	4.01	-	-	-	-	**-**	4.01
Afcons (Mideast) Constructions and Investments Private Limited	-	-	-	-	-	-	-	-	0.01	0.03	-	-	**0.01**	0.03
Afcons Offshore & Marine Services Private Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	**0.00**	0.00
Afcons Overseas Construction LLC, Qatar	-	-	-	0.03	-	-	-	-	-	-	-	-	**-**	0.03
Afcons Overseas Project Gabon SARL	-	-	0.33	-	-	-	-	-	-	-	-	-	**0.33**	-
Afcons Overseas Singapore Pte Ltd.	-	-	4.18	-	-	-	-	-	-	-	-	-	**4.18**	-
Hazarat & Company Private Limited	-	-	0.02	0.01	-	-	-	-	-	-	-	-	**0.02**	0.01
Afcons Saudi Constructions LLC	-	-	0.21	0.23	-	-	-	-	-	-	-	-	**0.21**	0.23
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	0.03	0.00	-	-	-	-	**0.03**	0.00
Shapoorji Pallonji Qatar WLL	-	-	-	-	-	4.10	-	-	-	-	-	-	**-**	4.10
Advance Received back														
Ircon-Afcons Joint Venture	-	-	-	-	-	-	(0.04)	(4.33)	-	-	-	-	**(0.04)**	(4.33)
Afcons Construction Mideast, LLC	-	-	(45.57)	(8.11)	-	-	-	-	-	-	-	-	**(45.57)**	(8.11)
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	(2.20)	(0.17)	-	-	-	-	-	-	-	-	**(2.20)**	(0.17)
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	(9.79)	(4.30)	-	-	-	-	**(9.79)**	(4.30)
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	(0.92)	(0.23)	-	-	-	-	**(0.92)**	(0.23)
Afcons (Mideast) Constructions and Investments Private Limited	-	-	-	-	-	-	-	-	(0.01)	(0.03)	-	-	**(0.01)**	(0.03)
Afcons Offshore & Marine Services Private Limited	-	-	(0.00)	(0.00)	-	-	-	-	-	-	-	-	**(0.00)**	(0.00)
Afcons Overseas Singapore Pte Ltd.	-	-	(4.79)	-	-	-	-	-	-	-	-	-	**(4.79)**	-
Afcons Overseas Project Gabon SARL	-	-	(0.02)	-	-	-	-	-	-	-	-	-	**(0.02)**	-
Afcons Overseas Construction LLC, Qatar	-	-	(0.03)	(0.21)	-	-	-	-	-	-	-	-	**(0.03)**	(0.21)
Hazarat & Company Private Limited	-	-	(0.02)	(0.01)	-	-	-	-	-	-	-	-	**(0.02)**	(0.01)
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	(0.01)	(0.04)	-	-	-	-	**(0.01)**	(0.04)
Profit /(Loss) of share in partnership firm														
Afcons Pauling Joint Venture	-	-	-	-	-	-	(0.00)	(0.00)	-	-	-	-	**(0.00)**	(0.00)
Service Charges paid														
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	0.39	1.20	-	-	-	-	-	-	-	-	**0.39**	1.20
Housekeeping services paid														
Forbes Facility Services Pvt Ltd	-	-	-	-	6.44	3.80	-	-	-	-	-	-	**6.44**	3.80

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 36 Related party disclosures (Continued)

₹ in Crores

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Associate Company		Key Management Personnel		Total	
	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17
Rent Expense														
Hazarat & Company Private Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	0.02
Forbes & Company Limited	-	-	-	-	0.59	0.60	-	-	-	-	-	-	**0.59**	0.60
Expenses incurred by Afcons on behalf of														
Afcons Construction Mideast, LLC	-	-	-	0.01	-	-	-	-	-	-	-	-	**-**	0.01
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	0.01	0.01	-	-	-	-	**0.01**	0.01
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	0.09	3.11	-	-	-	-	**0.09**	3.11
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	0.14	0.51	-	-	-	-	**0.14**	0.51
Afcons Overseas Singapore Pte Ltd.	-	-	1.26	-	-	-	-	-	-	-	-	-	**1.26**	-
Armada Madura EPC Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	**-**	0.04
Reimbursement of Expenses														
S.D. Corporation Pvt. Ltd.	-	-	-	-	0.04	-	-	-	-	-	-	-	**0.04**	-
Legal & Professional Fees														
Shapoorji Pallonji & Co. Pvt. Ltd. (Strategic Support Services)	22.27	15.44	-	-	-	-	-	-	-	-	-	-	**22.27**	15.44
Shapoorji Pallonji & Co. Pvt. Ltd. (Consultancy Services)	0.60	-	-	-	-	-	-	-	-	-	-	-	**0.60**	-
Subcontract Expense														
Shapoorji Pallonji Qatar WLL	-	-	-	-	14.52	207.83	-	-	-	-	-	-	**14.52**	207.83
Travelling Expenses														
Forvol International Service Ltd	-	-	-	-	12.51	11.62	-	-	-	-	-	-	**12.51**	11.62
Equipment Hire Charges Paid														
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	1.94	2.98	-	-	-	-	-	-	-	-	**1.94**	2.98
Purchase of Spares / Materials / Assets														
Afcons Overseas Project Gabon SARL	-	-	0.35	-	-	-	-	-	-	-	-	-	**0.35**	-
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	0.19	0.04	-	-	-	-	**0.19**	0.04
Sterling and Wilson Pvt.Ltd .	-	-	-	-	-	4.58	-	-	-	-	-	-	**-**	4.58
Shapoorji Pallonji Rural Solutions Pvt Ltd	-	-	-	-	-	0.23	-	-	-	-	-	-	**-**	0.23
Eureka Forbes Ltd.	-	-	-	-	0.37	0.34	-	-	-	-	-	-	**0.37**	0.34
Guarantees Given for/ (Released)														
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	(1.73)	22.50	-	-	-	-	**(1.73)**	22.50
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	(18.51)	(25.75)	-	-	-	-	**(18.51)**	(25.75)
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	320.91	(24.86)	-	-	-	-	**320.91**	(24.86)
Afcons Overseas Project Gabon SARL	-	-	5.44	(44.28)	-	-	-	-	-	-	-	-	**5.44**	(44.28)
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	16.52	(1.33)	-	-	-	-	-	-	-	-	**16.52**	(1.33)
Afcons SMC Joint Venture, Tanzania	-	-	-	-	-	-	78.00	-	-	-	-	-	**78.00**	-
Afcons Vijeta PES Joint Venture	-	-	-	-	-	-	43.75	30.24	-	-	-	-	**43.75**	30.24
Afcons Vijeta Joint Venture	-	-	-	-	-	-	27.34	-	-	-	-	-	**27.34**	-
Afcons Sibmost Joint Venture	-	-	-	-	-	-	(13.57)	234.75	-	-	-	-	**(13.57)**	234.75
SBLC Given for														
Afcons Overseas Singapore Pte Ltd.	-	-	(33.84)	32.55	-	-	-	-	-	-	-	-	**(33.84)**	32.55
(c) Balance outstanding as at the year end														
Outstanding amount of guarantee given														
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	375.95	346.78	-	-	-	-	**375.95**	346.78
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	120.71	133.90	-	-	-	-	**120.71**	133.90
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	801.62	480.71	-	-	-	-	**801.62**	480.71
Dahej Standby Jetty Project Undertaking	-	-	-	-	-	-	112.21	112.17	-	-	-	-	**112.21**	112.17
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	22.98	6.33	-	-	-	-	-	-	-	-	**22.98**	6.33
Afcons Overseas Project Gabon SARL	-	-	147.98	122.96	-	-	-	-	-	-	-	-	**147.98**	122.96
Afcons SMC Joint Venture, Tanzania	-	-	-	-	-	-	89.16	-	-	-	-	-	**89.16**	-
Afcons Vijeta PES Joint Venture	-	-	-	-	-	-	73.99	30.24	-	-	-	-	**73.99**	30.24
Afcons Vijeta Joint Venture	-	-	-	-	-	-	27.34	-	-	-	-	-	**27.34**	-
Afcons Sibmost Joint Venture	-	-	-	-	-	-	221.18	234.75	-	-	-	-	**221.18**	234.75

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 36 Related party disclosures (Continued)

₹ in Crores

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Associate Company		Key Management Personnel		Total	
	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17	CY	PY 16-17
Outstanding amount of SBLC given														
Afcons Overseas Singapore Pte Ltd.	-	-	55.31	66.14	-	-	-	-	-	-	-	-	**55.31**	66.14
Loans recoverable / (payable)														
Afcons Construction Mideast, LLC	-	-	110.39	55.31	-	-	-	-	-	-	-	-	**110.39**	55.31
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	33.18	33.51	-	-	-	-	**33.18**	33.51
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	8.76	14.49	-	-	-	-	**8.76**	14.49
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	3.55	7.15	-	-	-	-	**3.55**	7.15
Saipem Afcons Joint Venture	-	-	-	-	-	-	0.29	0.29	-	-	-	-	**0.29**	0.29
Afcons Pauling Joint Venture	-	-	-	-	-	-	6.98	6.98	-	-	-	-	**6.98**	6.98
Afcons Overseas Construction LLC, Qatar	-	-	-	0.03	-	-	-	-	-	-	-	-	**-**	0.03
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	(1.86)	(0.90)	-	-	-	-	-	-	-	-	**(1.86)**	(0.90)
Ircon Afcons Joint Venture	-	-	-	-	-	-	(0.03)	0.01	-	-	-	-	**(0.03)**	0.01
Afcons (Mideast) Constructions and Investments Private Limited	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
Afcons Saudi Constructions LLC	-	-	0.56	0.36	-	-	-	-	-	-	-	-	**0.56**	0.36
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	1.31	0.59	-	-	-	-	**1.31**	0.59
Afcons Overseas Project Gabon SARL	-	-	0.32	-	-	-	-	-	-	-	-	-	**0.32**	-
Afcons Overseas Singapore Pte Ltd.	-	-	0.94	0.34	-	-	-	-	-	-	-	-	**0.94**	0.34
Trade receivables														
Afcons Construction Mideast, LLC	-	-	15.99	2.34	-	-	-	-	-	-	-	-	**15.99**	2.34
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	4.80	3.97	-	-	-	-	**4.80**	3.97
Afcons Pauling Joint Venture	-	-	-	-	-	-	7.63	7.63	-	-	-	-	**7.63**	7.63
Shapoorji Pallonji & Co. Pvt. Ltd.	0.51	0.06	-	-	-	-	-	-	-	-	-	-	**0.51**	0.06
Ircon Afcons Joint Venture	-	-	-	-	-	-	0.00	0.02	-	-	-	-	**0.00**	0.02
Afcons Overseas Singapore Pte Ltd.	-	-	1.81	0.10	-	-	-	-	-	-	-	-	**1.81**	0.10
Afcons Overseas Project Gabon SARL	-	-	6.15	4.20	-	-	-	-	-	-	-	-	**6.15**	4.20
Armada Madura EPC Limited	-	-	-	-	0.04	0.04	-	-	-	-	-	-	**0.04**	0.04
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	11.50	1.66	-	-	-	-	**11.50**	1.66
Trade payables														
Forvol International Service Ltd	-	-	-	-	1.69	1.38	-	-	-	-	-	-	**1.69**	1.38
Forbes Facility Services Pvt Ltd	-	-	-	-	1.29	0.87	-	-	-	-	-	-	**1.29**	0.87
Shapoorji Pallonji Qatar WLL	-	-	-	-	26.47	42.52	-	-	-	-	-	-	**26.47**	42.52
Eureka Forbes Ltd.	-	-	-	-	0.19	0.22	-	-	-	-	-	-	**0.19**	0.22
S.D. Corporation Pvt. Ltd.	-	-	-	-	0.00	-	-	-	-	-	-	-	**0.00**	-
Forbes & Company Limited	-	-	-	-	0.05	0.12	-	-	-	-	-	-	**0.05**	0.12
Sterling and Wilson Pvt.Ltd .	-	-	-	-	-	0.83	-	-	-	-	-	-	**-**	0.83
Shapoorji Pallonji & Co. Pvt. Ltd.	22.88	12.10	-	-	-	-	-	-	-	-	-	-	**22.88**	12.10
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	1.63	2.15	-	-	-	-	-	-	-	-	**1.63**	2.15
Afcons Construction Mideast, LLC	-	-	-	4.25	-	-	-	-	-	-	-	-	**-**	4.25
Afcons Overseas Project Gabon SARL	-	-	0.35	-	-	-	-	-	-	-	-	-	**0.35**	-
Transtonnelstroy Afcons Joint Venture	-	-	-	-	-	-	0.08	-	-	-	-	-	**0.08**	-

Note: (1) Provisions are made for doubtful advances amounting to ₹ Nil (previous year ₹ 0.21 Crore) from Afcons Overseas Construction LLC., Qatar (Subsidiary Company.)
Note: (2) Amount mentioned as “0.00” is below the rounding off norms adopted by the Company

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 37. The Company had issued ₹ 100 crores unsecured unlisted non- convertible debentures (NCDs) to a bank on a private placement basis in each of the financial year 2012-13, 2014-15 and 2015-16 respectively. Out of the above NCDs aggregating to ₹ 200 crores are outstanding as on 31st March, 2018. The said NCDs issued to the banks have subsequently been transferred in favour of mutual funds which are in accordance with the provisions of Section 111A of the Companies Act, 1956 / Section 58 (2) of the Companies Act, 2013. The Company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956/ Section 73 of the Companies Act, 2013 read together with the Companies Acceptance of Deposit Rules, 1975 / Companies (Acceptance of Deposit Rules), 2014 are not attracted to the NCDs, for aforesaid amount,

Note No 38. A consortium of Afcons Infrastructure Ltd (Afcons), Mumbai, M/s Technip KT India Ltd (Technip), New Delhi, and M/s TH Heavy Engineering Berhad (THHE), Malaysia was awarded a contract from M/s Oil and Natural Gas Corporation Limited (ONGC) for the execution of "HRD Process Platform Project" in Heera Field of Mumbai High on 24th December, 2012 with an expected completion date of 20th April, 2015 for the contract price of USD 290 millions. In the scheme of arrangement amongst the consortium members majority of the risk and cost was in the scope of Afcons, whereas design, engineering and installation was Technip's responsibility, and a minor part of fabrication was in the scope of THHE.

During the course of execution, due to certain factors such as increase in bridge landing area, increase in layout area, pile specification change, replacement of pipeline etc. the cost of execution substantially increased. To maintain the schedule for load out and protect the offshore schedule and committed costs for float over, and completion activities, it was necessary to expedite fabrication. Further, Afcons had to get additional work on jacket carried out in offshore with prolonged stay of offshore barges/vessels etc. Despite all the above, the project was completed and delivered to ONGC but all the above noted changes led to additional cost for Afcons. Consequently, certain change orders were lodged with ONGC during the year 2014, and 2015. These change orders representing only costs aggregating to ₹ 167.69 crores were accounted as income during the respective years.

Considering the unavoidable circumstances, ONGC had put-up the change orders to the appropriate committee for evaluating the suitability. These change orders are being negotiated with ONGC for last three years and could not be amicably settled till now.

In the discussions held in the recent past, the client has given indications that the amount may not be payable. As a result the Company is not certain about the positive outcome.

Hence, considering all the above facts, as a matter of prudence, and provisions of accounting standards, the Company has recognised the aforesaid amount of ₹ 167.69 as an expense. This has been included in Note 28 to the financial statements.

Note No 39. Afcons Gunanusa Joint Venture (AGJV) had submitted claims for change orders aggregating to ₹ 679.21 crores to ONGC. The AGJV has invoked arbitration in respect of the aforesaid change orders, as the same were not approved by Outside Expert Committee (OEC). Claims against change orders and counter claims by ONGC aggregating to ₹ 407.13 crores will be discussed in arbitration. Based on facts and documentary evidences, the management does not forsee any challenges in recoverability.

Note No 40. Chennai Metro Rail Limited (Client) awarded two contracts (UAA 01 and UAA 05) to the Transtonnelstroy Afcons Joint Venture in December 2010 for designing and construction of underground stations and associated tunnels. The original scheduled completion was April 2015 for UAA 01 and January 2015 for UAA 05. Due to unforeseen geological conditions and delays in handing over of land etc., these projects got delayed. During the year, Contract UAA 05 has been completed. In respect of contract UAA 01, based on actual ground conditions and physical progress as of date, substantial completion of the contracts is now foreseen by around end of 2018. The Joint Venture had submitted variations to the Client for both the projects and for few matters also invoked arbitration proceedings for speedy recovery of the same. In the earlier year and during the year, Joint Venture has received various arbitration awards. The Client has further challenged this arbitration award in Madras High Court. The Supervisory Board of the Joint Venture does not anticipate any further loss to be recognised at this stage.

Note No 41. a) The Company has been legally advised that outstanding interest free advances aggregating to ₹ 556.84 crores (As at 31st March, 2017 ₹ 901.12 crores) made towards financing the unincorporated joint operations do not come under the purview of Section 186 of Companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.

b) In view of non-applicability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable in relation to loan made, guarantee given or security provided. For investments made refer to Note no. 4.

Note No 42. During the earlier year, Company had invoked bank guarantee amounting to ₹ 64.16 crores against the sub-contractor for lack of performance in respect of an overseas project. The sub-contractor had submitted to Company, revised claims aggregating to ₹ 521.00 crores for delay and cost overrun for the work performed by them in relation to the said project. The Company has filed counter claims against the sub-contractor for an amount of ₹ 586.66 crores on account of delays and incomplete work done by the sub-contractor. An amount aggregating to ₹ 119.34 crores (including ₹ 64.16 crores received on invocation of bank guarantee) is outstanding (net of receivables) as on 31st March 2018 in the books of the Company. Based on the review of back-up documents submitted by the sub-contractor and counter claim filed by the Company, no further provision is envisaged at this stage.

Note No 43. Financial instruments

43.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14 ,16 and 20 offset by cash and bank balances) and total equity of the Company.

The Company reviews the capital structure on a regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 31st March, 2018 of 0.99 (net debt/equity).

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

43.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows: ₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Debt (i)	1,659.07	2,010.77
Cash and bank balances	65.54	21.63
Net debt	1,593.53	1,989.14
Total Equity (ii)	1,609.75	1,503.84
Net debt to equity ratio	**0.99**	**1.32**

(i) Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts).

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

43.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value except non current investments in un-quoted equity instruments of subsidiaries, joint ventures and associates which are carried at cost.

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Mutual fund investments	-	0.13
Measured at amortised cost		
(a) Cash and bank balances	65.54	21.63
(b) Bank balance other than (a) above	17.88	19.62
(c) Trade receivables	1,452.95	841.43
(d) Loans	159.31	112.64
(e) Other financial assets	3,367.09	3,213.00
Measured at FVTOCI		
(a) Investments in equity instruments	0.49	97.60
Total Financial Assets	**5,063.26**	**4,306.05**
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,659.07	2,010.77
(b) Trade payables	1,763.33	1,488.48
(c) Other financial liabilities	756.95	844.42
Total Financial Liabilities	**4,179.35**	**4,343.67**

43.3 Financial risk management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk assessment and analyses forex exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's - Risk Management Policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk. The Company enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including but not limited to:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the repayment of foreign currency debt;
- interest rate swaps to mitigate the risk of rising interest rates on foreign currency debt.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

43.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative instruments. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	Liabilities		Assets	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
USD Currency	232.50	298.33	81.99	27.44
Euro Currency	73.41	4.64	1.55	10.92
QAR Currency	68.39	65.31	74.70	70.77
OMR Currency	0.07	0.08	0.60	0.60
Mur Currency	0.16	0.13	0.01	0.01
UAE Currency	0.69	0.36	121.18	56.20
JOD Currency	91.31	86.54	74.44	64.42
BHD Currency	2.35	3.03	26.70	26.64
KWD Currency	260.21	29.41	215.60	43.88
GBP Currency	0.57	0.08	1.09	0.02
JPY Currency	2.69	9.02	-	-
BDT Currency	2.11	0.01	3.17	0.12
SAR Currency	0.01	0.02	0.56	0.36
GHS Currency	534.97	258.40	142.89	3.11
SGD Currency	0.08	-	-	-
CHF Currency	-	-	-	0.01
GNF Currency	0.40	-	-	-
IQD Currency	0.04	-	-	-
MYR Currency	0.08	0.06	-	-
ZMW Currency	3.39	-	10.84	-
MZN Currency	-	-	0.01	-

43.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of USD, Euro and KWD currency.

The following table details the Company's sensitivity to a 5% increase and decrease in the Indian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivable and payables in the Company at the end of the reporting period.The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative. The impact of 5 % is also applicable on outstanding foreign currency loans as on the reporting date.

Particulars	USD Currency Impact		Euro Currency Impact		KWD Currency Impact	
	2017- 2018	2016- 2017	2017- 2018	2016- 2017	2017- 2018	2016- 2017
Impact on profit or loss for the year						
Increase in exchange rate by 5%	(7.53)	(13.54)	(3.59)	0.31	(2.23)	0.72
Decrease in exchange rate by 5%	7.53	13.54	3.59	(0.31)	2.23	(0.72)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

43.5.2 Derivative financial instruments

The Company has entered into foreign currency options and Interest rate swaps to cover its exchange rate and interest rate risks pertaining to its foreign currency borrowings.

There are no significant derivative financial instruments outstanding at the end of the reporting period.

43.6 Interest rate risk management

The Company is exposed to interest rate risk because entities in the Company borrows foreign currency funds at floating interest rates and the risk is managed by the use of interest rate swap contracts and other similar products. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

43.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31st March, 2018 would decrease/increase by ₹ 2.53 crores (2017: decrease/increase by ₹ 2.74 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

43.6.2 Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates and the cash flow exposures on the issued variable rate debt.

43.7 Other price risks

The Company is exposed to equity price risks arising from mutual funds and equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

43.7.1 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

i) other comprehensive income for the year ended 31st March, 2018 would increase/decrease by ₹ 0.02 crores (2016-2017: increase/decrease by ₹ 4.88 crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

43.8 Credit risk management

The Company is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, bank deposits, trade receivables and loan receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

Trade receivables and loan receivable:

The Company assesses and manages credit risk on an internal credit evaluation system. It is performed by the finance team in conjunction with the relevant business teams depending on whether depending on the nature and type of the financial asset being evaluated.

The customer base of the Company is highly comprises of government parties and Holding Company. Further, Company is having certain short term loan receivables from the Group entities. Collateral is generally not obtained from customers. Other customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

(A) To measure the expected credit losses on (a) trade receivables from government parties, and (b) trade receivables and loan receivables from Group Companies, they have been considered to enjoy the low credit risk as they meet the following criteria:
   - i) they have a low risk of default,
   - ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
   - iii) the Company expect, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfill its obligations.

(B) Cash and cash equivalents, bank deposits are held with only high rated banks / financial institutions, credit risk on them is therefore insignificant.

(C) For other trade receivables, the Company uses "General Model" for the measurement of expected credit loss (ECL) for trade receivables as well as loan receivable. The measurement of ECL under general model depends on whether credit risk has increased significantly since initial recognition. These credit risk is regularly monitored based on historic turnover activity and credit performance of every customer. In addition, overdue receivable balances are monitored and actioned on a regular basis. When the credit risk has not increased significantly after initial recognition, a provision shall be made for the 12 month expected loss, otherwise shall be made for the entire lifetime.

The Company considers the probability of default upon initial recognition of asset and whether there is a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information which considers multiple factors such as:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

Macro-economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Refer note 5 for reconciliation of expected credit loss balance on financial assets.

43.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

43.9.1 Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include principal cash flows along with interest. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crores

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+years	Total
31st March, 2018					
Borrowings	8.54%	1,012.14	836.82	43.51	**1,892.47**
Trade payables		1,567.58	195.75	-	**1,763.33**
Other financial liabilities		538.72	209.92	-	**748.64**
		3,118.44	**1,242.49**	**43.51**	**4,404.44**
31st March, 2017					
Borrowings	8.76%	1,258.03	941.39	78.88	**2,278.30**
Trade payables		1,340.63	147.85	-	**1,488.48**
Other financial liabilities		735.06	100.39	-	**835.45**
		3,333.72	**1,189.63**	**78.88**	**4,602.23**

The Company is exposed to credit risk in relation to guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (see Note 30). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the beneficiary under the guarantee may default.

43.10 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

43.10.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crores

Financial assets/ Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2018	31st March, 2017		
1) Foreign currency options	Nil	Nil	Level 2	Discounted cash flow.
				Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2) Investments in mutual funds at FVTPL (quoted)	-	0.13	Level 1	Fair value of quoted current investments in mutual funds is based on price quotations at the reporting date.
3) Investments in equity instruments at FVTOCI (quoted) (see note 1)	0.49	97.60	Level 1	Quoted bid prices in an active market

Note 1: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the period.

Notes forming part of the financial statements as at and for the year ended 31st March, 2018 (Continued)

43.10.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of the following financial assets and financial liabilities (other than Long Term Borrowings) are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

a) Financial Assets
   - Cash and bank balances
   - Bank balance other than above
   - Trade receivables
   - Loans
   - Other financial assets

b) Financial Liabilities
   - Short term borrowings
   - Trade payables
   - Other financial liabilities

The carrying amount and fair value of Long Term Borrowings, which are measured at amortised cost is disclosed in table below :

₹ in Crores

	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost:	**905.16**	**920.94**	**947.49**	**962.89**
- Borrowings	905.16	920.94	947.49	962.89

Approval of financial statement

The financial statements were approved for issue by the board of directors on 11th June, 2018.

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Place: Mumbai
Date: 11th June, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFCONS INFRASTRUCTURE LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Afcons Infrastructure Limited in which are incorporated 12 jointly controlled operations ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 2 (B) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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

Other Matter

8. We did not audit the financial statements of 6 subsidiaries and 10 jointly controlled operations whose financial statements reflect total assets of Rs. 2,570 crores and net assets of Rs. 137 crores as at 31st March, 2018, total revenue of Rs. 2,551 crores, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 51 crores and net cash outflow amounting to Rs 25 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and jointly controlled operations, is based solely on the reports of the other auditors.
9. We did not audit the financial statements of 6 subsidiaries and 2 jointly controlled operations whose financial statements reflect total assets of Rs 313 crores and net assets of Rs 37 crores as at 31st March, 2018, total revenue of Rs. 211 crores, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs 2 crores and net cash outflows amounting to Rs. 46 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar

as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and Jointly controlled operations, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group .

10. The financial statements of 1 subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs 9 crores and net assets of Rs. 9 crores as at 31st March, 2018, total revenue of Rs. 0.1 crores, total comprehensive income (comprising of loss and other comprehensive income) of Rs 0.01 crores and net cash outflows amounting to Rs 0.01 crores for the year then ended; have been prepared in accordance with accounting principles generally accepted in that respective country and has been audited by other auditor under generally accepted auditing standards applicable in that respective country. The Company's management has converted the financial statements of the subsidiary located outside India from the accounting principles generally accepted in its respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of the subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

11. The consolidated Ind AS financial statements of the Company for the year ended 31st March, 2017, were audited by Deloitte Haskins & Sells, chartered accountants and HDS & Associates LLP, chartered accountants under the Companies Act, 2013 who, vide their report dated 22nd June, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Afcons Infrastructure Limited and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at 31st March, 2018 on the consolidated financial position of the Group – Refer Note 29, 39, 40 and 42 to the consolidated Ind AS financial statements.

ii. The group has made provision as at 31st March, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 18 to the consolidated Ind AS financial statements. Further, the group did not have any material foreseeable losses on derivative contracts as at 31st March, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31st March, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the group for the year ended 31st March, 2018.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Mumbai
11th June, 2018

For HDS & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K. Joshi
Partner
Membership No. 030035

Mumbai
11th June, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Afcons Infrastructure Limited on the consolidated financial statements for the year ended 31st March, 2018

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Afcons Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to 12 jointly controlled operations and 9 Subsidiaries.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

   Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Mumbai
11th June, 2018

For HDS & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K. Joshi
Partner
Membership No. 030035

Mumbai
11th June, 2018

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Consolidated Balance Sheet as at 31st March, 2018 ₹ in Crores

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3.A	1,594.09	1,624.60
	(b) Capital work-in-progress		21.74	20.80
	(c) Goodwill	3.B	5.16	4.83
	(d) Intangible assets	3.C	1.73	2.25
	(e) Financial assets			
	(i) Investments	4	2.94	100.04
	(ii) Trade receivables	5	125.04	129.65
	(iii) Other financial assets	7	787.71	609.03
	(f) Non current tax assets (net)	11	71.65	74.65
	(g) Other non-current assets	8	90.00	93.23
	Total Non-current Assets		**2,700.06**	**2,659.08**
2	**Current assets**			
	(a) Inventories	9	557.86	558.52
	(b) Financial assets			
	(i) Trade receivables	5	1,431.38	764.68
	(ii) Cash and cash equivalents	10	126.27	160.38
	(iii) Bank balances with other than (ii) above	10.1	28.09	28.98
	(iv) Loans	6	91.02	56.61
	(v) Other financial assets	7	2,955.37	2,786.24
	(c) Other current assets	8	307.98	215.73
	Total Current Assets		**5,497.97**	**4,571.14**
	Total Assets (1+2)		**8,198.03**	**7,230.22**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	12	521.97	521.97
	(b) Other equity	13	1,269.08	1,100.78
	Equity attributable to shareholders of the Company		1,791.05	1,622.75
	Non controlling interest		(9.89)	(0.24)
	Total Equity		**1,781.16**	**1,622.51**
2	**Liabilities**			
	(A) Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	755.72	831.20
	(ii) Trade payables	15	195.75	147.85
	(iii) Other financial liabilities	16	209.92	100.39
	(b) Provisions	18	7.76	8.99
	(c) Deferred tax liabilities (net)	21	163.29	140.36
	(d) Other non-current liabilities	17	763.09	486.28
	Total Non-current Liabilities		**2,095.53**	**1,715.07**
	(B) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20	769.37	1,067.98
	(ii) Trade payables	15	1,843.47	1,487.15
	(iii) Other financial liabilities	16	696.05	860.33
	(b) Provisions	18	32.61	24.47
	(c) Current tax liabilities (net)	19	11.26	13.34
	(d) Other current liabilities	17	968.58	439.37
	Total Current Liabilities		**4,321.34**	**3,892.64**
	Total Liabilities (A+B)		**6,416.87**	**5,607.71**
	Total Equity and Liabilities (1+2)		**8,198.03**	**7,230.22**
	See accompanying notes 1 to 43 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

Place: Mumbai
Date: 11th June, 2018

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

₹ in Crores

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1	Revenue from operations	22	6,551.09	6,304.82
2	Other income	23	136.64	100.90
3	**Total income (1 + 2)**		**6,687.73**	**6,405.72**
4	**Expenses**			
	(a) Cost of material consumed	24	1,941.82	2,170.85
	(b) Cost of construction	24.1	2,424.10	2,279.32
	(c) Employee benefits expense	25	754.18	673.79
	(d) Finance costs	26	306.21	302.23
	(e) Depreciation and amortisation expense	27	200.61	168.62
	(f) Other expenses	28	816.67	604.06
	Total expenses		**6,443.59**	**6,198.87**
5	**Profit before tax (3 - 4)**		**244.14**	**206.85**
6	**Tax expense:**	21		
	(a) Current tax		56.56	27.08
	(b) Deferred tax		26.02	26.75
	(c) Tax expense/(income) relating to prior year (net)		(2.56)	0.32
			80.02	**54.15**
7	**Profit for the year (5 - 6)**		**164.12**	**152.70**
8	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss			
	(a) Changes in fair value of equity investments measured at FVOCI		7.86	(3.37)
	(b) Remeasurements of defined benefit plans		(0.85)	(5.60)
	(c) Deferred tax on remeasurement of defined benefit plans		0.30	1.94
	B) Items that may be reclassified to profit or loss			
	(a) Exchange differences on translating the financial statements of a foreign operation		17.34	(5.65)
	(b) Income tax relating to items that will not be reclassified to profit or loss #		#	-
	# Amount is below the rounding off norms adopted by the Group.			
			24.65	**(12.68)**
9	**Total comprehensive income for the year (7 + 8)**		**188.77**	**140.02**
	Profit for the year attributable to:			
	- Owners of the Company		173.61	154.23
	- Non-controlling interest		(9.49)	(1.53)
			164.12	**152.70**
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		24.65	(12.68)
	- Non-controlling interest		-	-
			24.65	**(12.68)**
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		198.26	141.55
	- Non-controlling interest		(9.49)	(1.53)
			188.77	**140.02**
10	**Earnings per share (Face value of ₹ 10 each):**	31		
	(a) Basic		24.12	21.42
	(b) Diluted		5.10	4.53
	See accompanying notes 1 to 43 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

Place: Mumbai
Date: 11th June, 2018

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Consolidated statement of changes in equity for the year ended 31st March, 2018

a) Equity share capital ₹ in Crores

Balance as at 1st April, 2017	71.97
Changes in equity share capital	-
Balance as at 31st March, 2018	**71.97**

b) Preference share capital ₹ in Crores

Balance as at 1st April, 2017	450.00
Changes in preference share capital	-
Balance as at 31st March, 2018	**450.00**

c) Other equity ₹ in Crores

Particulars	Reserve and surplus							Other comprehensive income		Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	Contin-gencies reserve	Debenture redemption reserve	General reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Equity Instruments through other comprehensive income	
Balance as at 1st April, 2016	0.84	0.13	10.28	8.00	44.57	66.04	840.10	0.37	14.94	**985.27**
Profit for the year	-	-	-	-	-	-	154.23	-	-	**154.23**
Other comprehensive income for the year	-	-	-	-	-	-	(3.66)	(5.65)	(3.37)	**(12.68)**
Dividends including tax thereon	-	-	-	-	-	-	(26.04)	-	-	**(26.04)**
Transferred to retained earnings	-	-	-	-	(2.07)	-	2.07	-	-	**-**
Balance as at 31st March, 2017	**0.84**	**0.13**	**10.28**	**8.00**	**42.50**	**66.04**	**966.70**	**(5.28)**	**11.57**	**1,100.78**
Balance as at 1st April, 2017	0.84	0.13	10.28	8.00	42.50	66.04	966.70	(5.28)	11.57	**1,100.78**
Profit for the year	-	-	-	-	-	-	173.61	-	-	**173.61**
Other comprehensive income for the year	-	-	-	-	-	-	(0.55)	17.34	7.86	**24.65**
Dividends including tax thereon	-	-	-	-	-	-	(29.96)	-	-	**(29.96)**
Transferred to debenture redemption reserve	-	-	-	-	18.75	-	(18.75)	-	-	**-**
Balance as at 31st March, 2018	**0.84**	**0.13**	**10.28**	**8.00**	**61.25**	**66.04**	**1,091.05**	**12.06**	**19.43**	**1,269.08**

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2018

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash flow from operating activities		
Profit after tax	164.12	152.70
adjustments for :		
Income tax expense recognised in Profit or loss	80.02	54.15
Depreciation and amortisation	200.61	168.62
Loss on sale of fixed assets *(net)*	2.84	2.59
Dividend income recognised in profit or loss	(1.61)	(2.22)
Interest income recognised in profit or loss	(90.51)	(58.98)
Insurance claim received	(9.47)	(15.87)
Finance cost	306.21	302.23
Remeasurement of defined benefit liabilities / (assets) through OCI	(0.55)	(3.66)
Bad/irrecoverable debtors / unbilled revenue / advances / duty scrip w/off	171.19	1.38
Provision for doubtful advances no longer required written back	(3.05)	(0.44)
Reversal of expected credit loss on financial assets	-	(0.13)
Provision for expected credit loss	(0.04)	0.13
Creditors / excess provision written back	(17.69)	(1.97)
Net (gain) / loss arising on financials assets measured at fair value through profit or loss	(0.03)	(0.17)
Provision for projected losses on contract (net)	5.86	(4.46)
Operating profit before working capital changes	**807.90**	**593.90**
Decrease / (increase) in inventories	0.66	(29.84)
(Increase) in trade receivables	(662.05)	(268.00)
(Increase) in loans and other assets	(518.91)	(9.17)
Increase in trade, other payables and provisions	1,141.75	270.26
Cash from operations	**769.35**	**557.15**
Direct taxes - (paid) (including interest and refunds)	(56.15)	(48.76)
Net Cash flow from operating activities	**713.20**	**508.39**
Cash flow from investing activities		
Payment for property, plant and equipment	(196.34)	(210.46)
Proceeds from disposal of property, plant and equipment	6.81	7.01
Dividend received	1.61	2.22
Proceeds from sale of investment	104.97	-
Investment in other bank balance (made) / redeemed	0.89	(15.33)
Interest received	3.06	64.08
Insurance claim received	9.47	15.87
Net Cash flow (used in) investing activities	**(69.53)**	**(136.61)**
Cash flow from financing activities		
Proceeds from long-term borrowings	100.29	189.95
Repayment of long-term borrowings	(142.63)	(266.62)
(Repayment) / proceeds from short term borrowings - net	(298.61)	47.96
Finance cost	(306.87)	(299.11)
Dividend paid on equity shares (including tax thereon) (Interim)	(29.90)	(25.98)
Dividend paid on preference shares (including tax thereon)	(0.06)	(0.06)
Net Cash flow (used in) financing activities	**(677.78)**	**(353.86)**
Net (decrease) in cash and cash equivalents	(34.11)	17.92
Cash and cash equivalents at the beginning of the year	160.38	142.46
Cash and cash equivalents at the end of the year	**126.27**	**160.38**

Notes

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in Ind AS 7 '*Cash Flow Statements*'.
2. Figures relating to previous year have been recast where necessary to conform to figures of the current year.

Consolidated Cash Flow Statement for the year ended 31st March, 2018 (Continued)

Net debt reconciliation

(₹ in crores)

Particulars	31st March, 2018	31st March, 2017
Cash and Cash equivalent	126.27	160.38
Liquid investments (i)	17.88	28.98
Current borrowings	(927.12)	(1,193.25)
Non-current borrowings	(755.72)	(831.20)
Net Debt	**(1,538.69)**	**(1,835.09)**

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid investment	Finance lease obligations	Non-current borrowings	Current borrowings	
Net Debt as on 1st April, 2016	**142.46**	**13.65**	**-**	**(857.65)**	**(1,208.15)**	**(1,909.69)**
Cash flows	17.92	15.33	-	76.67	(47.96)	**61.96**
Foreign exchange adjustments	-	-	-	15.76	-	**15.76**
Interest expense	-	-	-	(57.95)	(213.29)	**(271.24)**
Interest paid	-	-	-	53.65	214.47	**268.12**
Net debt as on 31st March, 2017	**160.38**	**28.98**	**-**	**(769.52)**	**(1,254.93)**	**(1,835.09)**
Cash flows	(34.11)	(11.10)	-	42.34	298.61	**295.74**
Interest expense	-	-	-	(68.86)	(192.91)	**(261.77)**
Interest paid	-	-	-	69.52	192.91	**262.43**
Net debt as on 31st March, 2018	**126.27**	**17.88**	**-**	**(726.52)**	**(956.32)**	**(1,538.69)**

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 11th June, 2018

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018

Note No 1. General information

Afcons Infrastructure Limited (the "Company" or "Afcons") is a limited company incorporated in India. Its parent company is Shapoorji Pallonji Company Private Limited.

The address of its registered office is "Afcons House",16 Shah Industrial Estate, Veera Desai Road, Andheri (West), Mumbai 400 053 and principal place of business is Mumbai, India. The principal activity of the Company and its subsidiaries and control operations (the "Group") are infrastructure activities. Afcons has a presence in almost the entire spectrum of infrastructure activities in india and overseas. The Group is engaged in marine works, highways, bridges, metro works, power houses, tunnels, oil and gas, LNG tanks and other general civil engineering projects both in india and overseas.

Note No 2. Significant Accounting Policies

Basis of preparation and presentation

i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Current versus non-current classification

The consolidated balance sheet presents current and non-current assets, and current and non-current liabilities, as separate classifications. For this purpose, an asset is classified as current if :

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if :

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

iii) New standards or interpretations adopted by the Company

The Group has applied the following amendment for the first time for its annual reporting period commencing 1st April, 2018:

Amendment to Ind AS 7 "Statement of Cash Flows":

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The adoption of this amendment did not have any material impact on the amounts recognised in the consolidated financial statements.

iv) New standards or interpretations issued by but not yet effective

The Group will apply the following standard for the first time for its annual reporting period commencing 1st April, 2018:

a) Ind AS 115 – Revenue from contracts with customers

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1st April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1st April 2018 and that comparatives will not be restated.

The Management is in the process of evaluating the impact of adoption of the same.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

This appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

retrospectively for each period presented applying Ind AS 8;

prospectively to items in scope of the appendix that are initially recognized

- on or after the beginning of the reporting period in which the appendix is first applied (i.e. 1st April 2018 for entities with March year-end); or
- from the beginning of a prior reporting period presented as comparative information (i.e. 1st April 2017 for entities with March year-end).

The Group intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1st April 2018).

The Management is in the process of evaluating the impact of adoption of the same.

v) Historical cost convention

The consolidated financial statement have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statement is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for consolidated financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.1 Basis of consolidation

The consolidated financial statement incorporates the financial statement of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statement of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group's share of the results, assets and liabilities of contracts carried out in conjunction with another party are included under each relevant heading in the consolidated financial statement.

2.2 Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.3 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

a) Its assets, including its share of any assets held jointly;
b) Its liabilities, including its share of any liabilities incurred jointly;
c) Its revenue from the sale of the output arising from the joint operation;
d) Its share of the revenue from the sale of the output by the joint operation and
e) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statement only to the extent of the other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

2.4 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and rebates but excludes Goods and Service Tax (GST), Work Contract Tax (WCT), Value Added Tax (VAT) and amount collected on behalf of third parties.

Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Contract revenue is measured at the fair value of the consideration received or receivable.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that its receipt is considered probable and the amounts are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the statement of profit and loss in the period in which the change is made and in subsequent periods.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

Contract revenue in case of 'Cost Plus' contracts is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.

Contract cost include cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other costs as are specifically chargeable to the customer under the terms of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the statement of profit and loss in the period in which such probability occurs.

Claims and amounts in respect thereof are recognized only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be reliably measured. In the case of Arbitration Awards (the "Awards") which are granted in favor of the Company, the award amount (including interest thereon), are accounted when they are granted and where it is reasonable to expect ultimate collection of such awards.

The Group evaluates whether it is acting as a principal or agent by considering a number of factors, including, among other things, whether the Group is the primary obligor under the arrangement, has inventory risk, has customer's credit risk and has latitude in establishing prices. Where the Group is the principal in the transaction, revenue and related costs are recorded at their gross values. Where the Group is effectively the agent in the transaction, revenue and related costs are recorded at their net values.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rendering of services

Revenue from rendering of services is measured at fair value of consideration received or receivable. Revenue is recognised over the life of the contract using percentage completion method and when the outcome of the transaction is estimated reliably.

The outcome of a transaction is estimated reliably when all the following conditions are satisfied:

a) the amount of revenue can be measured reliably;
b) it is probable that the economic benefits associated with the transaction will flow to the entity;
c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Groups expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.6 Foreign currencies

(i) Functional and presentation currency

Items included in the consolidated financial statement of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statement are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

In preparing the consolidated financial statement of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Any exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statement until the year ended 31st March, 2016, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting this financial statement, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and leave encashment.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the consolidated financial statement represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.9.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted bv the end of the reporting period and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. It also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the recognition criteria.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Carrying amount of items replaced is derecognised. Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised (if they meet the asset recognition criteria) and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Estimated useful lives of the assets are as follows:

Buildings - 60 years

Furniture and fixtures - 10 years

Vehicles - 10 years

Office equipments - 5 years

Freehold land is not depreciated

For following assets estimated useful life is different than the useful life prescribed in schedule II to the Companies Act, 2013 and has been assessed on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant & Equipment (except Tunnel Boring Machines) which includes Cranes < 100 mt., Concreting, Crushing, Piling, Road making, Laboratory & Welding Equipments, Floating Equipments - 20 Years.

Tunnel Boring Machines - Length of the tunnel bored over life of the construction project for where it is used.

Cost of shuttering materials, issued to jobs, is charged off equally over a period of four years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.10.1 Capital work-in-progress

Property, plant and equipment that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Useful life is as below:

Computer software - 5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses from derecognition of an intangible assets, measured at the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

2.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on the basis of weighted average method.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

2.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is disclosed where there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are not recognised. Information on contingent liabilities is disclosed in the notes to consolidated financial statement unless the possibility of an outflow of resources embodying economic benefits is remote.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.16 Financial assets

Classification and subsequent measurement of financial assets:

2.16.1 Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification is done depending upon the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.16.2 Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity instruments

Investments in equity instruments at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for ‘equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

2.16.3 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.4 Effective interest method

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the consolidated statement of profit and loss.

2.16.5 De-recognition of financial assets

A financial asset is derecognised only when Group has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.16.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

2.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.17.1 Classification and subsequent measurement

Financial liabilities are measured at amortised cost.

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17.2 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' as 'Net foreign exchange gains/(losses)'.

2.18 Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.19 Government grants, subsidies and export incentives

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

2.20 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

Ordinary shares to be issued upon conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Afcons Infrastructure Limited assesses the financial performance and position of the Group, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Refer note 33 for segment information presented.

2.22 Credit risk

The Company/Group assess on a forward looking basis the expected credit losses associated with its assets measured at amortised cost which includes lease receivables, trade receivables, other contractual rights to receive cash etc. The impairment methodology applied depends on whether there has been a significant increase in the credit risk since initial recognition of these financial assets. For the evaluation, the Company/Group considers historical credit loss experience and adjusted for forward-looking information. Note 44.8 details how the Group/company determines whether there has been a significant increase in credit risk.

2A. Critical estimates and judgements

a) Revenue recognition

The Group's revenue recognition policy, which is set out in Note 2.4, is central to how the Group values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of long-term construction services, which require assessments and judgements to be made on changes in scope of work and claims and variations.

Across construction services there are several long-term and complex projects where the Group has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract.

- Determination of stage of completion;
- Estimation of project completion date;
- Provisions for foreseeable losses; and
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

b) Taxation

The Group is subject to tax in a number of jurisdictions and judgement is required in determining the worldwide provision for income taxes. The Group provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made

c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the Group is involved it is not expected that such contingencies will have material effect on its financial position or profitability.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

d) Useful lives of property, plant and equipment

As described at note 2.10 above, the Group reviews the estimated useful lives of property, plant and equipment and residual values at the end of each reporting period. There was no change in the useful life and residual values of property, plant and equipment as compared to previous year.

e) Recoverable value of recognised receivables

The Group has recognised trade receivables with a carrying value of ₹ 1,556.42 Crores (as at 31st March, 2017: ₹ 894.33 Crores). The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable.

The Group has a policy of assessing the creditworthiness of potential customers before entering into transactions by performing a credit evaluation on the financial condition of accounts receivable using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable. The expected credit loss allowance for trade receivables is made based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Where the actual cash shortfalls vary from those estimated, these could impact the level of profit or loss recognised by the Group.

f) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

g) Retirement benefit obligations

Details of the Group's defined benefit pension schemes are set out in Note 2.8, including tables showing the sensitivity of the pension scheme obligations and assets to different actuarial assumptions.

The present value of defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period that have terms approximating to the terms of the related obligation.

h) Arbitration claims

The forecast profit on contracts includes key judgements over the expected recovery of costs arising from the following: variations to the contract requested by the customer, compensation events, and claims made by the Company for delays or other additional costs for which the customer is liable. These claims could result in disputes that get settled through an arbitration process wherein the outcome of these awards including the timing and the amount (including interest thereon) requires a reasonable degree of estimation. The inclusion of these amounts requires estimation of their recoverability and could impact the level of profit or loss recognised by the Company.

i) Classification of assets / liabilities as Current and Non-current

The balance sheet presents current and non-current assets and current and non-current liabilities, as separate classifications. This classification involves managements estimate on expected realisation of assets and settlement of liabilities within 12 months after the reporting period.

j) Classification of Joint Arrangement as a Joint Operation /Joint Venture

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When an entity undertakes its activities under Joint Operations, the Group as a joint operator recognises in relation to its interest in a Joint Operation:

a) Its assets, including its share of any assets held jointly;

b) Its liabilities, including its share of any liabilities incurred jointly;

c) Its revenue from the sale of the output arising from the joint operation;

d) Its share of the revenue from the sale of the output by the joint operation and

e) Its expenses, including its share of any expenses incurred jointly.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Accordingly, the Group has evaluated all its joint arrangements on the basis of the contractual arrangements entered into between the parties to the joint arrangements for execution of the project irrespective of the legal form.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note 2B (i) Details of subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Country of incorporation	Percentage holding-share
Hazarat and Company Private Limited.	India	100%
Afcons Corrosion Protection Pvt. Ltd.	India	100%
Afcons Offshore and Marine Services Pvt. Limited.	India	100%
Afcons (Mideast) Constructions and Investments Private Limited	India	100%
Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL*	Kuwait	49%
Afcons Construction Mideast LLC*	U.A.E	49%
Afcons Gulf International Projects Services FZE #	U.A.E.	100%
Afcons Mauritius Infrastructure Limited	Mauritius	100%
Afcons Overseas Singapore Pte Ltd.	Singapore	100%
Afcons Infra Projects Kazakhstan LLP %	Kazakhstan	100%
Afcons Overseas Construction LLC (upto 18th September, 2017)	Qatar	49%
Afcons Saudi Constructions LLC	Saudi Arabia	100%
Afcons Overseas Project Gabon SARL %	Gabon	100%

* Although, the parent Company has less than a majority of the voting rights of the investee, it has power over the investee as the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

\# Subsidiary of Afcons Mauritius Infrastructure Limited

% Subsidiary of Afcons Overseas Singapore Pte Ltd.

The principal activities of the Company including its joint operations and its subsidiaries (the Group) are infrastructure activities.

Note 2B (ii) Details of joint operations at the end of the reporting period are as follows.

Name of joint operations	Country of incorporation	Percentage holding-share
Transtonnelstroy Afcons Joint Venture	India	99%
Dahej Standby Jetty Project undertaking	India	100%
Afcons Gunanusa Joint Venture	India	80%
Afcons Pauling Joint Venture	India	100%
Strabag AG Afcons Joint Venture	India	40%
Saipem Afcons Joint Venture	Oman	50%
Ircon Afcons Joint Venture	India	47%
Afcons Sener LNG Construction Projects Pvt.Ltd.	India	49%
Afcons Sibmost Joint Venture (w.e.f. 3rd August, 2016)	India	100%
Afcons Vijeta PES Joint Venture (w.e.f. 25th May, 2016)	India	100%
Afcons SMC Joint Venture (w.e.f. 14th July, 2016)	India	100%
Afcons - Vijeta Joint Venture (w.e.f. 2nd August, 2017)	India	100%

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 3. Property, plant and equipments

A. Tangible assets

₹ in Crores

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2017	Additions	Disposals	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Depreciation for the year	Disposals	Balance as at 31st March, 2018	Balance as at 31st March, 2018
(a) Freehold land	203.00	-	-	203.00	-	-	-	-	203.00
(b) Buildings	34.64	7.31	(0.09)	41.86	15.69	0.87	#	16.56	25.30
(c) Plant and equipment	1,786.06	96.22	(52.36)	1,829.92	717.51	135.43	(43.54)	809.40	1,020.52
(d) Furniture and fixtures	38.32	8.26	(0.65)	45.93	12.86	3.82	(0.30)	16.38	29.55
(e) Vehicles	23.61	7.58	(0.59)	30.60	8.99	2.18	(0.39)	10.78	19.82
(f) Office equipments	40.54	9.89	(0.98)	49.45	27.46	5.13	(0.89)	31.70	17.75
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	220.18	-	(1.92)	218.26	30.42	14.37	(1.82)	42.97	175.29
(i) Laboratory equipments	2.01	0.53	-	2.54	0.53	0.09	-	0.62	1.92
(j) Shuttering materials	97.06	33.21	-	130.27	35.64	28.25	-	63.89	66.38
(k) Accessories and attachments	45.93	15.85	-	61.78	17.65	9.57	-	27.22	34.56
Total	**2,494.14**	**178.85**	**(56.59)**	**2,616.40**	**869.54**	**199.71**	**(46.94)**	**1,022.31**	**1,594.09**

Previous Year

₹ in Crores

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2016	Additions	Disposals	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation for the year	Disposals	Balance as at 31st March, 2017	Balance as at 31st March, 2017
(a) Freehold land	203.00	-	-	203.00	-	-	-	-	203.00
(b) Buildings	32.60	2.04	-	34.64	14.98	0.71	-	15.69	18.95
(c) Plant and equipment	1,538.84	262.20	(14.98)	1,786.06	612.44	116.05	(10.98)	717.51	1,068.55
(d) Furniture and fixtures	34.39	4.27	(0.34)	38.32	9.63	3.34	(0.11)	12.86	25.46
(e) Vehicles	21.66	2.46	(0.51)	23.61	6.96	2.34	(0.31)	8.99	14.62
(f) Office equipments	35.12	5.67	(0.25)	40.54	23.47	4.18	(0.19)	27.46	13.08
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	220.26	0.36	(0.44)	220.18	16.31	14.54	(0.43)	30.42	189.76
(i) Laboratory equipments	0.96	1.15	(0.10)	2.01	0.53	0.05	(0.05)	0.53	1.48
(j) Shuttering materials	72.73	24.33	-	97.06	18.44	17.20	-	35.64	61.42
(k) Accessories and attachments	34.00	11.93	-	45.93	8.70	8.95	-	17.65	28.28
Total	**2,196.35**	**314.41**	**(16.62)**	**2,494.14**	**714.25**	**167.36**	**(12.07)**	**869.54**	**1,624.60**

Notes:

(1) Additions for the year includes foreign exchange capitalised during the year amounting to ₹ Nil (previous Year ₹ 10.69 crores).

(2) Freehold Land with a carrying amount of ₹ 203.00 crores (as at 31st March 2017 ₹ 203.00 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Buildings carrying amount of ₹ 25.28 crores (as at 31st March 2017 ₹ 18.95 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Movable Plant and machinery, construction equipments, machinery spares, tools and accessories with a carrying amount of ₹1,234.63 Crores (as at 31st March 2017 ₹ 1,287.10 Crores) has been secured by way of hypothecation in favour of term lenders and consortium banks have been secured through Indenture of Mortgage. Refer Note No. 14.

(3) # Amount is below the rounding off norms adopted by the Group.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 3. Property, Plant and Equipments (Contd)

B. Goodwill

₹ in Crores

Cost or deemed cost	Balance as at 31st March, 2018	Balance as at 31st March, 2017
Balance at beginning of year	4.83	5.20
Effect of foreign currency exchange differences	0.33	(0.37)
Balance at end of year	**5.16**	**4.83**

C. Intangible assets

₹ in Crores

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2017	Additions	Disposals	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Amortisation for the year	Disposals	Balance as at 31st March, 2018	Balance as at 31st March, 2018
Computer software - acquired	11.78	0.38	-	**12.16**	9.53	0.90	-	**10.43**	**1.73**
Total	**11.78**	**0.38**	**-**	**12.16**	**9.53**	**0.90**	**-**	**10.43**	**1.73**

Previous Year

₹ in Crores

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2016	Additions	Disposals	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Amortisation for the year	Disposals	Balance as at 31st March, 2017	Balance as at 31st March, 2017
Computer software - acquired	10.99	0.79	-	11.78	8.27	1.26	-	9.53	2.25
Goodwill - acquired	0.20	-	(0.20)	-	-	-	-	-	-
Total	**11.19**	**0.79**	**(0.20)**	**11.78**	**8.27**	**1.26**	**-**	**9.53**	**2.25**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 4. Non-current investments

	Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
			Quantity	Amount ₹ in Crores	Quantity	Amount ₹ in Crores
A.	**Investment in equity instruments at fair value through other comprehensive income**					
	Quoted Investments (fully paid)					
(a)	Investment in equity instruments :					
	Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	0.44	40,072	0.31
	Hindustan Construction Co. Ltd.	₹ 1	2,000	#	2,000	0.01
	Simplex Infrastructures Ltd.	₹ 2	500	0.03	500	0.02
	ITD Cementation India Ltd.	₹ 1	1,000	0.02	1,000	0.02
	Gammon India Ltd.	₹ 2	250	#	250	#
	Tata Consultancy Services Ltd.	₹ 1	-	-	4,00,000	97.24
	Total aggregate quoted investments			**0.49**		**97.60**
	Unquoted investments (fully paid)					
(b)	Investment in equity instruments :					
	Simar Port Ltd.	₹ 10	1,000	#	1,000	#
	# Amount is below the rounding off norms adopted by the Group.			#		#
B.	**Investments in mutual funds at fair value through profit or loss**					
(a)	**Investment in mutual funds :**					
	Quoted					
	SBI Infrastructure Fund	₹ 10	-	-	50,000	0.07
	UTI Infrastructure Fund - Growth Plan	₹ 10	-	-	12,731	0.06
	ICICI Prudential Equity Arbitrage Fund - Growth Plan	₹ 10	10,64,245	2.45	10,64,245	2.31
	Total aggregate mutual fund investment			**2.45**		**2.44**
	Total investments carrying value (A+B)			**2.94**		**100.04**
	Aggregate book value of quoted investments			2.40		88.23
	Aggregate market value of quoted investments			2.94		100.04

Category-wise other investments - as per Ind-AS 109 classification: ₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets measured at FVTPL - mutual fund	2.45	2.44
Financial assets measured at FVTOCI- equity instruments	0.49	97.60
	2.94	**100.04**

Note No 5. Trade receivables ₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
i) Unsecured, considered good	1,431.38	125.04	764.68	129.65
ii) Doubtful	-	20.59	-	20.63
	1,431.38	145.63	764.68	150.28
Less: Allowance for expected credit losses	-	20.59	-	20.63
	1,431.38	125.04	764.68	129.65
Total	**1,431.38**	**125.04**	**764.68**	**129.65**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 5.1 - Movement in the expected credit loss allowance

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Balance at beginning of the year	-	20.63	-	20.50
Add : Created during the year	-	1.78	-	0.71
Less : Utilised during the year	-	1.82	-	0.58
Balance at end of the year	**-**	**20.59**	**-**	**20.63**

Note No 6. Loans

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Advances to related parties (Unsecured, considered good)				
To Fellow subsidiaries	43.92	-	-	-
To Joint operations	47.10	-	56.61	-
	91.02	-	56.61	-
Total	**91.02**	**-**	**56.61**	**-**

These financial assets are carried at amortised cost

Note No 7. Other financial assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Amounts due from customer under construction contracts				
Unsecured, considered good	2,726.96	655.79	2,637.58	484.69
Doubtful	-	-	-	1.22
	2,726.96	655.79	2,637.58	485.91
Less: Doubtful provision	-	-	-	1.22
	2,726.96	655.79	2,637.58	484.69
(b) Interest on trade receivables as per arbitration awards	219.41	116.22	136.58	111.60
(c) Others	0.84	-	1.72	-
(d) Deposits (Unsecured, considered good)				
(i) Security deposits	7.16	14.63	10.20	11.89
(ii) Other deposits	1.00	1.07	0.16	0.85
	8.16	15.70	10.36	12.74
(e) Other Loans and advances (doubtful)	-	0.16	-	0.64
Less: Provision for other doubtful loans and advances	-	0.16	-	0.64
	-	-	-	-
Total	**2,955.37**	**787.71**	**2,786.24**	**609.03**

Note No 7.1 Amounts due from (to) customers under construction contracts

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Contracts in progress at the end of the reporting period:		
Construction cost incurred plus recognised profits less recognised loss to date	21,323.01	18,830.75
Less : Progress billings	18,337.63	15,836.55
	2,985.38	**2,994.20**
Recognised and included in the consolidated financial statements as amounts due :		
- from customers under construction contracts	3,382.75	3,122.27
- to customers under construction contracts	(397.37)	(128.07)
	2,985.38	**2,994.20**

As at 31st March, 2018, retentions held by customers for contract work amounted to ₹ 305.62 crores (As at 31st March, 2017 ₹ 197.06 crores). Advances received from customers for contract work amounted to ₹ 1,751.35 crores (As at 31st March, 2017 ₹ 1,461.25 crores).

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 8. Other non-current & current assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Capital advances	16.77	-	-	0.60
(b) Prepayments	25.20	8.54	62.24	3.96
(c) Balances with government authorities				
(i) GST / VAT credit receivable	102.52	59.24	24.26	66.48
(ii) Service Tax credit receivable	3.53	22.22	17.47	22.19
(iii) Income tax refund receivable	-	-	4.00	-
(iv) Duty credit receivables	1.57	-	0.48	-
	107.62	81.46	46.21	88.67
(d) Others				
(i) Advance to vendors and others	123.87	-	75.64	-
(ii) Other receivables	31.39	-	27.55	-
(iii) Advances to employees	3.13	-	4.09	-
Total	**307.98**	**90.00**	**215.73**	**93.23**

Note No 9. Inventories

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Construction materials - at lower of cost and net realisable value		
Steel	263.42	220.49
Aggregate	36.07	49.29
Other construction material	53.03	71.86
	352.52	341.64
(b) Stores and spares - at lower of cost and net realisable value	205.34	216.88
	205.34	216.88
Total	**557.86**	**558.52**

Note No 10. Cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Balances with banks		
In current accounts	124.78	145.76
Term deposits with original maturity of less than three months	-	13.09
(b) Cash on hand	1.49	1.53
Total cash and cash equivalents	**126.27**	**160.38**

Note No 10.1. Bank balance other than cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Earmarked balance with banks		
- Unpaid dividend accounts	0.58	0.54
- Balances held as margin money or security against borrowings, guarantees and other commitments	0.26	0.09
- Other earmarked accounts / escrow accounts	0.52	18.68
Bank deposit with original maturity of more than three months but less than twelve months	26.73	9.67
Total	**28.09**	**28.98**

Note No 11. Non current tax assets (Net)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance income tax (net of provisions ₹ 38.28 crores) (As at 31st March, 2017 ₹ 75.19 crores)	71.65	74.65
Total	**71.65**	**74.65**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 12. Share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	₹ in Crores	Number of shares	₹ in Crores
(a) **Authorised**				
Equity shares of ₹ 10 each.	350,000,000	350.00	350,000,000	350.00
Preference shares of ₹ 10 each.	650,000,000	650.00	650,000,000	650.00
	1,000,000,000	**1,000.00**	**1,000,000,000**	**1,000.00**
(b) **Issued, subscribed and fully paid up**				
Equity shares of ₹ 10 each. (Refer note 12.1 below)	71,970,238	71.97	71,970,238	71.97
0.01% Non cumulative and non profit participatory convertible preference shares of ₹ 10 each. (Refer note 12.2 below)	100,000,000	100.00	100,000,000	100.00
0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.3 below)	250,000,000	250.00	250,000,000	250.00
0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.4 below)	100,000,000	100.00	100,000,000	100.00
Total	**521,970,238**	**521.97**	**521,970,238**	**521.97**

12.1 Rights, preferences and restrictions attached to equity shares:

(a) Rights to receive dividend as may be approved by the board / annual general meeting.

(b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

(c) Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company.

12.2 Rights, preferences and restrictions attached to 0.01% Non Cumulative and non profit participatory convertible preference shares:

(a) The preference shares shall be non- cumulative and non profit participating convertible preference shares carrying a fixed rate of dividend of 0.01% per annum to be paid in priority to the holders of any other class of shares.

(b) The preference shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the preference shares mentioned in note iii(a) below.

(c) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the company which directly affect the rights attached to his preference shares.

12.3 Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares shall be automatically and mandatorily converted into equity shares on 13th January, 2019 ("mandatory conversion date") i.e. on the eleventh year from the issue date. The mandatory conversion date of the 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares has been revised from 13th January, 2013 (5th year from the date of issue) to 13th January, 2019 (11th year from the date of issue) in terms of the consent letter obtained from the preference shareholder and the special resolution passed by the members of the Company at the extra ordinary general meeting of the company held on 10thh January, 2013.

(b) On mandatory conversion date, the preference shares shall be converted into such number of equity shares of the Company constituting 74% of the outstanding equity share capital and convertible preference shares of the Company calculated on a fully diluted basis on the date of issue (i.e. 13th January, 2008) resulting into 24,65,40,258 equity shares.

(c) The preference shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it.

(e) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

12.4 Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares shall be automatically and mandatorily converted into equity shares on 21st March, 2019 ("mandatory conversion date") i.e. on the expiry of five year from the issue date.

(b) On mandatory conversion date, the preference shares shall be converted into such number of equity shares of the Company at the price of ₹ 132 per equity shares (consisting of par of ₹ 10 and a premium of ₹ 122).

(c) The preference shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it.

(e) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 12.5 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year.

Particulars	**Numbers (in crores)**	**₹ in crores**
Equity shares outstanding as at 31st March, 2017	7.20	71.97
Add: Shares issued during the year	-	-
Equity shares outstanding as at 31st March, 2018	**7.20**	**71.97**

Note No 12.6 Details of shares held by each shareholder holding more than 5% of shares of the Company:

Class of shares / name of shareholder	**As at 31st March, 2018**		**As at 31st March, 2017**	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**
Equity shares				
Shapoorji Pallonji & Company Private Limited	49,083,282	68.20	49,053,819	68.16
Floreat Investments Limited	13,015,929	18.09	13,015,929	18.09
Renaissance Commerce Private Limited	4,016,250	5.58	4,016,250	5.58
Hermes Commerce Limited	4,016,250	5.58	4,016,250	5.58
0.01% Non cumulative and non profit participatory convertible preference shares				
Floreat Investments Limited	100,000,000	100.00	100,000,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Goswami Infratech Private Limited	250,000,000	100.00	250,000,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Shapoorji Pallonji & Company Private Limited	100,000,000	100.00	100,000,000	100.00

Note No 12.7 Details of shares held by the holding company, their subsidiaries and associates:

Particulars	**As at 31st March, 2018**			**As at 31st March, 2017**		
	Equity shares	**0.01% Non cumulative and non profit participatory convertible preference shares**	**0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares**	**Equity shares**	**0.01% Non cumulative and non profit participatory convertible preference shares**	**0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares**
	Number of shares			**Number of shares**		
Shapoorji Pallonji & Company Private Limited, the holding company	49,083,282	-	100,000,000	49,053,819	-	100,000,000
Subsidiaries of the holding company:						
Floreat Investments Limited (FIL)	13,015,929	100,000,000	-	13,015,929	100,000,000	-
Renaissance Commerce Private Limited	4,016,250	-	-	4,016,250	-	-
Hermes Commerce Limited	4,016,250	-	-	4,016,250	-	-

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 13. Other equity

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital reserve	0.84	0.84
Capital redemption reserve	0.13	0.13
Securities premium account	10.28	10.28
Contingencies reserve	8.00	8.00
Debenture redemption reserve	61.25	42.50
General reserve	66.04	66.04
Foreign currency translation reserve	12.06	(5.28)
Retained earnings	1,091.05	966.70
Reserve through other comprehensive income	19.43	11.57
Total	**1,269.08**	**1,100.78**

Movement in other equity:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Capital reserve		
Opening balance	0.84	0.84
Closing balance	0.84	0.84
(b) Capital redemption reserve		
Opening balance	0.13	0.13
Closing balance	0.13	0.13
(c) Securities premium account		
Opening balance	10.28	10.28
Closing balance	10.28	10.28
(d) Contingencies reserve		
Opening balance	8.00	8.00
Closing balance	8.00	8.00
(e) Debenture redemption reserve		
Opening balance	42.50	44.57
Add : Transferred from surplus in statement of profit and loss	18.75	(2.07)
Closing balance	61.25	42.50
(f) General reserve		
Opening balance	66.04	66.04
Closing balance	66.04	66.04
(g) Foreign currency translation reserve		
Opening balance	(5.28)	0.37
Add : Effect of foreign exchange rate variations during the year	17.34	(5.65)
Closing balance	12.06	(5.28)
(h) Retained earnings		
Opening balance	966.70	840.10
Add: Profit for the year	173.61	154.23
Add: Other items classified to other comprehensive income	(0.55)	(3.66)
Less: Appropriations		
Interim dividend on equity shares (₹ 3.50 per share) (previous year ₹ 3.00 per share)	24.77	21.59
Dividend on preference shares (₹ 0.001 per share) (previous year ₹ 0.001 per share)	0.05	0.05
Tax on dividend	5.14	4.40
Transferred (from) / to debenture redemption reserve	18.75	(2.07)
Closing balance	1,091.05	966.70
(i) Reserve for equity instruments through other comprehensive income		
Opening balance	11.57	14.94
Add: Net fair value gain/(loss) on investments in equity instruments measured at FVTOCI	7.86	(3.37)
Closing balance	19.43	11.57
Total	**1,269.08**	**1,100.78**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 13. Other equity (Continued)

Nature and purpose of each reserve within other equity

Capital reserve

The capital reserve is on account of acquisition of subsidiary companies.

Capital redemption Reserve

As per the provisions of Companies Act, capital redemption reserve is created out of the general reserve for the amount equivalent to the paid up capital of shares bought back by the Company.

Securities premium account

Where Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act. This reserve is utilized as per the provisions of the Companies Act.

Contingency reserve

The contingency reserve was created to protect against loss for amounts due from a partnership firm.

Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earning and dividend on equity shares:

This represent the surplus / (deficit) of the profit or loss. The amount that can be distributed by the Company to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

On 21st March, 2018, an interim dividend of ₹ 3.50 per share (total dividend ₹ 25.19 Crores) was paid to holders of fully paid equity shares.

Reserve for equity instrument measured through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

Note No 14. Non current borrowings

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
(a) Debentures (Unsecured) (Refer note 14.1)	350.00	400.00
(b) Working capital loans (Refer note 14.2 (i))		
From banks (Secured)	25.00	50.00
(c) Equipment loan (Secured) (Refer note 14.2 (ii))		
From banks		
Rupee loan	333.34	307.00
Foreign currency loan	39.04	58.37
(d) Other loans and advances (Refer note 14.2 (iii))		
Foreign currency loan (Secured)		
Buyers credit from banks	8.34	15.83
Total	**755.72**	**831.20**

14.1 Details of debentures

Particulars	Terms of repayment	As at 31st March, 2018		As at 31st March, 2017	
		Secured	Unsecured	Secured	Unsecured
Unsecured, redeemable, unlisted, non-convertible debentures (NCDs)					
i) 9.99% NCDs	Refer note 14.1 (i) below	-	-	-	50.00
ii) 9.87% NCDs	Refer note 14.1 (ii) below	-	50.00	-	50.00
iii) 9.05% NCDs	Refer note 14.1 (iii) below	-	100.00	-	100.00
iv) 8.60% NCDs	Refer note 14.1 (iv) below	-	100.00	-	100.00
v) 8.65% NCDs	Refer note 14.1 (v) below	-	100.00	-	100.00
Total Non-Convertible Debentures		**-**	**350.00**	**-**	**400.00**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 14. Non current borrowings (Continued)

14.1 (i) The NCDs carry interest @ 9.99% per annum payable annually and are redeemable in full on 26th April, 2018 (i.e. at the end of 3 years and 40 days from the date of allotment).

14.1(ii) The NCDs carry interest @ 9.87% per annum payable semi annually and are redeemable in full on 6th April, 2020 (i.e. at the end of 5 years and 20 days from the date of allotment).

14.1(iii) The NCDs carry interest @ 9.05% per annum payable semi annually and are redeemable in full on 15th January, 2021 (i.e. at the end of 5 years from the date of allotment). The NCDs carry a Put option to the holders and Call option to the Company to get the NCDs redeemed at any time after 30th April, 2019 (i.e. 3 years 3 months and 16 days from the date of allotment), by giving 30 days notice to the other party.

14.1(iv) The NCDs carry interest @ 8.60% per annum payable annually and are redeemable in full on 6th September, 2021 (i.e. at the end of 5 years from the date of issue).

14.1(v) The NCDs carry interest @ 8.65% per annum payable annually and are redeemable in full on 23rd February, 2022 (i.e. at the end of 5 years from the date of issue).

14.2 Details of terms of repayment of long-term borrowings from banks and security provided in respect thereof:

Particulars	Terms of repayment and security	As at 31st March, 2018		As at 31st March, 2017	
		Secured	Unsecured	Secured	Unsecured
14.2 (i) Working capital loans from banks					
State Bank of India	Refer Note 14.2 (iv) & 14.2 (v) below	25.00	-	50.00	-
Total - Term loan		**25.00**	**-**	**50.00**	**-**
14.2 (ii) Equipment loan from banks					
Rupee loan:					
Axis Bank	Refer Note 14.2 (vi) below	200.00	-	100.00	-
State Bank of India		133.34	-	207.00	-
Foreign currency loan (ECB):					
Societe Generale		39.04	-	58.37	-
Total - Equipment loan		**372.38**	**-**	**365.37**	**-**
14.2 (iii) Other loans and advances from banks - Buyer's credit foreign currency loans					
Yes Bank	Refer Note 14.2 (vii) below	2.70	-	7.36	-
Axis Bank		2.82	-	5.65	-
Kotak Mahindra Bank		2.82	-	2.82	-
Total - Other loans and advances		**8.34**	**-**	**15.83**	**-**
Total long-term borrowings from banks		**405.72**	**-**	**431.20**	**-**

14.2 (iv) Working capital loan from State Bank of India is secured by second charge on plant and machinery.

14.2 (v) Working capital loan from State Bank of India carries interest at 9.15% per annum. The repayment schedule of the loan is as follows:

As at 31st March, 2018 ₹ in Crores

Bank name	Loan amount	Repayment in 2019-20
State Bank of India	25.00	1 installment of 25.00

14.2 (vi) Secured by first pari passu charge on plant & machinery. The rupee loan of Axis Bank Limited carry interest @ 8.90% per annum and State Bank of India carry interest ranging from 9.30% to 9.35% per annum. Foreign currency loans carry interest @ 4.9538% per annum. The repayment schedule of the loans are as follows :

As at 31st March, 2018 ₹ in Crores

Nature	Bank name	Loan amount	Repayment schedule
Rupee Loan	Axis Bank Ltd.	200.00	Each annual installment of ₹ 40 crores upto 2023-24
	State Bank of India	133.34	Each annual installment of ₹ 33.33 crores upto 2022-23
Foreign Currency Loan	Societe Generale	39.04	Semi annual installment of ₹ 9.76 crores upto 2020-21

14.2 (vii) Secured by first charge by way of equitable mortgage on the immovable properties of the company situated at Andheri, Mumbai on a pari passu basis. Company's stock of construction material, stores, WIP, book debt is further secured under IOM and first charge on movable plant & machinery of the company upto 50% of the fund based limits with other term lenders on pari passu basis and also by goods covered under letters of credit. The loan carry interest ranging from 2.36% to 2.40% per annum.
Repayment schedule of buyer's credit foreign currency loans are as follows:

As at 31st March, 2018 ₹ in Crores

Nature	Bank name	Loan amount	Repayment in 2019-20
Buyer's Credit	Yes Bank	2.70	2.70
	Axis Bank	2.82	2.82
	Kotak Mahindra Bank	2.82	2.82

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 15. Trade payables

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Trade payables for goods and services	1,843.47	195.75	1,487.15	147.85
Total	**1,843.47**	**195.75**	**1,487.15**	**147.85**

Disclosures as required under the micro, small and medium enterprises development Act, 2006 (MSMED Act)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	5.52	3.32
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	0.09	0.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act,beyond the appointed day during the period	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier periods	0.09	0.18

Note No 16. Other financial liabilities

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Current maturities of long-term debt (Refer note 16.1 below)	149.44	-	116.30	-
(b) Amount due to customers	397.37	-	128.07	-
(c) Advances from customers	87.70	138.24	541.68	36.73
(d) Interest accrued but not due on borrowings	8.31	-	8.97	-
(e) Unclaimed / unpaid dividends #	0.16	-	0.54	-
(f) Interest accrued on advance from customers	0.87	-	10.90	-
(g) Other payables				
(i) Trade / security deposits received	31.32	-	36.73	-
(ii) Amount received on invocation of bank guarantees	-	71.67	-	63.65
(iii) Distribution of profit payable to member of JV	-	0.01	-	0.01
(iv) Others	20.88	-	17.14	-
	52.20	71.68	53.87	63.66
Total	**696.05**	**209.92**	**860.33**	**100.39**

The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Note No 16.1

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Debentures (Unsecured) (Refer note 14.1 (i))	50.00	-	-	-
(b) Working capital loans from banks (Secured)	25.00	-	50.00	-
(c) Equipment loans from banks (Secured)	52.06	-	53.33	-
(d) Foreign currency loans (Secured)	22.38	-	12.97	-
Total	**149.44**	**-**	**116.30**	**-**

Note No 17. Other non-current and current liabilities

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Advances from customers	928.33	763.09	391.26	486.28
(b) Advance against sale of scrap	0.10	-	1.06	-
(c) Other payables				
Statutory remittances (VAT, GST, Service tax, etc.)	40.15	-	47.05	-
Total	**968.58**	**763.09**	**439.37**	**486.28**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 18. Provisions

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
(a) Provision for employee benefits:				
Provision for compensated absences (Refer Note 30)	19.22	-	17.99	-
Provision for gratuity (Refer Note 30)	7.53	7.76	6.48	8.99
	26.75	7.76	24.47	8.99
(b) Provision - Others:				
Provision for projected loss on contract	5.86	-	-	-
Total	**32.61**	**7.76**	**24.47**	**8.99**

Note No 19. Current tax liabilities (net)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Provision for tax (net of advance tax ₹ 69.29 crores) (As at 31st March, 2017 ₹ 12.40 crores)	11.26	13.34
Total	**11.26**	**13.34**

Note No 20. Current borrowings

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Working capital loans from banks		
Secured (Refer note 20.1 below)	-	100.00
Unsecured	-	75.00
	-	175.00
(b) Short term loans from bank		
Foreign currency loan:		
Buyers credit (Secured) (Refer note 20.1 below)	10.49	-
(c) Cash credit facility from banks		
Secured (Refer note 20.1 below)	659.87	509.79
Unsecured	-	0.01
	659.87	509.80
(d) Commercial papers (Unsecured)		
From banks	48.89	49.49
From other parties	49.76	273.11
	98.65	322.60
(e) Acceptances	-	60.58
(f) From related parties (Unsecured)		
From joint venture partner	0.36	-
Total	**769.37**	**1,067.98**

Note No 20.1

Details of security for the secured short-term borrowings:

₹ in Crores

Particulars	Terms of security	As at 31st March, 2018	As at 31st March, 2017
Working capital demand loans (WCDL)			
From banks:			
Export Import Bank of India	Refer note 20.2 below	-	100.00
		-	100.00
Short term loans from bank			
Foreign currency loan:			
Buyers credit			
Axis bank	Refer note 20.2 below	10.49	-
Cash credit facility	Refer note 20.2 below	659.87	509.79

Note No 20.2

A. Security:

Secured by first charge by way of equitable mortgage on the immovable properties of the company situated at Andheri, Mumbai on a pari passu basis. The Company's stock of construction material, stores, WIP, book debt is further secured under indenture of mortgage and first charge on movable plant & machinery of the Company upto 50% of the fund based limits with other term lenders on pari passu basis. Cash credit facility / working capital demand loan is further secured by the Company's proportionate share of current assets in all the joint ventures both present and future.

B. Interest:

Cash credit facility and working capital demand loan from banks carry interest ranging from 7.45% to 11.00% per annum (as on 31st March, 2017 interest ranging from 7.50% to 11.00% per annum). Commercial papers carry interest ranging from 7.20% to 7.60% per annum (as on 31st March, 2017 interest ranging from 6.50% to 8.21% per annum). Buyers credit interest ranges from 1.99% to 2.24% per annum as on 31st March, 2018.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 21. Current tax and deferred tax

(a) Income tax expense

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current tax:		
Current tax in respect of the current year	56.56	27.08
Adjustments in respect of previous years	(2.56)	0.32
Deferred tax		
In respect of current year	26.02	26.75
Total income tax expense recognised in the consolidated statement of profit and loss account	**80.02**	**54.15**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount	Tax Rate	Amount	Tax Rate
Profit before tax	**244.14**		**206.85**	
Income tax using the Company's domestic tax rate #	84.49	34.61%	71.59	34.61%
Effect of income that is exempt from taxation	(29.28)	-11.99%	(0.81)	-0.39%
Loss in respect of which deferred tax assets not recognised due to uncertainty	23.23	9.52%	0.47	0.23%
Disallowable expenses	1.57	0.64%	1.59	0.77%
Utilisation of tax losses	-	-	(3.39)	-1.64%
Effect of tax rates differences of entities operating in other jurisdictions / having different tax rates	(0.32)	-0.13%	(16.28)	-7.87%
Charge / (credit) in respect of previous years	(2.56)	-1.05%	0.32	0.15%
Effect of change in tax rate	2.66	1.09%	-	-
Others	0.23	0.09%	0.66	0.32%
Income tax expenses	**80.02**	**32.78%**	**54.15**	**26.18%**

The tax rate used for the reconciliation above is the corporate tax rate of 30%, surcharge of 12% on corporate tax, education cess 2% and secondary and higher education cess of 1% on corporate tax.

(c) Movement of deferred tax

₹ in Crores

Particulars	For the Year ended 31st March 2018				
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Others	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	96.99	(8.94)	-	-	88.05
Unremitted earnings of subsidiaries	15.34	-	-	-	15.34
Arbitration awards	125.74	95.94	-	-	221.68
Fair value through profit or loss financial asset	0.07	(0.07)	-	-	-
	238.14	86.93	-	-	325.07
Tax effect of items constituting deferred tax assets					
Employee benefits	(11.57)	(0.19)	(0.30)	-	(12.06)
Expected credit loss	(1.25)	(0.63)	-	-	(1.88)
Provisions	(6.47)	1.11	-	-	(5.36)
Carry forward losses	-	(11.23)	-	-	(11.23)
Other items	(2.91)	(1.39)	-	-	(4.30)
Minimum alternate tax credit	(75.58)	(48.58)	-	(2.79)	(126.95)
	(97.78)	(60.91)	(0.30)	(2.79)	(161.78)
Net tax liabilities	**140.36**	**26.02**	**(0.30)**	**(2.79)**	**163.29**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 21. Current tax and deferred tax (Continued) ₹ in Crores

Particulars	For the Year ended 31st March 2017				
	Opening balance	**Recognised in profit and loss**	**Recognised in OCI**	**Others**	**Closing balance**
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	88.30	8.69	-	-	96.99
Unremitted earnings of subsidiaries	-	15.34	-	-	15.34
Arbitration awards	109.67	16.07	-	-	125.74
Fair value through profit or loss financial asset	0.03	0.04	-	-	0.07
	198.00	40.14	-	-	238.14
Tax effect of items constituting deferred tax assets					
Employee benefits	(6.64)	(2.99)	(1.94)	-	(11.57)
Expected credit loss	(1.30)	0.05	-	-	(1.25)
Provisions	(7.59)	1.12	-	-	(6.47)
Other items	(1.73)	(1.18)	-	-	(2.91)
Minimum alternate tax credit	(65.19)	(10.39)	-	-	(75.58)
	(82.45)	(13.39)	(1.94)	-	(97.78)
Net tax liabilities	**115.55**	**26.75**	**(1.94)**	**-**	**140.36**

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries (including controlled foreign operations), as the Group is in a position to control the timing of reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future. The total undistributed earnings (including foreign currency translation reserve) is ₹ 75.06 crores.

Note No. 22. Revenue from operations ₹ in Crores

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a)	Revenue from sale of goods (including excise duty, if any) (Construction materials)	21.36	0.14
(b)	Construction contract revenue (Refer note 22.1 below)	6,498.05	6,288.00
(c)	Other operating income (Refer note 22.2 below)	31.68	16.68
	Total	**6,551.09**	**6,304.82**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
22.1	**Construction contract revenue comprises:**		
	Construction revenue	6,543.25	6,525.11
	Less : Value added tax	45.20	237.11
	Total - Sale of services	**6,498.05**	**6,288.00**
22.2	**Other operating income comprises:**		
	Sale of scrap	21.41	9.95
	Duty scrip credit	1.36	-
	Equipment hire charges	1.10	1.22
	Consultancy service charges	7.22	0.36
	Others	0.59	5.15
	Total - Other operating revenues	**31.68**	**16.68**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 23. Other income

₹ in Crores

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a)	Interest income on financial assets at amortised cost (Refer note 23.1 below)	90.51	58.98
(b)	Dividend income:		
	From non trade, on current investments	1.61	2.22
(c)	Other non operating income (Refer note 23.2 below)	44.49	39.53
(d)	Fair value gain on financial assets mandatorily measured at FVTPL	0.03	0.17
	Total	**136.64**	**100.90**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
23.1	**Interest income comprises:**		
	Interest on arbitration awards	88.22	43.36
	Other Interest	2.29	15.62
	Total - Interest income	**90.51**	**58.98**
23.2	**Other non operating income comprises:**		
	Provision for doubtful debtors / advances no longer required written back	3.05	0.44
	Miscellaenous provision written back	17.69	1.97
	Insurance claim received	9.47	15.87
	Provision for projected loss written back	-	4.46
	Net gain on foreign currency transactions and translation	-	11.24
	Miscellaneous income	14.28	5.55
	Total - Other non-operating income	**44.49**	**39.53**

Note No 24. Cost of material consumed

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cost of construction materials consumed (Including bought out Items)	1,941.82	2,170.85
Total	**1,941.82**	**2,170.85**

Note No 24.1. Cost of construction

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores and spare consumed	521.91	511.24
Subcontracting expenses (Including lease payment for equipments hired)	1,288.70	1,200.86
Site installation	82.06	59.43
Technical consultancy	165.91	126.04
Power and fuel consumed	260.78	295.65
Freight and handling charges	104.74	86.10
Total	**2,424.10**	**2,279.32**

Note No 25. Employee benefits expense

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and wages, including bonus	675.58	601.94
Contributions to provident and other funds (Refer Note 30)	38.57	39.82
Staff welfare expenses	40.03	32.03
Total	**754.18**	**673.79**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 26. Finance costs

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest expense on financial liabilities not at fair value through profit or loss :		
Bank overdrafts and loans	193.76	220.38
Advance from clients	57.77	46.74
Others	9.93	3.36
	261.46	270.48
Interest expenses on delayed / deferred payment of income tax	0.31	0.76
Other borrowing costs:		
Bank guarantee commission including bank charges	42.96	29.12
Others	1.48	1.87
Total	**306.21**	**302.23**

Note No 27. Depreciation and amortisation expenses

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation on property, plant and equipment	199.71	167.36
Amortisation on intangible assets	0.90	1.26
Total	**200.61**	**168.62**

Note No 28. Other expenses

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Water and electricity	11.86	8.11
Rent	64.48	62.72
Repairs and maintenance - Buildings	0.02	0.01
Repairs and maintenance - Machinery	15.77	14.60
Repairs and maintenance - Others	9.04	6.80
Insurance charges	93.86	47.53
Rates and taxes	89.04	150.08
Communication	7.02	6.52
Travelling and conveyance	84.20	71.15
Security charges	31.86	27.25
Donations and contributions	16.35	0.96
Expenditure on corporate social responsibility (CSR) (Refer Note 34)	1.45	0.13
Legal and professional	123.50	137.76
Auditors remuneration (Refer note 28.1)	0.75	0.99
Bad / irrecoverable debtors / unbilled revenue written off (Refer note 38)	171.19	0.80
Net loss on foreign currency transactions and translation (Net)	20.14	1.00
Expected credit loss on financial assets	1.78	1.86
Provision for projected loss on contract	5.86	-
Loss on sale of fixed assets (net)	2.84	2.59
Miscellaneous expenses	65.66	63.20
Total	**816.67**	**604.06**

Note No 28.1

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Auditors remuneration comprises		
(a) To statutory auditors (excluding taxes)		
As auditors - statutory audit	0.55	0.77
For taxation matters	0.06	0.03
For other services	0.12	0.16
Reimbursement of expenses	#	0.01
# Amount is below the rounding off norms adopted by the Group	**0.73**	**0.97**
(b) To cost auditors for cost audit (excluding taxes)		
As auditors	0.02	0.02
	0.02	0.02
Total (a + b)	**0.75**	**0.99**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 29: Contingent liabilities and commitments (to the extent not provided for)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
Represent dispute with sub-contractors with respect to rates and quantity of materials and various other matters.	214.04	72.73
(b) Claims against the jointly controlled operations not acknowledged as debts		
Differences with sub-contractors / clients in regard to scope of work.	103.91	97.24
The above claim is not accepted by the joint venture and is contested by the subcontractor / client. The management is confident that the claim will be successfully contested.		
(c) Guarantees		
i) Bank guarantees given on behalf of subsidiaries and jointly controlled operations and counter guaranteed by the Company.	2,388.76	1,545.10
ii) Labour guarantees	4.38	1.16
(d) Sales tax and entry tax		
Represents demands raised by sales tax authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on Ind AS11 turnover c) Entry tax and d) Interest and penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	20.51	20.95
(e) Excise duty		
Represents demands raised by central excise department for excisability of girders. The Company is confident that the cases will be successfully contested.	0.66	0.66
(f) Service tax		
Represents demand confirmed by the CESTAT / Asst. commissioner of service tax for a) disallowance of cenvat credit, since abatement claimed by the Company, b) disallowance of general exemption of private transport terminals and c) taxability under "Commercial or Industrial Construction Service", etc. The Company has appealed / in the process of appeal against the said order with commissioner of service tax Mumbai,CESTAT / High court and is confident that the cases will be successfully contested.	177.85	167.03
Note:- In respect of items mentioned under paragraphs (a), (b), (d), (e) and (f) above, till the matters are finally decided, the financial effect cannot be ascertained and future cashflows in respect of above matters are determinable only on receipts of judgements / decisions pending at various forums / authorities		
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	11.18	15.01

Note No 30. Employee benefit plans

a. Defined contribution plan

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the Life Insurance Corporation (LIC). Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The total expense recognised in profit or loss of ₹ 34.58 crores (for the year ended 31st March, 2017: ₹ 36.25 crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

b. Defined benefit plans

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement / termination of an amount equivalent to 15 days salary and on death while in employment or on death of an employee an amount equivalent to one month salary, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 30. Employee benefit plans (Continued)

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

No other post-retirement benefits are provided to these employees.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31st March, 2018 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

c. Details of defined benefit plan - Gratuity

The principle assumptions used for the purpose of actuarial valuation (considered for the Group)

Particulars	Valuation as at	
	31st March, 2018	31st March, 2017
Expected Return on Plan Assets	7.83%	7.20%
Rate of Discounting	7.83%	7.20%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	For service 4 years and below 6.00% p.a. & For service 5 years and above 2.00% p.a	
Mortality Rate During Employment *	Indian Assured Lives Mortality (2006-08)	

* Based on India's standard mortality table with modification to reflect expected changes in mortality.

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

₹ in Crores

Particulars	Gratuity (Funded)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
(i) Components of defined benefit cost		
Service cost:		
Current service cost	2.76	1.94
Past service cost and (gain)/loss from settlements	-	0.69
Interest cost on benefit obligation (Net)	1.23	0.82
Return on plan assets (excluding amounts included in net interest expense)	-	-
Total defined benefit costs recognised in profit or loss	**3.99**	**3.45**
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.08)	0.06
Actuarial (gains) / losses arising from changes in financial assumptions	(1.55)	2.42
Actuarial losses arising from experience adjustments	2.48	3.12
Total defined benefit costs recognised in OCI	0.85	5.60
Total defined benefit costs recognised in profit or loss and OCI	**4.84**	**9.05**
(ii) Net assets/(liabilities) recognised in the Balance Sheet		
Present value of defined benefit obligation	27.65	25.54
Fair value of plan asset	12.36	10.07
Net liabilities recognised in the Balance Sheet	(15.29)	(15.47)

(iii) Movements in the present value of the defined benefit obligation are as follows: ₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening defined benefit obligation	25.54	20.77
Current service cost	2.76	1.94
Interest cost	1.86	1.66
Remeasurement (gains) / losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	(1.55)	2.42
Actuarial losses arising from experience adjustments	2.48	3.12
Past service cost, including losses on curtailments	-	0.69
Benefits paid	(3.44)	(5.06)
Closing defined benefit obligation	**27.65**	**25.54**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 30. Employee benefit plans (Continued)

(iv) Movements in the fair value of plan assets are as follows: ₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening fair value of plan assets	10.07	10.58
Interest income	0.73	0.85
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.08	(0.06)
Contributions from the employer	4.92	3.76
Benefits paid	(3.44)	(5.06)
Closing fair value of plan assets	**12.36**	**10.07**

The Company pays premium to the Group gratuity scheme of LIC and the fund is managed by LIC

(v) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 2.17 crores (increase by ₹ 2.54 crores) (as at 31st March, 2017: decrease by ₹ 2.05 crores (increase by ₹ 2.41 crores)).
2) If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 2.56 crores (decrease by ₹ 2.22 crores) (as at 31st March, 2017: increase by ₹ 2.41 crores (decrease by ₹ 2.09 crores)).
3) If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by ₹ 0.32 crores (decrease by ₹ 0.38 crores) (as at 31st March, 2017: increase by ₹ 0.18 crores (decrease by ₹ 0.21 crores)).

(vi) Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31st March, 2018 is 16 years (as at 31st March, 2017: 16 years).

The Company expects to make a contribution of ₹ 7.53 crores (as at 31st March, 2017: ₹ 6.48 crores) to the defined benefit plans during the next financial year.

(vii) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting

	₹ in Crores
1st following year	3.23
2nd following year	1.37
3rd following year	1.96
4th following year	1.82
5th following year	2.44
Sum of years 6 To 10	12.38

d. Compensated Absences

The compensated absences cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 19.22 crores (as at 31st March, 2017 – ₹ 17.99 crores) is presented as current liabilities, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Note No 31. Earnings per share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	(₹)	(₹)
Basic earnings per share	24.12	21.42
Diluted earnings per share	5.10	4.53

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 31. Earnings per share (EPS) (Continued)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit for the year attributable to owners of the company - earnings used in calculation of basic earning per share	173.61	154.23
Dividends paid on convertible non-participating preference shares	(0.05)	(0.05)
Earnings used in the calculation of basic earnings per share	173.56	154.18
Profits used in the calculation of basic earnings per share	**173.56**	**154.18**

The weighted average number of equity shares for the purpose of basic earnings per share is as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Number	Number
Weighted average number of shares used in calculation of basic earnings per share	71,970,238	71,970,238

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share	173.61	154.23
Earnings used in the calculation of diluted earnings per share	173.61	154.23
Profits used in the calculation of diluted earnings per share	**173.61**	**154.23**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows :

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Number	Number
Weighted average number of shares used in calculation of basic earnings per share	71,970,238	71,970,238
Shares deemed to be issued for no consideration in respect of:		
- Convertible preference shares	268,768,030	268,768,030
Weighted average number of shares used in calculation of diluted earnings per share	**340,738,268**	**340,738,268**

Note No 32. Operating lease arrangements

Leasing arrangements

The Company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and 3 years under leave and licence agreement and are renewable by mutual consent on mutually agreeable terms. The Group does not have an option to purchase the leased assets at the expiry of the lease periods.

Payments recognised as an expense

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Lease payments recognised for residential and other properties in the statement of profit and loss under 'Rent' in Note 28.	**64.48**	62.72
(ii) Lease payments for equipments are recognised in the statement of profit and loss under 'Subcontracting expenses' in Note 24.1.	**215.22**	256.33

Note No 33. Segment information :

a) Segment information for primary reporting (by business segment)

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the geographic perspective. Accordingly, the Company has only one reportable business segment of construction business relating to infrastructure, hence information for primary business segment is not given.

b) Segment information for secondary segment reporting (by geographical segment).

The Company has two reportable geographical segments based on location of customers.

(i) Revenue from customers within India - Local projects

(ii) Revenue from customers outside India - Foreign projects

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 33. Segment information (Continued)

Secondary : Geographical (Location of customers) ₹ in Crores

Particulars	Local projects	Foreign projects	Total
Income from operation	**5,277.55**	**1,273.54**	**6,551.09**
	(5,015.14)	(1,289.68)	(6,304.82)
Carrying amount of asset	**1,663.07**	**44.49**	**1,707.56**
	(2,200.21)	(25.37)	(2,225.58)

Figures in parenthesis are those of previous year.

Revenue from major products and services: The major activity of the Group is infrastructure activities

Information about major customers: Revenue from external customers contributing to more than 10% of the Group's revenue amounts to ₹ 1,782.50 crores (for the year ended 31st March, 2017 ₹ 2,988.80 crores). These customers pertain to metro rail, road and tunnel projects.

Note No 34. Corporate social responsibility: ₹ in Crores

Gross amount required to be spent by the Group during the year	1.27

Amount spent during the year on:

CSR activities (in cash)	Paid	To be paid	Total
(i) Construction/acquisition of an asset	-	-	**-**
(ii) Purposes other than (i) above	1.45	-	**1.45**
Total	**1.45**	**-**	**1.45**

Note No. 35: Related party disclosures

(a) Details of related parties:

Related party where control exists

Holding Company

Shapoorji Pallonji & Co. Private Limited

Fellow subsidiary(s)

Floreat Investments Limited
Hermes Commerce Limited
Renaissance Commerce Private Limited
SP Jammu Udhampur Highway Private Limited
Forvol International Services Limited
Armada C-7 Pte Ltd.
Forbes & Company Limited
Shapoorji & Pallonji Qatar, WLL
Eureka Forbes Ltd.
Armada Madura EPC Limited
Stertling and Wilson Private Limited
Forbes Facility Services Private Limited
S.D.Corporation Private Limited
Shapoorji Pallonji Rural Solutions Private Limited
SP International FZE
Sterling & Wilson International FZC

Joint operations

Transtonnelstroy-Afcons Joint Venture
Afcons Gunanusa Joint Venture
Dahej Standby Jetty Project undertaking
Afcons Pauling Joint Venture
Strabag AG Afcons Joint Venture
Saipem Afcons Joint Venture
Ircon Afcons Joint Venture
Afcons Sener LNG Construction Projects Private Limited
Afcons Sibmost Joint Venture (w.e.f. 3rd August, 2016)
Afcons Vijeta PES Joint Venture (w.e.f. 25th May, 2016)
Afcons SMC Joint Venture (w.e.f. 14th July, 2016)
Afcons Vijeta Joint Venture (w.e.f. 2nd August, 2017)

Key management personnel

Mr. S. P. Mistry – Chairman
Mr. K. Subramanian – Executive Vice Chairman
Mr. S. Paramasivan – Managing Director
Mr. Giridhar Rajagopalan (w.e.f. 1st October, 2016)
Mr. Akhil Kumar Gupta (w.e.f. 1st October, 2016)

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 35: Related party disclosures (Continued) ₹ in Crores

Nature of transaction	Holding company(s)		Fellow subsidiary(s)		Joint operation(s)		Key management personnel		Total	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
(b) Transactions with related parties										
Managerial remuneration										
a) Short term employee benefit										
S.Paramasivan	**-**	-	**-**	-	**-**	-	**2.59**	2.14	**2.59**	2.14
K.Subramanian	**-**	-	**-**	-	**-**	-	**3.12**	2.67	**3.12**	2.67
Giridhar Rajagopalan	**-**	-	**-**	-	**-**	-	**1.62**	0.75	**1.62**	0.75
Akhil Kumar Gupta	**-**	-	**-**	-	**-**	-	**1.67**	0.91	**1.67**	0.91
b) Post employment benefits										
S.Paramasivan	**-**	-	**-**	-	**-**	-	**0.39**	0.32	**0.39**	0.32
K.Subramanian	**-**	-	**-**	-	**-**	-	**0.43**	0.36	**0.43**	0.36
Giridhar Rajagopalan	**-**	-	**-**	-	**-**	-	**0.10**	0.07	**0.10**	0.07
Akhil Kumar Gupta	**-**	-	**-**	-	**-**	-	**0.04**	0.02	**0.04**	0.02
c) Other long term benefits										
S.Paramasivan	**-**	-	**-**	-	**-**	-	**0.26**	0.24	**0.26**	0.24
K.Subramanian	**-**	-	**-**	-	**-**	-	**0.32**	0.30	**0.32**	0.30
Giridhar Rajagopalan	**-**	-	**-**	-	**-**	-	**0.07**	0.06	**0.07**	0.06
Akhil Kumar Gupta	**-**	-	**-**	-	**-**	-	**0.05**	0.04	**0.05**	0.04
Sitting fees paid										
S.P.Mistry	**-**	-	**-**	-	**-**	-	**0.03**	0.03	**0.03**	0.03
Dividend on preference shares										
Floreat Investments Limited	**-**	-	**0.01**	-	**-**	-	**-**	-	**0.01**	-
Shapoorji Pallonji & Co. Pvt. Ltd.	**0.01**	-	**-**	-	**-**	-	**-**	-	**0.01**	-
Interim dividend on equity shares										
Shapoorji Pallonji & Co. Pvt. Ltd.	**17.18**	14.72	**-**	-	**-**	-	**-**	-	**17.18**	14.72
Floreat Investments Limited	**-**	-	**4.56**	3.90	**-**	-	**-**	-	**4.56**	3.90
Hermes Commerce Limited	**-**	-	**1.41**	1.20	**-**	-	**-**	-	**1.41**	1.20
Renaissance Commerce Private Ltd.	**-**	-	**1.41**	1.20	**-**	-	**-**	-	**1.41**	1.20
K.Subramanian	**-**	-	**-**	-	**-**	-	**0.02**	0.02	**0.02**	0.02
S.Paramasivan	**-**	-	**-**	-	**-**	-	**0.01**	0.01	**0.01**	0.01
Giridhar Rajagopalan	**-**	-	**-**	-	**-**	-	**0.00**	0.00	**0.00**	0.00
Income from consultancy / service charges										
Strabag-AG Afcons Joint Venture	-	-	**-**	-	**7.23**	-	**-**	-	**7.23**	-
Shapoorji Pallonji & Co. Pvt. Ltd.	**-**	0.36	**-**	-	**-**	-	**-**	-	**-**	0.36
Interest income										
Ircon Afcons Joint Venture	**-**	-	**-**	-	**-**	0.07	**-**	-	**-**	0.07
Afcons Sener LNG Construction Projects Pvt.Ltd.	**-**	-	**-**	-	**0.15**	0.13	**-**	-	**0.15**	0.13
Overhead charges recovered										
Strabag-AG Afcons Joint Venture	**-**	-	**-**	-	**7.58**	3.30	**-**	-	**7.58**	3.30
Other income										
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**0.01**	-	**-**	-	**0.01**	-
Afcons Gunanusa Joint Venture	**-**	-	**-**	-	**0.25**	-	**-**	-	**0.25**	-
Subcontract income										
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**0.72**	0.76	**-**	-	**0.72**	0.76
Income from equipment hire										
Ircon Afcons Joint Venture	**-**	-	**-**	-	**0.00**	0.27	**-**	-	**0.00**	0.27
Strabag-AG Afcons Joint Venture	**-**	-	**-**	-	**0.99**	0.95	**-**	-	**0.99**	0.95

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 35: Related party disclosures (Continued)

₹ in Crores

Nature of transaction	Holding company(s)		Fellow subsidiary(s)		Joint operation(s)		Key management personnel		Total	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
Sale of spares/materials/assets										
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**0.06**	0.14	**-**	-	**0.06**	0.14
Advance given										
Ircon Afcons Joint Venture	**-**	-	**-**	-	**-**	4.01	**-**	-	**-**	4.01
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**6.30**	6.32	**-**	-	**6.30**	6.32
Afcons Gunanusa Joint Venture	**-**	-	**-**	-	**0.45**	1.04	**-**	-	**0.45**	1.04
Shapoorji Pallonji Qatar WLL	**-**	-	**-**	4.10	**-**	-	**-**	-	**-**	4.10
Afcons Sener LNG Construction Projects Pvt.Ltd.	**-**	-	**-**	-	**0.03**	0.00	**-**	-	**0.03**	0.00
Advance received back										
Ircon Afcons Joint Venture	**-**	-	**-**	-	**0.04**	4.33	**-**	-	**0.04**	4.33
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**9.79**	4.30	**-**	-	**9.79**	4.30
Afcons Gunanusa Joint Venture	**-**	-	**-**	-	**0.92**	0.23	**-**	-	**0.92**	0.23
Afcons Sener LNG Construction Projects Pvt. Ltd.	**-**	-	**-**	-	**0.01**	0.04	**-**	-	**0.01**	0.04
Purchase of spares/materials/assets										
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**0.20**	0.04	**-**	-	**0.20**	0.04
Eureka Forbes Ltd.	**-**	-	**0.37**	0.34	**-**	-	**-**	-	**0.37**	0.34
Shapoorji Pallonji Rural Solutions Private Limited	**-**	-	**-**	0.23	**-**	-	**-**	-	**-**	0.23
Sterling and Wilson Pvt.Ltd .	**-**	-	**-**	4.58	**-**	-	**-**	-	**-**	4.58
Expenses incurred by Afcons on behalf of										
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**0.01**	0.01	**-**	-	**0.01**	0.01
Afcons Gunanusa Joint Venture	**-**	-	**-**	-	**0.14**	0.51	**-**	-	**0.14**	0.51
Strabag-AG Afcons Joint Venture	**-**	-	**-**	-	**0.09**	3.11	**-**	-	**0.09**	3.11
Armada Madura EPC Limited	**-**	-	**-**	0.04	**-**	-	**-**	-	**-**	0.04
Reimbursement of expenses										
S.D. Corporation Pvt. Ltd.			**0.04**	-					**0.04**	-
Legal & professional fees (strategic support service)										
Shapoorji Pallonji & Co. Pvt. Ltd.	**24.80**	21.75	**-**	-	**-**	-	**-**	-	**24.80**	21.75
Rent expenses										
Forbes & Company Limited	**-**	-	**0.59**	0.60	**-**	-	**-**	-	**0.59**	0.60
Service charges paid										
Shapoorji Pallonji & Co. Pvt. Ltd.	**0.60**	-	**-**	-	**-**	-	**-**	-	**0.60**	-
Housekeeping services paid										
Forbes Facility Services Pvt.Ltd.	**-**	-	**6.44**	3.80	**-**	-	**-**	-	**6.44**	3.80
Travelling expense										
Forvol International Service Ltd	**-**	-	**12.25**	11.70	**-**	-	**-**	-	**12.25**	11.70
Subcontract expense										
Shapoorji Pallonji Qatar WLL			**14.52**	207.84					**14.52**	207.84
Guarantees given for/ (realised) (net)										
Transtonnelstroy Afcons Joint Venture	**-**	-	**-**	-	**320.91**	(24.86)	**-**	-	**320.91**	(24.86)
Afcons Gunanusa Joint Venture	**-**	-	**-**	-	**(1.73)**	22.50	**-**	-	**(1.73)**	22.50
Strabag-AG Afcons Joint Venture	**-**	-	**-**	-	**(18.51)**	(25.75)	**-**	-	**(18.51)**	(25.75)
Afcons Vijeta PES Joint Venture					**43.75**	30.24			**43.75**	30.24
Afcons Sibmost Joint Venture	**-**	-	**-**	-	**(13.57)**	234.75	**-**	-	**(13.57)**	234.75
Afcons SMC Joint Venture, Tanzania					**78.00**	-			**78.00**	-
Afcons Vijeta Joint Venture					**27.34**	-			**27.34**	-

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No. 35: Related party disclosures (Continued)

₹ in Crores

Nature of transaction	Holding company(s)		Fellow subsidiary(s)		Joint operation(s)		Key management personnel		Total	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
(c) Balance outstanding as at the year end										
Outstanding ammount of guarantees given										
Transtonnelstroy Afcons Joint Venture	-	-	-	-	**801.62**	480.71	-	-	**801.62**	480.71
Afcons Gunanusa Joint Venture	-	-	-	-	**375.95**	346.78	-	-	**375.95**	346.78
Strabag-AG Afcons Joint Venture	-	-	-	-	**120.71**	133.90	-	-	**120.71**	133.90
Dahej Standby Jetty Project Undertaking					**112.21**	112.17			**112.21**	112.17
Afcons Vijeta PES Joint Venture					**73.99**	30.24			**73.99**	30.24
Afcons Sibmost Joint Venture	-	-	-	-	**221.18**	234.75	-	-	**221.18**	234.75
Afcons SMC Joint Venture, Tanzania					**89.16**	-			**89.16**	-
Afcons Vijeta Joint Venture					**27.34**	-			**27.34**	-
Loans recoverable/(payable)										
Transtonnelstroy Afcons Joint Venture	-	-	-	-	**3.55**	7.15	-	-	**3.55**	7.15
Afcons Gunanusa Joint Venture	-	-	-	-	**33.19**	33.51	-	-	**33.19**	33.51
Strabag-AG Afcons Joint Venture	-	-	-	-	**8.76**	14.49	-	-	**8.76**	14.49
Saipem Afcons Joint Venture	-	-	-	-	**0.29**	0.29	-	-	**0.29**	0.29
Ircon Afcons Joint Venture	-	-	-	-	**(0.03)**	0.01	-	-	**(0.03)**	0.01
Afcons Sener LNG Construction Projects Pvt.Ltd.	-	-	-	-	**1.31**	0.59	-	-	**1.31**	0.59
SP International FZE	-	-	**24.40**	-	-	-	-	-	**24.40**	-
Sterling & Wilson International FZC	-	-	**19.52**	-	-	-	-	-	**19.52**	-
Trade receivables										
Transtonnelstroy Afcons Joint Venture	-	-	-	-	**4.80**	3.97	-	-	**4.80**	3.97
Shapoorji Pallonji & Co. Pvt. Ltd.	**0.51**	0.06	-	-	-	-	-	-	**0.51**	0.06
Armada Madura EPC Limited	-	-	**0.04**	0.04	-	-	-	-	**0.04**	0.04
Ircon Afcons Joint Venture	-	-	-	-	**0.00**	0.02	-	-	**0.00**	0.02
Strabag-AG Afcons Joint Venture	-	-	-	-	**11.50**	1.66	-	-	**11.50**	1.66
Trade payables										
Transtonnelstroy Afcons Joint Venture					**0.08**	-			**0.08**	-
Forvol International Service Ltd	-	-	**1.65**	1.39	-	-	-	-	**1.65**	1.39
Shapoorji Pallonji Qatar WLL	-	-	**26.47**	42.52	-	-	-	-	**26.47**	42.52
Shapoorji Pallonji & Co. Pvt. Ltd.	**25.55**	18.35	-	-	-	-	-	-	**25.55**	18.35
Eureka Forbes Ltd.	-	-	**0.19**	0.22	-	-	-	-	**0.19**	0.22
S.D. Corporation Pvt. Ltd.			**0.00**	-					**0.00**	-
Forbes & Company Limited	-	-	**0.05**	0.12	-	-	-	-	**0.05**	0.12
Sterling and Wilson Pvt.Ltd .	-	-	-	0.83	-	-	-	-	-	0.83
Forbes Facility Services Pvt.Ltd.	-	-	**1.29**	0.87	-	-	-	-	**1.29**	0.87

Note : Amount mentioned as “0.00” is below the rounding off norms adopted by the Group.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note 36: Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to schedule III to the companies Act, 2013

Name of the entity	% Holding	Net Assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in Total Comprehensive Income	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent : Afcons Infrastructure Ltd.		28.18%	501.94	-6.09%	(10.57)	29.09%	7.17	-1.71%	(3.40)
Subsidiaries :									
Indian:									
1) Hazarat & Company Pvt.Ltd.	100%	-	0.01	-	-	-	-	-	-
2) Afcons Corrosion Protection Pvt.Ltd.	100%	0.09%	1.60	0.02%	0.04	0.28%	0.07	0.06%	0.11
3) Afcons Offshore and Marine Services Pvt.Ltd.	100%	0.07%	1.24	0.01%	0.02	0.28%	0.07	0.05%	0.09
4) Afcons (Mideast) Constructions & Investments Co.Pvt.Ltd.	100%	0.10%	1.86	0.04%	0.07	-	-	0.04%	0.07
Foreign:									
1) Afcons Construction Mideast LLC	49%	5.20%	92.60	-27.32%	(47.43)	-1.58%	(0.39)	-24.12%	(47.82)
2) Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL	49%	0.18%	3.12	0.58%	1.00	0.28%	0.07	0.54%	1.07
3) Afcons Overseas Construction LLC,. Qatar	49%	-	-	0.13%	0.23	-	-	0.12%	0.23
4) Afcons Gulf International Project Services FZE	100%	0.10%	1.77	-0.13%	(0.22)	-	-	-0.11%	(0.22)
5) Afcons Mauritius Infrastructure Ltd.	100%	0.42%	7.53	0.59%	1.03	-	-	0.52%	1.03
6) Afcons Overseas Singapore Pte Ltd.	100%	4.26%	75.82	3.47%	6.03	-6.65%	(1.64)	2.21%	4.39
7) Afcons Infra Projects Kazakhstan LLP	100%	0.03%	0.46	-0.44%	(0.76)	-0.41%	(0.10)	-0.43%	(0.86)
8) Afcons Saudi Construction LLC.	100%	0.05%	0.82	-0.16%	(0.27)	-	-	-0.14%	(0.27)
9) Afcon Overseas Project Gabon Sarl	100%	8.43%	150.16	43.23%	75.06	77.61%	19.13	47.51%	94.19
Minority interests in all subsidiaries		-0.56%	(9.89)	5.47%	9.49	-	-	4.79%	9.49
Joint operations									
Indian									
1) Afcons Gunanusa Joint Venture	80%	6.33%	112.83	-1.64%	(2.84)	-	-	-1.43%	(2.84)
2) Transtonnelstroy Afcons Joint Venture	99%	44.10%	785.52	-6.48%	(11.25)	-	-	-5.67%	(11.25)
3) Dahej Standby Jetty Project Undertaking	100%	0.77%	13.65	-0.08%	(0.14)	-	-	-0.07%	(0.14)
4) Afcons Pauling Joint Venture	100%	0.92%	16.35	-	-	-	-	-	-
5) Strabag AG Afcons Joint Venture	40%	1.69%	30.11	1.11%	1.93	-	-	0.97%	1.93
6) Afcons Sener LNG Construction Projects Pvt.Ltd.	49%	0.02%	0.42	-0.25%	(0.43)	-	-	-0.22%	(0.43)
7) Ircon Afcons Joint Venture	47%	1.04%	18.60	4.41%	7.65	1.66%	0.41	4.07%	8.06
8) Afcons Sibmost Joint Venture	100%	-6.36%	(113.29)	0.06%	0.11	-	-	0.06%	0.11
9) Afcons Vijeta PES Joint Venture	100%	7.61%	135.56	83.04%	144.16	-	-	72.71%	144.16
10) Afcons SMC Joint Venture	100%	-2.10%	(37.40)	0.49%	0.85	-0.57%	(0.14)	0.36%	0.71
11) Afcons Vijeta Joint Venture	100%	0.27%	4.87	-0.09%	(0.15)	-	-	-0.08%	(0.15)
Foreign									
1) Saipem Afcons Joint Venture	50%	0.01%	0.24	-	-	-	-	-	-
Adjustment of deferred tax on undistributed earnings of subsidiary		-0.86%	(15.34)	-	-	-	-	-	-
Total		**100.00%**	**1,781.16**	**100.00%**	**173.61**	**100.00%**	**24.65**	**100.00%**	**198.26**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

Note No 37. The Company had issued ₹ 100 crores unsecured unlisted non- convertible debentures (NCDs) to a bank on a private placement basis in each of the financial year 2012-13, 2014-15 and 2015-16 respectively. Out of the above NCDs aggregating to ₹ 200 crores are outstanding as on 31st March, 2018. The said NCDs issued to the banks have subsequently been transferred in favour of mutual funds which are in accordance with the provisions of Section 111A of the Companies Act, 1956 / Section 58 (2) of the Companies Act, 2013. The Company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956/ Section 73 of the Companies Act, 2013 read together with the Companies Acceptance of Deposit Rules, 1975 / Companies (Acceptance of Deposit Rules), 2014 are not attracted to the NCDs, for aforesaid amount,

Note No 38. A consortium of Afcons Infrastructure Ltd (Afcons), Mumbai, M/s Technip KT India Ltd (Technip), New Delhi, and M/s TH Heavy Engineering Berhad (THHE), Malaysia was awarded a contract from M/s Oil and Natural Gas Corporation Limited (ONGC) for the execution of “HRD Process Platform Project” in Heera Field of Mumbai High on 24th December, 2012 with an expected completion date of 20th April, 2015 for the contract price of USD 290 millions. In the scheme of arrangement amongst the consortium members majority of the risk and cost was in the scope of Afcons, whereas design, engineering and installation was Technip’s responsibility, and a minor part of fabrication was in the scope of THHE.

During the course of execution, due to certain factors such as increase in bridge landing area, increase in layout area, pile specification change, replacement of pipeline etc. the cost of execution substantially increased. To maintain the schedule for load out and protect the offshore schedule and committed costs for float over, and completion activities, it was necessary to expedite fabrication. Further, Afcons had to get additional work on jacket carried out in offshore with prolonged stay of offshore barges/vessels etc. Despite all the above, the project was completed and delivered to ONGC but all the above noted changes led to additional cost for Afcons. Consequently, certain change orders were lodged with ONGC during the year 2014, and 2015. These change orders representing only costs aggregating to ₹ 167.69 crores were accounted as income during the respective years.

Considering the unavoidable circumstances, ONGC had put-up the change orders to the appropriate committee for evaluating the suitability. These change orders are being negotiated with ONGC for last three years and could not be amicably settled till now.

In the discussions held in the recent past, the client has given indications that the amount may not be payable. As a result the Company is not certain about the positive outcome.

Hence, considering all the above facts, as a matter of prudence, and provisions of accounting standards, the company has recognised the aforesaid amount of ₹ 167.69 as an expense. This has been included in Note 28 to the financial statements.

Note No 39. Afcons Gunanusa Joint Venture (AGJV) had submitted claims for change orders aggregating to ₹ 679.21 crores to ONGC. The AGJV has invoked arbitration in respect of the aforesaid change orders, as the same were not approved by Outside Expert Committee (OEC). Claims against change orders and counter claims by ONGC aggregating to ₹ 407.13 crores will be discussed in arbitration. Based on facts and documentary evidences, the management does not forsee any challenges in recoverability.

Note No 40. Chennai Metro Rail Limited (Client) awarded two contracts (UAA 01 and UAA 05) to the Transtonnelstroy Afcons Joint Venture in December 2010 for designing and construction of underground stations and associated tunnels. The original scheduled completion was April 2015 for UAA 01 and January 2015 for UAA 05. Due to unforeseen geological conditions and delays in handing over of land etc., these projects got delayed. During the year, Contract UAA 05 has been completed. In respect of contract UAA 01, based on actual ground conditions and physical progress as of date, substantial completion of the contracts is now foreseen by around end of 2018. The Joint Venture had submitted variations to the Client for both the projects and for few matters also invoked arbitration proceedings for speedy recovery of the same. In the earlier year and during the year, Joint Venture has received various arbitration awards. The Client has further challenged this arbitration award in Madras High Court. The Supervisory Board of the Joint Venture does not anticipate any further loss to be recognised at this stage.

Note No 41. a) The holding Company has been legally advised that outstanding interest free advances aggregating to ₹ 556.84 crores (As at 31st March, 2017 ₹ 901.12 crores) made towards financing the unincorporated joint operations do not come under the purview of Section 186 of Companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.

b) In view of non-applicability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable in relation to loan made, guarantee given or security provided. For investments made refer to Note no. 4.

Note No 42. During the earlier year, Company had invoked bank guarantee amounting to ₹ 64.16 crores against the sub-contractor for lack of performance in respect of an overseas project. The sub-contractor had submitted to Company, revised claims aggregating to ₹ 521.00 crores for delay and cost overrun for the work performed by them in relation to the said project. The Company has filed counter claims against the sub-contractor for an amount of ₹ 586.66 crores on account of delays and incomplete work done by the sub-contractor. An amount aggregating to ₹ 119.34 crores (including ₹ 64.16 crores received on invocation of bank guarantee) is outstanding (net of receivables) as on 31st March 2018 in the books of the Company. Based on the review of back-up documents submitted by the sub-contractor and counter claim filed by the company, no further provision is envisaged at this stage.

Note No 43. Financial instruments

43.1. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 14 ,16 and 20 offset by cash and bank balances as detailed in notes 10 and 10.1) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements. The Group monitors capital using a gearing ratio, which is net debt divided by total capital.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

43.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows. ₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Debt (i)	1,674.53	2,015.48
Cash and bank balances	126.27	160.38
Net debt	1,548.26	1,855.10
Total equity (ii)	1,781.16	1,622.51
Net debt to equity ratio	**0.87**	**1.14**

(i) Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts as described in notes 14, 16 and 20 and includes interest accrued but not due on borrowings)

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

43.2. Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value except non current investments in un-quoted equity instruments of subsidiaries, joint ventures and associates, which are carried at cost.

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Mutual fund investments	2.45	2.44
Measured at amortised cost		
(a) Cash and bank balances	126.27	160.38
(b) Bank balance other than (a) above	28.09	28.98
(c) Trade receivables	1,556.42	894.33
(d) Loans	91.02	56.61
(e) Other financial assets	3,743.08	3,395.27
Measured at FVTOCI		
(a) Investments in equity instruments	0.49	97.60
Total financial assets	**5,547.82**	**4,635.61**
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,674.53	2,015.48
(b) Trade payables	2,039.22	1,635.00
(c) Other financial liabilities	756.53	844.42
Total financial liabilities	**4,470.28**	**4,494.90**

43.3. Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk assessment and analysis forex exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's - risk management policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Interest rate risk, currency risk and other price risk. The Group enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including but not limited to:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the repayment of foreign currency debt;
- interest rate swaps to mitigate the risk of rising interest rates on foreign currency debt.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

43.5. Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

(₹ in Crores)

Particulars	Liabilities		Assets	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
USD Currency	232.50	298.33	81.99	27.44
Euro Currency	73.41	4.64	1.55	10.92
QAR Currency	68.39	65.31	74.70	70.77
OMR Currency	0.07	0.08	0.60	0.60
Mur Currency	0.16	0.13	0.01	0.01
UAE Currency	0.69	0.36	121.18	56.20
JOD Currency	91.31	86.54	74.44	64.42
BHD Currency	2.35	3.03	26.70	26.64
KWD Currency	260.21	29.41	215.60	43.88
GBP Currency	0.57	0.08	1.09	0.02
JPY Currency	2.69	9.02	-	-
BDT Currency	2.11	0.01	3.17	0.12
SAR Currency	0.01	0.02	0.56	0.36
GHS Currency	534.97	258.40	142.89	3.11
SGD Currency	0.08	-	-	-
CHF Currency	-	-	-	0.01
GNF Currency	0.40	-	-	-
IQD Currency	0.04	-	-	-
MYR Currency	0.08	0.06	-	-
ZMW Currency	3.39	-	10.84	-
MZN Currency	-	-	0.01	-

43.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD, Euro and KWD currency.

The following table details the Group's sensitivity to a 5% increase and decrease in the Indian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivable and payables in the Group at the end of the reporting period.The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency , there would be a comparable impact on the profit or equity, and the balances below would be negative. The impact of 5 % is also applicable on outstanding foreign currency loans as on the reporting date.

₹ in Crores

Particulars	USD currency impact		Euro currency impact		KWD currency impact	
	2017- 2018	2016- 2017	2017- 2018	2016- 2017	2017- 2018	2016- 2017
Impact on profit or loss for the year						
Increase in exchange rate by 5%	(7.53)	(13.54)	(3.59)	0.31	(2.23)	0.72
Decrease in exchange rate by 5%	7.53	13.54	3.59	(0.31)	2.23	(0.72)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

43.5.2 Derivative financial instruments

The Group has entered into foreign currency options and Interest rate swaps to cover its exchange rate and interest rate risks pertaining to its foreign currency borrowings.

There are no significant derivative financial instruments outstanding at the end of the reporting period.

43.6. Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrows foreign currency and local currency funds at floating interest rates and the risk is managed by the use of interest rate swap contracts and other similar products. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

43.6.1. Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31st March, 2018 would decrease/increase by ₹ 2.53 crores (2017: decrease/increase by ₹ 2.74 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

44.6.2. Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates and the cash flow exposures on the issued variable rate debt. There are no significant contracts outstanding at the end of the reporting period.

43.7. Other price risks

The Group is exposed to equity price risks arising from mutual funds and equity investments. Certain of the Group's equity investments are held for strategic rather than trading purposes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

43.7.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

i) other comprehensive income for the year ended 31st March, 2018 would increase/decrease by ₹ 0.02 crores (2016-2017: increase decrease by ₹ 4.88 crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

43.8 Credit risk management

The Group is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, bank deposits, trade receivables and loan receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

Trade receivables and loan receivable:

The Group assesses and manages credit risk on an internal credit evaluation system. It is performed by the finance team in conjunction with the relevant business teams depending on whether depending on the nature and type of the financial asset being evaluated.

The customer base of the Company is highly comprises of government parties and Holding Company. Further, Group is having certain short term loan receivables from the Group entities. Collateral is generally not obtained from customers. Other customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

(A) To measure the expected credit losses on (a) trade receivables from government parties, and (b) trade receivables and loan receivables from Group Companies, they have been considered to enjoy the low credit risk as they meet the following criteria:

  i) they have a low risk of default,

  ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and

  iii) the Group expect, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

(B) Cash and cash equivalents, bank deposits are held with only high rated banks / financial institutions, credit risk on them is therefore insignificant.

(C) For other trade receivables, the Group uses "General Model" for the measurement of expected credit loss (ECL) for trade receivables as well as loan receivable.

The measurement of ECL under general model depends on whether credit risk has increased significantly since initial recognition. These credit risk is regularly monitored based on historic turnover activity and credit performance of every customer. In addition, overdue receivable balances are monitored and actioned on a regular basis. When the credit risk has not increased significantly after initial recognition, a provision shall be made for the 12 month expected loss, otherwise shall be made for the entire lifetime.

The Group considers the probability of default upon initial recognition of asset and whether there is a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information which considers multiple factors such as:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Macro-economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Refer note 5 for reconciliation of expected credit loss balance on financial assets.

43.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

43.9.1 Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include principal cash flows along with interest. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crores

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+years	Total
31st March, 2018					
Borrowings	8.54%	1,012.14	836.82	43.51	**1,892.47**
Trade payables		1,868.29	170.55	-	**2,038.84**
Other financial liabilities		538.30	209.92	-	**748.22**
		3,418.73	**1,217.29**	**43.51**	**4,679.53**
31st March, 2017					
Borrowings	8.76%	1,261.84	941.39	78.88	2,282.11
Trade payables		1,487.15	147.85	-	1,635.00
Other financial liabilities		735.06	100.39	-	835.45
		3,484.05	**1,189.63**	**78.88**	**4,752.56**

The Company is exposed to credit risk in relation to guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (see Note 29). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the beneficiary under the guarantee may default.

43.10 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

43.10.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crores

Financial assets / Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2018	31st March, 2017		
1) Foreign currency options	Nil	Nil	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2) Investments in mutual funds at FVTPL (quoted)	2.45	2.44	Level 1	Fair value of quoted current investments in mutual funds is based on price quotations at the reporting date.
3) Investments in equity instruments at FVTOCI (quoted) (see note 1)	0.49	97.60	Level 1	Quoted bid prices in an active market.

Note 1: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the period.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2018 (Continued)

43.10.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of the following financial assets and financial liabilities (other than long term borrowings) are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed seperately.

a) Financial assets
   - Cash and bank balances
   - Bank balance other than above
   - Trade receivables
   - Loans
   - Other financial assets

b) Financial liabilities
   - Short term borrowings
   - Trade payables
   - Other financial liabilities

The carrying amount and fair value of long term borrowings, which are measured at amortised cost is disclosed in table below :

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost:	**905.16**	**920.94**	**947.49**	**962.89**
- Borrowings	905.16	920.94	947.49	962.89

Approval of financial statement

The financial statements were approved for issue by the board of directors on 11th June, 2018.

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

Place: Mumbai
Date: 11th June, 2018

P.R.RAJENDRAN
Company Secretary

ASHOK G.DARAK
Chief Financial Officer

Form AOC-I

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

Statement containing salient features of the financial statement of the subsidiary / associate companies/ joint venture

Part "A" Subsidiaries

₹ in Crores

Sr. No.	Name of the Subsidiary Company	The date since when subsidiary was incorporated / acquired	Reporting period	Reporting currency	Country of incorporation	% of share	Rate of exchange	Share capital	Share Warrants	Total assets	Total liabilities	Details of Investments (except in case of investment in subsidiaries)			Turnover (Incl. other income)	Profit/ (Loss) before tax	Provision for current & deferred tax	Profit/ (Loss) after tax	Proposed dividend
												Shares	Mutual funds	Total of investment					
1.	Hazarat & Company Private Limited	11-06-1982	1st April 2017 to 31st March 2018	INR	India	100%	-	0.20	-	0.02	0.02	-	-	-	0.02	0.01	-	0.01	-
2.	Afcons Corrosion Protection Private Limited	18-07-1985	1st April 2017 to 31st March 2018	INR	India	100%	-	0.08	-	1.71	1.71	-	-	-	0.02	0.01	0.03	0.04	-
3.	Afcons Offshore and Marine Services Private Limited	02-05-1984	1st April 2017 to 31st March 2018	INR	India	100%	-	0.10	-	1.25	1.25	-	-	-	-	(0.01)	0.03	0.02	-
4.	Afcons Construction Mideast LLC	26-11-2005	1st Jan 2017 to 31st Dec 2017	AED	Dubai, UAE	49%	17.39	0.52	-	285.07	285.07	-	-	-	277.09	(27.02)	-	(27.02)	-
5.	Afcons Gulf International Projects Services FZE (100 % subsidiary of AMIL)	23-09-2008	1st Jan 2017 to 31st Dec 2017	AED	Fujairah	100%	17.39	1.74	-	13.67	13.67	-	-	-	-	(0.26)	-	(0.26)	-
6.	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL	14-09-2011	1st Jan 2017 to 31st Dec 2017	KWD	Kuwait	49%	212.05	2.54	-	7.67	7.67	-	-	-	2.32	0.71	-	0.71	-
7.	Afcons Mauritius Infrastructure Limited, Mauritius	29-07-2013	1st April 2017 to 31st March 2018	EURO	Mauritius	100%	80.16	8.82	-	9.24	9.24	-	-	-	0.11	(0.01)	-	(0.01)	-
8.	Afcons Overseas Singapore Pte Limited.	27-03-2014	1st April 2017 to 31st March 2018	SGD	Singapore	100%	49.63	0.25	-	155.37	155.37	-	-	-	21.18	6.04	-	6.04	-
9.	Afcons Infra Projects Kazakhstan LLP (Step down subsidiary)	11-07-2014	1st April 2017 to 31st March 2018	KZT	Kazakhstan	100%	0.20	0.01	-	0.48	0.48	-	-	-	-	(0.76)	-	(0.76)	-
10.	Afcons Saudi Construction LLC	03-10-2014	1st April 2017 to 31st March 2018	SAR	Saudi Arabia	100%	17.35	0.87	-	0.94	0.94	-	-	-	-	(0.27)	-	(0.27)	-
11.	Afcons Overseas Project Gabon SARL (Step down subsidiary)	27-10-2015	1st Jan 2017 to 31st Dec 2017	XAF	Gabon	100%	0.12	0.01	-	298.80	298.80	-	-	-	462.85	87.02	-	87.02	-

Notes:

1) Names of subsidiaries which are yet to commence operations - Nil
2) Names of subsidiaries which have been liquidated or sold during the year - Afcons Overseas Construction LLC, Qatar
3) Indian rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st December 2017 / 31st March 2018.

Form AOC-I (Cont.)

Part "B" Joint operations

Sr. No.	Name of Associates / Joint Ventures	Saipem Afcons Joint Venture	Strabag - AG Afcons Joint Venture	Ircon Afcons Joint Venture	Afcons Sener LNG Construction Projects Pvt.Ltd.	Afcons Gunanusa Joint Venture	Transtonnelstroy Afcons Joint Venture	Dahej Standby Jetty Project Undertaking	Afcons Sibmost Joint Venture	Afcons Pauling Joint Venture	Afcons (Mideast) Constructions & Investments Pvt.Ltd.	Afcons Vijeta PES Joint Venture	Afcons SMC Joint Venture	Afcons Vijeta Joint Venture
		Unincorporated JV	Unincorporated JV	Unincorporated JV	Incorporated JV (Refer Note 1)	Unincorporated JV	Unincorporated JV	Unincorporated JV	Unincorporated JV	Partnership Firm	Associate	Unincorporated JV	Unincorporated JV	Unincorporated JV
1.	Latest audited balance sheet date	31st December, 2015	31st March 2018	31st March 2018	31st March 2018	31st March 2014	31st March 2018	31st March 2018	31st March 2018	31st March 2018	31st March 2018	3'1st March 2018	3'1st March 2018	31st March 2018
2.	Date on which the Associate / Joint Venture was associated or acquired	25-06-2009	15-05-2007	29-11-2013	13-01-2015	16-09-2008	12-03-2010	13-05-2010	03-08-2016	05-08-1988	28-08-1982	25-05-2016	14-07-2016	02-08-2017
3.	**Shares of Associate / Joint Venture held by the Company on the year end**													
	No. of shares	-	-	-	4,900	-	-	-	-	-	1	-	-	-
	Amount of Investment in Associate / Joint Venture	-	-	-	₹ 49,000	-	-	-	-	₹1,74,00,000	₹ 100	-	-	-
	Extent of holding %	50%	40%	47%	49%	80%	99%	100%	100%	95%	0.01%	100%	100%	100%
4.	Description of how there is significant influence	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Refer Note 3	N/A	N/A	N/A
5.	Reason why the Associate / Joint Venture is not consolidated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6.	Networth attributable to shareholding as per latest audited balance sheet (₹ in crores)	(0.09)	16.59	18.62	(0.82)	(17.54)	(33.72)	3.75	0.10	1.74	-	(0.03)	0.71	(0.15)
7.	**Profit / Loss for the year (₹ in crores)**													
	i. Considered in consolidation	-	1.93	7.65	(0.43)	3.68	(14.84)	(0.14)	0.10	-	-	(0.03)	0.85	(0.15)
	ii. Not considered in consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1) Names of joint operations which are yet to commence operations - Afcons Sener LNG Construction Projects Pvt.Ltd.
2) Names of joint operations which have been liquidated or sold during the year - Nil
3) These entities are accounted in the standalone/consolidated financial statements in terms IND AS-110 & IND AS-111, however the same are not considered as subsidiaries /associates/ joint venture Company under Companies Act 2013.

NOTES

AFCONS INFRASTRUCTURE LIMITED

Registered office: “Afcons House”, 16, Shah Industrial Estate, Veera Desai Rd., Azad Nagar, P.O., Andheri (West), Mumbai – 400 053
Tel.: +91 22 67191000, Fax: +91 2226730027 /1031/0047, Website: www.afcons.com, CIN: U45200MH1976PLC019335

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	E-mail Id:
Folio No/ Client Id:	DP ID:
Registered address:	

I/We, being the member(s) of .... shares of the above named company, hereby appoint

1. Name: ……………………………………………………………………………………..... E-mail Id: ....
   Address: …………………………………………………………………………………..... Signature: ....

or failing him

2. Name: ……………………………………………………………………………………..... E-mail Id: ....
   Address: …………………………………………………………………………………..... Signature: ....

or failing him

3. Name: ……………………………………………………………………………………..... E-mail Id: ....
   Address: …………………………………………………………………………………..... Signature: ....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Forty-Second Annual General Meeting of the Company, to be held on Thursday the 27th September, 2018 at 4.30 p.m. at “Afcons House”, 16, Shah Industrial Estate, Veera Desai Rd., Azad Nagar, P.O., Andheri (West), Mumbai – 400 053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt
   a. the audited standalone financial statement of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors thereon.
   b. the audited consolidated financial statement of the Company for the financial year ended 31st March, 2018 together with the Report of the Auditors thereon.
2. To confirm Interim dividend paid on the equity shares as Final dividend for the financial year 2017-18.
3. To declare dividend on Convertible Preference Shares.
4. To appoint a Director in place of Mr. Shapoor. P. Mistry (DIN:00010114) who retires by rotation and being eligible offers himself for re- appointment.
5. To appoint a Director in place of Mr. K. Subramanian (DIN:00047592) who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Branch Auditor of the Company.
7. To ratify the remuneration payable to the Cost Auditor for FY 2018-19.
8. To appoint Mr. K. Subramanian (DIN:00047592) as Whole-Time Director designated as Executive Vice Chairman of the Company.
9. To appoint Mr. S. Paramasivan (DIN:00058445) as Managing Director of the Company.
10. To Issue Non-Convertible Debentures/ Bonds/ other Instruments on private placement basis up to ₹ 200 Crores.

Affix Revenue Stamp

Signed this .... day of 2018

Signature of Member(s)... Signature of Proxy holder(s) ....

NOTES:

1. 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 hour before the commencement of the Meeting.
2. For Resolution, Explanatory Statement and Notes, please refer to the notice of the Forty-Second Annual General Meeting.
3. A Proxy need not be a member of the Company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

AFCONS INFRASTRUCTURE LIMITED

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Tel.: +91 22 67191000 Fax: +91 2226730027 /1031/0047, Website: www.afcons.com; CIN: U45200MH1976PLC019335

ATTENDANCE SLIP

I hereby record my presence at the Forty-Second Annual General Meeting of the Company to be held at Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Andheri (West), Mumbai- 400 053 on Thursday the 27th September, 2018 at 4.30 p.m.

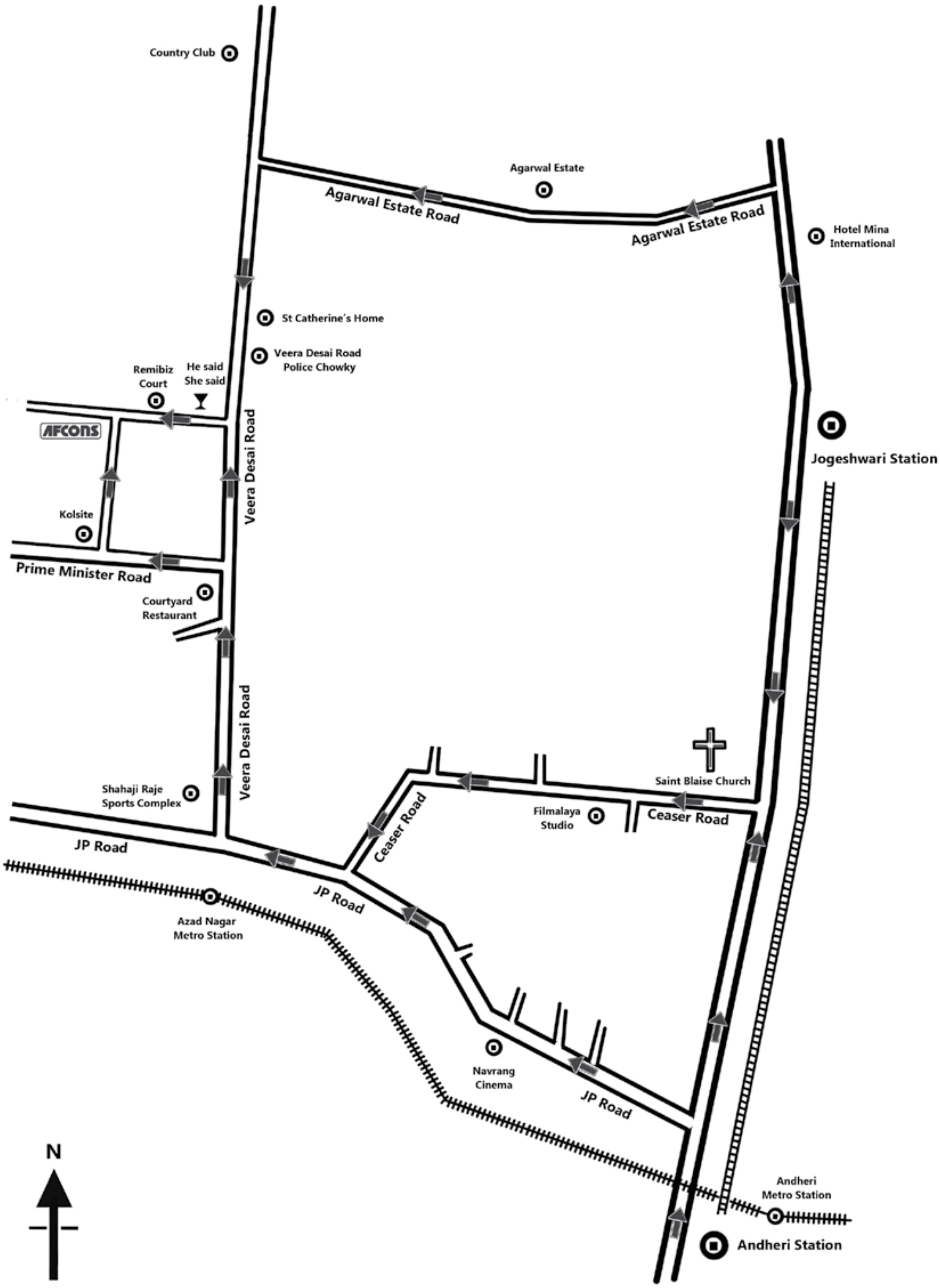
Full Name of the *Member/Proxy : ……………………………………………………………………..

Folio No. OR Client/DP ID No. : …………………………......................... No. of Shares held : ………..…………………….............

* strike out whichever is not applicable.

SIGNATURE OF THE *MEMBER/PROXY

ROUTE MAP TO THE AGM VENUE



GREAT PLACE TO WORK®
CERTIFIED
JAN 2018 - DEC 2018
INDIA

- Afcons is the first Indian infrastructure company to be certified as Great Place to Work
- We are among the select few in India to be certified in the first attempt
- Afcons has scored far better than the domestic infrastructure industry benchmark in all the parameters

Ms C Krishnakumari, Joint General Manager, Technical Training receives the Times Ascent National Award for Training & Development 2018 in July 2018

Republic of Gabon –
Certificate of the Best Employer in the Construction Sector

Outstanding Contribution in Specialised Construction for Underwater Metro Tunnels for Kolkata Metro Rail Project – EPC Category at 7th EPC World Awards 2017 in December 2017

Mr Akhil Kumar Gupta, Executive Director (Operations) and Mr Jagdish Dhuri, DGM (Business Development) receive the award for one of India's Leading Infrastructure Companies at Dun & Bradstreet Awards from Mr Nitin Gadkari, Union Minister for Road Transport & Highways, Shipping and Water Resources in November 2017

Afcons has been named the Best Construction Company in Roads and Bridges at the Construction Week Award on September 15, 2017

Mr V Mannivanan, Director-CPE, and RK Singh, General Manager-CPE receive the award for Second-Fastest Growing Infrastructure Company (Large Category) at the Construction World Awards 2017

The KNPC refinery project site in Kuwait won the ASSE GCC HSE Excellence Award 2017

AFCONS received the
ASIA MAKE Award 2017 at Beijing.
Mr Giridhar, Executive Director – (Technical),
Mr K Vishwamurthy, Project Manager –
Chenab Project and
Mr Rudolf D'Souza – Chief Knowledge Officer
received the Award from Mr I Nonaka, of Japan

Afcons was honoured for its outstanding performance for executing the Chennai Metro project at the Construction Industry Awards in May 2017



AFCONS INFRASTRUCTURE LIMITED

A Shapoorji Pallonji Group Company

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