

# PERSPECTIVE MAKES THE DIFFERENCE



# PRESTIGIOUS PROJECTS



METRO RAIL PROJECT AT BANGALORE



VIT UNIVERSITY AT CHENNAI



JAYPEE GREENS AT GREATER NOIDA



PIMPRI-CHINCHWAD FLYOVER AT PUNE



PANVEL FLYOVER AT NAVI MUMBAI



SJR - LUXURIA RESIDENTIAL PROJECT AT BANGALORE



PROVIDENT WELWORTH CITY AT BANGALORE



BUTIBORI POWER PROJECT AT NAGPUR



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. D. R. Mehta  
Chairman - Independent Director

Mr. Shailendra Kumar Tripathi  
CEO & Dy. Managing Director

Mr. Manoj Kumar Singh  
Executive Director

Mr. Shailendra Raj Mehta  
Independent Director

Mr. Mahendra G. Punatar  
Independent Director

Mr. Hemant Modi  
Non-Executive Director

Mr. Manish Mohnot  
Non-Executive Director

Mr. Kamal Jain  
Non-Executive Director

## AUDIT COMMITTEE

Mr. D. R. Mehta, Chairman  
Mr. Shailendra Raj Mehta  
Mr. Mahendra G. Punatar  
Mr. Kamal Jain

## SHAREHOLDERS' GRIEVANCE COMMITTEE

Mr. Kamal Jain, Chairman  
Mr. Manish Mohnot  
Mr. Shailendra Kumar Tripathi  
Mr. Manoj Kumar Singh

## REMUNERATION COMMITTEE

Mr. D. R. Mehta, Chairman  
Mr. Shailendra Raj Mehta  
Mr. Mahendra G. Punatar  
Mr. Kamal Jain

## CFO & DY. PRESIDENT

Mr. Manoj Tulsian

## COMPANY SECRETARY

Mr. Suresh Savaliya

## AUDITOR

Kishan M Mehta & Co.  
Chartered Accountants

## BANKERS

State Bank of India  
Axis Bank  
IDBI Bank  
Oriental Bank of Commerce  
Indian Bank  
Union Bank of India  
Punjab National Bank  
Karur Vysya Bank Ltd.

## REGISTERED OFFICE

A-104, Shapath 4, Opp. Karnavati Club,  
S. G. Road, Ahmedabad - 380 015, Gujarat, India  
Tel: +91 79 3001 1500, Fax: +91 79 3001 1700  
Email: jmcho@jmcprojects.com  
CIN: L45200GJ1986PLC008717

## CORPORATE OFFICE

6th Floor, Kalpatru Synergy,  
Opp. Grand Hyatt, Santacruz (East),  
Mumbai - 400 055  
Tel: +91 22 3005 1500  
Fax: +91 22 3005 1555  
www.jmcprojects.com

## REGISTRAR & TRANSFER AGENT

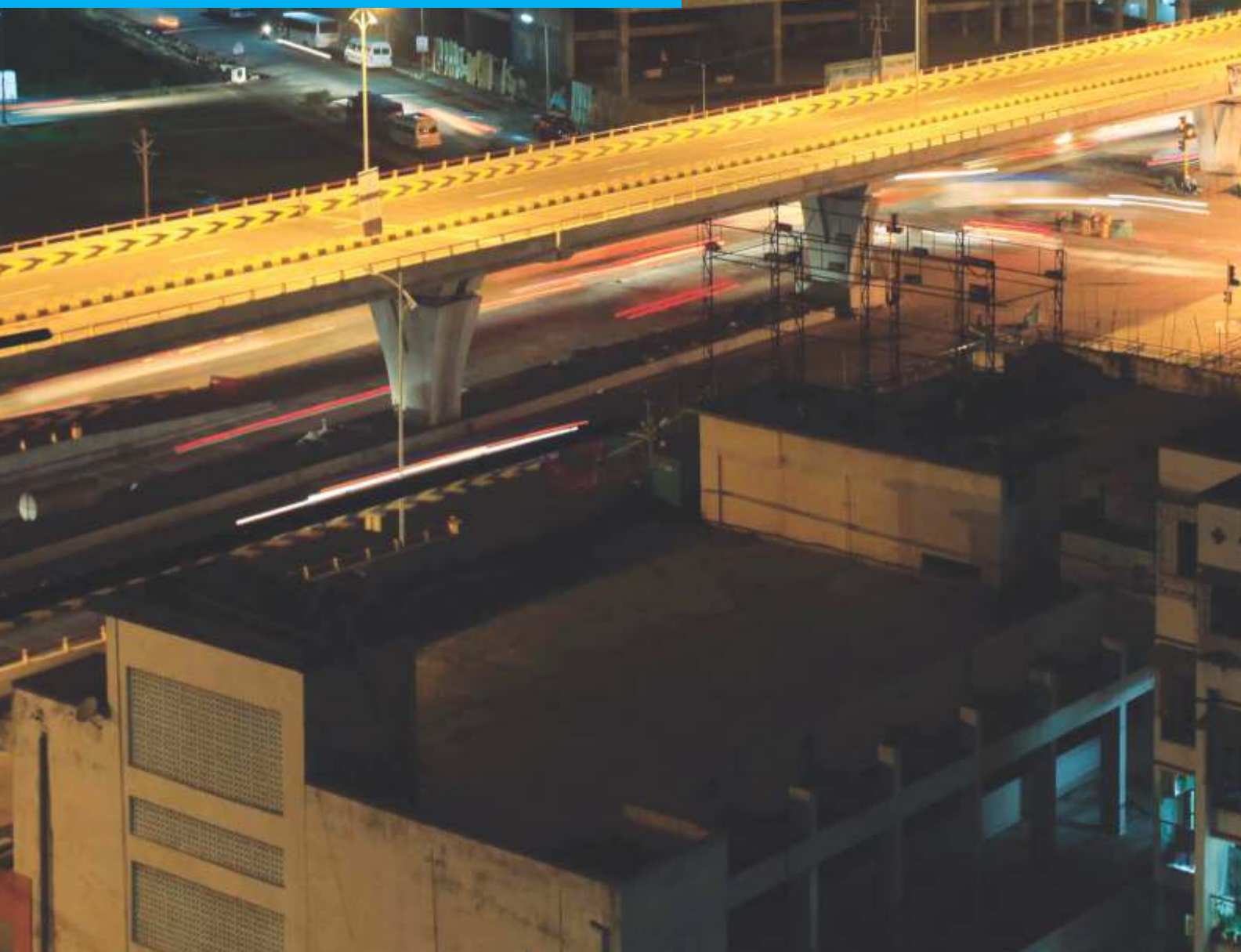
Link Intime India Pvt. Ltd.  
Unit: JMC Projects (India) Limited  
303, Shopper's Plaza V,  
Opp. Municipal Market,  
Off. C. G. Road, Navrangpura,  
Ahmedabad - 380 009, Gujarat  
Tel & Fax: +91 22 2646 5179  
Email: ahmedabad@linkintime.co.in  
www.linkintime.co.in

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# PERSPECTIVE MAKES THE DIFFERENCE

**L**everaging our ability to stay focused and deliver excellence, every time, we have been able to steer ourselves through the most trying of times. The steps taken in the right direction has aided our mission to always stay ahead, however trying, the times maybe. Basis this strength of foresight we have excelled time and again.

Bringing in fresh perspectives has not only helped us realign our strategies and priorities but also restructure the management, processes and procedures, which in the long-term have proved beneficial. Even in tough times like today, we have been able to hold our ground, thanks to appreciation and adoption of fresh views, ideas and perspectives brought into the folds of Company's ethics and work methodology. True, we are poised for growth and confident of discovering new growth horizons owing to positive and fresh perspectives.

## CEO'S MESSAGE



“Going ahead, we are optimistic about our nation's growth potential. Today, Indian economy is characterized with better macro-economic fundamentals and pace of urbanization is expected to accelerate over the next two decades. This would generate a heavy demand for better quality infrastructure in urban areas. Thus, forthcoming years are to serve as an opportunity to exercise critical competencies those are inculcated over last 3 decades by us. With a stronger foundation of core values, committed people, robust processes & systems with organizational dexterity will help your Company stand out in the current business landscape.”

Dear Shareholders,

It gives me an immense pleasure to present 28th Annual Report of your Company for the FY 2013-14

This has been a challenging year for Indian economy. Impacted by fiscal imbalance & mounting fiscal deficit, high Current Account Deficit, decelerating GDP growth etc. coupled with cautious investment movement in infrastructure, energy and industrial sectors. Repercussions of various national level economic and socio-political issues are still being felt in construction industry. India's GDP growth rate, which touched 8.9 % in FY11, declined to 6.7 % in the following year and touched a decade's low of 4.5 % in FY13.

However, the economy has already started seeing silver lining of these clouds. Country's economy has risen slightly and GDP growth rate is pegged at 4.7% for previous year. As the fiscal year progressed, macro-economic parameters have started soothing, in the yearning of a stable central government. As per studies done by CSO & FICCI, India's economic growth is estimated to pick up to 5.25-5.5% range during FY15. This needs to be sustained and supplemented by policy reforms to effectively recharge our economy and restore its growth trajectory.

During last couple of years, fuel costs and labour costs have increased manifolds and the upward trend is likely to sustain. Correspondingly, sharp Increases in logistics costs, hike in raw material costs like steel, cement & sand etc. are putting pressure on our viability numbers. Today some of the industry peers are burdened with excessive debt stress. Customers are becoming educated and thus, demanding for delivery excellence. Our sub-contractors are competing with better overhead costs. This sparks off correction in the competitive landscape and thereby, offers us an opportunity. In such transformational times, balanced blend of long range strategies and nimble tactical responses are critical to success. We need to fortify our current business lines to yield better operational efficiencies and concurrently, chase new territories, adopt new technologies to serve our customers better and faster.

Your company has taken strong steps to combat these challenges and neutralize their adverse effects on our future; some of them are as follows:

- Adhering to price escalation clauses in to new contract/work orders to reduce steel, cement etc. commodity price risks to a substantial extent
- To make a process driven organisation, IT enabled process and internal control systems equipped with modern analytical tools & techniques



- Cost rationalization and waste minimization initiatives including consolidation of various functions at corporate and regional level
- Strategic sourcing/procurement & centralised supply chain management structure
- Stabilisation of Company's first international road EPC contract in Ethiopia
- Stronger focus on Environment, Health & Safety of JMC Offices & Construction Sites
- Talent Management
  - While embracing multi-cultural work ethos, while retaining our core national identity, we have intensified recruitment of lateral hires with diverse educational & industry backgrounds at the management level
  - Leadership Development Program has been organised for senior management executives
  - Two more Training Centres for Site Supervisors, Trade Specialists etc. have been established in last financial year

JMC Projects is a brand that embodies majorly – Buildings & Factories, Infrastructure, Urban Infrastructure, Industrial & Power and Special Strategic Projects. Though the macro-economic environment still remains challenging, we are targeting specific opportunities within India and internationally, where we have strong credentials. The luxury housing segment in the metro cities, commercial complexes for retail and the overall industry provides promising opportunities to the business during 2014-2015. On the technology front, JMC is gearing up to undertake projects adopting new trends in civil engineering and construction technology.

## Performance Overview

Despite the challenging environment, your Company has turned in a creditable performance on key performance parameters.

- Order Inflows clocked in at ₹ 2,542 Cr during the year
- The unexecuted Order Book at the year-end stands at ₹ 5,088 Cr. This provides to continue with a healthy revenue and margin visibility ahead
- Profit after Tax registered stood at INR ₹ 23 Cr which translates into a growth of 25% over the previous year

Looking at the future growth opportunities coming from Public-Private Partnership (PPP) models in improving our country's infrastructure, we have bolstered our capabilities of developing and running such large scale projects. Three out of four BOOT projects are completed and toll collection operations have already begun on two of the projects. Third completed

project near Nagpur will also follow the suit shortly. Fourth project at Madhya Pradesh is being constructed as per schedule. It is worthwhile to bring it to your notice that like all other BOOT operators, we are also facing pressures due to low vehicular traffic. This has an adverse bearing on the traffic growth on the highways. With the new stable central government, industrial policies are bound to trigger overall economic growth, which subsequently will alleviate revenue pressures through increased traffic.

Going ahead, we are optimistic about our nation's growth potential. The Indian economy during 12th Five Year Plan is characterized by better macro-economic fundamentals over the 11th Five Year Plan period. Although, compared to other developing countries, India has been slow to urbanize, pace of urbanization is expected to accelerate over the next two decades. This would generate a heavy demand for better quality infrastructure in urban areas. Thus, forthcoming years are to serve as an opportunity to exercise critical competencies those are inculcated over last 3 decades by us. With a stronger foundation of core values, committed people, robust processes & systems with organizational dexterity will help your Company stand out in the current business landscape.

Before I conclude, I express my sincere gratitude to our shareholders, investors, our esteemed Customers, joint venture partners, lenders, banks, financial institutions, government bodies and other regulatory authorities/agencies for providing their continuous support. I wish to express my appreciation to my colleagues on the Board and our employees for their thought leadership, dedication and commitment. I am grateful to you for your cooperation and trust that you have reposed in us, without which our continued growth momentum would have remained just a distant dream.

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

# FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	2013-14	2012-13 #	2011-12 #	2010-11 #	2009-10
Total Income	2,662.8	2,543.1	2,081.5	1,380.4	1,321.0
Growth (%)	4.71	22.18	50.79	4.30	0.12
Total Expenditure	2,518.6	2,417.4	1,922.7	1,260.7	1,211.1
Operating Profit (PBDIT)	144.3	125.7	158.8	119.7	109.9
Interest	55.1	55.0	47.4	28.1	21.9
Profit Before Depreciation and Tax (PBDT)	89.1	70.8	111.4	91.6	88.0
Depreciation	58.9	54.9	47.1	39.5	34.8
Profit Before Tax (PBT)	30.2	15.9	64.4	52.1	53.2
Provision for IncomeTax / FBT / Deferred Tax	7.2	-2.4	12.4	12.1	13.5
Profit After Tax (PAT)	23.0	18.3	51.9	40.0	39.7
Equity Share Capital	26.1	26.1	26.1	26.1	21.8
Net Worth*	447.9	428.2	416.8	374.2	249.9
Long Term Borrowings	223.6	177.8	137.6	80.2	68.7
Short Term Borrowings					
(including current maturity of long term debts)	205.8	206.2	150.8	106.4	101.2
Total Borrowings	429.4	384.1	288.3	186.7	169.9
Capital Employed (Net Worth + Total Borrowings)	877.3	812.2	705.1	560.9	419.8
Debt Equity Ratio (Total)	0.96:1	0.90:1	0.69:1	0.50:1	0.68:1
Debt Equity Ratio (Long Term)	0.50:1	0.42:1	0.33:1	0.21:1	0.27:1
Book Value per Equity Share (₹)	171.5	163.9	159.6	143.3	114.8
Earning per Equity Share (₹)	8.8	7.0	19.9	17.2	19.3
Equity Dividend (%)	10.00	10.00	20.00	20.00	20.00
Operating Profit (%)	5.43	4.96	7.67	8.70	8.39
Profit Before Tax (%)	1.14	0.63	3.11	3.79	4.06
Profit after Tax (%)	0.86	0.72	2.51	2.91	3.03
Return (Pre-tax) on Average Networth (%)	6.90	3.77	16.27	16.70	23.55
Return on Average Capital Employed (%)**	10.10	9.34	17.65	16.35	18.35
Order Backlog at the year end***	5,087.6	5,577.8	5,675.0	4,150.0	2,671.0
No. of Employees	3,264	2,977	3,133	3,073	2,342

# The Figures for the F.Y. 2010-11 & F.Y. 2011-12 are regrouped in line with F.Y. 2012-13, which are based on requirements as per Revised Schedule VI of the Companies Act, 1956.

\* Networth calculated for F.Y. 2008-09 to 2010-11 is after adjustment of miscellaneous expenditure to the extent not written off & exclusion of Debenture Redemption Reserve.

\* Networth calculated for the F.Y. 2010-11, F.Y. 2011-12 & F.Y. 2012-13 is after exclusion of Debenture Redemption Reserve.

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

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





# DIRECTORS' REPORT

To,  
The Members,

Your Directors take pleasure in presenting the 28<sup>th</sup> Annual Report with the audited statement of accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

## FINANCIAL RESULTS

The performance of the Company for the year ended on 31st March, 2014 is summarized below.

(₹ In Crores)

Financial Results	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Total Revenue	2,662.82	2,543.13
Profit before Depreciation, Interest & Tax	144.25	125.73
Less: Depreciation	58.90	54.86
Interest	55.14	54.95
<b>Profit before Tax</b>	<b>30.21</b>	<b>15.92</b>
Provision for Tax (including Deferred Tax)	7.24	(2.41)
<b>Net Profit after Tax (for the period)</b>	<b>22.97</b>	<b>18.33</b>
Add: Surplus brought forward from previous year	157.14	147.36
<b>Profit available for Appropriation</b>	<b>180.11</b>	<b>165.69</b>
<b>Appropriation:</b>		
Proposed Dividend on Equity Shares of ₹ 10/- each	2.61	2.61
Corporate Dividend Tax on Equity Dividend (including surcharge)	0.44	0.44
Transferred to Debenture Redemption Reserves	2.31	3.25
Transferred to General Reserve	2.25	2.25
Balance carried to Balance Sheet	172.50	157.14
<b>TOTAL</b>	<b>180.11</b>	<b>165.69</b>

During the year ended 31st March, 2014, your Company has achieved Total Revenue (i.e. Revenue from Operation & Other income) of ₹ 2,662.82 crores as against ₹ 2,543.13 crores for the previous year ended 31st March, 2013. The Company has achieved Profit before tax of ₹ 30.21 crores for the current year as against ₹ 15.92 crores for the previous year.

## STATE OF AFFAIRS AND MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis highlighting *inter alia* the business performance and affairs of the Company for the year ended 31st March, 2014 is given in a separate section which forms part of this Report.

## DIVIDEND

In view of the Company's performance during the financial year under consideration, your Board has recommended a dividend of ₹ 1 per equity share of face value of ₹ 10 each (previous year ₹ 1 per equity share) on entire 2,61,18,348 equity shares and seek approval of the members. If approved, the total outgo on account of the dividend will be ₹ 2.61 crores (excluding corporate tax on dividend).

## APPROPRIATION

It is proposed to transfer ₹ 2.25 crores to the General Reserve and other appropriation as mentioned in the profit and loss statements, for the year under review.

## NEW PROJECTS / CONTRACTS

During the year under review, the Company has received new contracts of approx. ₹ 2,542 crores. The details of some of the major contracts received during the year are as below.

### Factories & Buildings

- Civil work of 3 Commercial buildings for Mantri Group at Bangalore.
- Construction of Residential Property for Puvankara Projects at Chennai.
- Construction of Hospital, OPD & other associated works for Kalpana Chawla Govt. Medical College at Karnal, Haryana
- Civil & Structural work for IT Park for RGA Software Infrastructure at Bangalore.

- e) Civil & Structural work of Residential Township project for Adhiraj Construction at Navi Mumbai.
- f) Construction of Housing Complex and external development & services for AIIMS, Raebareli.
- g) Construction of Residential Towers for EMAAR, MGF Business Park, at Gurgaon.
- h) Civil work, Rock anchors, waterproofing, Gypsum and other allied works for 4 multistoried residential towers "Kalpataru Radiance" at Mumbai.
- i) Construction of 6 High Rise towers & Club House of Group Housing Project for Lemon Tree Land and Developers at Gurgaon.
- j) Construction of National Centre for Biological Sciences Research Laboratory for Government of India at Bangalore.
- k) Construction of office building for CMC Ltd at Kolkata.
- l) Infrastructure Works at proposed Development - "Prestige Lakeside Habitat" at Bangalore.
- m) Construction of Ceremonial Hall adjoining Auditorium in President Estate for CPWD at New Delhi.

#### Infrastructure

Construction of flyover at Jalgaon T point on Aurangabad Jalana Road for Maharashtra Road Development Corporation Ltd. at Aurangabad.

#### Power

Civil works of 6 x 600 MW Ultra Mega Power Project for Reliance Infrastructure at Sasan, Madhya Pradesh.

As on 31st March, 2014 the aggregate value of orders on hand stands at ₹ 5,088 Crores.

#### YEARS AHEAD AND PROSPECTS

The Company has sufficient order book position to achieve the growth in both top line as well as bottom line in the coming years. The Company has already entered into international business by securing a road project and is looking for other opportunities in International market. Looking at the current scenario of global economy, it is perceived that the margins may remain under pressure to some extent. However, your Company has been able to improve margins during the year.

#### FINANCE

During the year, the Company has invested ₹ 14.90 crores as Equity & ₹ 87.63 crores as loans in Special Purpose Vehicles (SPVs) incorporated for its Road Projects which was funded through term loans & internal accruals.

Total addition in the fixed assets was ₹ 84.17 crores during the year which was funded through Rupee Term Loans and internal accruals. The Company has sufficient fund based & non-fund based limits to cater to its existing fund requirements.

#### FIXED DEPOSIT

During the year, the Company has accepted / renewed deposits from public and shareholders within the prescribed limits. As on 31st March, 2014, deposits stood at ₹ 14.55 crores, out of which a sum of ₹ 12.45 Lacs relating to 35 depositors remained unclaimed. The Company had sent reminders to all the depositors for their unclaimed deposits out of which some deposits were claimed and paid subsequently. There were no deposits which were claimed and remained unpaid by the Company as on 31st March, 2014.

#### DIRECTORS

In accordance with the provisions of the Companies Act, 1956/2013 and the Articles of Association of the Company, Mr. Hemant Modi is liable to retire by rotation at the ensuing Annual General Meeting (AGM). The director, being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment as Director of the Company. The Board also recommends appointment of Mr. D. R. Mehta, Mr. Shailendra Raj Mehta and Mr. M. G. Punatar as independent directors. Necessary details about the said directors are given in the accompanying Notice of AGM, pursuant to the Listing Agreements.

Mr. Suhas Joshi resigned from the office of Director of the Company with effect from July 25, 2013. The Board placed on record their deep sense of appreciation for contribution made by Mr. Joshi as a Co-founder and Director during his tenure as member of the Board.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with section 217(2AA) of the Companies Act 1956, your directors confirm that:

- (a) in preparation of the annual accounts for the financial year ended on 31st March, 2014, the applicable accounting standards have been followed (along with explanation wherever required) and there is no material departure from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the aforesaid period;
- (c) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts for the year ended 31st March, 2014 on a going concern basis.



## CORPORATE GOVERNANCE

The Company is committed to maintain highest standard of corporate governance aligned with the best practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, a detailed report on Corporate Governance is given as a part of this Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard. A certificate from Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange and National Stock Exchange of India ("Stock Exchanges") is annexed to this Report.

Ministry of Corporate Affairs (MCA) released in December 2009 the "Corporate Governance Voluntary Guidelines 2009". The Guidelines are recommendatory and voluntary in nature. However considering the importance of Corporate Governance, the Company will be reviewing its Corporate Governance practice in the context of other recommendation under the said Guidelines for appropriate adoption.

## AUDIT COMMITTEE

Audit Committee of the Board has been constituted in terms of Listing Agreements with the Stock Exchanges and section 292A of the Companies Act 1956. Constitution and other details of the Audit Committee are given in "Report on Corporate Governance".

## AUDITORS & AUDITORS' REPORT

The observation made in the Auditors Report on the Company's accounts for the financial year ended 31st March, 2014 are self-explanatory and therefore do not require for any further comments/information.

The present auditor of the Company, M/s. Kishan M. Mehta & Co, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Board of the Company recommend their re-appointment. Members are requested to consider their re-appointment.

## SUBSIDIARIES

### Brij Bhoomi Expressway Pvt. Ltd. (BBEPL)

BBEPL is a Special Purpose Vehicle (SPV) incorporated as a wholly owned subsidiary of the Company for execution of a road project between Agra-Aligarh in the State of U.P. on DBFOT basis awarded by NHAI. As the construction activity is still going on, there was no revenue from operations during the year. During the year, the Company has provided loan of ₹ 1.90 crores to BBEPL. The Company has however received provisional COD and has recently started tolling.

### Wainganga Expressway Pvt. Ltd. (WEPL)

WEPL is a Special Purpose Vehicle (SPV) incorporated as a wholly owned subsidiary of the Company for execution of a road project from Nagpur to Wainganga Bridge Section in the State of Maharashtra on DBFOT basis awarded by NHAI. During the year, the Company has provided loan of ₹ 45.93 crores to WEPL. As the construction work is still going on, there was no Revenue from operations during the year. The Company has already applied for provisional COD and expects to start tolling very soon.

### Vindhyachal Expressway Pvt. Ltd. (VEPL)

VEPL is a Special Purpose Vehicle (SPV) incorporated as a wholly owned subsidiary of the Company for execution of a road project from Rewa to Madhya Pradesh/Uttar Pradesh Border in the State of Madhya Pradesh on BOT basis awarded by MPRDC. During the year, the Company has provided loan of ₹ 34.08 crores. As the construction work is still going on, there was no Revenue from operations during the year.

### JMC Mining & Quarries Ltd. (JMQL)

JMQL has achieved Total Revenue of ₹ 0.36 crores for the current year as against ₹ 1.18 crores for the previous year. During the year, the Company has incurred profit / (loss) before tax of ₹ (0.23) crores as against profit of ₹ 0.06 crores in previous year. The Company during the coming year will cut down the expenses and try and avoid any future losses.

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of subsidiaries of the Company forms part of this Annual Report.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, under section 212 of the Companies Act 1956, granting general exemption to companies from attaching financial statements of subsidiaries, the copies of balance sheet, profit and loss statements and other documents of the subsidiary companies are not being attached with the balance sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results and necessary details of its subsidiary companies.

## CONSOLIDATED FINANCIAL STATEMENTS

In compliance to clause 32 and clause 50 of the Listing Agreements with the Stock Exchanges, the Company has prepared Consolidated Financial Statements of the Company



and its subsidiaries as per the Accounting Standard on Consolidated Financial Statements (AS - 21). The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed with this Annual Report. The Auditors' Report does not contain any qualification.

## **CORPORATE SOCIAL RESPONSIBILITY**

Being a dominant player in the construction sector, JMC is actively involved in various CSR activities. As JMC employs huge work force, these activities are mainly directed for their benefit & also to serve as motivational force for them. The various activities in which JMC is involved in are running crèche, organizing free medical camps at various project sites, various welfare schemes for workers and also taking care of the their children through various educational programs.

The major activities in these areas include:

- Medical facilities / aids to labour by engaging doctors at labour camps on regular basis.
- Free medical check up for the labour is done in all the sites at regular intervals.
- Arranging blood donation camps.
- Crèche / Day care centre for providing free primary educations to the children of workers at few sites.
- Organizing free food, distribution of sweets on festivals and other curricular activities.
- Performing plays related social awareness such as HIV AIDS, save water, save electricity, childhood marriage etc.
- Distribution of toys, School bags, Study materials etc. to the children of workers.
- Sponsorship of libraries in the schools in the nearby areas of project sites.
- Organizing Pulse Polio event for kids of workers at site
- Celebration of World Environment Day by organizing tree plantation and other related activities at various project sites.
- Donations to philanthropic and charitable organizations.

## **QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM**

To strive for excellence through continual improvement and to maintain its commitment to customer's expectations for quality and services, the Company adheres to the Quality Management Systems as per International Standard ISO 9001:2008. Company has implemented Integrated Management System by integrating ISO 14001:2004 (Environmental Management System), BS OHSAS 18001:2007 (Occupational Health & Safety System) with ISO 9001:2008. The Company has been consistently pursuing best construction practices with

uncompromising quality, environment and safety standards which are recognized by our clients / associates and Govt. bodies through awards / accreditations.

## **EMPLOYEES**

We firmly believe that employees are corner stone of the organization and investing in them thoughtfully and strategically reaps rewards that pay-off in the long run. Through regular training and skill enhancement program, we strive to bring congruence between personal career goals of the employees and overall objective of the organization. The Company has put in comprehensive system in place for identifying and addressing various training needs at all the levels of the organization. We believe this will help in creating challenges and empowering work environment that rewards dedication and work ethics to our employees. We also provide them training on behavioral aspects, such as personality development, communication skills etc. to help improving their efficiency. These training programs include technical trade, managerial skills, functional skills, behavioral skills, etc.

We continue to conduct programs for employees and their families like, annual picnic, medical checkups at regular interval, distribution of long service awards etc. Welfare trust of the employees of the Company helps the needy employees for their financial support.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of the employees are set out in the annexure to the Directors' report. However, having regard to the provisions of Section 219(1) (b) (iv) of the said Act, this Report excluding aforesaid information is being sent to all the members of the Company and others entitled thereto. Any members interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## **EMPLOYEE STOCK OPTION SCHEME**

During the year under review, none of the employees has opted for conversion of the Options into equity shares.

The disclosure required to be made under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, is provided in Annexure 'A' forming part of this Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE**

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are as under.

**Conservation of Energy and Technology Absorption**

Considering the nature of activities being carried out by the Company, Part A and B of the aforesaid Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company and hence not provided. However the Company has used information technology in its operations.

**Foreign Exchange earning & Outgo**

Particular (₹ in crores)	Year 2013-14	Year 2012-13
Foreign Exchange earned and saved	Nil	Nil
Foreign Exchange used / outgo	27.70	9.65

The detailed information on foreign exchange expenditure is furnished in the note no. 32 to the Accounts.

**APPRECIATION**

Considering the employees strength as human wealth of the Company, the Directors express their deep sense of appreciation and extend their sincere thanks to every executive, employee and associates for their dedicated contribution and Directors also look forward the continuance of it in the times to come.

**ACKNOWLEDGEMENT**

Your Directors express their feelings of gratitude for the continuous assistance, support and cooperation received from the financial institutions, banks, governments, authorities, shareholders, clients, suppliers, customers and associates.

For and on behalf of the Board

**JMC Projects (India) Limited**

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

**Manoj Kumar Singh**  
Executive Director

Place : Mumbai

Date : May 28, 2014

# ANNEXURE A TO DIRECTORS' REPORT

## Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

### Employee Stock Option Scheme 2007

Particulars	ESOP – 2007
Options Granted	6,00,000
The Pricing Formula	20% discount to the closing market price on the date prior to the date of the meeting of the Remuneration Committee in which Options are granted. The closing market price quoted on BSE on July 20, 2007 was ₹ 272, and these options were granted at ₹ 217/- per share on July 21, 2007.
Options Vested and in force as on 31st March, 2014	1,39,654
Options exercised	Nil
Total number of shares arising as a results of exercise of Options (equity shares of ₹.10/- each)	Nil
Fund raised by exercise of Options	Nil
Total Options Lapsed (on a cumulative basis upto 31st March, 2014)	4,60,346
Variation of terms of Options	Nil
Total number of Options in force as on 31st March, 2014	
- Vested	1,39,654
- Unvested	Nil
<b>EMPLOYEE WISE DETAILS</b>	
Options granted to Senior Managerial Personnel and in force as on 31st March, 2014.	56,050
Any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	32,550 options granted to Mr. Kamal Jain, Non-Executive Director on July 21, 2007.
Identified employees who were granted Options, during one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversion) of the Company at the same grant.	Nil





# MANAGEMENT DISCUSSION AND ANALYSIS

Emerging markets remains at center stage both for the potential they offer and the challenges they pose. Businesses and governments are taking a fresh look at opportunities that can shape the future of their markets and people. There is a renewed push on governance and job creation.

Following the modest slowdown in 2013, it is expected that overall growth in rapid-growth markets such as BRIC countries to rebound to about 4.5% this year, and top close to 5% by 2015. But if markets, especially European markets react badly to the global monetary tightening that 2014 promises, capital flight and weakening currencies could mean that growth shall be limited to 3.7% this year and 2.8% in 2015.

The liquidity that has underpinned strong growth in some of these markets over the past few years could dry up as the major advanced economies are likely to start raising interest rates. However, before these rates rise, there is a window of opportunity for developing countries like ours to press on with key economic reforms.

## 1. OVERVIEW OF THE INDIAN ECONOMY

The Indian Economy, responding strongly to the fiscal and monetary stimulus provided in 2008-09 in the wake of global economic slowdown, achieved a growth rate of 8.6% and 9.3% respectively in 2009-10 and 2010-11.

High Interest rates, continued global uncertainties and supply side constraints adversely impacted investment, and in 2011-12 and 2012-13, growth slowed to 6.2% and about 5% respectively. Growth is expected to recover in 2013-14 with reform process being actively pursued. Since May 2013, the Government has taken 42 major reforms measure in the sphere of finance, banking, industry, infrastructure and taxation.

A major drive has been initiated to bolster growth by increasing investment in both the public and the private sectors. The process of fiscal consolidation is continuing. The Government accepted the recommendations of the Kelkar Committee on fiscal consolidation. Red lines were drawn for the fiscal deficit at 5.3% of GDP in 2012-13 and 4.8% in 2013-14. With concentrated effort, the fiscal deficit was contained at 5.2% in the financial year 2012-13.

As a result of concentrated efforts on many fronts, Wholesale Price Inflation (WPI) has moderated from an average 9.56% in 2010-11 to average of 7.41% during April – February, 2012-13. It was below 6% in March, 2013.

## 2. INDUSTRY SCENARIO

The total Investment in Infrastructure was estimated to be around 5% of GDP. Investment in infrastructure in other relatively fast growing countries, the gross capital formation (GCF) in infrastructure should rise as a share of GDP from 5% in 2006-07 to 9% by the end of the plan period. The

experience of many other emerging developing countries would suggest that GCF in infrastructure may need to be accelerated to an even higher level at around 11%. Construction industry which grew at 7.7% in the Eleventh plan is expected to grow at an average rate of 9.1%.

The Construction sector has been contributing around 8% to the nation's GDP (at constant prices) in the last 5-6 years. Over long term, the share of investment in infrastructure, as percentage of GDP is expected to witness a steady increase, growing to around 9-10% by FY 17. This planned investment, if realized, can lead the country's growth to a higher trajectory. The share of private investment is expected to rise. However, the investment drive has not yet taken the sufficient lead in last fiscal year.

For annual output growth to average 8% in the Twelfth plan period, and to cross 9% in the closing year, it is estimated that the fixed investment rate will have to increase by about 1.5 percentage points of GDP over the level in 2011-12.

The strategy for the eleventh plan also encourages private sector participation directly as well as through various forms of PPPs where desirable and feasible. The share of private sector in infrastructure investment will have to rise substantially. The government's current initiatives in the area of PPPs are designed to achieve growth objective.

## 3. CONSTRAINTS

Despite the achievements during the previous plans, construction industry faces many constraints. Construction firms are regulated under multiple laws and there is no unified regulatory framework. There is lack of efficient and stable regime for dispute resolution in contracts leading to costly and time-consuming disputes between the promoters of the project and contractors. Although the flow of bank credit has improved to the construction industry, institutional finance still remains inadequate. High cost of finance translates into high costs for the industry and the economy. It seems that presently construction industry suffers from poor state of technology leading to inefficiencies, wastage and low value additions. Investment in R&D is hardly as compared to the same in South East Asian countries and in other developed economies. There are shortcomings in the present contracting procedures as pointed out by various industry bodies. The procedures are costly and cumbersome for both the project owners as well as the contractors. It has been estimated that the total cost of procuring, supervising and monitoring incurred by the project owner comes to about one fourth of the cost of asset created. It has been suggested by several experts that the criteria of awarding works to the

lowest cost bidder adopted by the procuring agencies in the public sector hinders in the process of adoption of better technology, best practices and quality. It might result in cost cutting practices by contractors and preventing passing on the benefits to the workers. In this respect, it has been suggested that 'Effective Lowest Price' rather than the 'Lowest Price' as adopted by the Ministry of National Development, Government of Singapore may be considered for adoption.

First surge of Public Private Partnership (PPP) has passed, and the stakeholders involved i.e. Government, Financial institutions, Banks and Developers have gained a better understanding of the success factors and risks involved in PPP concessions. It is expected that over next couple of years, the PPP framework will get streamlined further with policy measures on exit clauses, improved risk sharing mechanisms etc. Such actions will go a long way in ensuring a favorable climate for PPP in India.

Prices of the construction materials & fuel such as steel, cement, sand, aggregates and diesel have increased substantially due to inflationary pressures and economic policy measures such as alteration in government subsidy etc. Also, devaluation of Indian Rupee against US Dollar has created significant distortions in the project budget plans due its impact on construction machinery, fuel, imported building materials etc. Welfare schemes provide employment opportunities in rural area and result into acute shortage of labor for construction industry in urban area. It has resulted into abnormal increase in labour costs due to major gap in demand and supply of skilled / unskilled labour. Apart from these, delay in land acquisition, environmental clearances, delay in availability of debts for BOOT/PPP projects due to high leverage, increasing finance costs, lack of proper regulatory and policy framework conducive for private participation, lack of easy exit route for private investors in BOOT projects etc. are some of the major causes of concern which would remain major challenges in future.

#### 4. OPPORTUNITIES

The fast growth of economy in recent years has placed increasing stress on physical infrastructure. All infrastructure facilities already suffer from substantial deficit from the past in terms of capacities as well as efficiencies in the delivery of critical infrastructure services. Gross Capital formation (GCF) in infrastructure should rise as a share of GDP from 5% in 2006-07 to 9% by the end of the plan period. GCF in infrastructure may need to be accelerated to an even higher level around 11%. On the said basis, the aggregate capital formation in

infrastructure required to achieve India's targeted annual average growth in GDP of 9% over the Eleventh plan period, would have to rise from ₹ 2,59,839 crore in 2007-08 to ₹ 54,096 crore in 2011-12.

Even as the macro environment remains challenging, your Company is effectively targeting specific opportunities within India and internationally. Segments that hold promise in FY15 include the following.

**Building & Factories** – In the future, Buildings & Factories business will emerge from opportunities in domestic expansions and international projects, IT campus development, the Government's thrust on healthcare, education, retail, and the ever-increasing demand for housing, factories and cement plant expansion plans of major players. Your Company's Buildings & Factories business is poised to register satisfactory growth in revenues during the year 2014-15.

**Urban Infrastructure & Highways** – As this century is being known as 'Century of Cities', opportunities in flyovers, water projects, road developments, Mass Rapid Transit Systems such as Mono Rail, Metros etc., Airports etc. continue to provide a large canvass of business potential. Projects, such as dedicated freight corridor poses ample opportunities for growing organically. The construction market is also expected to remain attractive in countries in the North & East Africa. JMC Projects has become a leading EPC contractor in this segment by building strong Pre-Qualification credentials for such opportunities.

Highways & expressways' segment witnessed severe contraction in ordering by NHAI in FY13 & FY14 but it is expected to pick up in FY15 on EPC mode. This segment has contributed significantly in growth of your company. We will selectively participate in these EPC bids where the prospects meet our internal viability criteria and critical issues such as land acquisition are minimal.

**Industrial & Power** – During FY 13-14, growth in the industrial sector remains sluggish due to poor growth in the manufacturing, mining, and quarrying sectors, while growth in the services sector is also showing signs of weaknesses. However, with the confluence of favorable Industrial & Manufacturing Policies, FDI Policies etc. by Dept. of Industrial Policy & Promotion (DIPP) and ever increasing consumerism, Indian sub-continent is poised to become a global hub of manufacturing industry and construction business prospects are of sky's height. JMC is ready with all the requisites and resources to leverage these opportunities.



**Railways** – The thrust on strengthening the rail network across the country holds good prospects for our railways business. This new financial year is going to bring several challenging opportunities before us in this sector such as bullet trains, high speed train corridors, dedicated freight corridors etc.

## 5. BUSINESS PERFORMANCE, FINANCIAL DISCUSSION AND ANALYSIS

The Company presents its performance for the financial year 2013-14 and the outlook for the future based on current business environment which may vary due to future economic, political and other developments in India as well as overseas.

The Management Information System of the Company recognizes and monitors “construction” as the only Business Segment and hence requirement of disclosure of segment wise performance is not applicable to the Company as required under clause 41 of the Listing Agreement.

The financial statements have been prepared in compliance with the requirement of the Companies Act and prescribed Accounting Standards. The management accepts responsibility for the integrity and objectivity of these financial statements as well as estimates and judgments used in preparing financial statements. However, investors are cautioned that this discussion contains prospective views that involve risks and uncertainties.

### RESULTS OF OPERATION

#### Operational Highlights & Achievements

The value of the order booked during the FY 2013-14 was over ₹ 2,542 crores and value of orders on hand as on 31st March, 2014 stood at around ₹ 5,088 crores. During the year the Company has been awarded certain prestigious orders, some of which are highlighted as under.

#### Infrastructure

Construction of flyover at Jalgaon T point on Aurangabad Jalana Road for Maharashtra Road Development Corporation Ltd. at Aurangabad.

#### Power

Civil works of 6 x 600 MW Ultra Mega Power Project for Reliance Infrastructure at Sasan, Madhya Pradesh

#### Factories & Buildings

- a) Civil work of 3 Commercial buildings for Mantri Group at Bangalore.
- b) Construction of Residential Property for Puvankara Projects at Chennai.

- c) Construction of Hospital, OPD & other associated works for Kalpana Chawla Govt. Medical College at Karnal, Haryana
- d) Civil & Structural work for IT park for RGA Software Infrastructure at Bangalore.
- e) Civil & Structural work of Residential Township project for Adhiraj Construction at Navi Mumbai.
- f) Construction of Housing Complex and external development & services for AIIMS, Raebareli
- g) Construction of Residential Towers for EMAAR, MGF Business Park, at Gurgaon.
- h) Civil work, Rock anchors, waterproofing, Gypsum and other allied works for 4 Multistoried residential towers “Kalpataru Radiance” for Kiyana Ventures at Mumbai.
- i) Construction of 6 High Rise towers & Club House of Group Housing Project for Lemon Tree Land and Developers at Gurgaon
- j) Construction of National Centre for Biological Sciences Research Laboratory for Government of India at Bangalore.
- k) Construction of office building for CMC Ltd at Kolkata
- l) Infrastructure Works at proposed Development - “Prestige Lakeside Habitat” at Bangalore.
- m) Construction of Ceremonial Hall adjoining Auditorium in President Estate for CPWD at New Delhi

### REVENUES

The Income from Operations for the Company has increased from ₹ 2,532.84 crores to ₹ 2,651.95 crores, up by 5%.

#### Other Operating Revenue & Other Income

Other Operating Revenue increased to ₹ 6.88 crores for FY 2013-14 from ₹ 3.10 crores for FY 2012-13 on account of share of profit from Joint venture. Other Income reduced to ₹ 3.99 crores for FY 2013-14 from ₹ 7.19 crores for FY 2012-13, on account of reduction in interest and rental income from machineries.

#### Operating Margin

EBIDTA (including other income) for the year FY 2013-14 was ₹ 144.25 crores as compared to ₹ 125.73 crores for the year FY 2012-13. In terms of percentage EBIDTA stood at 5.42% for the year FY 2013-14 as compared to 4.94% for FY 2012-13. The operating margin improved mainly due to stable raw material prices, process improvements and operating efficiencies.



## **COSTS & EXPENSES**

### **Employee Costs**

Manpower Cost for the FY 2013-14 was ₹ 168.88 crores, increased from ₹ 147.97 crores. In terms of percentage of Turnover, it increased to 6.38% as compared to 5.84% in the previous year

### **Other Expenses**

Other expenses as a percentage of turnover has increased from 5.01% in FY 2012-13 to 5.10 % in FY 2013-14. Other expenses mainly include general and administrative expenses such as traveling and conveyance, communications, security, insurance, information technology expenses, sundry expenses, rates and taxes, professional and legal charges etc.

### **Interest Expenses**

Interest expense for the year FY 2013-14 increased to ₹ 55.14 crores from ₹ 54.95 crores for FY 2012-13; in terms of percentage it is reduced to 2.08% for FY 2013-14 from 2.17% for FY 2012-13. In spite of further investment in SPV's, your Company has been able to contain the interest cost for the year by better working capital management.

### **Depreciation**

Depreciation cost as a percentage of turnover has increased from 2.17% in FY 2012-13 to 2.22% in FY 2013-14.

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

The Company's Deferred Tax Asset (Net) has decreased from ₹ 17.48 crores in 2012-13 to ₹ 16.58 crores in 2013-14 and the differential amount was debited in the Profit and Loss A/c for FY 2013-14.

For FY 2013-14, the Company has made current Tax provision of ₹ 6.33 crores, hence total Tax expenses works out to ₹ 7.24 crores .

## **FINANCIAL STATUS**

### **Net Worth**

The net worth of the Company has increased from ₹ 428.17 crores as on 31st March, 2013 to ₹ 447.90 crores as at 31st March, 2014. The increase in amount of net worth is on account of internal accruals.

### **Borrowings**

The total borrowing has increased from ₹ 384.06 crores as on 31st March, 2013 to ₹ 429.41 crores as on 31st March, 2014. The Debt-Equity Ratio has stood at 0.96 as on 31st March, 2014 which was 0.90 on 31st March, 2013. During the year the Company has raised funds through Terms loans and working capital loans.

## **Investments**

Total Investments of the Company increased to ₹ 187.84 crores as on 31st March, 2014 as against ₹ 170.68 crores as on 31st March, 2013; increase is mainly on account of equity investments in its 100% subsidiaries and associate Company which are executing road projects on BOT basis.

### **Capital Expenditure**

During FY 2013-14, the Company made an additional investment of ₹ 84.18 crores in fixed assets to increase its project execution capacity. Major funding of the capital expenditure was made from the proceeds from Rupee Term Loans and internal accruals.

### **Current Assets & Liabilities**

The Company's current assets primarily consist of debtors, inventories, cash & bank balances and loans & advances. Total current assets as on 31st March, 2014 were ₹ 1,094.28 crores as against ₹ 921.10 crores as on 31st March, 2013.

The Company's current liabilities primarily consist of short term borrowings, trade payables, short term provisions and other current liabilities. Total current liabilities as on 31st March, 2014 was ₹ 913.94 crores as against ₹ 798.74 crores as on 31st March, 2013.

### **Current Ratio**

The current ratio as at 31st March, 2014 marginally increased from 1.15 as on 31st March, 2013 to 1.20 as on 31st March, 2014.

## **6. RISK IDENTIFICATION & MITIGATION**

Construction industry continues to face challenges from both internal as well as external environment like cost hikes, shortage of skilled labor, access and adaptability to technologies, availability of competent subcontractors and dynamics of socio-political scenario across nation. To add to these challenges, the current economic pressures have put a further stress on the sector operators through sharp hike in interest rates & in funding environment. Risk management is one of the key focus areas and your company endeavors to protect its earnings and reduce/eliminate damages arising out of the various risks it faces. Some of these initiatives are listed below:

- a) Major contracts are supported with an escalation clause. In case of contracts with no escalation clause, increases are extrapolated in the estimates (in proportion to their projected probability) at the tender stage to cater for the same. In both the situations, the key to manage the risk is in timely execution, which would not only ensure that costs are contained but also that penalties are forestalled.



- b) In addition, the process of estimation is continuously reviewed with a view to make the bid realistic. This is of special significance in light of the severe competition prevailing in the Industry today which is exerting immense pressure on margins. Company continuously reviews its project management competencies and robust contract management.
- c) Defaults in payment of running bills and retention money by some of the clients put pressure on the working capital requirements and pulls up the finance costs. The Company evaluates client risks and would generally seek payment comfort through instruments like Letter of Credit, Bank Guarantee, Sovereign Guarantee etc. where risk perception is high.
- d) Adequate and comprehensive insurance covers for all its assets and projects to deal with calamities, theft etc.
- e) The Group Assurance cell and internal audit programs across the Company is in place. The internal controls & their enforcing mechanism, both are being reviewed to detect and minimize the risks misreporting & misappropriation incidences. The reports of the internal controls are regularly reviewed by Management and Audit Committee of the Board and their recommendation for better effectiveness implemented.
- f) Improved project planning and management by re-organizing, involvement of competent and experienced resources, focus on plant utilization, efficiency and effectiveness, coordination meetings to address cross-functional issues, Standard Operating Procedures (SOP) and effective utilization of ERP in decision making process.
- g) Subcontractors selection, performance monitoring and evaluation, improved terms and conditions including performance guarantees (transfer of risk) wherever necessary.
- h) The Company has taken several mechanization initiatives to mitigate seasonal labour shortage issues. Also, training centers at Ahmedabad & Noida are serving your Company by imparting hands-on training on various construction trades.

Tireless efforts in implementing project specific risk mitigation plans will ultimately lead your Company to evolve a mature and sustainable solution through proactive compliance, waste cutting, de-bottlenecking of the processes and strategic integration of operational excellence.

## 7. INTERNAL CONTROLS AND THEIR ADEQUACY

The Company's business is spread across various geographies. The Company has adequate systems and procedural guidelines concerning all operational areas encompassing tendering, budgeting, execution, procurement, asset management, finance, accounts & audit, HR, quality, safety etc. which are necessary considering the size and level of operations of the Company. During previous year Standard Operating Procedures (SOP) were formulated in scientific manner & issued. The Group Assurance team keeps checks and controls to establish compliance with process stipulations. The management is making persistent efforts to review and upgrade existing systems and processes from time to time to gear up and meet with the changing needs of the business.

Also, the Group Assurance system provides reasonable assurance of recording the transactions of its operations in all material aspects & of providing protection against misuse or loss of company's assets. Such internal audit team consists of both in-house techno-commercial professionals and independent firms of Chartered Accountants, who conduct the internal audits at regular interval & reports to Audit Committee.

The Audit Committee consists of Independent Directors and is headed by experienced professionals. The Committee meets quarterly to review the auditors' reports & their observations and makes recommendations for adequacy, effectiveness of internal controls & required remedial action to the Board of Directors for its implementation.

## 8. CORPORATE SOCIAL RESPONSIBILITY

Being a leading player in the construction industry, your Company understands its responsibility to contribute positively in the development of our key communities and society. This also, includes direct and indirect stakeholders, staff, customers and other partners. JMC Projects and its employees undertake to fulfill their social responsibilities as good corporate citizens. Corporate Social Responsibility is an integral part of who we are and how we do business. Our effort to CSR helps us to broadens our community relationships.

We want to embed our presence in our chosen fields and even diversify into other activities. We are executing projects in child education, healthcare, senior citizen welfare and environment protection. We will continue to serve the needs of society by promoting our CSR initiatives in a consistent and strategic manner.

Major CSR activities undertaken during FY 14 include:

- Medical facilities / aids to labour by engaging doctors at labour camps on regular basis
- Free medical check-up for the labour is done in all the sites at regular intervals
- Arranging blood donation camps at sites and regional offices
- Crèche / Day care center for providing free primary educations to the children of workers
- Organizing free food, distribution of sweets on festivals and other curricular activities
- Performing plays creating and enhancing social awareness for HIV AIDS Prevention & Control, Water & Electricity Conservation, Adverse effects of childhood marriage etc.
- Distribution of School Bags, Study Materials, Toys etc. to the children of workers
- Sponsorship of libraries in the schools in the nearby areas of project sites
- Organizing Pulse Polio vaccination programs for kids of workers at sites
- Celebration of World Environment Day by organizing tree plantation and other related activities
- Donations to philanthropic and charitable organizations

## 9. ENVIRONMENT, HEALTH & SAFETY MANAGEMENT SYSTEM

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

Improvements have been achieved by strengthening the reporting and analysis of incidents & accidents, strengthening of safety surveillance, internal site reviews, best safety practices sharing, NSC & CIDC Safety Award schemes etc. Effective training programs on various Construction Safety aspects such as work at height, basic scaffold safety requirements, Electrical Safety etc. for skill

development etc. through various means & methods were achieved during previous year by involvement of all level of employees. Regular activities like safety surveillance, safety training, safety promotional activities and conducting emergency fire drills etc. were maintained.

In our quest for maintaining best quality and safety standards, Company has received following recognitions and awards during the year.

- a) National Safety Awards were presented to JMC on 17<sup>th</sup> September, 2013 at Vigyan Bhawan, New Delhi by Shri Sis Ram Ola (Union Minister for Labour & Employment) for six sites.
- b) "Unnatha Suraksha Puraskara" award from National Safety Council (Karnataka Chapter) PRT3 and PRWC sites
- c) ICI-Ultra Tech Endowment Appreciation Award from ICI HYD Centre for adopting Good Quality Control, Safety Procedures and Documentation of DNSL and MCST sites.
- d) Award of "Outstanding Company in Urban Infrastructure & Transport" in EPC category in the 4<sup>th</sup> EPC World Awards 2013.
- e) Bagged six Vishwakarma awards from CIDC for best EHS practices at sites. CIDC – Vishwakarma award is one of the most prestigious awards since evaluation is based on visit by director level person at project sites, includes thorough evaluation of practices, worker engagement, Management commitment and client satisfaction. The assessment continued on different project sites for more than one month.
- f) GSECL awarded a trophy to JMC STP1 site in "best safety performance".
- g) BMGM project, Bangalore achieved 'Helmet Honor' from the client, Brigade, amongst 19 competitors, for achieving more than 1 million Safe Man Hours without any major accident.
- h) JNSP site stood 3<sup>rd</sup> in Inter-Associates Safety competition organized by client, Jaypee Super Thermal Power.

## 10. HUMAN RESOURCES

Our employees are considered the most valuable asset and the Company endeavour to provide its employees a professional, congenial, safe working environment coupled with opportunities for personal growth and development. We strongly believe that the employees are the prime movers of the organization and investment in human capital and strategic alignment of human resources reaps the business results & pay-off



in the long run. Thus, our HR Team regularly reviews our organizational transformation journey with an objective of reviewing & revamping the HR systems & processes to enable and supplement leadership development, business strategy, organization restructuring. The systematic approach in induction, retention & regular training and development of the talent brings congruence between personal career goals of the employees & achievement of overall objective of the organization. JMC has put in comprehensive system in place for identifying and addressing the competency requirement and fulfilling the same through various training programs at all the levels in the organization. There were 3264 employees employed at end of the year under review. Through various Organizational Development (OD) interventions we are enhancing the competency of our employees to work in challenging environment & empower them at work place with cultivation of culture of dedication, ethics & values.

We have been successful in cultivating culture of dedication, work ethics & values in the organization. Employees have been provided training on behavioral aspects, such as personality development, leadership development through self-awareness etc. to help to achieve higher level of performance.

In addition to the above, we continue to invest in the time & resources for our employees and their families like Annual day celebrations namely "JMC Sizzlers", Long Service Awards, Best Site/Project Awards etc. We have created Employees' Welfare Trust, which provides financial assistance to the needy employees of the Company and also to other organizations working for social and charitable objectives.

The HR roadmap for the year 2013-14 focused on the following:

- a) Implementation of sophisticated Human Resources Information System (HRIS) to ensure strengthening HR related process orientation, discipline and integrity with HR Manual.
- b) Regularizing all HR processes and strengthening a merit oriented Performance Management System (PMS).
- c) Attracting best talent through campus as well as lateral hiring, whose expertise, judgment and skills can be leveraged across our operations
- d) Creating and sustaining competitive edge by investing in regular training and developmental initiatives & thereby, controlling attrition rate.
- e) Learning and Development Team of HR conducted

training needs analysis on the basis of PMS reports and psychometric analysis and training calendar was chalked out for the year was designed, addressing the training needs of the employees.

## 11. INFORMATION TECHNOLOGY

JMC believes that Information Technology (IT) function is a business enabling function to meet the business expectations of customers, process owners & key stakeholders through our homegrown ERP (iPMS). During FY14, improvements were mostly related to strengthening internal controls mechanism alerts & MIS Tools for thorough Material Management, asset logistics & utilization, automating entry/exit registers, monitoring all operational vehicles through GPS and subsequently integrating data with ERP.

All project sites are connected with the telecom/data network for online applications usage, CCTV surveillance, real time entry of vehicle entry/exit, weighbridge reading etc. Also, all regional offices and some large project sites are connected with state of the art video conferencing facilities. Thereby, saving travel time & costs and enhancing our operational efficiency. Firewall has been deployed to provide protection at server level, email gateway, internet gateway and desktop/laptop levels. All these initiatives are aimed at reaching out to the end-users and provide them with the better infrastructure that supports the business and at the same time be resourceful in scaling the business trajectory upwards.

### Cautionary statement

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



# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is corporate discipline to ensure transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholders' value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances. The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for listed companies vide Clause 49 of the Listing Agreement with Stock Exchanges.

## Company's Philosophy on Corporate Governance

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

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

## A. BOARD OF DIRECTORS

### 1. Composition

Your Company's Board consists of 8 Directors as on 31st March, 2014, of which 3 are Independent directors, 3 are Non-Executive and non-independent and 2 are Executive Directors. The Chairman of the Board is Non-Executive and Independent Director. The Company is in compliance of clause 49 of the Listing Agreement.

The Composition of the Board and other details are as under.

Name of Director & Age	Designation	Category	No. of Directorship in other companies <sup>(1)</sup>	Position in outside Committees <sup>(2)</sup>		Shares held in the Company as on 31.03.14
				Chairman	Member	
Mr. D. R. Mehta (76 years)	Chairman	Independent	11	Nil	Nil	Nil
Mr. M. G. Punatar (78 years)	Director	Independent	1	Nil	1	Nil
Mr. Shailendra Raj Mehta (54 years)	Director	Independent	2	Nil	1	Nil
Mr. Hemant Modi (58 years)	Director	Promoter Non-Executive	3	Nil	Nil	1,46,881
Mr. Shailendra Kumar Tripathi (50 years)	CEO & Deputy Managing Director	Executive	Nil	Nil	Nil	Nil
Mr. Manoj Kumar Singh (51 years)	Executive Director	Executive	Nil	Nil	Nil	Nil
Mr. Kamal Jain (56 years)	Director	Promoter Non-Executive	10	1	Nil	Nil
Mr. Manish Mohnot (41 years)	Director	Promoter Non-Executive	5	Nil	2	Nil
Mr. Suhas Joshi*	Director	Promoter	3	Nil	Nil	1,00,473

<sup>(1)</sup> Including Private Companies and section 25 companies, but excluding foreign companies.

<sup>(2)</sup> Represents Chairmanship / Membership of Audit Committee and Shareholders' Grievance Committee of other companies.

\* Mr. Suhas Joshi has resigned as a director w.e.f. July 25, 2013 and his equity shareholding in the Company have been considered under public category.



Contractual agreements with CEO & Dy. Managing Director and Executive Director can be terminated by either party giving six months notice to other.

No Director is a relative of any other directors on the Board as defined in Clause 49 of the Listing Agreement. There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors, except payment of sitting fees/ Remuneration.

None of the Directors of Board is a member of more than 10 Committees and no Director is the Chairman of more than 5 committees across all the companies in which he is a Director, in terms of the listing agreements. The necessary disclosures regarding Committee positions have been made by all the Directors.

Attention of the members is invited to the relevant items of the Notice of the Annual General Meeting seeking their approval for appointment / re-appointment of Directors. Relevant information as required under clause 49 of the Listing Agreement is given in AGM Notice.

## 2. Number of Stock options held

No directors of the Company held any options convertible into shares of the Company, except Mr. Kamal Jain who holds 19,530 options in the Company under Employee Stock Options Scheme. Employee Stock Options have been granted to eligible employees including Non-Executive Director on July 21, 2007 and the same will be vested over a period of 4 years from date of vesting.

## 3. Board Meetings

The Board normally meets once in a quarter. Additional meetings are held as and when required. During the year under review, Board of Directors of the Company met five times, viz, May 16, 2013, July 24, 2013, July 25, 2013, October 30, 2013 and January 29, 2014. The gap between any two meetings did not exceed four months, as stipulated under clause 49 of the Listing Agreement. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information.

Directors' attendance in Board Meetings held during the financial year 2013-14 and last Annual General Meeting are as under.

Name of Director	No. of Board Meetings held /attended	Attendance at Last Annual General Meeting
Mr. D. R. Mehta	5 / 5	Yes
Mr. Hemant Modi	5 / 4	Yes
Mr. Shailendra Kumar Tripathi	5 / 5	Yes
Mr. Kamal Jain	5 / 5	Yes
Mr. M. G. Punatar	5 / 3	No
Mr. Manish Mohnot	5 / 5	Yes
Mr. Shailendra Raj Mehta	5 / 5	Yes
Mr. Manoj Kumar Singh	5 / 5	Yes
Mr. Suhas Joshi #	3 / 2	N.A.

# Resigned w.e.f. July 25, 2013

## 4. Code of Conduct

The Board has laid down the code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at [www.jmcprojects.com](http://www.jmcprojects.com). All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the year ended on 31st March, 2014. A declaration to this effect duly signed by CEO & Dy. Managing Director of the Company is attached herewith.

## B. COMMITTEES OF BOARD

### 1. Audit Committee

#### Composition

The Company has an Audit Committee of the Board in accordance with the requirement of Section 292A of the Companies Act 1956 and the terms of reference are in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

The Audit Committee comprises of 4 members. All members of the Audit Committee are Non-Executive Directors, out of which 3 are Independent Directors. The Committee met 4 times during the year viz. May 16, 2013, July 25, 2013, October 30, 2013 and January 29, 2014.

The Composition of the Audit Committee and the attendance of each member of the meetings are as follows.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. D. R. Mehta, Chairman	Non-Executive & Independent	4	4
Mr. M. G. Punatar	Non-Executive & Independent	4	3
Mr. Kamal Jain	Non-Executive, Promoter	4	4
Mr. Shailendra Raj Mehta	Non-Executive & Independent	4	4

#### Broad Terms of Reference

The broad terms of reference as laid down by the Board includes overseeing of the Company's financial reporting process, the appointment of the statutory auditor, reviewing the quarterly and annual financial statements before submission to the board for approval, compliance with listing and other legal requirements relating to financial statements, reviewing adequacy of the internal controls, reviewing the adequacy of internal audit function etc.

Audit Committee meetings are also attended by Chief Financial Officer, CEO, Statutory Auditor and Internal Auditor and other executives as required. The Committee also invites senior executives, where it considers appropriate, to attend meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information as mentioned in Clause 49 of the Listing Agreement.

### 2. Shareholders' Grievance Committee

The Shareholders' Grievance Committee *inter alia* reviews shareholders' / investors' grievances. During the year under review, the Committee met 4 times viz May 16, 2013, July 25, 2013, October 30, 2013 and January 29, 2014. The composition of committee and particulars of attendance at the meetings are provided below.

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

The Shareholder's Grievance Committee was reconstituted w.e.f. April 1, 2013. Mr. Suhas Joshi who was earlier member of the committee upto 31st March, 2013 had resigned as a director w.e.f. July 25, 2013. Mr. Hemant Modi, Director had resigned as a member of the committee w.e.f. 31st March, 2013. Mr. S. K. Tripathi, Mr. Manoj Kumar Singh and Mr. Manish Mohnot have been appointed as a member of the Committee w.e.f. April 1, 2013.

Mr. Suresh Savalia, Company Secretary is the Compliance Officer. Mr. Amit Raval was Company Secretary & Compliance Officer till January 31<sup>st</sup>, 2014.

The designated e-mail for investor service / correspondence is cs@jmcprojects.com

During the year, the Company has not received any complaints and there was no outstanding complaint as on 31st March, 2014. The status of complaints, if any, is periodically reported to the Committee.



### 3. Remuneration Committee

#### Composition

The Remuneration Committee has been reconstituted by inducting Mr. Shailendra Raj Mehta. The Remuneration Committee comprises of 4 Non-Executive Directors, of which 3 directors are Independent. The Committee meets as and when required. The composition of committee is provided below.

Name of Member	Category	Status
Mr. D. R. Mehta	Non-Executive & Independent	Chairman
Mr. M. G. Punatar	Non-Executive & Independent	Member
Mr. Shailendra Raj Mehta #	Non-Executive & Independent	Member
Mr. Kamal Jain	Non-Executive, Promoter	member

# Member w.e.f. May 16, 2013

#### Terms of Reference

The broad terms of reference as laid down by the Board include periodical review of the terms of appointment of executive directors, their remuneration package including commission and to frame and approve terms and conditions of the Employee Stock Option Scheme, to determine the detailed terms and conditions of the Employee Stock Option Scheme in accordance with SEBI guidelines.

#### Details of remuneration paid to the Directors during the financial year ended 31st March 2014 are as under.

Non-Executive Directors have no transaction with the Company, except receiving sitting fees for attending Board Meetings and Audit Committee Meetings. The details of remuneration, sitting fees paid and other perquisites provided to each Director for the year ended on 31st March, 2014 are as under.

(₹ in lacs)

Name of Director	Remuneration			Commission	Sitting Fees	Total Remuneration
	Salary	Perquisites	Retirement Benefits			
Mr. D. R. Mehta	Nil	Nil	Nil	*6.00	1.40	7.40
Mr. M. G. Punatar	Nil	Nil	Nil	*3.00	0.90	3.90
Mr. Shailendra Raj Mehta	Nil	Nil	Nil	*6.00	1.40	7.40
Mr. Hemant Modi	Nil	Nil	Nil	*6.00	0.80	6.80
Mr. Shailendra Kumar Tripathi	109.80	3.60	8.56	23.00	Nil	143.96
Mr. Manoj Kumar Singh	108.77	0.15	8.20	15.00	Nil	132.12
Mr. Kamal Jain	Nil	Nil	Nil	Nil	1.40	1.40
Mr. Manish Mohnot	Nil	Nil	Nil	Nil	1.00	1.00
Mr. Suhas Joshi <sup>(1)</sup>	Nil	Nil	Nil	Nil	0.40	0.40

<sup>(1)</sup> Resigned w.e.f. July 25, 2013

Mr. Shailendra Kumar Tripathi has been appointed as an Executive Director for a period of five years w.e.f 22.10.2011. He further appointed as Dy. Managing Director and also designated as a Chief Executive Officer (CEO).

Mr. Manoj Kumar Singh has been appointed as an Executive Director for five years w.e.f. 18.05.2012.

\* The Boars has recommended payment of commission to non-executive directors , viz Mr. D. R. Mehta, Mr. Shailendra Raj Mehta, Mr. M. G. Punatar and Mr. Hemant Modi for the financial year 2013-14. the notice of the forthcoming AGM contains the relevant resolution for the approval of members for such payment. The commission will be paid, if approved by shairholders in the forthcoming AGM.

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

Non-executive and Independent Directors are paid sitting fees of ₹ 20,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of Audit Committee. In addition, the Company also reimburses travelling expenses to outstation Directors for attending meetings. Remuneration by way of commission to non executive/independent Directors is recommended by Remuneration committee and is decided by the Board based on various factors, including contribution and involment of Directors in decision making.



### Subsidiary Companies

As of 31st March, 2014, the Company has four subsidiary companies namely JMC Mining & Quarries Ltd., Brij Bhoomi Expressway Pvt. Ltd., Wainganga Expressway Pvt. Ltd. and Vindhyachal Expressway Pvt. Ltd. which are Non-Material Non-Listed Indian subsidiary companies. The Audit Committee reviews the financial statements, particularly, the investments made in subsidiary companies. Minutes of said subsidiary companies are being placed before the Board for its review. The Board also reviewed the accounts of the said subsidiary companies on a quarterly basis.

## C. DISCLOSURES

### a) Disclosure on materially significant related party transactions:

Related Party transactions have been disclosed in the "Notes to Accounts" / financial statements for the year ended on 31st March, 2014.

### b) The Company has complied with all the Listing Agreements requirements with the Stock Exchanges as well as the SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

### c) Proceeds from public issues, right issues, preferential issues etc:

The Company has not raised any fund through public issue, right issue or preferential issue of shares during the financial year 2013-14.

### d) Disclosure of accounting treatment in preparation of Financial Statement

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

### e) Risk Management

Construction industry operates in extremely complex and dynamic environment which exposes your Company to various internal and external risks. Risk identification, assessment and mitigation assume paramount importance in view of the expanding size and geographical horizons of the Company. The Company has put in place Risk Management Procedures for assessing, timely responding and mitigating these risks on continuous basis including seeks to address the risks involved in major areas i.e. pre-bidding / tendering risks, execution risks, contractual risks and financial / statutory compliance risks with a view to avoid / mitigate adverse impact, if any. The Company has laid down procedures to periodically inform Board Members about Risk assessment and mitigation.

### f) Management Discussion and Analysis

The Management Discussion and Analysis Report has been separately given in this Annual Report as required under Clause 49 of the Listing Agreement.

### g) Non-mandatory requirement of Corporate Governance

The Company has complied with the mandatory requirements of the Corporate Governance and also followed non-mandatory requirements relating to Remuneration Committee and unqualified audit report on financial statements of the Company.

## D. INFORMATION ABOUT LAST THREE ANNUAL GENERAL MEETINGS

The details of last 3 Annual General Meetings (AGM) are as under.

AGM	Financial Year	Date & Time of AGM	Place of AGM
25 <sup>th</sup> AGM	2010-11	July 28, 2011 at 2.30 p.m.	ATMA Auditorium, Ashram Road, Ahmedabad 380009
26 <sup>th</sup> AGM	2011-12	August 3, 2012 at 3:30 p.m.	ATMA Auditorium, Ashram Road, Ahmedabad 380009
27 <sup>th</sup> AGM	2012-13	July 25, 2013 at 11.30 a.m.	ATMA Auditorium, Ashram Road, Ahmedabad 380009

**Special Resolution in last three AGMs**

At the Annual General Meeting held on July 28, 2011, one special resolution was passed for amending clause relating to gratuity payable to Mr. Hemant Modi & Mr. Suhas Joshi, pursuant to amendment in The Payment of Gratuity Act, 1972.

At the Annual General Meeting held on August 3, 2012 and on July 25, 2013, no special resolution was passed.

**Postal Ballot:** No resolution passed through postal ballot during the financial year.

**E. CEO & CFO CERTIFICATION**

The Board of Directors has been provided certification from CEO and Dy. Managing Director and Chief Financial Officer in accordance with the provisions of Clause 49 & 41 of the Listing Agreement in Board Meetings in which financial results were approved.

**F. MEANS OF COMMUNICATION**

- a) **Newspapers:** The Quarterly, Half-yearly and Annual results of the Company are published in leading newspapers in India viz. The Economic Times (English and Gujarati editions).
- b) **Website of the Company:** The Company's website [www.jmcprojects.com](http://www.jmcprojects.com) contains a separate dedicated section "investor relations" where shareholders information is available. Quarterly and annual financial results are also available on the website.
- c) **Annual Report:** Annual Report containing, *inter alia*, Directors' Report, Auditors' Report, Audited Annual Accounts, financial statement and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. Verbatim copy of financial statement, reports etc being circulated in this report and the same shall be considered as signed copy.
- d) **Website of the Stock Exchanges:** Disclosures and filing with the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) by the Company are also hosted on website of the said stock exchanges.

**G. GENERAL INFORMATION FOR SHAREHOLDERS**

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

**Stock Code/Symbol:** NSE - JMCPROJECT. BSE - 522263. ISIN- INE890A1016

**Debt Securities:** Secured redeemable Non-convertible Debentures (NCDs) issued by the Company on private placement basis are listed on debt segment with Bombay Stock Exchange Limited.

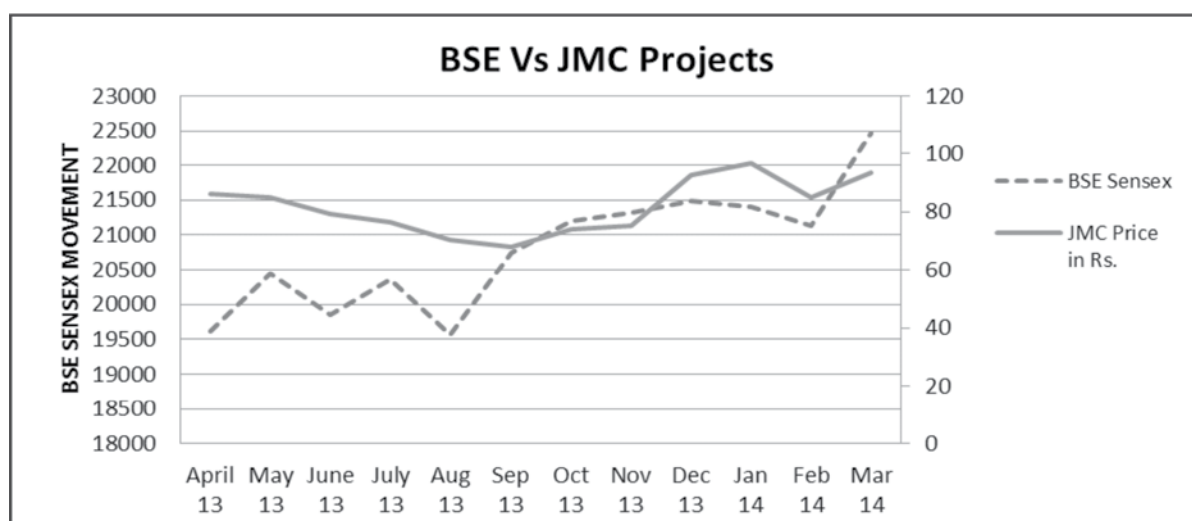
The Company has paid listing fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited for financial year 2014-2015 within time.

- e) **Share Transfer System:** Applications for transfer of shares in physical form are very minimal and processed by the Company's Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd. The Share Transfer Committee constituted for transfer / transmission of shares, issue of duplicate shares and allied matters considers and approves the share transfer once in 10 days / as may be necessary subject to transfer instrument being valid and complete in all respects.

The Company has obtained half yearly certificates from Practicing Company Secretary for compliance of share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and the same were submitted to Stock Exchanges. The Company has also carried out quarterly Reconciliation of Share Capital of the Company as required under SEBI circular no. 16 dated December 31, 2002.

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

Month	Bombay Stock Exchange Ltd.				National Stock Exchange Ltd.			
	High Share Price ₹	Low Share Price ₹	Index during the month		High Share Price ₹	Low Share Price ₹	Index during the month	
			High	Low			High	Low
Apr-13	86.00	72.00	19,622.68	18,144.22	85.85	71.75	5,962.30	5,477.20
May-13	85.00	70.15	20,443.62	19,451.26	86.00	73.45	6,229.45	5,910.95
Jun-13	79.25	68.50	19,860.19	18,467.16	81.90	69.10	6,011.00	5,566.25
Jul-13	76.50	65.15	20,351.06	19,126.82	80.00	65.90	6,093.35	5,675.75
Aug-13	70.30	56.30	19,569.20	17,448.71	76.80	55.50	5,808.50	5,118.85
Sep-13	68.00	55.00	20,739.69	18,166.17	66.95	55.00	6,130.95	5,318.90
Oct-13	73.90	60.25	21,205.44	19,264.72	74.00	61.00	6,309.05	5,700.95
Nov-13	75.05	64.00	21,321.53	20,137.67	73.85	64.10	6,342.95	5,972.45
Dec-13	92.80	70.25	21,483.74	20,568.70	93.70	71.20	6,415.25	6,129.95
Jan-14	96.85	76.00	21,409.66	20,343.78	96.90	76.00	6,358.30	6,027.25
Feb-14	85.10	77.00	21,140.51	19,963.12	85.50	75.95	6,282.70	5,933.30
Mar-14	93.50	77.00	22,467.21	20,920.98	93.20	79.50	6,730.05	6,212.25



- g) **Distribution of equity shareholding as on 31st March, 2014**

No. of Shares of ₹ 10/- each	Shareholders		Equity Shares	
	Number	% of Total	Number	% of Total
Up to 500	9,375	84.65	12,40,654	4.75
501 – 1000	802	7.24	6,04,760	2.32
1001 – 2000	461	4.16	6,88,013	2.63
2001 – 3000	152	1.37	3,79,090	1.45
3001 – 4000	64	0.58	2,20,968	0.85
4001 – 5000	57	0.51	2,59,419	0.99
5001 – 10000	78	0.70	5,54,864	2.12
10001 and above	86	0.78	2,21,70,580	84.89
<b>Total</b>	<b>11,075</b>	<b>100.00%</b>	<b>2,61,18,348</b>	<b>100.00%</b>



## h) Shareholding Pattern as on 31st March, 2014

Sr.	Category	No. of equity shares held	% of total equity shares
<b>A</b>	<b>Promoter &amp; Promoter Group Share Holding</b>		
	1. Promoters	1,76,95,789	67.75%
	2. Promoter's group / relatives / PAC	70,389	0.27%
	<b>Total Promoter &amp; Promoter Group (A)</b>	<b>1,77,66,178</b>	<b>68.02%</b>
<b>B</b>	<b>Public Share Holding</b>		
	<b>1. Institutional :</b>		
	a. Mutual Fund / UTI	600	0.00%
	b. Foreign Institutional Investors	13,19,873	5.05%
	<b>2. Non-Institutional :</b>		
	a. Corporate Bodies	12,67,162	4.86%
	b. Non Resident Indians (NRIs)	6,97,083	2.67%
	c. Indian Public	48,96,879	18.75%
	d. Trust	1,07,103	0.41%
	e. Clearing Members	63,470	0.24%
	<b>Public Shareholding (B)</b>	<b>83,52,170</b>	<b>31.98%</b>
	<b>Total (A + B)</b>	<b>2,61,18,348</b>	<b>100.00%</b>

No person in Promoter or Promoter Group of the Company has pledged any shares of JMC Projects (India) Ltd.

## i) Dematerialization of Shares &amp; Liquidity

99.52% shares were held in dematerialized form as on 31st March, 2014 and balance 0.48% shares were held in physical form.

## j) Outstanding GDRs / ADRs / Warrants / Options or any Convertible Instruments

The Company has issued 6,00,000 Stock Options to eligible employees, which are convertible into equity shares within four years from the date of vesting of options, subject to exercise of option by the employee concerned. The exercise period for conversion of these options has been started, however no employee has exercised his option for conversion of shares and as of 31st March, 2014, the total no. of such options which have been vested but not exercised are 1,39,654. The Company has no outstanding GDRs / ADRs / Warrants or any other Convertible Instruments as on 31st March, 2014, except as stated above.

## k) Equity Shares in suspense account: As per Clause 5A (1) of the Listing Agreement, no equity shares are lying in the suspense account and hence no further disclosure / details to mention.

## l) Address for Communication

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

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

**Registrar & Share Transfer Agent:** Link Intime India Pvt. Ltd. Unit: JMC Projects (India) Limited, Office No. 303, 3<sup>rd</sup> Floor, Shopper's Plaza V, Opp. Municipal Market, Off. C. G. Road, Ahmedabad 380009. Tel & Fax: 079 26465179. ahmedabad@linkintime.co.in

**Plant Location:** The Company has various works and project sites spread throughout the country and abroad. The Company does not have any manufacturing plant.

## DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreements with the Stock Exchanges, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31st March, 2014.

Date: May 28, 2014

Place: Mumbai

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN: L45200GJ1986PLC008717

Nominal Capital : ₹ 50,00,00,000/-

To,  
The Members of  
JMC PROJECTS (INDIA) LIMITED

In accordance with Clause 49 of the Listing Agreement entered into by JMC Projects (India) Limited with the Stock Exchanges, I have examined all the relevant records of the Company relating to its compliance of conditions of Corporate Governance as stipulated in Clause 49, for the financial year ended on 31st March, 2014.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in abovementioned Listing Agreement.

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

Date: May 28, 2014

Name of Company Secretary : Tapan Shah

Place: Ahmedabad

Membership No. : FCS4476

C.P. Number : 2839



# Independent Auditors' Report

To  
The Members  
JMC Projects (India) Limited.

## Report on the Financial Statements

We have audited the accompanying financial statements of JMC PROJECTS (INDIA) LTD. ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which continue to be applicable in respect of section 133 of the Companies Act 2013 in terms of general circular no.15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with notes, 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; which continue to be applicable in respect of section 133 of the Companies Act 2013 in terms of general circular no. 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs.
- e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

**For KISHAN M.MEHTA & CO.,**

Chartered Accountants  
Firm's Registration No.105229W

Place : Mumbai  
Date : 28th May, 2014

**(K.M.MEHTA)**

Partner  
Membership No. : 13707



# Annexure

## Reg: JMC PROJECTS (INDIA) LIMITED

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification of its fixed assets adopted by the Company, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (c) During the year, the Company has not disposed off any substantial part of fixed assets.
- (ii) (a) The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion discrepancies noticed on physical verification of inventory have been properly dealt with in the books of accounts.
- (iii) (a) The Company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 46.62 lacs and year end balance of loan granted to such parties was ₹ 46.62 lacs.
- (b) In our opinion the rate of interest and other terms and conditions of loans given by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) The parties have been regular in the payment of principal and interest as per stipulation, if any.
- (d) There is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of sub clause (e), (f) and (g) of clause (iii) of para 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under. We are informed that no order had been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) (a) According to the information & explanations given to us and records examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, VAT, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material undisputed statutory dues applicable to it and there were no undisputed material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of dues of Income Tax, VAT, Wealth Tax, Service Tax, Custom duty, Excise duty and Cess which have not been deposited on account of dispute are given below.

Name of the Statute	Particulars	Period of which the amount relates	Forum where the dispute is pending	Amount (₹ In Lacs)
Finance Act, 1994	Service Tax	2007-08 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	2,703.37
Finance Act, 1994	Service Tax	2008-09 to 2012-13	Customs, Excise and Service Tax commissioner, Ahmedabad	2,505.73
Finance Act, 1994	Service Tax	1997-98	Customs, Excise and Service Tax commissioner, (Appeal)	2.18
The West Bengal VAT Act, 2003	VAT	2008-09	West Bengal Commercial Taxes Appellate and Revisional Board	57.10
The West Bengal VAT Act, 2003	VAT	2009-10	Joint Commissioner, Sales Tax	33.55
Madhya Pradesh VAT Act, 2002	VAT	2007-08 & 2008-09	High Court	295.17
Madhya Pradesh VAT Act, 2002	VAT	2009-10	Addl. Commissioner Appeals	28.43
Madhya Pradesh VAT Act, 2002	Entry Tax	2008-09	High Court	52.05
Madhya Pradesh VAT Act, 2002	Entry Tax	2009-10	Addl. Commissioner Appeals	6.59
Gujarat VAT Act, 2003	VAT & CST	2006-07	Gujarat VAT Tribunal	261.72
Gujarat VAT Act, 2003	VAT & CST	2007-08	Gujarat VAT Tribunal	6.59
Andhra Pradesh VAT Act, 2005	VAT	2007-08 & 2008-09	High Court	167.00
Income Tax Act, 1961	Income Tax	2005-06 to 2011-12	Commissioner (Appeals), Ahmedabad	8,359.25
Tamil Nadu Minor Mineral Concession Rules	Royalty	2006-07	Principal Secretary / Joint Secretary, Industries.	39.87

(x) There are no accumulated losses of the Company as on 31<sup>st</sup> March 2014. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank, financial institution or debenture holders.

(xii) The Company has not granted any loans or advances on the basis of security, by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or nidhi mutual benefit fund / Society, therefore, the provisions of para 4 (xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.



- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Para 4(xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xv) In our opinion, the Company has not given any guarantee in respect of loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, in our opinion the term loans raised during the year have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (ix) The Company has not issued any Debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For KISHAN M.MEHTA & CO.,**  
Chartered Accountants  
Firm's Registration No.105229W

Place : Mumbai  
Date : 28th May, 2014

**(K.M.MEHTA)**  
Partner  
Membership No. : 13707

# BALANCE SHEET as at 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	2,611.83	2,611.83
(b) Reserves and Surplus	2	42,928.58	41,099.38
		<b>45,540.41</b>	<b>43,711.21</b>
<b>Non Current Liabilities</b>			
(a) Long-Term Borrowings	3	22,363.74	17,783.74
(b) Other Long Term Liabilities	5	23,600.37	11,443.40
(c) Long-Term Provisions	6	3,030.45	3,526.62
		<b>48,994.56</b>	<b>32,753.76</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	7	13,447.32	15,050.55
(b) Trade Payables	8	56,964.52	47,926.96
(c) Other Current Liabilities	9	19,199.34	15,519.90
(d) Short-Term Provisions	10	1,782.96	1,377.01
		<b>91,394.14</b>	<b>79,874.42</b>
<b>TOTAL</b>		<b>1,85,929.11</b>	<b>1,56,339.39</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11A	27,402.34	25,568.79
(ii) Intangible Assets	11B	81.78	31.19
(iii) Capital Work-in-Progress	11C	928.90	364.32
		<b>28,413.02</b>	<b>25,964.30</b>
(b) Non Current Investments	12	18,784.23	17,068.01
(c) Deferred Tax Assets (Net)	4	1,658.07	1,748.57
(d) Long-Term Loans and Advances	13	23,552.16	14,078.96
(e) Other Non-Current Assets	14	4,094.03	5,368.67
		<b>76,501.51</b>	<b>64,228.51</b>
<b>Current Assets</b>			
(a) Inventories	15	24,236.13	21,144.14
(b) Trade Receivables	16	35,197.00	32,152.52
(c) Cash and Bank Balances	17	2,402.76	2,447.16
(d) Short-Term Loans and Advances	18	17,716.06	15,565.93
(e) Other Current Assets	19	29,875.65	20,801.13
		<b>1,09,427.60</b>	<b>92,110.88</b>
<b>TOTAL</b>		<b>1,85,929.11</b>	<b>1,56,339.39</b>

Significant Accounting Policies & Notes 1 to 45 to these Financial Statements are accompanying.

As per our report attached

For and on behalf of the Board of Directors

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

**Manoj Tulsian**

CFO & Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**Manoj Kumar Singh**

Executive Director

**Suresh Savaliya**

Company Secretary

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	2013 - 14	2012-13
<b>INCOME</b>			
Revenue from Operations	20	2,65,883.78	2,53,594.26
Other Income	21	398.69	718.91
<b>TOTAL REVENUE</b>		<b>2,66,282.47</b>	<b>2,54,313.17</b>
<b>EXPENSES</b>			
Construction Materials Consumed	22	88,239.83	84,460.00
(Increase) / Decrease in Inventories of Work-in-Progress	23	(1,752.73)	(1,472.21)
Employee Benefit Expense	24	16,888.15	14,797.39
Finance Cost	25	5,513.95	5,495.32
Depreciation and Amortization Expense	11	5,889.89	5,485.72
Other Expenses	26	1,48,482.65	1,43,954.54
<b>TOTAL EXPENSES</b>		<b>2,63,261.74</b>	<b>2,52,720.76</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,020.73</b>	<b>1,592.41</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>3,020.73</b>	<b>1,592.41</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>3,020.73</b>	<b>1,592.41</b>
<b>Tax Expense :</b>			
Current Tax		633.15	729.80
Deferred Tax		90.50	(970.50)
<b>Profit / (Loss) for the year</b>		<b>2,297.08</b>	<b>1,833.11</b>
Earnings per equity share : [Nominal value ₹10/- per share]			
<b>Basic (in ₹)</b>	35	8.79	7.02
Computed on the basis of profit for the year			
<b>Diluted (in ₹)</b>	35	8.79	7.02
Computed on the basis of profit for the year			

Significant Accounting Policies &amp; Notes 1 to 45 to these Financial Statements are accompanying.

As per our report attached

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**

CEO &amp; Dy. Managing Director

**Manoj Tulsian**

CFO &amp; Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014**Manoj Kumar Singh**

Executive Director

Place : Mumbai

Date : 28<sup>th</sup> May 2014**Suresh Savaliya**

Company Secretary

# SIGNIFICANT ACCOUNTING POLICIES

## i Basis of Accounting

The financial statements have been prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and applicable Accounting Standards as notified under section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in light of Section 133 of the Companies Act 2013 in terms of general Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).

## ii Use of Estimates

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

## iii Revenue Recognition

### a. Construction Revenue

Running Account Bills for work completed are recognized on percentage of completion method based on completion of physical proportion of the contract work. Income on account of claims and extra item work are recognized to the extent Company expects reasonable certainty about receipts or acceptance from the client. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

### b. Others

Dividends are recorded when the right to receive the payment is established. Interest income is recognized in time proportionate basis.

## iv Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation less impairment losses, if any. Cost is inclusive of all identifiable expenditure incurred to bring the assets to their working condition for intended use. When an asset is disposed off, demolished or destroyed, the cost and related depreciation are removed from the books of accounts and resultant profit or loss, is reflected in the Statement of Profit & Loss. Direct cost as well as related incidental and identifiable expenses incurred on acquisition of fixed assets that are not yet ready for their intended use or put to use as at the Balance Sheet date are stated as Capital Work in Progress.

## v Depreciation

Depreciation is provided on the straight line method on all depreciable assets at the rate prescribed in schedule XIV of the Companies Act, 1956 as applicable on pro-rata basis except that,

- (a) considering the useful life based on technical evaluation by the management, higher rate than the prescribed rates are applied on a few shuttering items of Machinery @ 30%, on office equipment's @ 12.5%, on all vehicles @ 15% and on remaining Plant and Machineries which are acquired on or after 1st October, 2005 @ 12.5% and
- (b) depreciation on assets of overseas project is provided at the rates as per the requirement of laws of the foreign country. Such rates of depreciation in overseas project are higher than the depreciation rates as prescribed under Schedule XIV of the Companies Act, 1956, as applicable.

## vi Impairment of Fixed Assets

The carrying cost of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable value of such assets is estimated. An impairment loss is recognized when the carrying cost of assets exceeds its recoverable value. An impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with AS - 28.

## vii Investments

Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management.

## viii Retirement Benefits

- a. Gratuity liability is covered by payment thereof to Gratuity fund, the defined benefit plan under Group Gratuity Cash Accumulation Scheme of Life Insurance Corporation of India and SBI Life Insurance under irrevocable trust. The Company's liability towards gratuity are determined on the basis of actuarial valuation done by independent actuary.
- b. Contribution to Provident Fund and Superannuation Fund, the defined contribution plans as per the schemes are charged to the Statement of Profit & Loss.
- c. Provision for Leave encashment liability is made based on actuarial valuation as at the Balance Sheet date.
- d. All other short-term benefits for employees are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.





# SIGNIFICANT ACCOUNTING POLICIES

## ix Inventories

- a. Construction materials, stores, spares and tools are valued at lower of cost or net realizable value. Cost include cost of purchase and other expenses incurred in bringing inventory to their respective present location and condition. Cost is determined using FIFO method of inventory valuation.
- b. Work in progress is valued at lower of cost or net realizable value.

## x Provision for Taxes

### a. Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with provisions of the Income Tax Act, 1961.

### b. Deferred Tax:

Deferred tax is recognized, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets which arises mainly on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## xi Foreign Currency

- a. Transactions denominated in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction.
- b. In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract. Any income or expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit & Loss.
- c. Assets & Liabilities remaining unsettled at the end of the year, other than covered by forward exchange contracts are translated at exchange rate prevailing at the end of the year and the difference is adjusted in the Statement of Profit & Loss.
- d. Translation of overseas projects of non-integral foreign operations:
  - i. Assets and liabilities at the rates prevailing at the end of the year.
  - ii. Income and expenses at the average exchange rate prevailing for the month of transactions.
  - iii. Resulting exchange differences are accumulated in foreign currency translation reserve account.

## xii Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## xiii Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probably requires an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

## xiv Accounting for Project Mobilisation expenses

Expenditure incurred on creation of site infrastructures is written off in proportion to work done at respective sites so as to absorb such expenditure during the tenure of the contract.

## xv Balance of Receivables

Trade receivables & Accrued value of work done (Uncertified work done bills), of the clients in these accounts are disclosed net of advances outstanding at the year end from the respective clients.

## xvi Other Accounting Policies

Accounting Policies not specifically referred to, are consistent with the generally accepted accounting practices.

# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
3,50,00,000 (3,50,00,000) Equity Shares of ₹ 10/- each	3,500.00	3,500.00
15,00,000 (15,00,000) Preference Shares of ₹ 100/- each	1,500.00	1,500.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid up:</b>		
2,61,18,348 (2,61,18,348) Equity Shares of ₹ 10/- each fully paid up	2,611.83	2,611.83
<b>TOTAL</b>	<b>2,611.83</b>	<b>2,611.83</b>

## a. Reconciliation of the Shares outstanding at the beginning and at the end of the year :

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(₹)	Nos.	(₹)
At the beginning of the year	2,61,18,348	2,611.83	2,61,18,348	2,611.83
Issued during the year	—	—	—	—
Bought back during the year	—	—	—	—
Outstanding at the end of the year	<b>2,61,18,348</b>	<b>2,611.83</b>	<b>2,61,18,348</b>	<b>2,611.83</b>

## b. Terms / Rights attached to Equity Shares

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

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

## c. Shares held by Holding Company and its Subsidiaries / Associates.

Out of Equity Shares issued by the Company, the Shares held by Holding and its Subsidiaries / Associates are as below :

	As at 31st March, 2014	As at 31st March, 2013
Kalpataru Power Transmission Ltd.		
1,75,48,908 (1,75,48,908) Equity Shares of ₹ 10/- each fully paid	1,754.89	1,754.89

## d. Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10/- each fully paid Kalpataru Power Transmission Ltd., the Holding Company	1,75,48,908	67.19%	1,75,48,908	67.19%

## e. Shares reserved for issue under options

The Company has reserved issuance of 10,00,000 (10,00,000) Equity Shares of ₹ 10/- each for offering to the eligible employees of the Company under Employee Stock Option Plan (ESOP). On 21st July, 2007, the Company granted 6,00,000 Options to the eligible employees at a price of ₹ 217/- each, and these Options have been vested over the period of 4 years from the date of grant based on specified criteria. As at 31st March, 2014 the total number of options vested but not exercised by employees stood at 1,39,654 (P.Y. 2,45,751).



# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Securities Premium:</b>		
As per last Balance Sheet	21,209.18	21,209.18
	21,209.18	21,209.18
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	893.75	568.75
Add : Transfer from Surplus of Profit	231.25	325.00
Less : Transfer to General Reserve	375.00	-
	750.00	893.75
<b>Employee Share Options Outstanding</b>		
Employee share options granted - at the beginning of the year	135.17	198.02
Less : Deferred Employee Share Compensation	58.35	62.85
	76.82	135.17
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(0.26)	-
Add: During the year	(103.96)	(0.26)
	(104.22)	(0.26)
<b>General Reserve:</b>		
As per last Balance Sheet	3,147.91	2,922.91
Add : Transfer from Surplus of Profit	225.00	225.00
Transfer from Debenture Redemption Reserve	375.00	-
	3,747.91	3,147.91
<b>Surplus of Profit</b>		
Balance as per Last Balance Sheet	15,713.63	14,736.09
Add : Profit for the year as per Statement of Profit & Loss	2,297.08	1,833.11
Less : Appropriations		
Proposed Dividend	261.18	261.18
Corporate Tax on Proposed Dividend	44.39	44.39
Transfer to Debenture Redemption Reserve	231.25	325.00
Transfer to General Reserve	225.00	225.00
<b>Net Surplus of Profit</b>	17,248.89	15,713.63
<b>TOTAL</b>	<b>42,928.58</b>	<b>41,099.38</b>

# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Non-Current	Current	Non-Current	Current
<b>NOTE - 3</b>				
<b>LONG TERM BORROWINGS</b>				
<b>A. Secured Loans</b>				
(a) Debentures				
350 (500) 9.5% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000/- each.	1,500.00	2,000.00	3,500.00	1,500.00
(b) Term Loans:				
(1) Foreign Currency Loans				
From Banks	2,686.92	1,535.38	4,222.31	767.69
(2) Rupee Loans				
(I) From Banks	6,342.83	3,083.33	8,764.02	3,130.36
(II) From NBFCs	610.15	230.16	-	-
(III) Loan against Vehicles / Equipments	90.41	45.69	84.90	46.32
	9,730.31	4,894.56	13,071.23	3,944.38
<b>B. Unsecured Loans</b>				
(1) Fixed Deposits from Public	1,133.43	235.27	1,212.51	127.15
(2) Rupee Term Loans from Banks	10,000.00	-	-	-
Amount disclosed under the head "Other Current Liabilities" (Note - 9)		(7,129.83)		(5,571.53)
<b>TOTAL</b>	<b>22,363.74</b>	<b>-</b>	<b>17,783.74</b>	<b>-</b>

## Notes:

Nature of Security	Terms of Repayment
<b>A. (a) 9.5% Secured Redeemable Non-Convertible Debentures (NCDs) :-</b>	
First charge on movable fixed assets of the Company to the extent of 1.25 times of the amount of NCDs in pari passu with a Bank in (b) (2) (I) (ii) and another Bank in (b) (2) (I) (iii), and first charge by mortgage of a land at Maharajpura, Kadi, Gujarat.	NCDs are repayable in tranches at the end of 4th and 5th Year ₹ 2,000 lacs and ₹ 1,500 lacs, respectively, from date of allotment i.e. July 15, 2010.
<b>(b) (1) Foreign Currency Term Loans from Banks (FCL):-</b>	
External Commercial Borrowing of US \$ 84.62 lacs (P.Y. US \$ 100 lacs) is secured by first charge on specific movable fixed assets financed by them.	FCL is repayable in 11 equal quarterly instalments of US \$ 769,230.77 each and carry interest @ 6 months LIBOR plus spread.
<b>(b) (2) (I) Rupee Term Loans from Banks :-</b>	
<b>(b) (2) (I) (i)</b>	
Term Loan from a consortium Bank amounting to ₹ 2,499.08 lacs (P.Y. ₹ 2,894.39 lacs) is secured by first and exclusive charge over the fixed assets financed by them.	Term Loan is repayable in 16 equal quarterly instalments of ₹ 156.25 lacs each from April, 2014 with varying interest rate linked to base rate of Bank from time to time.
<b>(b) (2) (I) (ii)</b>	
Term Loan from a Bank amounting to ₹ 833.33 lacs (P.Y. ₹ 2500.00 lacs) is secured by first charge on movable fixed assets excluding assets charged exclusively to term lender in (b) (1), b (2) (I) (i) and (b) (2) (II) in pari passu with debenture holders to the extent of 1.25 times of the amount of NCDs and a Bank in (b) (2) (I) (iii).	Term Loan is repayable in 2 equal quarterly instalments of ₹ 416.67 lacs each.



# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

## (b) (2) (I) (iii)

Term Loan from a Bank amounting to ₹ 6,093.75 lacs (P.Y. ₹ 6,500.00 lacs) is secured by first charge on movable fixed assets excluding assets charged exclusively to term lender in b (1), b (2) (I) (i) and b (2) (II) in paripassu with debenture-holders to the extent of 1.25 times of the amount of NCDs and a bank in b (2) (I) (ii).

Term Loan is repayable in 15 equal quarterly instalments with varying interest rate linked to base rate of Bank from time to time.

## (b) (2) (II) Rupee Term Loan from NBFC :-

Term Loan from NBFC amounting to ₹ 840.31 lacs (P.Y. ₹ Nil) is secured by first and exclusive charge by way of hypothecation for equipments financed by them.

Term Loan is repayable in 48 months through quarterly instalments commencing from the end of 180 days from the date of first disbursement, i.e. 18<sup>th</sup> October, 2013 with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

## (b) (2) (III) Loan against Vehicles / Equipments :

Loans of ₹ 136.10 lacs (P.Y. ₹ 131.22 lacs) are secured by way of charge on specific equipments and vehicles financed by them on different loans.

60 monthly instalments beginning from the month subsequent to disbursement.

## B. Unsecured Loans :

(1) Fixed Deposits from public.

Fixed deposits maturing at 12, 24 and 36 months from the date of deposit with varying interest rate with reference to tenure of deposits.

(2) Term Loan from a Bank amounting to ₹ 10,000.00 lacs (P.Y. ₹ Nil).

Term Loan is repayable in unequal quarterly instalments every year, i.e. 10% for 2nd & 3rd year and 20% from 4th to 7th year, starting from the end of 5th quarter from 11th March, 2014, with varying interest rate linked to base rate of Bank from time to time. Borrower has a right to prepay the facility anytime and lender has a right to recall the facility, after 5 years from the first drawdown date after 15 days notice.



# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 4</b>		
<b>DEFERRED TAX LIABILITY / (ASSET)</b>		
<b>Deferred Tax Liability</b>		
Depreciation	(237.49)	165.00
Others	7.70	30.09
<b>Less : Deferred Tax Asset</b>		
U/s. 43B, 40 (a)(ia) of Income Tax Act and Others (Net)	(1,428.28)	(1,943.66)
<b>TOTAL</b>	<b>(1,658.07)</b>	<b>(1,748.57)</b>
<b>NOTE - 5</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade Payables	8,721.65	6,998.56
<b>Others</b>		
Advance from Clients	14,720.24	4,289.55
Payable to Joint Venture Entities	158.48	155.29
<b>TOTAL</b>	<b>23,600.37</b>	<b>11,443.40</b>
<b>NOTE - 6</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	274.05	276.72
<b>Other Provisions</b>		
Defect Liability Period Expenses	2,756.40	3,249.90
<b>TOTAL</b>	<b>3,030.45</b>	<b>3,526.62</b>
<b>NOTE - 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans Repayable on Demand from Banks @ #	13,372.91	14,888.61
<b>Unsecured</b>		
Fixed Deposits from Public	74.41	161.94
<b>TOTAL</b>	<b>13,447.32</b>	<b>15,050.55</b>

@ Working Capital Loans include an overdraft of ₹ 122.69 Lacs (P.Y. ₹ Nil) from a non consortium bank which is secured against fixed deposit placed with the same bank.

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

- First charge against hypothecation of stocks, work in progress, stores and spares, bills receivables, book debts and other current assets.
- Second charge on Fixed assets except in ( c ) hereunder.
- First charge on the office premises of the Company.



# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 8</b>		
<b>TRADE PAYABLES</b>		
Acceptances	10,378.99	11,400.99
Others	46,585.53	36,525.97
<b>TOTAL</b>	<b>56,964.52</b>	<b>47,926.96</b>
<b>NOTE - 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Current Maturities of Long Term Debt</b>		
9.5% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000/- each. [Refer Note 3 - A(a)]	2,000.00	1,500.00
Term Loans from Banks & NBFCs - [Refer Note 3 - A(b)(1), A(b)(2)(I) & A(b)(2)(II)]	4,848.87	3,898.06
Loan against Vehicles / Equipments [Refer Note 3 - A(b)(2)(III)]	45.69	46.32
Fixed Deposits from Public [Refer Note 3 - B(1)]	235.27	127.15
Interest Accrued but not due on Borrowings	470.06	301.16
Unclaimed Dividend	9.04	8.24
Unclaimed Matured Fixed Deposits and Interest	14.42	28.55
<b>Others</b>		
Payables for Capital Goods	1,282.04	851.88
Advance from Clients	7,294.34	6,483.30
Other Statutory Liabilities *	2,946.48	2,234.26
Unclaimed Share Application Money	0.13	0.33
Security Deposits	53.00	40.65
<b>TOTAL</b>	<b>19,199.34</b>	<b>15,519.90</b>
* Includes VAT Payable ₹ 188.45 lacs (P.Y. ₹ 50.48 lacs) [Net of Advance]		
<b>NOTE - 10</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Leave Encashment	34.48	34.09
Gratuity	368.29	303.43
<b>Other Provisions</b>		
Defect Liability Period Expenses	1,074.62	733.92
Proposed Dividend	261.18	261.18
Corporate Tax on Proposed Dividend	44.39	44.39
<b>TOTAL</b>	<b>1,782.96</b>	<b>1,377.01</b>

# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

## NOTE - 11 FIXED ASSETS

( ₹ in Lacs )

Description	Gross Block				Depreciation				Net Block	
	As at 1st April, 2013	Addition	Disposals	As at 31st March, 2014	As at 1st April, 2013	For the Year	Recouped	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
<b>A. TANGIBLE ASSETS</b>										
Freehold Land	23.78	58.35	–	82.13	–	–	–	–	82.13	23.78
Office Building	217.24	20.30	–	237.54	24.77	3.54	–	28.31	209.23	192.47
Store Building	244.02	312.42	0.14	556.30	22.03	7.75	0.01	29.77	526.53	221.99
Plant & Equipments	45,644.40	7,266.83	2,564.99	50,346.24	21,557.04	5,542.03	1,987.56	25,111.51	25,234.73	24,087.36
Furniture & Fixtures	286.99	0.90	4.19	283.70	130.38	18.86	2.74	146.50	137.20	156.61
Vehicles	1,253.26	458.22	77.69	1,633.79	884.92	151.14	70.79	965.27	668.52	368.34
Office Equipments	1,107.32	222.81	64.55	1,265.58	637.91	129.47	10.92	756.46	509.12	469.41
Electrical Installation	177.18	4.07	14.94	166.31	128.35	14.52	11.44	131.43	34.88	48.83
<b>TOTAL (A)</b>	<b>48,954.19</b>	<b>8,343.90</b>	<b>2,726.50</b>	<b>54,571.59</b>	<b>23,385.40</b>	<b>5,867.31</b>	<b>2,083.46</b>	<b>27,169.25</b>	<b>27,402.34</b>	<b>25,568.79</b>
<b>B. INTANGIBLE ASSETS</b>										
Computer Software	88.08	73.17	–	161.25	56.89	22.58	–	79.47	81.78	31.19
<b>TOTAL (B)</b>	<b>88.08</b>	<b>73.17</b>	<b>–</b>	<b>161.25</b>	<b>56.89</b>	<b>22.58</b>	<b>–</b>	<b>79.47</b>	<b>81.78</b>	<b>31.19</b>
<b>TOTAL (A+B)</b>	<b>49,042.27</b>	<b>8,417.07</b>	<b>2,726.50</b>	<b>54,732.84</b>	<b>23,442.29</b>	<b>5,889.89</b>	<b>2,083.46</b>	<b>27,248.72</b>	<b>27,484.12</b>	<b>25,599.98</b>
Previous Year	45,557.09	4,058.78	573.60	49,042.27	18,352.83	5,485.72	396.26	23,442.29	25,599.98	
<b>C. CAPITAL WORK-IN-PROGRESS</b>	<b>364.32</b>	<b>1,486.55</b>	<b>921.97</b>	<b>928.90</b>				<b>–</b>	<b>928.90</b>	<b>364.32</b>

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 12</b>		
<b>NON CURRENT INVESTMENTS</b>		
Trade Investments		
Unquoted Equity Instruments		
Investments in Subsidiaries :		
Equity Shares of Subsidiary Company		
(a) JMC Mining & Quarries Limited		
5,00,000 (5,00,000) Equity Shares of ₹ 10/- each fully paid up.	50.00	50.00
(b) Brij Bhoomi Expressway Pvt. Ltd.		
2,27,57,000 (2,27,57,000) Equity Shares of ₹ 10/-each fully paid up	2,275.70	2,275.70
Out of above, 1,16,06,070 (1,08,37,500) shares are pledged in favour of bankers of this subsidiary.		
(c) Wainganga Expressway Pvt. Ltd.		
3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/-each fully paid up	3,000.00	3,000.00
Out of above, 1,53,00,000 (1,53,00,000) shares are pledged in favour of bankers of this subsidiary.		
(d) Vindhyachal Expressway Pvt. Ltd.		
2,70,50,000 ( 2,70,50,000 ) Equity Shares of ₹ 10/-each fully paid up	2,705.00	2,705.00
Out of above, 1,37,95,500 (1,37,95,500) shares are pledged in favour of bankers of this subsidiary.		
Equity Shares of Joint Venture Company		
Kurukshetra Expressway Pvt. Ltd.		
5,16,82,990 (4,42,30,781) Equity Shares of ₹ 10/- each fully paid up	9,826.62	8,336.18
Out of above, 2,71,17,766 (1,94,30,510) shares are pledged in favour of bankers of this JV Company		
Equity Shares of Others		
Nutan Nagarik Sahakari Bank Limited		
Nil (4,600) Equity Shares of ₹ 25/- each fully paid up	–	1.15
Investment in Joint Venture		
(a) Aggrawal JMC - JV	694.81	698.66
(b) JMC - CHEC JV	232.10	1.32
<b>TOTAL</b>	<b>18,784.23</b>	<b>17,068.01</b>



# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 13</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured considered good		
Advance for Capital Goods	1,433.40	261.42
Loans and Advance to Related Parties		
Loans to Subsidiaries *	15,882.61	7,120.07
Security Deposits	1,136.18	949.62
Others		
Advance to Creditors	388.95	2,294.33
Loans and Advances to Employees	1.42	0.47
Advance VAT (Net of Payable)	4,709.60	3,315.41
Excise Duty Drawback	–	137.64
<b>TOTAL</b>	<b>23,552.16</b>	<b>14,078.96</b>
* Loans to Subsidiaries include -		
Brij Bhoomi Expressway Pvt. Ltd. ₹ 2,297.84 lacs (P.Y. ₹ 2,108.30 lacs )		
Wainganga Expressway Pvt. Ltd. ₹ 6,670.00 lacs (P.Y. ₹ 2,077.00 lacs )		
Vindhyachal Expressway Pvt. Ltd. ₹ 6,342.77 lacs ( P.Y. ₹ 2,934.77 lacs )		
Kurukshetra Expressway Pvt. Ltd. ₹ 572.00 lacs ( P.Y. ₹ Nil ) (JV)		
<b>NOTE - 14</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Unsecured considered good		
Long Term Trade Receivables	2,712.95	3,073.91
Others		
Unamortized Expenses		
Site Infrastructures	1,202.23	2,159.74
Ancillary cost of borrowing	178.31	133.39
Accrued Income	0.54	1.63
<b>TOTAL</b>	<b>4,094.03</b>	<b>5,368.67</b>
<b>NOTE - 15</b>		
<b>INVENTORIES*</b>		
Construction Material	12,298.16	11,552.57
Spares, Tools & Stores	3,430.54	2,836.87
Work-in- Progress	8,507.43	6,754.70
<b>TOTAL</b>	<b>24,236.13</b>	<b>21,144.14</b>

\*(a) As Valued, Verified and Certified by the Management.

\*(b) Basis of valuation is lower of cost or net realisable value.

# NOTES ON FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 16</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured and considered good		
Debts outstanding over Six Months from due date of payment	8,132.86	6,245.69
Other Debts includes Retention Money ₹ 13,705.31 lacs (P.Y. ₹ 12,598.27 lacs)	27,064.14	25,906.83
net off advances ₹ 14,001.99 Lacs (P.Y. ₹ 15,029.68 Lacs)		
<b>TOTAL</b>	<b>35,197.00</b>	<b>32,152.52</b>
<b>NOTE - 17</b>		
<b>CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balance with Banks		
Current Accounts	1,964.57	1,867.60
Demand Deposits (with less than 3 months of remaining maturity)	44.00	217.50
Cheques on hand	–	173.94
Cash on hand	71.44	49.88
Other Bank Balance		
Deposits as Margin Money against Borrowings and Commitments	313.71	130.00
Dividend Accounts (Unclaimed)	9.04	8.24
<b>TOTAL</b>	<b>2,402.76</b>	<b>2,447.16</b>
<b>NOTE - 18</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and considered good		
Advance to Related Party*	1,066.96	986.35
Others		
Security Deposits	583.56	616.00
Advance Income Tax (Net of Provision)	4,550.52	2,485.67
Advance VAT / Entry Tax (Net of Payable)	3,193.21	869.06
Cenvat Credit Receivable	2,208.06	1,222.35
Excise Duty Drawback	185.79	–
Advance to Creditors	5,204.03	8,923.43
Loans and Advances to Employees	93.34	55.08
Prepaid Expenses	630.59	407.99
<b>TOTAL</b>	<b>17,716.06</b>	<b>15,565.93</b>
* Advance to Related Party Include -		
Kalpataru Power Transmission Ltd. ₹ 21.19 lacs (P.Y. ₹ 963.01 lacs)		
JMC Mining & Quarries Ltd. ₹ 46.62 lacs (P.Y. ₹ 23.34 lacs)		
Brij Bhoomi Expressway Pvt. Ltd. ₹ 999.15 lacs (P.Y. ₹ Nil)		
<b>NOTE - 19</b>		
<b>OTHER CURRENT ASSETS</b>		
Accrued Income	92.77	95.05
Unamortised Expenses -		
Site Infrastructures	3,711.94	2,149.55
Ancilliary cost of borrowing	468.05	449.79
Accrued value of work done	25,590.44	18,101.42
Receivables for Sale of Fixed Assets	12.45	5.32
<b>TOTAL</b>	<b>29,875.65</b>	<b>20,801.13</b>

## NOTE - 19.1

Accrued value of work done of ₹ 25,590.44 lacs (P.Y. ₹ 18,101.42 lacs) represents work billed pending for clients' certification and are net of [provision for inclusive of taxes ₹ 1,653.31 lacs (P.Y. ₹ 701.09 lacs) and advances outstanding of the respective clients totaling to ₹ 12,696.04 lacs (P.Y. ₹ 10,826.74 lacs)]





# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

	2013 - 14	2012 - 13
<b>NOTE - 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Services		
Contract Revenue	2,54,884.92	2,44,090.53
Accrued Value of Work Done (uncertified work done bills)	10,310.54	8,531.42
Sales of Construction Material	–	661.89
Other Operating Revenue		
Share of Profit in Joint Ventures	230.79	20.42
Liabilities Written Back	457.53	290.00
<b>TOTAL</b>	<b>2,65,883.78</b>	<b>2,53,594.26</b>
<b>NOTE - 21</b>		
<b>OTHER INCOME</b>		
Interest Income		
From Deposits	55.60	102.36
From Others	46.34	222.45
Dividend Income		
From Long Term Investments	0.14	0.17
Net Gain on Sale of Fixed Assets	218.85	87.34
Rent Income	77.68	285.15
Prior Period Income	0.08	21.44
<b>TOTAL</b>	<b>398.69</b>	<b>718.91</b>
<b>NOTE - 22</b>		
<b>CONSTRUCTION MATERIALS CONSUMED</b>		
Opening Stock of Construction Materials	11,551.36	14,009.24
Add: Purchases during the year	90,046.49	83,102.02
Less: Scrap Sales	1,059.86	1,099.90
Less: Closing Stock of Construction Materials	12,298.16	11,551.36
<b>TOTAL</b>	<b>88,239.83</b>	<b>84,460.00</b>
<b>NOTE - 23</b>		
<b>(INCREASE) / DECREASE IN INVENTORIES OF WORK-IN-PROGRESS</b>		
Work in Progress (at close)	(8,507.43)	(6,754.70)
Less : Work in Progress (at commencement)	6,754.70	5,282.49
<b>TOTAL</b>	<b>(1,752.73)</b>	<b>(1,472.21)</b>
<b>NOTE - 24</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	14,888.50	12,917.16
Contribution to Provident & Other Funds	881.79	953.52
Employee Share Option Scheme Expenses	(58.35)	(62.85)
Staff Welfare Expenses	1,176.21	989.56
<b>TOTAL</b>	<b>16,888.15</b>	<b>14,797.39</b>

# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

	2013-14	2012-13
<b>NOTE - 25</b>		
<b>FINANCE COST</b>		
Interest	4,253.78	4,515.18
Other Borrowing Costs	1,192.34	909.81
Exchange Rate Variation	67.83	70.33
<b>TOTAL</b>	<b>5,513.95</b>	<b>5,495.32</b>
<b>NOTE - 26</b>		
<b>OTHER EXPENSES</b>		
Construrction Expenses		
Work Charges	41,200.00	34,975.19
Composite Work Charges	74,157.97	78,082.31
Consumption of Spares, Tools & Stores	941.23	734.67
Machinery - Running & Maintenance Expenses	5,209.59	3,900.47
Electricity Charges	1,706.43	1,401.65
Rent & Hire Charges	5,176.16	4,913.58
Security Expenses	1,234.72	960.12
Site Expenses	5,387.52	5,240.96
Defect Liability Period Expenses	(64.29)	1,051.26
	1,34,949.33	1,31,260.21
Building & General Repairs	65.70	49.13
Vehicle Maintenance Charges	357.18	294.76
Travelling Expenses	703.98	603.85
Conveyance Expenses	90.87	70.91
Directors' Travelling Expenses	34.35	36.55
Insurance Charges	494.81	399.39
Printing & Stationery Expenses	181.70	147.92
Office Rent	569.49	582.07
Office Expenses	120.68	110.28
Postage & Telephone Charges	232.15	190.67
Balances Written Off	–	40.94
Professional & Legal Charges	657.79	549.41
Auditors' Remuneration	34.90	29.93
Rates & Taxes	8,671.21	8,385.79
Business Promotion Expenses	108.21	103.34
Advertisement Expenses	39.73	15.06
Computer & IT Expenses	279.53	160.56
Sundry Expenses	337.90	157.02
Bank Commission & Charges	760.85	668.21
Training Expenses	40.63	30.60
Loss on Assets Lost	33.38	49.46
Loss on Investment in Joint Ventures (incl. Prior Period Loss of ₹ 5.90 lacs)	7.04	–
Exchange Rate Variation	(296.06)	–
Directors' Sitting Fees	7.30	5.90
Prior Period Expenses	–	12.58
<b>TOTAL</b>	<b>1,48,482.65</b>	<b>1,43,954.54</b>



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

## 26.1 Auditors' Remuneration

Particulars	2013-14	2012-13
Audit Fees	26.97	24.72
Company Law Matters	2.25	2.25
Income Tax	2.81	–
Other Services	2.88	2.96
<b>TOTAL</b>	<b>34.90</b>	<b>29.93</b>

## 27 Contingent Liabilities In Respect Of :

Particulars	2013-14	2012-13
A. Bank Guarantees	17.00	59.50
B. Guarantees given in respect of performance of contracts of Joint Venture Entities & Associates in which Company is one of the member/holder of substantial equity	28,977.43	28,121.28
C. Claims against the Company not acknowledged as debts (Refer note below)	640.28	674.59
D. Show Cause Notice issued by Service Tax Authorities	5,211.28	2,705.55
E. Disputed Royalty Demand under Tamil Nadu Minor Mineral Concession Rules in appeal before High Court	–	426.90
F. Trichy Madurai Road Project royalty matter	39.87	39.87
G. Disputed Income Tax Demand in appeal before Appellate Authorities (Excludes Amount of ₹ 1,794.13 lacs considered in [J] hereinafter)	7,591.71	634.61
H. Disputed Income Tax Demand of Joint Ventures in appeal before Appellate Authorities (excludes amount of ₹ 196.21 lacs considered in [J] hereinafter)	240.08	479.97
I. Disputed VAT Demand in appeal before Appellate Authorities	952.72	1,580.93
J. Income Tax (Net of Deferred Tax) on the claim made of the deductions u/s. 80-IA (4) of the Income Tax Act, 1961. (Refer note 28)	2,657.23	2,499.12

Note : In case where Company has raised the claims on clients against which counter claims have been raised by clients, the excess of counter claims raised by client over the amount of its claims only are considered in the above figures.

- 28** The Finance Act (2), 2009 has amended section 80-IA (4) of the Income Tax Act, 1961 by substituting an explanation to section 80-IA with retrospective effect from 1<sup>st</sup> April, 2000. On the basis of the legal opinion of the experts and decided cases, the Company has continued to claim deduction under section 80-IA (4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However, an amount of Income tax (Net of Deferred Tax) of ₹ 158.11 Lacs for the current Year and of ₹ 2,499.12 lacs for the earlier years since FY 2007-08 (both - include the amount of tax applicable on the share of profit of Joint Venture Business claiming such deduction) has been disclosed as a contingent liability in note no. 27[J] to these Accounts.

## 29 Capital & Other Commitments

Particulars	2013-14	2012-13
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,222.81	245.36

- 30** In the opinion of the Management, the assets other than Fixed Assets and Non Current Investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these financial statements. Balances of parties are subject to confirmation.

# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

## 31 C.I.F. Value of Imports

Particulars	2013-14	2012-13
Value of imports Calculation on CIF Basis :		
Capital Goods	1,827.97	23.55
Construction Material	47.69	529.84

## 32 Expenditure in Foreign Currency

Particulars	2013-14	2012-13
Foreign Travelling	19.27	16.53
Interest	378.49	375.29
Professional, Technical and Consultancy Fees	59.10	20.21
Advertisement Expenses	0.79	–
Net Outflow - International Branch	436.69	–

## 33 Lease Transactions

The Company's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipments (operating lease). Lease agreements in respect of residential / office premises and certain equipments are cancelable and renewable by mutual consent on mutually agreed terms. Certain equipments are on non-cancellable operating lease. The aggregate lease rental / hire charges payable on these premises / equipments are charged as rent & hire charges amounting to ₹ 2,684.02 lacs (P.Y. ₹ 2,591.26 lacs). Future estimated minimum lease rentals and their present values in respect of non-cancellable operating leases are as under:

Particulars	< 1 Year	1 to 5 Years	Total
Future minimum lease payments	955.01	477.51	1,432.52
Present value of minimum lease payments	911.59	418.62	1,330.21

## 34 The disclosure in respect of Provision for Defect Liability Period Expenses is as under.

Particulars	2013-14	2012-13
Carrying amount at the beginning of the year	3,983.81	3,045.44
Add : Provision during the Year	319.96	1,336.82
Less : Reversal of provision during the Year	384.24	285.56
Less : Utilisation during the Year	88.51	112.89
Carrying amount at the end of the Year	<b>3,831.01</b>	<b>3,983.81</b>

## 35 Earning Per Share (EPS)

Particulars	2013-14	2012-13
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ In lacs.)	2,297.08	1,833.11
ii) Weighted average number of equity shares used as denominator for calculating EPS (Nos.)	2,61,18,348	2,61,18,348
iii) Basic and Diluted Earnings per Share (in ₹)	8.79	7.02
iv) Face Value per Equity Share (in ₹)	10.00	10.00



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

## 36 Retirement Benefits

### a. Defined Contribution Plan

The Company makes contribution towards provident fund and superannuation fund to defined contribution retirement plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner and the superannuation fund is administered by the LIC. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Company recognised ₹ 643.64 lacs (P.Y. ₹ 586.11 lacs ) for Provident Fund contributions and ₹ 111.85 Lacs (P.Y. ₹ 149.18 lacs ) for Superannuation contributions in the Statement of Profit & Loss. The contribution payable to these plans by the Company are at rates specified in the rules.

### b. Defined Benefit Plan

The Company makes annual contributions to the employee's Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India and SBI Life Insurance, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, upon death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the company's financial statements as at 31st March, 2014.

#### Disclosures as per AS - 15

(₹ in Lacs)

Particulars	2013-14	2012-13
i. Change in benefit obligations:		
Projected benefit obligations at the beginning of the year	790.93	632.91
Service Cost	179.72	154.54
Interest Cost	65.25	55.38
Actuarial (Gain) / Loss	(95.65)	25.49
Liability Transferred in	-	-
Benefits Paid	(178.83)	(77.39)
Projected benefit obligations at the end of the year	761.42	790.93
ii. Change in plan assets:		
Fair value of plan assets at the beginning of the year	487.50	519.99
Expected return on plan assets	42.41	45.50
Employer's contribution	46.80	-
Benefits paid	(178.83)	(77.39)
Actuarial gain / (loss)	(4.74)	(0.60)
Fair value of plan assets at the end of the year	393.14	487.50
iii. Net gratuity cost for the year ended		
Service cost	179.72	154.54
Interest on defined benefit obligation	65.25	55.38
Expected return on plan assets	(42.41)	(45.50)
Net actuarial gain recognised in the year	(90.91)	26.09
Net gratuity cost	111.65	190.51
Actual return on plan assets	37.67	44.90
iv. Amount recognised in the Balance Sheet:		
Liability at the end of the year	761.42	790.93
Fair Value of Plan Assets at the end of the year	393.14	487.50
Amount recognised in Balance Sheet	368.28	303.43
v. Assumptions used in accounting for the gratuity plan:		
Discount rate	9.31%	8.25%
Salary Escalation rate	7.00%	7.00%
Expected rate of return on plan assets	8.70%	8.70%



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

## 37 Related Party Disclosure

### Holding Company

Kalpataru Power Transmission Ltd.

Holding Company

### Subsidiary, Fellow Subsidiary Companies

JMC Mining and Quarries Ltd.

Subsidiary Company

Brij Bhoomi Expressway Pvt. Ltd.

Subsidiary Company

Wainganga Expressway Pvt. Ltd.

Subsidiary Company

Vindhyachal Expressway Pvt. Ltd.

Subsidiary Company

Energylink (India) Ltd.

Subsidiary of Holding Company

Shree Shubham Logistics Ltd.

Subsidiary of Holding Company

Amber Real Estate Ltd.

Subsidiary of Holding Company

Adeshwar Infrabuild Ltd.

Subsidiary of Holding Company

Kalpataru Power Transmission Nigeria Ltd.

Subsidiary of Holding Company

Kalpataru Power Transmission (Mauritius) Ltd.

Subsidiary of Holding Company

Kalpataru SA (Proprietary) Ltd.

Subsidiary of Holding Company

Kalpataru Power Transmission – USA, INC.

Subsidiary of Holding Company

Jhajjar Power Transmission Private Limited

Subsidiary of Holding Company

Kalpataru Power Transmission International B.V.

Subsidiary of Holding Company

LLC Kalpataru Power Transmission Ukraine

Subsidiary of Holding Company

Brafer Kalpataru Industria E Comercio S.A., Brazil - JV

Subsidiary of Holding Company

Kalpataru Power JLT, UAE

Subsidiary of Holding Company

Saicharan Properties Ltd.

Subsidiary of Holding Company

### Joint Ventures

JMC - Associated JV

Joint Venture

Aggrawal - JMC JV

Joint Venture

JMC - Sadbhav JV

Joint Venture

JMC - Taher Ali JV (Package I, II & III)

Joint Venture

JMC - PPPL JV

Joint Venture

Kurukshetra Expressway Pvt. Ltd.

Joint Venture

KPTL-JMC-Yadav JV

Joint Venture

JMC - GPT JV

Joint Venture

JMC - CHEC JV

Joint Venture

### Key Managerial Personnel (KMP)

Mr. Shailendra Kumar Tripathi

### Nature of Relationship

CEO & Dy. Managing Director

Mr. Manoj Kumar Singh

Executive Director

### Enterprises over which significant influence exercised with whom company has transactions (EUSI)

### Nature of Relationship

Kalpataru Properties Pvt. Ltd.

Significant influence of Promoters

Kiyana Ventures LLP

Significant influence of Promoters



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Subsidiary, Fellow Subsidiary Companies	Joint Ventures	KMP	EUSI
<b>I. Transactions During the Year</b>						
1	Other Expenses	-	-	-	-	5.73
		(-)	(-)	(-)	(-)	(1.27)
2	Rent Paid	3.60	7.17	-	-	343.92
		(4.95)	(12.72)	(-)	(-)	(350.62)
3	Reimbursement of Expenses	-	442.03	194.46	-	-
		(2.13)	(308.20)	(5.53)	(-)	(-)
4	Sub-Contract Charges paid	4,957.99	-	-	-	-
		(5,627.80)	(-)	(-)	(-)	(-)
5	Contract Revenue	1,236.69	51,004.96	27,783.48	-	299.62
		(3,254.80)	(31,690.98)	(32,240.20)	(-)	(-)
6	Managerial Remuneration	-	-	-	269.08	-
		(-)	(-)	(-)	(114.62)	(-)
7	Interest Income	-	2.89	-	-	-
		(-)	(4.57)	(-)	(-)	(-)
8	Share of Profit in Joint Venture	-	-	230.79	-	-
		(-)	(-)	(20.43)	(-)	(-)
9	Share of Loss in Joint Venture	-	-	7.04	-	-
		(-)	(-)	(-)	(-)	(-)
10	Guarantees given During the Year	-	-	-	-	-
		(-)	(11,416.00)	(-)	(-)	(-)
<b>II. Balance outstanding as at the year end</b>						
1	Trade Receivables #	32.27	4,968.00	4,633.07	-	225.36
		(843.04)	(9,148.50)	(4,086.90)	(-)	(-)
2	Guarantees given	-	8,995.00	-	-	-
		(-)	(12,666.00)	(-)	(-)	(-)
3	Liabilities at the end of the year *	1,602.09	-	160.66	-	97.79
		(992.48)	(316.60)	(155.29)	(-)	(23.20)
4	Loans & Advances given	359.88	16,356.38	-	-	661.35
		(963.01)	(7,143.41)	(-)	(-)	(-)
5	Advance taken from Clients ^	-	6,228.33	2,817.00	-	-
		(-)	(6,990.28)	(7,355.53)	(-)	(-)
6	Investment in Joint Venture entity	-	-	926.91	-	-
		(-)	(-)	(699.98)	(-)	(-)
7	Investment in Shares	-	8,030.70	9,826.62	-	-
		(-)	(8,030.70)	(8,336.18)	(-)	(-)

# Trade Receivables herein are Gross amount before Adjustment of Advances received from clients

^ Advances taken from clients herein are Gross amount before adjustment of Trade Receivables.

\* Liabilities are Gross Amount before adjustment of Advances given.

Note: Figures shown in bracket represents corresponding amounts of previous year.

# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

## 38 Disclosure as per Accounting Standard - 7

(₹ in Lacs)

Particulars	2013-14	2012-13
(1) Contract revenue recognized as revenue during the year	2,65,195.46	2,52,621.95
(2) Contract costs incurred and recognized profit less recognized losses	6,61,149.46	4,79,158.19
(3) Advances Received	38,157.35	21,948.83
(4) Retention Amount	10,407.09	10,367.63
(5) Gross amount Due from Customers	45,728.76	33,364.18

Note : The information in point no. (2) to (5) are in respect of contracts in progress as on 31st March, 2014.

## 39 Segmental Reporting

The Company recognizes construction as the only business segment, hence there are no reportable segments under AS - 17.

## 40 Joint Ventures

- I The Company is having consortium Joint Ventures named JMC-Associated JV, JMC-Taher Ali JV (Package I, II & III), JMC- PPPL JV, JMC ATEPL JV, JMC - GPT- Vijaywargi - Bright Power JV, JMC- Vijaywargi - Bright Power JV, KPTL - JMC - Yadav JV and JMC - GPT JV under work sharing arrangement. The revenue for work done is accounted, in accordance with the accounting policy followed by the Company, as that of independent contract to the extent work is executed.
- II In respect of contracts executed in Joint Venture entities, the services rendered to the Joint Venture entities are accounted as revenue for the work done. The share of profit / loss in Joint Venture entities other than Joint Venture Company has been accounted for and the same is reflected as investments or current liabilities in books of the Company.

### The details of Joint Venture entities :

Name of the Joint Venture	Name of Venture Partner	Method of Accounting	Share of Interest
a. Aggrawal - JMC JV	Dinesh Chandra Aggrawal Infracon Pvt. Ltd.	Percentage of Completion	50.00%
b. JMC - Sadbhav JV	Sadbhav Engineering Ltd.	Percentage of Completion	50.50%
c. Kurukshetra Expressway Pvt. Ltd.	SREI Infrastructure Finance Ltd.	Percentage of Completion	49.57%
d. JMC - CHEC JV	China Harbour Engineering Company Ltd.	Percentage of Completion	49.00%

Details of proportionate share in the Assets, Liabilities, Income and Expenditure of the Company in its Joint Venture entities are given below.

Particulars	Aggrawal JMC JV		JMC Sadbhav JV		Kurukshetra Expressway Pvt. Ltd.		JMC CHEC JV	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
% of Holding	50.00%	50.00%	50.50%	50.50%	49.57%	49.58%	49.00%	49.00%
Assets	411.36	436.75	1,093.33	1,015.91	50,404.68	42,625.41	1,574.29	1,574.02
Liabilities	63.96	87.42	1,093.33	1,093.37	42,147.17	34,278.09	1,460.56	1,573.37
Income	–	16.10	–	11.32	1,677.12	–	11,462.20	4,881.21
Expenditure	0.74	6.67	–	1.66	3,257.48	–	11,231.41	4,878.96



# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

## 41 Employees Stock Option

The Company has provided share-based payment plan to its employees for the year ended 31st March, 2014. The Company has followed Intrinsic Value Method and has given accounting treatment as per Guidelines issued by Securities & Exchange Board of India. The details are as follows:

Name of the Scheme	ESOP -2007
Date of Grant	21st July, 2007
Number of options granted	6,00,000
Method of Settlement (Cash / Equity)	Equity
Vesting Period	4 Years
Vesting Conditions	
Exercise Period	Within 4 Years from the date of vesting
Grant Price	₹ 217/- per Option
Method of Accounting	Intrinsic Value Method

The details of activity under ESOP - 2007 have been summarised below:

Particulars	2013-14		2012 - 13	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	2,45,751	–	3,60,032	–
Add: Granted during the year	–	–	–	–
Less: Forfeited during the year	–	–	–	–
Exercised during the year	–	–	–	–
Expired during the year	1,06,097	–	1,14,281	–
Outstanding at the end of the year	1,39,654	–	2,45,751	–
Unvested at the end of the year	–	–	–	–
Exercisable at the end of the year	1,39,654	–	2,45,751	–
Fair value of options granted on the date of grant	–	126.57	–	126.57

### Fair Value Methodology

The fair value of options to compute proforma net income and earning per share is taken based on the report of an independent valuer using "Black & Scholes Model". The key assumptions and the fair value are as under:

Particulars	
Risk Free Interest Rate (%)	7.56%
Option Life (Years)	4 Years
Expected Volatility	57%
Expected Dividend Yield (%)	0.55%
Weighted Average Fair Value per Option (₹)	126.57

# NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

## Proforma Accounting

Had the compensation cost for the stock options granted under ESOP - 2007 been recognized based on fair value at the date of grant in accordance with Black & Scholes Model, the proforma amount of net profit and earning per share of the Company would have been as under.

	(₹ in Lacs)	
Particulars	2013-14	2012 - 13
Profit as reported for calculation of Basic EPS	2,297.08	1,833.11
Add: Employee Stock Compensation under intrinsic value method	(58.35)	(62.85)
Adjusted Proforma Profit for calculation of Basic EPS	2,238.73	1,770.26
Earning Per Share - Basic		
- As reported (in ₹)	8.79	7.02
- Proforma (in ₹)	8.57	6.78
Profit as reported for calculation of Diluted EPS	2,297.08	1,833.11
Add: Employee Stock Compensation under intrinsic value method	(58.35)	(62.85)
Adjusted Proforma Profit for calculation of Diluted EPS	2,238.73	1,770.26
Earning Per Share - Diluted		
- As reported (in ₹)	8.79	7.02
- Proforma (in ₹)	8.57	6.78

## 42 Micro & Small Enterprises

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31st March, 2014 based on the information received and available with the Company. On the basis of such information, credit balance of such enterprises is NIL as at 31st March, 2014. Auditors have relied upon the information provided by the Company.

- 43** The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence the need to provide for impairment loss does not arise.
- 44** The financials of foreign operations of overseas branch at Ethiopia have been incorporated on the basis of financial statements audited locally at Ethiopia.
- 45** Previous Year figures have been regrouped and / or rearranged wherever considered necessary.

Signatures to Significant Accounting Policies and Notes on Financial Statements 1 to 45

As per our report attached

For and on behalf of the Board of Directors

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

**Manoj Tulsian**

CFO & Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**Manoj Kumar Singh**

Executive Director

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**Suresh Savaliya**

Company Secretary



# CASH FLOW STATEMENT

for the year ended 31st March, 2014

PARTICULARS	(₹ in Lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	3,020.73	1,592.41
ADD / (DEDUCT) ADJUSTMENTS FOR :		
Depreciation	5,889.89	5,485.72
Interest Paid	5,513.95	5,495.32
Unrealised (Profit) / Loss from Exchange Rate Variation	(44.10)	8.26
Amortization of ancillary cost	61.25	41.85
Loss on Assets Lost	33.38	49.46
Deferred Employee Compensation written back	(58.35)	(62.85)
Interest Income	(101.94)	(324.81)
Dividend Income	(0.14)	(0.17)
(Profit) / Loss on Sale of Assets (Net)	(218.85)	(87.34)
Share of Profit from Investment in Joint Venture	(230.79)	(20.42)
Share of Loss from Investment in Joint Venture	7.04	-
Prior Period Items (Income) / Expenses (Net)	(0.08)	(8.86)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	13,871.99	12,168.57
ADJUSTMENTS FOR :		
Trade & Other Receivables	(20,464.09)	(16,228.44)
Inventories	(3,091.99)	55.20
Trade & Other Payables	24,723.89	10,917.46
CASH GENERATED FROM OPERATIONS	15,039.80	6,912.79
Direct Taxes Paid	(2,698.00)	(1,384.30)
Prior Period Items Income / (Expenses) (Net)	0.08	8.86
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>12,341.88</b>	<b>5,537.35</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Fixed Assets	(8,981.65)	(4,202.39)
Sale of Fixed Assets	828.51	215.22
Non-Current Investments	(1,716.22)	(5,286.80)
Share of Profit from Investment in Joint Venture	230.79	20.42
Share of Loss from Investment in Joint Venture	(7.04)	-
Deposit with Banks	(184.51)	148.59
Interest Received	101.94	324.81
Dividend Received	0.14	0.17
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(9,728.04)</b>	<b>(8,779.98)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Term Borrowings	9,628.84	6,729.06
Repayment of Term Borrowings	(5,048.84)	(2,700.48)
Working Capital Finance	(1,603.23)	6,048.11
Interest Paid	(5,513.95)	(5,495.32)
Dividend Paid	(261.18)	(522.37)
Corporate Dividend Tax Paid	(44.39)	(84.74)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(2,842.75)</b>	<b>3,974.26</b>
NET INCREASE / (DECREASE) IN CASH PAID & CASH EQUIVALENTS	(228.91)	731.63
OPENING BALANCE OF CASH & CASH EQUIVALENTS	2,308.92	1,577.29
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>2,080.01</b>	<b>2,308.92</b>

As per our report attached

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**

CEO &amp; Dy. Managing Director

**Manoj Tulsian**

CFO &amp; Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014**Manoj Kumar Singh**

Executive Director

**Suresh Savaliya**

Company Secretary

Place : Mumbai

Date : 28<sup>th</sup> May 2014



## CONSOLIDATED FINANCIAL STATEMENTS



# Independent Auditors' Report

## on Consolidated Financial Statements

To  
The Board of Directors  
JMC Projects (India) Limited

We have audited the accompanying consolidated financial statements of JMC Projects (India) Ltd, ('the Company') and its subsidiaries and a Jointly Controlled entity (collectively referred as group), which comprise the Consolidated Balance Sheet as at 31st March, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

These consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard - 21, Consolidated Financial Statements and Accounting Standard - 27, Financial Reporting of Interest of Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006, (pursuant to sub-section (3C) of section 211 of the Companies Act, 1956, (which continue to be applicable in respect of section 133 of the Companies Act 2013 in terms of general circular no. 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs)

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the consolidated Balance sheet, of the state of affairs of the Company as at 31st March, 2014,
- In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date and,
- In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

We did not audit the financial statements of the Subsidiaries and Jointly Controlled Entity, whose financial statement reflects Total Assets of ₹ 1,57,949.38 Lacs as at 31<sup>st</sup> March, 2014, Total Revenue of ₹ 2,698.80 Lacs and Net Cash outflow of ₹ 629.69 Lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion, is based solely on the report of the other auditors.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components,

**For KISHAN M.MEHTA & CO.,**

Chartered Accountants  
Firm's Registration No.105229W

Place : Mumbai  
Date : 28th May, 2014

**(K.M.MEHTA)**

Partner  
Membership No. : 13707

# CONSOLIDATED BALANCE SHEET as at 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	2,611.83	2,611.83
(b) Reserves and Surplus	2	42,454.05	39,033.32
		<b>45,065.88</b>	<b>41,645.15</b>
<b>Non Current Liabilities</b>			
(a) Long-Term Borrowings	3	1,29,151.87	69,734.05
(b) Other Long Term Liabilities	5	22,712.02	10,560.13
(c) Long-Term Provisions	6	3,034.02	3,528.98
		<b>1,54,897.91</b>	<b>83,823.16</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	7	13,447.32	15,050.55
(b) Trade Payables	8	57,152.17	48,161.65
(c) Other Current Liabilities	9	17,480.32	10,690.75
(d) Short-Term Provisions	10	1,787.88	1,380.59
		<b>89,867.69</b>	<b>75,283.54</b>
<b>TOTAL</b>		<b>2,89,831.48</b>	<b>2,00,751.85</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11A	27,491.66	25,645.99
(ii) Intangible Assets	11B	40,381.41	31.19
(iii) Capital Work-in-Progress	11C	928.90	364.32
(iv) Intangible Assets under Development	11D	1,03,748.59	87,108.19
		1,72,550.56	1,13,149.69
(b) Non Current Investments	12	926.91	701.13
(c) Deferred Tax Assets (Net)	4	1,658.07	1,760.19
(d) Long-Term Loans and Advances	13	8,008.70	6,962.80
(e) Other Non-Current Assets	14	4,094.03	5,368.67
		<b>1,87,238.27</b>	<b>1,27,942.48</b>
<b>Current Assets</b>			
(a) Inventories	15	24,250.76	21,170.16
(b) Trade Receivables	16	25,770.83	11,645.25
(c) Cash and Bank Balances	17	2,883.60	3,557.69
(d) Short-Term Loans and Advances	18	19,812.14	15,632.94
(e) Other Current Assets	19	29,875.88	20,803.33
		<b>1,02,593.21</b>	<b>72,809.37</b>
<b>TOTAL</b>		<b>2,89,831.48</b>	<b>2,00,751.85</b>

Significant Accounting Policies & Notes 1 to 40 to these Financial Statements are accompanying.

As per our report attached

For and on behalf of the Board of Directors

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

**Manoj Tulsian**

CFO & Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**Manoj Kumar Singh**

Executive Director

**Suresh Savaliya**

Company Secretary

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	2013 - 14	2012 - 13
<b>INCOME</b>			
Revenue from Operations	20	2,66,831.98	2,54,242.35
Other Income	21	397.45	724.96
<b>TOTAL REVENUE</b>		<b>2,67,229.43</b>	<b>2,54,967.31</b>
<b>EXPENSES</b>			
Construction Materials Consumed	22	88,239.83	84,457.75
(Increase) / Decrease in Inventories of Work-in-Progress	23	(1,742.12)	(1,463.21)
Employee Benefit Expense	24	16,915.15	14,809.43
Finance Cost	25	7,895.89	5,495.95
Depreciation and Amortization Expense	11	6,100.62	5,490.05
Other Expenses	26	1,50,146.29	1,45,558.11
<b>TOTAL EXPENSES</b>		<b>2,67,555.66</b>	<b>2,54,348.08</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(326.23)</b>	<b>619.23</b>
Exceptional Items			
<b>Profit before extraordinary items and tax</b>		<b>(326.23)</b>	<b>619.23</b>
Extraordinary Items			
<b>Profit before tax</b>		<b>(326.23)</b>	<b>619.23</b>
<b>Tax Expense :</b>			
Current Tax		633.15	729.80
Deferred Tax		102.12	(968.98)
<b>Profit / (Loss) for the year</b>		<b>(1,061.50)</b>	<b>858.41</b>
Earnings per equity share : [Nominal value ₹10/- per share]			
Basic (in ₹)		(4.06)	3.29
Computed on the basis of profit for the year			
Diluted (in ₹)		(4.06)	3.29
Computed on the basis of profit for the year			

Significant Accounting Policies &amp; Notes 1 to 40 to these Financial Statements are accompanying.

As per our report attached

For and on behalf of the Board of Directors

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

**Shailendra Kumar Tripathi**

CEO &amp; Dy. Managing Director

**Manoj Tulsian**

CFO &amp; Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014**Manoj Kumar Singh**

Executive Director

**Suresh Savaliya**

Company Secretary

Place : Mumbai

Date : 28<sup>th</sup> May 2014

# SIGNIFICANT ACCOUNTING POLICIES

## i Consolidation of Accounts

The consolidated financial statements are prepared in accordance with Accounting Standard AS 21 on “Consolidated Financial Statements” and Accounting Standard AS 27 on “Financial Reporting of Interests in Joint Ventures” issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the financial statements of JMC Projects (India) Ltd. (hereinafter referred to as ‘Holding Company’), its subsidiaries, JMC Mining and Quarries Ltd., Brij Bhoomi Expressway Pvt. Ltd., Wainganga Expressway Pvt. Ltd., Vindhychal Expressway Pvt. Ltd. and Jointly Controlled Entity, Kurukshetra Expressway Pvt. Ltd.

## ii Basis of Accounting

The financial statements have been prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and applicable Accounting Standards as notified under section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in light of Section 133 of the Companies Act 2013 in terms of general Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).

## iii Principles of Consolidation

- a. The financial statement of the subsidiary companies and Jointly Controlled Entity (JCE) used in the consolidation are drawn up to the same reporting date as of the Company.
- b. The consolidated financial statements of the Company and its subsidiaries have been combined on line to line basis by adding together like items of assets, liabilities, income and expenses. Inter company balances, transactions and unrealised profits or losses have been fully eliminated.
- c. The Company’s interest in Jointly Controlled Entity (JCE) is proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses. Unrealised profit / loss on inter company transactions and inter company balances to the extent applicable, have been eliminated except in three such entities, the interest have been reported by not using proportionate consolidation but only share in profit / loss from Joint Venture Entities have been accounted for, for the reasons explained in note no. 38(II) herein.

## iv Use of Estimates

The presentation of consolidated financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

## v Revenue Recognition

### a. Construction Revenue

Running Account Bills for work completed are recognized on percentage of completion method based on completion of physical proportion of the contract work. Income on account of claims and extra item work are recognized to the extent company expects reasonable certainty about receipts or acceptance from the client. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

### b. Others

Dividends are recorded when the right to receive the payment is established. Interest income is recognized on time proportionate basis.

## vi Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation less impairment losses, if any. Cost is inclusive of all identifiable expenditure incurred to bring the assets to their working condition for intended use. When an asset is disposed off, demolished or destroyed, the cost and related depreciation are removed from the books of accounts and resultant profit or loss, is reflected in the Statement of Profit & Loss. Direct cost as well as related incidental and identifiable expenses incurred on acquisition of fixed assets that are not yet ready for their intended use or put to use as at the Balance Sheet date are stated as Capital Work in Progress.

### Intangible Assets under Development:

All projects related expenditure for acquisition of toll collection rights viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Intangible Assets under development. These expenses are net of recoveries, claims and income (net of tax), if any, from surplus funds arising out of project specific borrowings.



# SIGNIFICANT ACCOUNTING POLICIES

## vii Depreciation / Amortisation

Depreciation is provided on the straight line method on all depreciable assets at the rate prescribed in schedule XIV of the Companies Act, 1956 as applicable on pro-rata basis except that,

- (a) considering the useful life based on technical evaluation by the management, higher rate than the prescribed rates are applied on a few shuttering items of Machinery @ 30%, on office equipments @ 12.5%, on all vehicles @ 15% and on remaining Plant and Machineries which are acquired on or after 1st October, 2005 @ 12.5%,
- (b) depreciation on assets of overseas project is provided at the rates as per the requirement of laws of the foreign country. Such rates of depreciation in overseas project are higher than the depreciation rates as prescribed under Schedule XIV of the Companies Act, 1956, as applicable,
- (c) depreciation on assets for Mining activities is provided at WDV method,
- (d) amortisation of intangible assets, i.e. Toll Collection Rights is provided on the basis of Actual Revenue generated during the toll period / Projected Revenue for the entire Concession period, i.e. as per the method prescribed by Ministry of Corporate Affairs vide its Notification [F. NO. 17/292/2011.CL-V] dated 17th April, 2012.

## viii Impairment of Assets

The carrying cost of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable value of such assets is estimated. An impairment loss is recognized when the carrying cost of assets exceeds its recoverable value. An impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount and recognised in compliance with AS - 28.

## ix Investments

Investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, such a decline is other than temporary in the opinion of the Management.

## x Retirement Benefits

- a. Gratuity liability is covered by payment there of to Gratuity fund, the defined benefit plan under Group Gratuity Cash Accumulation Scheme of LIC of India and SBI Life Insurance under irrevocable trust. The Company's liability towards gratuity are determined on the basis of actuarial valuation done by independent actuary.
- b. Contribution to Provident Fund and Superannuation Fund, the defined contribution plans as per the schemes, are charged to the Statement of Profit & Loss.
- c. Provision for Leave encashment liability is made based on actuarial valuation as at the Balance Sheet date.
- d. All other short-term benefits for employees are recognised as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

## xi Inventories

- a. Construction materials, stores and spares are valued at lower of cost or net realizable value. Cost include cost of purchase and other expenses incurred in bringing inventory to their respective present location and condition. Cost is determined using FIFO method of inventory valuation.
- b. Work in progress is valued at lower of cost or net realizable value.

## xii Provision for Taxes

### a. Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with provisions of the Income Tax Act, 1961.

### b. Deferred Tax:

Deferred tax is recognized, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets which arises mainly on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.



# SIGNIFICANT ACCOUNTING POLICIES

## xiii Foreign Currency

- a. Transactions denominated in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction.
- b. In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract. Any income or expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit & Loss.
- c. Assets & Liabilities remaining unsettled at the end of the year, other than covered by forward exchange contracts are translated at exchange rate prevailing at the end of the year and the difference is adjusted in the Statement of Profit & Loss.
- d. Translation of overseas projects of non-integral foreign operations:
  - i. Assets and liabilities at the rates prevailing at the end of the year.
  - ii. Income and expenses at the average exchange rate prevailing for the month of transactions.
  - iii. Resulting exchange differences are accumulated in foreign currency translation reserve account.

## xiv Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## xv Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized, when there is a present obligation as a result of past events and that probably requires an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

## xvi Accounting for Project Mobilisation expenses

Expenditure incurred on creation of site infrastructures is written off in proportion to work done at respective sites so as to absorb such expenditure during the tenure of the contract.

## xvii Balance of Receivables

Trade receivables & Accrued value of work done (Uncertified work done bills), of the clients in these accounts are disclosed net of advances outstanding at the year end from the respective clients.

## xviii Other Accounting Policies

Accounting Policies not specifically referred to, are consistent with the generally accepted accounting practices.

## xix Particulars of subsidiaries included in consolidation.

Name of the Subsidiary	Country of Incorporation	% of Voting Power of JMC as at 31st March, 2014	Subsidiary w.e.f.
JMC Mining and Quarries Ltd	India	100.00%	02/01/1996
Brij Bhoomi Expressway Pvt. Ltd.	India	100.00%	06/12/2010
Wainganga Expressway Pvt. Ltd.	India	100.00%	02/06/2011
Vindhyachal Expressway Pvt. Ltd.	India	100.00%	16/01/2012

## xx Particulars of Jointly Controlled Entity (JCE) included in consolidation.

Name of Jointly Controlled Entity	Name of the Venturer's Partner	% of Voting Power of JMC as at 31st March, 2014	Date of Incorporation
Kurukshetra Expressway Pvt. Ltd.	SREI Infrastructure Finance Ltd.	49.57%	29/03/2010



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
3,50,00,000 (3,50,00,000) Equity Shares of ₹ 10/- each	3,500.00	3,500.00
15,00,000 (15,00,000) Preference Shares of ₹ 100/- each	1,500.00	1,500.00
	5,000.00	5,000.00
<b>Issued, Subscribed and Paid up:</b>		
2,61,18,348 (2,61,18,348) Equity Shares of ₹ 10/- each fully paid up	2,611.83	2,611.83
<b>TOTAL</b>	<b>2,611.83</b>	<b>2,611.83</b>

## a. Reconciliation of the Shares outstanding at the beginning and at the end of the year :

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(₹)	Nos.	(₹)
At the beginning of the year	2,61,18,348	2,611.83	2,61,18,348	2,611.83
Issued during the year	–	–	–	–
Bought back during the year	–	–	–	–
Outstanding at the end of the year	<b>2,61,18,348</b>	<b>2,611.83</b>	<b>2,61,18,348</b>	<b>2,611.83</b>

## b. Terms / Rights attached to Equity Shares

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

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

## c. Shares held by Holding Company and its Subsidiaries / Associates.

Out of Equity Shares issued by the Company, the Shares held by Holding and its Subsidiaries / Associates are as below :

	As at 31st March, 2014	As at 31st March, 2013
Kalpataru Power Transmission Ltd.		
1,75,48,908 (1,75,48,908) Equity Shares of ₹ 10/- each fully paid	1,754.89	1,754.89

## d. Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10/- each fully paid Kalpataru Power Transmission Ltd., the Holding Company	1,75,48,908	67.19%	1,75,48,908	67.19%

## e. Shares reserved for issue under options

The Company has reserved issuance of 10,00,000 (10,00,000) Equity Shares of ₹ 10/- each for offering to the eligible employees of the Company under Employee Stock Option Plan (ESOP). On 21st July, 2007, the Company granted 6,00,000 Options to the eligible employees at a price of ₹ 217/- each, and these Options have been vested over the period of 4 years from the date of grant based on specified criteria. As at 31st March, 2014 the total number of options vested but not exercised by employees stood at 1,39,654 (P.Y. 2,45,751).

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Securities Premium</b>		
As per last Balance Sheet	21,222.75	21,222.54
Add: Received during the year	0.11	0.21
	21,222.86	21,222.75
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	893.75	568.75
Add : Transfer from Surplus of Profit	231.25	325.00
Less : Transfer to General Reserve	375.00	–
	750.00	893.75
<b>Employee Share Options Outstanding</b>		
Employee share options granted - at the beginning of the year	135.17	198.02
Less : Deferred Employee Share Compensation	58.35	62.85
	76.82	135.17
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(0.26)	–
Add: During the year	(103.96)	(0.26)
	(104.22)	(0.26)
<b>Grant-in-aid</b>		
As per last Balance Sheet	–	–
Add: Received during the year	4,950.00	–
	4,950.00	0.00
<b>General Reserve</b>		
As per last Balance Sheet	3,195.19	2,970.19
Add: Transfer from Surplus of Profit	225.00	225.00
Add: Transfer from Debenture Redemption Reserve	375.00	–
	3,795.19	3,195.19
<b>Surplus of Profit</b>		
Balance as per Last Balance Sheet	13,586.72	13,583.88
Add : Profit for the year as per Statement of Profit & Loss	(1,061.50)	858.41
Less : Appropriations		
Proposed Dividend	261.18	261.18
Corporate Tax on Proposed Dividend	44.39	44.39
Transfer to Debenture Redemption Reserve	231.25	325.00
Transfer to General Reserve	225.00	225.00
<b>Net Surplus of Profit</b>	11,763.40	13,586.72
<b>TOTAL</b>	<b>42,454.05</b>	<b>39,033.32</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Non-Current	Current	Non-Current	Current
<b>NOTE - 3</b>				
<b>LONG TERM BORROWINGS</b>				
<b>A. Secured Loans</b>				
(a) Debentures				
350 (500) 9.5% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000/- each.	1,500.00	2,000.00	3,500.00	1,500.00
(b) Term Loans:				
(1) Foreign Currency Loans				
From Banks	2,686.92	1,535.38	4,222.31	767.69
(2) Rupee Loans				
(I) From Banks	1,02,269.32	4,079.45	60,714.33	3,373.77
(II) From NBFCs	11,199.15	230.16	–	–
(III) Loan against Vehicles / Equipment	90.41	45.69	84.90	46.32
	1,16,245.80	5,890.68	65,021.54	4,187.78
<b>B. Unsecured Loans</b>				
(1) Fixed Deposits from Public	1,133.43	235.27	1,212.51	127.15
(2) Rupee Term Loans from Banks	10,000.00	–	–	–
(3) Subordinated Debt	272.64	–	–	–
Amount disclosed under the head "Other Current Liabilities" (Note - 9)		(8,125.95)		(5,814.93)
<b>TOTAL</b>	<b>1,29,151.87</b>	<b>–</b>	<b>69,734.05</b>	<b>–</b>

**Notes:**

Nature of Security	Terms of Repayment
<b>A. (a) 9.5% Secured Redeemable Non-Convertible Debentures (NCDs) :-</b>	
First charge on movable fixed assets of the Company to the extent of 1.25 times of the amount of NCDs in Pari Passu with a Bank in (b) (2) (I) (ii) and another Bank in (b) (2) (I) (iii), and first charge by mortgage of a land at Maharajpura, Kadi, Gujarat.	NCDs are repayable in tranches at the end of 4th and 5th Year ₹ 2,000 lacs and ₹ 1,500 lacs, respectively, from date of allotment i.e. 15 <sup>th</sup> July, 2010.
<b>(b) (1) Foreign Currency Term Loans from Banks (FCL) :-</b>	
External Commercial Borrowing of US \$ 84.62 Lacs (P.Y. US \$ 100 Lacs) is secured by first charge on specific movable fixed assets financed by them.	FCL is repayable in 11 equal quarterly instalments of US \$ 769,230.77 each and carry interest @ 6 months LIBOR plus spread.
<b>(b) (2) Rupee Term Loans from Banks :-</b>	
<b>(b) (2) (I) (i)</b>	
Term Loan from a consortium bank amounting to ₹ 2,499.08 lacs (P.Y. ₹ 2,894.39 lacs) is secured by first and exclusive charge over the fixed assets financed by them.	Term Loan is repayable in 16 equal quarterly instalments of ₹ 156.25 lacs each from April, 2014 with varying interest rate linked to base rate of Bank from time to time.
<b>(b) (2) (I) (ii)</b>	
Term Loan from a bank amounting to ₹ 833.33 lacs (P.Y. ₹ 2,500 lacs) is secured by first charge on movable fixed assets excluding assets charged exclusively to term lender in b (1), b (2) (I) (i) and b (2) (II) in Pari Passu with debenture holders to the extent of 1.25 times of the amount of NCDs and a Bank in (b) (2) (I) (iii).	Term Loan is repayable in 2 equal quarterly instalments of ₹ 416.67 lacs each.
<b>(b) (2) (I) (iii)</b>	
Term Loan from a bank amounting to ₹ 6,093.75 lacs (P.Y. ₹ 6,500.00 lacs) is secured by first charge on movable fixed assets excluding assets charged exclusively to term lender in b (1), b (2) (I) (i) and b (2) (II) in Pari Passu with debenture-holders to the extent of 1.25 times of the amount of NCDs and a bank in (b) (2) (I) (ii).	Term Loan is repayable in 15 equal quarterly instalments with varying interest rate linked to base rate of Bank from time to time.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

## (b) (2) (I) (iv)

Term Loan from a bank amounting to ₹ 22,897.00 lacs (P.Y. ₹ 16,500.00 lacs) is secured by following assets of the subsidiary company, viz. Wainganga Expressway Pvt. Ltd.: (a) a first charge in favour of lenders / security trustee of all immovable assets, if any, both present and future save and except project assets and (b) a first charge in favour of lenders / security trustee for the benefit of the lenders of all the borrowers' movable properties both present and future, save and except project assets.

Terms of repayment : Door-to-door tenure of 14.5 years - (including construction period of 910 days (30 months) from Appointed Date & moratorium period of 12 months from COD). Repayment in 45 unequal quarterly instalments commencing from June 2015.

## (b) (2) (I) (v)

Term Loans from Banks amounting to ₹ 15,902.47 lacs (P.Y. ₹ 4,994.86 lacs) is secured by following assets of the subsidiary company, viz. Brij Bhoomi Expressway Pvt. Ltd. :

Payable in 44 unequal quarterly instalments repayment shall commence after a moratorium period of not exceeding 24 months from Appointed Date or 31st March 2013, whichever is earlier and terminating on 31st December 2023.

- a) a first mortgage and charge on all the Borrower's immovable properties, if any, both present and future; save and except the Project Assets.
- b) a first charge by way of hypothecation of all the Borrower's movable assets; save and except the Project Assets.
- c) a first charge on Borrower's Receivables save and except the Project Assets
- d) a first charge over all the bank accounts of the Borrower
- e) a first charge on all intangibles of the Borrower
- f) a first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement
- g) a first charge by way of assignment or creation of security interest of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents
- h) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower.

## (b) (2) (I) (vi)

Term Loans from Banks amounting to ₹ 20,000.00 lacs (P.Y. ₹ Nil) is secured by following assets of the subsidiary company, viz. Vindhyachal Expressway Pvt. Ltd. :

Terms of repayment : Payable in 144 unequal monthly instalments. The repayment shall commence after a moratorium period of 12 months from COD or 31st August, 2015 and ending in July 2027.

- (a) first mortgage and charge on all the immovable properties of the Borrower, if any, both present and future; save and except the Project Assets. By way of hypothecation of all the Borrower's movable assets; save and except the Project Assets, Borrower's Receivables save and except the Project Assets and on all intangibles of the Borrower
- (b) first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement & by way of assignment or creation of security interest of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents.
- (c) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower.

## (b) (2) (I) (vii)

Term Loans from Banks amounting to ₹ 75,713.91 lacs (P.Y. ₹ 61,913.00 lacs) [As per JMC Holding : ₹ 38,123.14 Lacs (P.Y. ₹ 30,698.88 lacs)] is secured by following assets of the jointly controlled entity, viz. Kurukshetra Expressway Pvt. Ltd. :

Payable in 47 unequal quarterly instalments, repayment shall commence from June 30, 2014 after a construction and moratorium period of 42 months.

- a) a first mortgage and charge on all the Borrower's immovable properties, if any, both present and future; save and except the Project Assets.
- b) a first charge by way of hypothecation of all the Borrower's movable assets; save and except the Project Assets.
- c) a first charge on Borrower's Receivables save and except the Project Assets
- d) a first charge over all the bank accounts of the Borrower
- e) a first charge on all intangibles of the Borrower save and except the Project Assets
- f) a first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement
- g) a first charge by way of assignment or creation of security interest of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

- h) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower
- i) a first charge on uncalled equity share capital.

## (b) (2) (II) Rupee Term Loan from NBFC & Others :-

### (b) (2) (II) (i)

Term Loan from NBFC amounting to ₹ 840.31 lacs (P.Y. ₹ Nil) is secured by first and exclusive charge by way of hypothecation for equipments financed by them.

Term Loan is repayable in 48 months through quarterly instalments commencing from the end of 180 days from the date of first disbursement, i.e. 18<sup>th</sup> October, 2013 with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.

### (b) (2) (II) (ii)

Term Loan from NBFC amounting to ₹ 7,089.00 lacs (P.Y. ₹ 3,747.00 lacs) is secured by following assets of the subsidiary company, viz. Wainganga Expressway Pvt. Ltd. :

- (a) a first charge in favour of lenders / security trustee of all immovable assets, if any, both present and future save and except project assets and
- (b) a first charge in favour of lenders / security trustee for the benefit of the lenders of all the borrowers' movable properties both present and future, save and except project assets.

Terms of repayment : Door-to-door tenure of 14.5 years - (including construction period of 910 days (30 months) from Appointed Date & moratorium period of 12 months from COD). Repayment in 45 unequal quarterly installments commencing from June 2015.

### (b) (2) (II) (iii)

Term Loan from NBFC amounting to ₹ 3,500.00 lacs (P.Y. ₹ Nil) is secured by following assets of the subsidiary company, viz. Vindhyachal Expressway Pvt. Ltd. :

- (a) first mortgage and charge on all the immovable properties of the Borrower, if any, both present and future; save and except the Project Assets. By way of hypothecation of all the Borrower's movable assets; save and except the Project Assets, Borrower's Receivables save and except the Project Assets and on all intangibles of the Borrower
- (b) first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement & by way of assignment or creation of security interest of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents.
- (c) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower.

Terms of repayment : Payable in 144 unequal monthly instalments. The repayment shall commence after a moratorium period of 12 months from COD or 31<sup>st</sup> August, 2015 and ending in July 2027.

## (b) (2) (III) Loan against Vehicles / Equipments :

Loans of ₹ 136.10 lacs (P.Y. ₹ 131.22 lacs) are secured by way of charge on specific equipments and vehicles financed by them on different loans.

60 monthly instalments beginning from the month subsequent to disbursement.

## B. Unsecured Loans :

- (1) Fixed Deposits from public.

Fixed deposits maturing at 12, 24 and 36 months from the date of deposit with varying interest rate with reference to tenure of deposits.

- (2) Term Loan from a Bank amounting to ₹ 10,000 lacs (P.Y. ₹ Nil).

Term Loan is repayable in unequal quarterly instalments every year, i.e. 10% for 2<sup>nd</sup> & 3<sup>rd</sup> year and 20% from 4<sup>th</sup> to 7<sup>th</sup> year, starting from the end of 5<sup>th</sup> quarter from 11<sup>th</sup> March, 2014, with varying interest rate linked to base rate of Bank from time to time. Borrower has a right to prepay the facility anytime and lender has a right to recall the facility, after 5 years from the first drawdown date after 15 days notice.

- (3) Subordinated Debt from a Joint Venturer SREI Infra Structure Finance Ltd. amounting to ₹ 550 Lacs (P.Y. ₹ Nil) [As per JMC Holding : ₹ 272.64 Lacs (P.Y. ₹ Nil)]

Unsecured Long Term and interest free Loan.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 4</b>		
<b>DEFERRED TAX LIABILITY / (ASSET)</b>		
<b>Deferred Tax Liability</b>		
Depreciation	(237.49)	167.31
Others	7.70	30.09
<b>Less : Deferred Tax Asset</b>		
U/s. 43B, 40 (a)(ia) of Income Tax Act and Others (Net)	(1,428.28)	(1,957.59)
<b>TOTAL</b>	<b>(1,658.07)</b>	<b>(1,760.19)</b>
<b>NOTE - 5</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade Payables	9,289.44	7,009.43
Others		
Advance from Clients	13,264.10	3,395.41
Payable to Joint Venture Entities	158.48	155.29
<b>TOTAL</b>	<b>22,712.02</b>	<b>10,560.13</b>
<b>NOTE - 6</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	274.05	276.94
Gratuity	3.57	2.14
<b>Other Provisions</b>		
Defect Liability Period Expenses	2,756.40	3,249.90
<b>TOTAL</b>	<b>3,034.02</b>	<b>3,528.98</b>
<b>NOTE - 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans Repayable on Demand from Banks @ #	13,372.91	14,888.61
<b>Unsecured</b>		
Fixed Deposits from Public	74.41	161.94
<b>TOTAL</b>	<b>13,447.32</b>	<b>15,050.55</b>

@ Working Capital Loans include an overdraft of ₹ 122.69 lacs (P.Y. ₹ Nil) from a non consortium bank which is secured against fixed deposit placed with the same bank.

# Working Capital Loans are secured by the assets of the Company in favour of consortium bankers, by way of :

(a) First charge against hypothecation of stocks, work in progress, stores and spares, bills receivables, book debts and other current assets.

(b) Second charge on Fixed assets except in ( c ) hereunder.

(c) First charge on the office premises of the Company.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 8</b>		
<b>TRADE PAYABLES</b>		
Acceptances	10,378.99	11,400.99
Others	46,773.18	36,760.66
<b>TOTAL</b>	<b>57,152.17</b>	<b>48,161.65</b>
<b>NOTE - 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Current Maturities of Long Term Debt</b>		
9.5% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000/- each [Refer Note 3 - A(a)]	2,000.00	1,500.00
Term Loans from Banks & NBFCs - [Refer Note 3 - A(b)(1), A(b)(2)(I) & A(b)(2)(II)]	5,844.99	4,141.46
Loan against Vehicles / Equipments [Refer Note 3 - A(b)(2)(III)]	45.69	46.32
Fixed Deposits from Public [Refer Note 3 - B(1)]	235.27	127.15
Interest Accrued but not due on Borrowings	2,086.00	546.69
Unclaimed Dividend	9.04	8.24
Unclaimed Matured Fixed Deposits and Interest	14.42	28.55
<b>Others</b>		
Payables for Capital Goods	1,282.04	851.88
Advance from Clients	2,523.25	388.27
Other Statutory Liabilities *	3,386.49	3,003.21
Unclaimed Share Application Money	0.13	8.33
Security Deposits	53.00	40.65
<b>TOTAL</b>	<b>17,480.32</b>	<b>10,690.75</b>
* Includes VAT Payable ₹ 211.15 lacs (P.Y. ₹ 344.30 lacs) [Net of Advance ]		
<b>NOTE - 10</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Leave Encashment	38.42	37.30
Gratuity	369.27	303.80
<b>Other Provisions</b>		
Defect Liability Period Expenses	1,074.62	733.92
Proposed Dividend	261.18	261.18
Corporate Tax on Proposed Dividend	44.39	44.39
<b>TOTAL</b>	<b>1,787.88</b>	<b>1,380.59</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

## NOTE - 11 FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation				Net Block	
	As at 01/04/2013	Additions	Disposals	As at 31/03/2014	As at 01/04/2013	For the Year	Recouped	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
<b>A. TANGIBLE ASSETS</b>										
Freehold Land	84.36	58.35	–	142.71	–	–	–	–	142.71	84.36
Office Building	227.36	20.30	–	247.66	29.89	3.79	–	33.68	213.98	197.47
Store Building	244.02	312.42	0.14	556.30	22.03	7.75	0.01	29.77	526.53	221.99
Plant & Machinery	45,678.05	7,275.34	2,564.99	50,388.40	21,587.63	5,542.80	1,986.97	25,143.46	25,244.94	24,090.42
Electrical Installation	183.55	8.07	14.94	176.68	133.46	14.59	11.44	136.61	40.07	50.09
Office Equipment	1,112.20	225.11	64.55	1,272.76	640.27	130.70	10.92	759.96	512.80	471.93
Furniture & Fixtures	292.28	2.31	4.19	290.40	132.70	19.48	2.74	149.44	140.96	159.58
Vehicles	1,304.05	458.22	85.51	1,676.76	933.89	151.63	78.52	1,007.00	669.76	370.16
<b>TOTAL (A)</b>	<b>49,125.87</b>	<b>8,360.12</b>	<b>2,734.32</b>	<b>54,751.67</b>	<b>23,479.87</b>	<b>5,870.74</b>	<b>2,090.60</b>	<b>27,260.01</b>	<b>27,491.66</b>	<b>25,646.00</b>
<b>B. INTANGIBLE ASSETS</b>										
Toll Collection Rights	–	40,506.93	–	40,506.93	–	207.30	–	207.30	40,299.63	–
Computer Software	88.08	73.17	–	161.25	56.89	22.58	–	79.47	81.78	31.19
<b>TOTAL (B)</b>	<b>88.08</b>	<b>40,580.10</b>	<b>–</b>	<b>40,668.18</b>	<b>56.89</b>	<b>229.88</b>	<b>–</b>	<b>286.77</b>	<b>40,381.41</b>	<b>31.19</b>
<b>TOTAL (A+B)</b>	<b>49,213.95</b>	<b>48,940.22</b>	<b>2,734.32</b>	<b>95,419.85</b>	<b>23,536.76</b>	<b>6,100.62</b>	<b>2,090.60</b>	<b>27,546.78</b>	<b>67,873.07</b>	<b>25,677.19</b>
Previous Year	45,916.12	4,061.35	763.52	49,213.95	18,559.87	5,490.05	513.16	23,536.76	25,677.19	
<b>C. CAPITAL WORK– IN-PROGRESS</b>	364.32	1,486.55	921.97	928.90	–	–	–	–	<b>928.90</b>	<b>364.32</b>
<b>D. Intangible Assets Under Development</b>	87,108.19	57,147.33	40,506.93	1,03,748.59	–	–	–	–	<b>1,03,748.59</b>	<b>87,108.19</b>

Note: Intangible assets under development comprises of Toll Collection Rights as follows:

(₹ in Lacs)

a) Construction cost	89,838.14
b) Pre-operative expenses	
Balance brought forward from previous year	44,628.17
Add: Expenditure incurred during the year	
1) Employee Cost	8.51
2) Professional Fees	1,413.96
3) Audit Fees	4.59
4) Other Expenses	168.02
5) Bank Charges (Incl Bank Guarantee and processing charges)	326.25
6) Interest During Construction	7,867.89
Less: Transfer of Pre-operative exp. to Toll collection Rights	40,506.93
<b>Total</b>	<b>1,03,748.59</b>

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 12</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>Trade Investments</b>		
<b>Unquoted Equity Instruments</b>		
<b>Equity Shares of Others</b>		
Nutan Nagarik Sahakari Bank Limited		
Nil (4,600) Equity Shares of ₹ 25/- each fully paid up	–	1.15
<b>Investment in Joint Venture</b>		
(a) Aggrawal JMC - JV	694.81	698.66
(b) JMC - CHEC JV	232.10	1.32
<b>TOTAL</b>	<b>926.91</b>	<b>701.13</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS** as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 13</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured considered good		
Advance for Capital Goods	1,433.40	261.42
Security Deposits	1,166.20	952.40
<b>Others</b>		
Advance to Creditors	696.95	2,294.33
Loans and Advances to Employees	1.42	0.47
Advance Income Tax (Net of Provision)	1.13	1.13
Advance VAT (Net of Payable)	4,709.60	3,315.41
Excise Duty Drawback	–	137.64
<b>TOTAL</b>	<b>8,008.70</b>	<b>6,962.80</b>
<b>NOTE - 14</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Unsecured considered good		
Long Term Trade Receivables	2,712.95	3,073.91
<b>Others</b>		
Unamortized Expenses		
Site Infrastructures	1,202.23	2,159.74
Ancillary cost of borrowing	178.31	133.39
Accrued Income	0.54	1.63
<b>TOTAL</b>	<b>4,094.03</b>	<b>5,368.67</b>
<b>NOTE - 15</b>		
<b>INVENTORIES*</b>		
Construction Material	12,298.16	11,552.57
Spares, Tools & Stores	3,430.58	2,837.69
Work-in-Progress	8,522.02	6,779.90
<b>TOTAL</b>	<b>24,250.76</b>	<b>21,170.16</b>
* (a) As Valued, Verified and Certified by the Management.		
* (b) Basis of valuation is lower of cost or net realisable value.		
<b>NOTE - 16</b>		
<b>TRADE RECEIVABLES</b>		
<b>Unsecured and considered good</b>		
Debts outstanding over Six Months from due date of payment	8,139.12	6,245.69
Other Debts includes Retention Money net off advances	17,631.71	5,399.56
<b>TOTAL</b>	<b>25,770.83</b>	<b>11,645.25</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS as at 31st March, 2014

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE - 17</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
Current Accounts	2,388.38	2,201.54
Demand Deposits (with less than 3 months of remaining maturity)	87.74	992.79
Cheques on hand	–	173.94
Cash on hand	83.74	50.19
<b>Other Bank Balance</b>		
Deposits as Margin Money against Borrowings and Commitments	314.70	130.99
Dividend Accounts (Unclaimed)	9.04	8.24
<b>TOTAL</b>	<b>2,883.60</b>	<b>3,557.69</b>
<b>NOTE - 18</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and considered good		
Loans and Advance to Related Parties *	21.19	963.01
<b>Others</b>		
Security Deposits	583.56	616.00
Advance Income Tax (Net of Provision)	4,645.47	2,536.82
Advance VAT / Entry Tax (Net of Payable)	3,247.22	903.80
Cenvat Credit Receivable	2,208.06	1,222.35
Excise Duty Drawback	185.79	–
Advance to Creditors	8,193.66	8,923.72
Loans and Advances to Employees	93.73	55.78
Prepaid Expenses	633.46	411.46
<b>TOTAL</b>	<b>19,812.14</b>	<b>15,632.94</b>
* Loans and Advance to Related Parties - Kalpataru Power Transmission Ltd. ₹ 21.19 lacs (P.Y. ₹ 963.01 lacs)		
<b>NOTE - 19</b>		
<b>OTHER CURRENT ASSETS</b>		
Accrued Income	93.00	97.25
Unamortised Expenses		
Site Infrastructures	3,711.94	2,149.55
Ancillary cost of borrowing	468.05	449.79
Accrued value of work done	25,590.44	18,101.42
Receivables for Sale of Fixed Assets	12.45	5.32
<b>TOTAL</b>	<b>29,875.88</b>	<b>20,803.33</b>

## NOTE - 19.1

Accrued value of work done of ₹ 25,590.44 lacs (P.Y. ₹ 18,101.42 lacs) represents work billed pending for clients' certification and are net of [provision for inclusive of taxes ₹ 1,653.31 lacs (P.Y. ₹ 701.09 lacs) and advances outstanding of the respective clients totaling to ₹ 12,696.04 lacs (P.Y. ₹ 10,826.74 lacs)]



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

	2013 - 14	2012 - 13
<b>NOTE - 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Services</b>		
Contract Revenue	2,54,152.98	2,44,741.81
Income from Toll Collection	1,677.12	–
Accrued Value of Work Done (uncertified work done bills)	10,310.54	8,531.42
<b>Sales of Construction Material</b>	–	661.89
<b>Other Operating Revenue</b>		
Share of Profit in Joint Ventures	230.79	20.42
Liabilities Written Back	460.55	286.81
<b>TOTAL</b>	<b>2,66,831.98</b>	<b>2,54,242.35</b>
<b>NOTE - 21</b>		
<b>OTHER INCOME</b>		
<b>Interest Income</b>		
From Deposits	55.60	102.36
From Others	43.45	221.07
<b>Dividend Income</b>		
From Current Investments	0.10	0.37
From Long Term Investments	0.14	0.17
Net Gain on Sale of Fixed Assets	220.40	94.40
Rent Income	77.68	285.15
Prior Period Income	0.08	21.44
<b>TOTAL</b>	<b>397.45</b>	<b>724.96</b>
<b>NOTE - 22</b>		
<b>CONSTRUCTION MATERIALS CONSUMED</b>		
Opening Stock of Construction Materials	11,551.36	14,009.24
Add: Purchases during the year	90,046.49	83,102.02
Less: Scrap Sales	1,059.86	1,102.15
Less: Closing Stock of Construction Materials	12,298.16	11,551.36
<b>TOTAL</b>	<b>88,239.83</b>	<b>84,457.75</b>
<b>NOTE - 23</b>		
<b>(INCREASE) / DECREASE IN INVENTORIES OF WORK-IN-PROGRESS</b>		
Work in Progress (at close)	(8,522.02)	(6,779.90)
Less : Work in Progress (at commencement)	6,779.90	5,316.69
<b>TOTAL</b>	<b>(1,742.12)</b>	<b>(1,463.21)</b>
<b>NOTE - 24</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	1,4913.83	12,928.12
Contribution to Provident & Other Funds	882.77	954.16
Employee Share Option Scheme Expenses	(58.35)	(62.85)
Staff Welfare Expenses	1,176.90	990.00
<b>TOTAL</b>	<b>16,915.15</b>	<b>14,809.43</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

	2013 - 14	2012 - 13
<b>NOTE - 25</b>		
<b>FINANCE COST</b>		
Interest for Fixed Period Loans	6,638.19	4,515.18
Interest - Others	1,189.87	910.44
Exchange Rate Variation	67.83	70.33
<b>TOTAL</b>	<b>7,895.89</b>	<b>5,495.95</b>
<b>NOTE - 26</b>		
<b>OTHER EXPENSES</b>		
Construction Expenses		
Work Charges	41,202.57	36,505.31
Composite Work Charges	75,143.96	78,082.31
Consumption of Spares, Tools & Stores	941.23	734.67
Machinery - Running & Maintenance Expenses	5,210.67	3,902.87
Electricity Charges	1,707.54	1,401.65
Rent & Hire Charges	5,178.69	4,902.95
Security Expenses	1,234.72	960.12
Site Expenses	6,015.72	5,241.60
Defect Liability Period Expenses	(64.29)	1,051.26
	1,36,570.81	1,32,782.74
Mining Activity Expenses	24.21	68.66
Building & General Repairs	65.82	49.13
Vehicle Maintenance Charges	358.74	295.31
Travelling Expenses	705.10	604.06
Conveyance Expenses	90.96	70.91
Directors' Travelling Expenses	34.35	36.55
Insurance Charges	495.37	399.98
Printing & Stationery Expenses	181.96	148.15
Office Rent	572.26	582.07
Office Expenses	122.25	111.25
Postage & Telephone Charges	232.68	190.78
Balances Written Off	-	40.94
Professional & Legal Charges	663.38	553.45
Auditors' Remuneration	35.88	30.55
Rates & Taxes	8,671.49	8,386.15
Business Promotion Expenses	108.82	107.14
Advertisement Expenses	40.49	15.07
Computer & IT Expenses	279.75	160.82
Sundry Expenses	338.83	157.65
Bank Commission & Charges	760.85	668.21
Training Expenses	40.63	30.60
Loss on Assets Lost	33.38	49.46
Loss on Investment in Joint Ventures (incl. Prior Period Loss of ₹ 5.90 lacs)	7.04	-
Exchange Rate Variation	(296.06)	-
Directors' Sitting Fees	7.30	5.90
Prior Period Expenses	-	12.58
<b>TOTAL</b>	<b>1,50,146.29</b>	<b>1,45,558.11</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

## 26.1 Auditors' Remuneration

Particulars	2013-14	2012-13
Audit Fees	27.95	25.34
Company Law Matters	2.25	2.25
Income Tax	2.81	–
Other Services	2.88	2.96
<b>TOTAL</b>	<b>35.88</b>	<b>30.55</b>

## 27 Contingent Liabilities in respect of :

Particulars	2013-14	2012-13
A Bank Guarantees	17.00	59.50
B Guarantees given in respect of performance of contracts of Joint Venture Entities & Associates in which company is one of the member / holder of substantial equity	28,977.43	28,121.28
C Claims against the Company not acknowledged as debts (Refer note below)	640.28	674.59
D Show Cause Notice Issued by Service Tax Authorities	5,211.28	2,705.55
E Disputed Royalty Demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	–	426.90
F Trichy Madurai Road Project Royalty Matter	39.87	39.87
G Disputed Income Tax Demand in appeal before Appellate Authorities (excludes amount of ₹ 1,794.13 lacs considered in [J] hereinafter)	7,591.71	634.61
H Disputed Income Tax Demand of Joint Ventures in appeal before Appellate Authorities (excludes amount of ₹ 196.21 lacs considered in [J] hereinafter)	240.08	479.97
I Disputed VAT Demand in appeal before Appellate Authorities	952.72	1,580.93
J Income Tax (Net of Deferred Tax) on the claim made of the deductions u/s. 80-IA (4) of the Income Tax Act, 1961. (Refer note 28)	2,657.23	2,499.12
K Claim not acknowledged as debt for JMC Mining & Quarries Ltd.	14.84	14.84

Note : In case where Company has raised the claims on clients against which counter claims have been raised by clients, the excess of counter claims raised by client over the amount of its claims only are considered in the above figures.

**28** The Finance Act (2), 2009 has amended section 80-IA (4) of the Income Tax Act, 1961 by substituting an explanation to section 80-IA with retrospective effect from 1<sup>st</sup> April, 2000. On the basis of the legal opinion of the experts and decided cases, the Company has continued to claim deduction under section 80-IA (4) of the Act on eligible projects and consequently the Company considers it appropriate not to create a liability for provision of Income Tax. However, an amount of Income tax (Net of Deferred Tax) of ₹ 158.11 Lacs for the current Year and of ₹ 2,499.12 lacs for the earlier years since FY 2007-08 (both - include the amount of tax applicable on the share of profit of Joint Venture Business claiming such deduction) has been disclosed as a contingent liability in note no. 27[J] to these Accounts.

## 29 Capital and other Commitments

(₹)

Particulars	2013-14	2012-13
Estimated amount of contracts remaining to be executed on capital account and not provided for (net-of advances)	27,025.71	72,184.52

**30** In the opinion of the Management, the assets other than Fixed Assets and Non Current Investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these financial statements. Balances of parties are subject to confirmation.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

### 31 C.I.F. Value of Imports

(₹ in Lacs)

Particulars	2013-14	2012-13
Value of imports Calculation on CIF Basis :		
Capital Goods	1,827.97	23.55
Construction Material	47.69	529.84

### 32 Expenditure in Foreign Currency

Foreign Travelling	19.27	16.53
Interest	378.49	375.29
Professional, Technical and Consultancy Fees	59.10	20.21
Advertisement Expenses	0.79	-
Net Outflow - International Branch	436.69	-

### 33 Lease Transactions

The Company's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipments (operating lease). Lease agreements in respect of residential / office premises and certain equipments are cancellable and renewable by mutual consent on mutually agreed terms. Certain equipments are on non-cancellable operating lease. The aggregate lease rental / hire charges payable on these premises / equipments are charged as rent & hire charges amounting to ₹ 2,684.02 lacs (P.Y. ₹ 2,591.26 lacs). Future estimated minimum lease rentals and their present values in respect of non-cancellable operating leases are as under:

Particulars	< 1 Year	1 to 5 Years	Total
Future minimum lease payments	955.01	477.51	1432.52
Present value of minimum lease payments	911.59	418.62	1330.21

### 34 The disclosure in respect of Provision for Defect Liability Period Expenses is as under.

Particulars	2013-14	2012-13
Carrying amount at the beginning of the year	3,983.81	3,045.44
Add : Provision during the year	319.96	1,336.82
Less : Reversal of provision during the year	384.24	285.57
Less : Utilisation during the year	88.51	112.88
Carrying amount at the end of the year	<b>3,831.01</b>	<b>3,983.81</b>

### 35 Disclosure as per Accounting Standard - 7

(1) Contract revenue recognized as revenue during the year	2,65,195.46	2,52,621.95
(2) Contract costs incurred and recognized profit less recognized losses	6,61,149.46	4,79,158.19
(3) Advances Received	38,157.35	21,948.83
(4) Retention Amount	10,407.09	10,367.63
(5) Amount Due from Customers	45,728.76	33,364.18

Note : The information in point no. (2) to (5) are in respect of contracts in progress as on 31st March, 2014.

### 36 Segmental Reporting

The Company recognizes construction as only business segment. Hence there are no reportable segments under AS - 17.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

## 37 Related Party Disclosure

### Holding Company

Kalpataru Power Transmission Ltd.

Holding Company

### Fellow Subsidiary Companies

Energylink (India) Ltd.

Subsidiary of Holding Company

Shree Shubham Logistics Ltd.

Subsidiary of Holding Company

Amber Real Estate Ltd.

Subsidiary of Holding Company

Adeshwar Infrabuild Ltd.

Subsidiary of Holding Company

Kalpataru Power Transmission Nigeria Ltd.

Subsidiary of Holding Company

Kalpataru Power Transmission (Mauritius) Ltd.

Subsidiary of Holding Company

Kalpataru SA (Proprietary) Ltd.

Subsidiary of Holding Company

Kalpataru Power Transmission – USA, INC.

Subsidiary of Holding Company

Jhajjar Power Transmission Private Limited

Subsidiary of Holding Company

Kalpataru Power Transmission International B.V.

Subsidiary of Holding Company

LLC Kalpataru Power Transmission Ukraine

Subsidiary of Holding Company

Brafer Kalpataru Industria E Comercio S.A., Brazil - JV

Subsidiary of Holding Company

Kalpataru Power JLT, UAE

Subsidiary of Holding Company

Saicharan Properties Ltd.

Subsidiary of Holding Company

### Name of Joint Venture

JMC - Associated JV

Joint Venture

Aggrawal - JMC JV

Joint Venture

JMC - Sadbhav JV

Joint Venture

JMC - Taher Ali JV (Package I, II & III)

Joint Venture

JMC - PPPL JV

Joint Venture

KPTL-JMC-Yadav JV

Joint Venture

JMC - GPT JV

Joint Venture

JMC - CHEC JV

Joint Venture

### Key Managerial Personnel (KMP)

Mr. Shailendra Kumar Tripathi

### Nature of Relationship

CEO & Dy. Managing Director

Mr. Manoj Kumar Singh

Executive Director

### Enterprises over which significant influence exercised with whom company has transactions (EUSI)

Kalpataru Properties Pvt. Ltd.

### Nature of Relationship

Significant influence of Promoters

Kiyana Ventures LLP

Significant influence of Promoters

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in Lacs)

Sr. No.	Particulars of Transactions with Related Parties	Holding Company	Joint Ventures	KMP	EUSI
<b>I.</b>	<b>Transactions During the Year</b>				
1	Other Expenses	–	–	–	5.73
		(–)	(–)	(–)	(1.27)
2	Rent Paid	3.60	–	–	343.92
		(4.95)	(–)	(–)	(350.62)
3	Reimbursement of Expenses	–	1.33	–	–
		(2.13)	(1.18)	(–)	(–)
4	Sub-Contract Charges paid	4,957.99	–	–	–
		(5,627.80)	(–)	(–)	(–)
5	Contract Revenue	1,236.69	10,712.35	–	299.62
		(3,254.80)	(4,419.11)	(–)	(–)
6	Managerial Remuneration	–	–	269.08	–
		(–)	(–)	(114.62)	(–)
7	Share of Profit in Joint Venture	–	230.79	–	–
		(–)	(20.43)	(–)	(–)
8	Share of Loss in Joint Venture	–	7.04	–	–
		(–)	(–)	(–)	(–)
<b>II.</b>	<b>Balance outstanding as at the year end</b>				
1	Trade Receivables #	32.27	1,609.89	–	225.36
		(843.04)	(2,530.02)	(–)	(–)
2	Liabilities at the end of the year *	1,602.09	160.66	–	97.79
		(992.48)	(155.29)	(–)	(23.20)
3	Loans & Advances given	359.88	–	–	661.35
		(963.01)	(–)	(–)	(–)
4	Advance taken from Clients ^	–	2,817.00	–	–
		(–)	(2,947.38)	(–)	(–)
5	Investment in Joint Venture entity	–	926.91	–	–
		(–)	(699.98)	(–)	(–)

# Trade Receivables herein are Gross amount before Adjustment of Advances received from clients

^ Advances taken from clients herein are Gross amount before adjustment of Trade Receivables.

\* Liabilities are Gross Amount before adjustment of Advances given.

Note: Figures shown in bracket represents corresponding amounts of previous year.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

### 38 Joint Ventures

- I The Company is having consortium Joint Ventures named JMC-Associated JV, JMC-Taher Ali JV (Package I, II & III), JMC- PPPL JV, JMC ATEPL JV, JMC - GPT- Vijaywargi - Bright Power JV, JMC- Vijaywargi - Bright Power JV, KPTL - JMC - Yadav JV and JMC - GPT JV under work sharing arrangement. The revenue for work done is accounted, in accordance with the accounting policy followed by the Company, as that of independent contract to the extent work is executed.
- II In respect of contracts executed in Joint Venture entities, the services rendered to the Joint Venture entities are accounted as revenue for the work done. The share of profit / loss in Joint Venture entities other than Joint Venture Company has been accounted for and the same is reflected as investments or current liabilities in books of the Company.

The Details of Joint Venture entities :

Name of the Joint Venture	Name of Venture Partner	Method of Accounting	Share of Interest
a. Aggrawal - JMC JV	Dinesh Chandra Aggrawal Infracon Pvt.Ltd.	Percentage of Completion	50.00%
b. JMC - Sadbhav JV	Sadbhav Engineering Ltd.	Percentage of Completion	50.50%
c. JMC - CHEC JV	China Harbour Engineering Company Ltd.	Percentage of Completion	49.00%

Details of proportionate share in the Assets, Liabilities, Income and Expenditure of the Company in its Joint Venture entities.

(₹ in Lacs)

	Aggrawal JMC JV		JMC Sadbhav JV		JMC CHEC JV	
Particulars	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
% of Holding	50.00%	50.00%	50.50%	50.50%	49.00%	49.00%
Assets	411.36	436.75	1,093.33	1,015.91	1,574.29	1,574.02
Liabilities	63.96	87.42	1,093.33	1,093.37	1,460.56	1,573.37
Income	–	16.10	–	11.32	11,462.20	4,881.21
Expenditure	0.74	6.67	–	1.66	11,231.41	4,878.96

The aforesaid Joint Venture Entities have not been consolidated using proportionate consolidation and only the share of profit / loss therein has been accounted for, as in view of the management, the above three Joint Venture entities are formed for specific projects and with a view to subsequent disposal on completion of specific projects in near future and accordingly they fell in the exception for proportionate consolidation as per para 28 of AS - 27.

- 39 The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence the need to provide for impairment loss does not arise.
40. Figures pertaining to the group companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

Signatures to Significant Accounting policies and Notes to Consolidated Financial Statements 1 to 40.

As per our report attached

For **Kishan M. Mehta & Co.**

Chartered Accountants

Firm Registration No. 105229W

For and on behalf of the Board of Directors

**Shailendra Kumar Tripathi**

CEO & Dy. Managing Director

**Manoj Tulsian**

CFO & Dy. President

**Kishan M. Mehta**

Partner

Membership No. 13707

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**Manoj Kumar Singh**

Executive Director

Place : Mumbai

Date : 28<sup>th</sup> May 2014

**Suresh Savaliya**

Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in Lacs)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(326.23)	619.23
ADD / (DEDUCT) ADJUSTMENTS FOR :		
Depreciation	6,100.62	5,490.05
Interest Paid	7,895.89	5,495.95
Unrealised (Profit) / Loss from Exchange Rate Variation	(44.10)	8.26
Amortization of ancillary cost	61.25	41.85
Loss on Assets Lost	33.38	49.46
Deferred Employee Compensation written back	(58.35)	(62.85)
Preliminary Expenses written off	-	0.20
Interest Income	(99.05)	(323.43)
Dividend Income	(0.24)	(0.54)
(Profit) / Loss on Sale of Assets (Net)	(220.40)	(94.40)
Share of Profit from Investment in Joint Venture	(230.79)	(20.42)
Share of Loss from Investment in Joint Venture	7.04	-
Prior Period Items (Income) / Expenses (Net)	(0.08)	(8.86)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	13,118.94	11,194.50
ADJUSTMENTS FOR :		
Trade & Other Receivables	(25,101.19)	9,107.31
Inventories	(3,080.60)	63.57
Trade & Other Payables	27,784.45	10,343.42
CASH GENERATED FROM OPERATIONS	12,721.60	30,708.80
Direct Taxes Paid	(2,741.80)	(1,418.68)
Prior Period Items Income / (Expenses) (Net)	0.08	8.86
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>9,979.88</b>	<b>29,298.98</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Fixed Assets	(49,504.81)	(4,203.81)
Investment in Intangible Assets under Development	(16,640.40)	(62,848.19)
Sale of Fixed Assets	830.74	294.13
Share of Profit from Investment in Joint Venture	230.79	20.42
Share of Loss from Investment in Joint Venture	(7.04)	-
Deposit with Banks	(184.51)	1,185.77
Non-Current Investments	(225.78)	(8.29)
Interest Received	99.05	323.43
Dividend Received	0.24	0.54
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(65,401.72)</b>	<b>(65,236.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital / Securities Premium	0.11	0.21
Proceeds from Grant-in-aid	4,950.00	-
Proceeds from Term Borrowings	64,710.07	41,539.38
Repayment of Term Borrowings	(5,292.25)	(2,781.62)
Working Capital Finance	(1,603.23)	4,916.04
Interest Paid	(7,895.89)	(5,495.95)
Dividend Paid	(261.18)	(522.37)
Corporate Dividend Tax Paid	(44.39)	(84.74)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>54,563.24</b>	<b>37,570.95</b>
NET INCREASE / (DECREASE) IN CASH PAID & CASH EQUIVALENTS	(858.60)	1,633.93
OPENING BALANCE OF CASH & CASH EQUIVALENTS	3,418.46	1,784.53
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<b>2,559.86</b>	<b>3,418.46</b>

As per our report attached  
For **Kishan M. Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 105229W

For and on behalf of the Board of Directors

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

**Manoj Tulsian**  
CFO & Dy. President

**Kishan M. Mehta**  
Partner  
Membership No. 13707  
Place : Mumbai  
Date : 28<sup>th</sup> May 2014

**Manoj Kumar Singh**  
Executive Director

**Suresh Savaliya**  
Company Secretary

Place : Mumbai  
Date : 28<sup>th</sup> May 2014





## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Particulars	Subsidiary Companies			
	JMC Mining & Quarries Ltd.	Brij Bhoomi Expressway Pvt. Ltd.	Wainganga Expressway Pvt. Ltd.	Vindhyachal Expressway Pvt. Ltd.
<b>Financial year of the Subsidiary companies ends on</b>	<b>31st March, 2014</b>	<b>31st March, 2014</b>	<b>31st March, 2014</b>	<b>31st March, 2014</b>
Number of Equity Shares in the subsidiary companies held by JMC Projects (India) Ltd. at above date and % holding.	5,00,000 100%	22,757,000 100%	3,00,00,000 100%	2,70,50,000 100%
The net aggregate profit less losses of the subsidiary company so far as it concerns with the members of JMC Projects (India) Ltd.				
1 Dealt with or provided for in the accounts of JMC Projects (India) Ltd. amounted to :				
(a) for the subsidiary's financial year ended on 31st March, 2014 (₹ in Lacs)	-	-	-	-
(b) for previous financial years of the subsidiary since it became subsidiary (₹ in Lacs)	-	-	-	-
2 Not dealt with or provided for in the accounts of JMC Projects (India) Ltd. amounted to :				
(a) for the subsidiary's financial year ended on 31st March, 2014 (₹ in Lacs)	(34.72)	(0.15)	(0.09)	(0.55)
(b) for previous financial years of the subsidiary since it became subsidiary (₹ in Lacs)	(30.77)	(9.60)	(11.31)	(6.17)

## SUBSIDIARY COMPANIES' PARTICULARS

Particulars regarding subsidiary companies, pursuant to general exemption granted by Ministry of Corporate Affairs vide its General Circular No: 2 /2011 dated February 8, 2011

SN Name of Subsidiary Companies	(₹ In Lacs)			
	JMC Mining and Quarries Ltd.	Brij Bhoomi Expressway Pvt. Ltd.	Wainganga Expressway Pvt. Ltd.	Vindhyachal Expressway Pvt. Ltd.
<b>Financial year of the subsidiary companies ends on</b>	<b>31st March, 2014</b>	<b>31st March, 2014</b>	<b>31st March, 2014</b>	<b>31st March, 2014</b>
1 Capital	50.00	2,275.70	3,000.00	2,705.00
2 Reserves	(8.15)	4,940.25	(11.40)	(6.72)
3 Total Assets	105.10	26,853.53	41,452.53	39,133.54
4 Total Liabilities	63.25	19,637.58	38,463.93	36,435.26
5 Investments (except in case of investment in subsidiaries)	-	-	-	-
6 Turnover	27.80	508.09	82.35	395.55
7 Profit / (Loss) before Taxation	(23.10)	(0.15)	(0.09)	(0.55)
8 Provision for Taxation	11.62	-	-	-
9 Profit / (Loss) after Taxation	(34.72)	(0.15)	(0.09)	(0.55)
10 Proposed Dividend	-	-	-	-

## Exemption under Section 212(8) of the Companies Act, 1956:

In view of the general exemption granted under section 212(8) of the Companies Act, 1956 by Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011, the audited statement of accounts, reports of the Board of Directors and Auditors of the subsidiary companies are not annexed. Shareholders who wish to have a copy of the Annual Accounts and the related detailed information of the subsidiary companies can write to the Company at its Registered Office and the same will be available for inspection by any shareholder at the Registered Office of the Company and that of the subsidiary companies concerned on any working day during business hours, alternatively, the same has also been available on the website of the Company [www.jmcprojects.com](http://www.jmcprojects.com).

## NOTES

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**JMC Projects (India) Limited**  
**a Kalpataru Group Enterprise**

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