



Annual Report 2014-15

Design and Construction of
Special Bridge across
the river Chenab in J & K

Mission

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



BOARD OF DIRECTORS

S. P. Mistry – Chairman
 N. D. Khurody
 P. N. Kapadia
 R. M. Premkumar
 U. N. Khanna
 Pallon S. Mistry
 K. Subrahmanian - Vice Chairman & Managing Director
 S. Paramasivan - Deputy Managing Director

BANKERS

State Bank of India
 UCO Bank
 Oriental Bank of Commerce
 Axis Bank Ltd.
 Bank of India
 Dena Bank
 BNP Paribas
 ING Vysya Bank Ltd.
 ICICI Bank Ltd.
 Union Bank of India
 IDBI Bank Ltd.
 Standard Chartered Bank
 Yes Bank Ltd.
 Hongkong and Shanghai Banking Corporation Ltd.
 Export Import Bank of India

AUDIT COMMITTEE MEMBERS

N. D. Khurody -- Chairman
 P. N. Kapadia
 R. M. Premkumar

COMPANY SECRETARY

P. R. Rajendran

AUDITORS

M/s. Deloitte Haskins & Sells,
 Chartered Accountants (ICAI registration no.117364W)
 M/s.J.C. Bhatt & Associates,
 Chartered Accountants (ICAI registration no.130923W)

REGISTRARS & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

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Thirty-Ninth Annual General Meeting on 30th September,
 2015 at 4.30 p.m. at “Afcons House”, 16, Shah Industrial
 Estate, Veera Desai Road, Andheri (West), Mumbai- 400 053.

AFCONS INFRASTRUCTURE LIMITED

BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the Thirty-Ninth Annual Report together with the Audited Financial statement for the year ended 31st March 2015.

1. FINANCIAL RESULTS

| Particulars | Consolidated | | Standalone | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | ₹ in crores | | ₹ in crores | |
| | 31 st March 2015 | 31 st March 2014 | 31 st March 2015 | 31 st March 2014 |
| Total Income | 4070.24 | 3674.41 | 3168.24 | 2800.90 |
| Profit/(Loss) before Tax | 78.82 | 94.87 | 101.29 | 102.89 |
| Provision for Taxation | (19.59) | (44.69) | (16.52) | (31.68) |
| Excess/(short) provision for tax in respect of earlier years | (6.05) | (1.00) | (5.80) | (4.23) |
| Profit/(Loss) after Tax (before Minority Interest) | 53.18 | 49.17 | 78.97 | 66.97 |
| Minority Interest | (0.28) | (2.21) | - | - |
| Profit/ (Loss) for the year | 52.90 | 46.96 | 78.97 | 66.97 |
| Balance brought forward from previous years | 508.10 | 460.35 | 424.75 | 274.70 |
| Add: Adjustments on account of Amalgamation | - | 30.61 | - | 112.90 |
| Profit available for Appropriation | 561.00 | 537.93 | 503.72 | 454.58 |
| Less: Appropriation | | | | |
| (i) Interim Dividend on Equity | 10.80 | 14.40 | 10.80 | 14.40 |
| (ii) Proposed Dividend on Preference Shares | 0.05 | 0.04 | 0.05 | 0.04 |
| (iii) Tax on Dividend | 2.17 | 2.45 | 2.17 | 2.45 |
| (iv) Transferred to General Reserve | - | 6.70 | - | 6.70 |
| (v) Depreciation on Transition to Schedule II of Companies Act, 2013 | 3.40 | - | 3.39 | - |
| (vi) Transferred to Debenture Redemption Reserve | 12.90 | 6.25 | 12.90 | 6.25 |
| Balance Carried Forward to Balance Sheet | 531.69 | 508.10 | 474.42 | 424.75 |

2. OPERATIONS

(a) Standalone Results

Your Company has achieved total income of ₹ 3,168.24 crores for the year compared to the previous year's ₹ 2,800.90 crores showing an increase of 13.12%. The Profit before Tax for the year was ₹ 101.29 crores compared to ₹ 102.89 crores in the previous year resulting in decrease of 1.56%. The Profit after Tax for the year was ₹ 78.97 crores compared to ₹ 66.97 crores in the previous year resulting in increase by 17.91%.

(b) Consolidated Results

Your Company has achieved total income of ₹ 4,070.24 crores for the year compared to the previous year's ₹ 3,674.41 crores showing an increase of 10.77%. The EBITDA for the year was ₹ 409.66 crores compared to ₹ 408.88 crores in the previous year resulting in increase by 0.19%. The Consolidated Profit before Tax for the year was ₹ 78.82 crores compared to ₹ 94.87 crores in the previous year resulting in a decrease of 16.92%. The Consolidated Profit after Tax for the year was ₹ 53.18 crores compared to ₹ 49.17 crores in the previous year resulting in increase by 8.15%. All intercompany transaction are netted out at the time of consolidation and hence, the profits and revenues are reduced to that extent. Our Order book as on 31st March, 2015 was ₹ 11,968 crores as compared to previous year order book of ₹ 7,851 crores.

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

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

- Construction of single line tunnel Udhampur - Srinagar - Baramulla rail project for Konkan Rail Corporation Ltd.
- Construction of 7 span bridge with 2 lanes carriageway and Underpass with 3 lanes on each side at the Mina Salman Junction Interchange and its associated slip roads for Ministry of Works, Govt. of the Kingdom of Bahrain.
- Civil & Structural Steel Works of LLDPE/HDPE (Swing) Plant of ONGC Petro Additions Limited (OPAL) at Dahej SEZ, Gujarat for Tecnimont ICB Pvt. Ltd.
- Rehabilitation, strengthening and Four Lanning of Jammu- Udhampur Section from Km. 15.00 (on Jammu Bypass) to Km. 67 on NH 1A, in the State of Jammu & Kashmir for SP Jammu Udhampur Highway Pvt. Ltd.
- Earthworks and Civil's - Concentrator at western Liberia for M/s Arcellor Mittal Liberia Ltd.

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

- Six lane Greenfield Firozabad to Etawah access controlled Lucknow Agra Expressway with Service Road (Package II) of Uttar Pradesh Expressway Industrial Development Authority of ₹ 1,990 crores.
- Six lane Greenfield Kannauj to Unnao access controlled Lucknow Agra Expressway with Service Road (Pack IV) of Uttar Pradesh Expressway Industrial Development Authority of ₹ 2,124 crores.

- iii. Construction of tunnel T49 b & Side Adits, at Dharam - Udampur - Srinagar - Baramulla new BG Railway line of Ircon International Limited of ₹ 591 crores.
- iv. EPC Contract for Vopak Terminal, Kandla of CRL Terminals Private Ltd. of ₹ 153 crores.
- v. Northward extension of Aktau International Sea Commercial Port, Kazakhstan of Aktau Marine North Terminal LLP of ₹ 223 crores, awarded to Afcons Overseas Singapore Pte. Ltd., a subsidiary of the Company.
- vi. Civil Works of Dahej Expansion Phase IIIA LNG Storage Tanks of IHI Corporation of ₹ 220 crores.
- vii. Mooring Dolphin Repairs & Catwalk Fabrication & Erection-Buchanan of Arcellor Mittal Liberia Ltd. of ₹ 36 crores.
- viii. EPC Contract for LNG Import, Storage & Regasification Terminal, Jaigarh, Ratnagiri of H Energy Gateway Pvt Ltd., awarded to Afcons Sener LNG Construction Projects Pvt. Ltd., a joint venture company incorporated between the Company and Sener India Engineering and Systems Pvt. Ltd. The Company's share in the project is ₹ 1,425 crores.
- ix. Contract CC-90 package of Elevated Stabling Line for Phase III of Delhi Metro Rail Corporation Ltd. of ₹ 184 crores.

3. CREDIT RATING

ICRA has reaffirmed the long term rating of "AA/Stable" which signifies high credit quality and short term rating of "A1+" which reflects highest credit quality.

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

4. DIVIDEND

The Company has declared an interim dividend to the equity shareholders @ 15% (i.e. ₹ 1.5/- per equity share of ₹ 10/- each) on the paid up capital of ₹ 71,97,02,380 aggregating to total outflow of ₹ 12.95 crores (i.e. Interim Dividend amount of ₹ 10.79 crores and dividend distribution tax of ₹ 2.16 crores). Your Directors recommend the said interim dividend as the final dividend.

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

5. SHARE CAPITAL

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

6. SUBSIDIARIES/ ASSOCIATE/ JOINT VENTURE

(a) The following were the changes in the Subsidiaries/ Associate/ Joint Venture during the year under review:

- i. Afcons Overseas Singapore Pte. Ltd. a subsidiary of the Company has acquired a Limited Liability Partnership in Kazakhstan which was renamed as Afcons Infra Projects Kazakhstan LLP.
- ii. Incorporated a joint venture company in the name of Afcons Sener LNG Construction Projects Private Limited, in India between the Company and Sener India Engineering and Systems Pvt. Ltd. The Company holds 49% of the paid-up share capital of the joint venture company.

(b) Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries, associate company and joint venture in Form AOC-1 is attached to financial statement of the Company.

(c) The consolidated financial statements presented by the Company include financial statement of the Subsidiaries prepared in accordance with the applicable accounting standards. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

(d) There has been no material change in the nature of business of the Company or any of its subsidiaries or associates.

7. CORPORATE GOVERNANCE

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

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

9. DIRECTORS AND KEY MANAGERIAL PERSONNELS OF THE COMPANY

Mr.J.J.Parakh resigned as Director of the Company with effect from 2nd February, 2015. The Board acknowledged the valuable contributions of Mr.J.J.Parakh to the Board and the Company during the tenure of his Directorship.

Mr.N.J.Jhaveri passed away on 6th June, 2015. Mr.N.J.Jhaveri, with his vast Knowledge of finance and strategic vision, had been guiding force to the Board. The Board acknowledged the valuable contributions of Mr.N.J.Jhaveri during his tenure as Director of the Company.

Mr.S.P.Mistry and Mr.K.Subrahmanian, Directors of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

Mr.Pallon S. Mistry was appointed as an Additional Director of the Company with effect from 29th June, 2015. As per section 161(1) to the Companies Act, 2013, Mr.Pallon S. Mistry holds office upto this Annual General Meeting. The Company has received separate notice from a member of the Company in writing along with a deposit of ₹ 1,00,000/- in terms of section 160(1) of the Companies Act, 2013 signifying its intention to propose the candidature of Mr.Pallon S. Mistry as Directors of the Company.

AFCONS INFRASTRUCTURE LIMITED

Pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the General Circular No. 14/2014 dated 9th June, 2014 issued by Ministry of Corporate Affairs, Mr.R.M.Premkumar and Mr.N.D.Khurody were appointed as Independent Directors, not liable to retire by rotation, at the Annual General Meeting of the Company held on 30th September, 2014 and Mr.Pradip N. Kapadia was appointed as Independent Director of the Company, not liable to retire by rotation, vide postal Ballot result declared on 25th March, 2015. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. During the year, in compliance with section 149(6) of the Companies Act, 2013, the Company has received declaration from Independent Directors of the Company to the effect that they meet the criteria of Independent Director of the Company and there has been no change in the circumstances which may affect their status as independent director during the year

Pursuant to the provisions of Section 203 of the Companies Act, 2013, which came into effect from 1st April, 2014, the appointment of Mr.P.R.Rajendran, Company Secretary as Key Managerial Personnel of the Company was formalised. Mr. Ashok G.Darak was appointed as the Chief Financial Officer of the Company with effect from 24th June, 2014 in terms of Section 203 of the Companies Act, 2013.

10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been enclosed as **Annexure I** to this Report.

11. STATEMENT ON EVALUATION OF PERFORMANCE OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, Board Committee and individual directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

12. MEETINGS OF BOARD

Four (4) meetings of the Board were held during the financial year. The details of the meetings of the Board, is given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

13. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, your Directors hereby state and confirmed that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. QUALITY, HEALTH, SAFETY & ENVIRONMENT

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

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

The Company is certified for ISO 9001:2008 for Quality Management System, ISO:14001:2004 for Environment Management System and OHSAS:18001:2007 for Occupation, Health & Safety Management Systems. All the three systems are well established, documented, implemented and maintained across the Company.

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

1. Reliance Industries Limited has issued an Appreciation Certificate for the achievement of 2 million safe man hours at Reliance Refinery and petrochemical complex, Jamnagar.
2. IHI has issued an Appreciation Letter for the achievement of 0.5 million safe man hours at Dahej 2277 site.
3. NPC and Daelim has issued an Appreciation letter for Achievement of 1 million safe Man hours at its Kuwait Project site.
4. ONGC has issued an appreciation certificate for achieving 6 million safe man hours.
5. National Safety Council of India has issued Certificate of Appreciation for Project Sites at DMRC CC 15 – 3561, KRCL Tunnel – 2613, Nagpur CSB – 3435, DAHEJ Opal – 2267/68.
6. IRCON has awarded an Appreciation Certificate for achieving 1.5 million safe man hours without LTI and maintaining good standards in Health, Safety & Environment.
7. Delhi Metro Rail Corporation Ltd (DMRC) has awarded an Appreciation Certificate for successfully achieving 2 Million Safe Man hours Project sites at CC-29 on Palam to Shankar Vihar stretch of Line - 8.
8. ITC Ltd (Paper Boards & Speciality Papers Division) has awarded Transtonnelstroy Afcons JV UAA01 (TAJV) with an Appreciation Certificate for partnering with Well Being out of Waste (WOW), a National recycling initiative. TAJV UAA01 contributed 295 kgs of waste paper for the recycling project, saving 6 trees.

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

15. AWARDS AND RECOGNITIONS

During the year, the Company received the following awards and recognitions:

- i. Greentech Environment Gold Award 2014 - Oil and Gas for outstanding achievement in environment management.
- ii. EPC World Award 2014 for Outstanding Contribution in Roads & Highways - EPC Category for the Jammu-Udhampur Highway Project.
- iii. Construction World Award 2014 for Second Fastest Growing Construction Company.
- iv. Most Admired Companies Award for the 8th year in succession from Construction World.
- v. Award for 2nd Runner in Quality Performance by Reliance Industries Limited – Jamnagar
- vi. Felicitated by The Economic Times at “The Economic Times-2nd Annual Infra Focus Summit 2014” for its Outstanding Contribution in Infrastructure Development.
- vii. Four awards at the “13th Annual Greentech Safety Award - 2014” sponsored by Green-Tech Foundation (New Delhi) in the following various categories:
 - Oil & Gas BU: Gold
 - RVNL Kolkata: Silver
 - DMRC CC-29: Silver
 - Chenab Bridge: 2612: Silver
- viii. The Jammu-Udhampur Road Project was awarded the “Indian Roads and Highways Excellence Award” for its Outstanding Contribution towards the development of Indian roads and highways by the Indian Roads and Highways Excellence Awards 2014.
- x. The Asian Banker’s Choice Awards 2015 for “Best Corporate Trade Finance Deal in India”.
- xi. The Golden Peacock Environment Management Award for the year 2015.
- xii. Reliance J3 Project site was awarded “Contractor Quality Performance Award” in Major Job Execution Partner Category.

16. AUDITOR AND AUDITOR’S REPORT**(a) STATUTORY AUDITORS AND THEIR REPORT**

M/s.Deloitte Haskins & Sells, Chartered Accountants, (ICAI registration no.117364W) and M/s.J.C.Bhatt & Associates, Chartered Accountants (ICAI registration no.130923W) have confirmed that they are eligible for appointment in accordance with the provisions of Section 139 and 141 and all other applicable provisions of the Companies Act, 2013 and Rules made thereto. The Board of Directors therefore proposes the appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants, (ICAI registration no.117364W) and M/s. J.C.Bhatt & Associates, Chartered Accountants (ICAI registration no.130923W) as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

The Statutory Auditor’s Report to the Members on the Accounts of the Company for the financial year ended 31st March 2015 does not contain any qualifications or reservation or adverse remark or disclaimer .

(b) SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. Parikh Parekh & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2014-15. The report of the Secretarial Auditor is enclosed as **Annexure II** to this Report.

The Secretarial Auditor in their Secretarial Audit Report for the financial year 2014-15 has made an observation relating to non appointment of Woman director by the Company. In this connection, it is clarified that the Company is making efforts to find a suitable Women candidate who possesses the skills, experience suited to the Infrastructure Construction sector to which the Company pertains and which could add value and further strengthen our existing Board.

(c) COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, as amended, your Company is covered under the ambit of mandatory cost audits from the financial years commencing on or after 1st April, 2015. The Audit Committee recommended and the Board of Directors has re-appointed M/s. Kishore Bhatia & Associates, Cost Accountant (Firm Registration no. 00294) as the Cost Auditors, to carry out the cost audit for the Company in relation to the financial year from 1st April, 2015 to 31st March, 2016. The Company has received consent from M/s.Kishore Bhatia & Associates for their re-appointment. Necessary resolution is proposed at the ensuing Annual General Meeting for ratification of the remuneration of the Cost Auditor for the financial year 2014-15 and 2015-16.

17. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable.

AFCONS INFRASTRUCTURE LIMITED

18. FIXED DEPOSIT

Your Company did not invite or accept deposits from the public or shareholders during the year under review. As on 31st March 2015, 2 deposits aggregating to ₹ 30,000/-, pertaining to deposits accepted earlier in compliance with applicable provisions, remained unclaimed.

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

Pursuant to the provisions of section 205C of the Companies Act 1956, fixed deposits accepted for the financial year 2008-2009 and interest thereon which remained unclaimed, inspite of reminders to the fixed deposit holders by the Company, have been transferred during the years, on their due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

20. PARTICULARS OF EMPLOYEES

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

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

(a) Conservation of energy-

- i. The Company is continuing its effort to convert all sites from fossil power to grid power thereby minimizing the carbon foot print. This has been implemented to all sites as per feasibility. The total conversion of fossil power of 28 MVA by Grid power of 5.8 MVA considering all the sites. The reduction GHG (Green House Gas) emission by 22018 tons.
- ii. the steps taken by the company for utilizing alternate sources of energy - NIL
- iii. the capital investment on energy conservation equipments - NIL

(b) Technology absorption-

1.
 - i. ATS Panel for automatic transfer switching between captive power and grid power at Afcons House.
 - ii. Installation of 800 Amps and above ACB based Changeover panels at all sites to overcome the problem of bulky operation and handle slippage and Safe operation.
 - iii. KWH meter become mandatory in all New and old panels installed at site to monitor energy consumption parameter.
2.
 - i. Automatic power factor correction panels installed at all sites where grid power is available used for maximum utilization of Energy. Availing rebate in electricity bill as per contract agreement with Electricity Board.
 - ii. Replacement of Fluorescent Light fixtures with LED light fixtures at Afcons House building renovation to save energy and enhance life of fixtures.
3. Imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

(c) FOREIGN EXCHANGE EARNING AND OUTGO (Standalone)

| | (₹ in crores) | |
|----------|---------------|---------------|
| | Current year | Previous year |
| Earnings | 1,421.02 | 792.40 |
| Outgo | 1,266.48 | 934.66 |

22. PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of Section 186 except sub-section (1) pertaining to loans, guarantees and securities as the Company is engaged in providing infrastructure facilities. In view of non-applcability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2014-15 were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee for approval.

In terms of Section 134(3) (h) read with section 188(2) of the Companies Act, 2013, there are no material related party transactions entered into by your Company during the year, that individually or taken together with previous transactions during a financial year, exceed ten percent of the annual consolidated turnover as per the last audited financial statements. Accordingly, there being no information to be disclosed in AOC-2 format, the same is not enclosed. The disclosure of related party transactions are made in the financial statements of the Company.

24. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of Annual Return in prescribed form MGT - 9 is enclosed as **Annexure III** to this Report.

25. VIGIL MECHANISM POLICY

In accordance with section 177 (9) of the Companies Act, 2013 read with rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism policy to provide a framework for responsible whistle blowing and for adequate safeguards against victimization of persons who use such mechanism. The said vigil mechanism policy is posted on the website of the Company.

26. RISK MANAGEMENT

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

27. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

29. EMPLOYEE STOCK OPTION SCHEME

On 22nd December, 2006, the Company, had obtained shareholder approval for issue of 17,85,000 ESOP, of which the Company has granted 721,150 stock options to its eligible employees at a price of ₹ 17/- per option in terms of Employees Stock Option Scheme 2006 of the Company. The particulars of the ESOP option granted, exercised and lapsed is as under:

| | | |
|---|---------------------------------|----------|
| a | Option granted | 7,21,150 |
| b | Option vested | 7,21,150 |
| c | Option exercised | 5,70,238 |
| d | Option lapsed | 1,50,912 |
| e | Total number of Option in force | NIL |

There is no ESOP in force as on 31ST March 2015. Accordingly, there is no information to be disclosed under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

30. OTHER DISCLOSURES/REPORTING

- a) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
 - Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.
 - Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- b) There are no significant and material orders passed by the regulator or courts or tribunal impacting the going concern.
- c) There is no material change or commitments after close of the financial year till the date of the report.

31. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 20th August, 2015

S.P.MISTRY
CHAIRMAN

AFCONS INFRASTRUCTURE LIMITED

Annexure I to Boards' Report

NOMINATION AND REMUNERATION POLICY

I Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to Executive Directors, Key Managerial Personnel (KMP) and the Senior Management Personnel[#] of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and Rules thereto as amended from time to time, this Nomination and Remuneration Policy has been formulated by the Committee.

The expression **Senior Management Personnel** means personnels of the Company who are members of its core management team excluding Board of Directors comprising all members of the management one level below the executive directors, including functional heads.

II Objective and purpose of the Policy

- The Policy shall adhere to the provisions of the Companies Act, 2013 and Rules thereto as amended from time to time.
- Formulating the criteria for determining qualifications and positive attributes of Directors, KMP and Senior Management Personnel.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director of the Company.
- To carry out evaluation of the performance of the Directors of the Company.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies of the Infrastructure business.

III Appointment criteria and qualifications:

- The candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 in case of appointment of an independent director;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70 years.
Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 years.

IV Remuneration of Directors, KMP and Senior Management Personnel

The Nomination and Remuneration Committee shall ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- The remuneration shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- The remuneration (including payment of minimum remuneration) to Executive Directors shall be within the overall ceiling prescribed under the Companies Act 2013. Within the said overall ceiling of remuneration, the Executive Directors will be entitled to avail of the perquisites under different heads as may be applicable to the other Senior Management Personnel of the Company. Such remuneration to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to prior/post approval of the shareholders of the Company.
The annual increments to Executive Directors, will be decided by the Committee and/or the Board of Directors in its absolute discretion and will be merit based and will also take into account Company's performance.

V Appointment / Removal/ Retirement and Evaluation of Performance of Directors

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director.
- The Committee shall evaluate the performance of the Director as per the requirement of the Companies Act 2013.

VI Appointment / Removal, Remuneration and Evaluation of Performance of KMP and Senior Management Personnel

- The qualification attributes, terms and conditions of appointment and removal of KMP and Senior Management Personnel as also their remuneration and the evaluation of their performance shall be as decided by the Vice Chairman & Managing Director in line with the Company's policies as enumerated at points III above.
- The Nomination and Remuneration Committee shall ratify such appointment and removal of KMP and Senior Management Personnel.

VII Effective Date:

This policy shall be effective from 1st April, 2014.

VIII AMENDMENT:

The Policy shall be modified or amended in whole or in part, at any time as the Nomination and Remuneration Committee deems fit.

SD/-
K. Subrahmanian
Vice Chairman & Managing Director

Annexure II to Boards' Report**FORM No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

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

To,

The Members,

AFCONS INFRASTRUCTURE LIMITED

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

Based on our verification of the Afcons Infrastructure Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Afcons Infrastructure Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) Other laws applicable to the Company as per the representations made by the Company.

The Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above to the extent applicable except that the company is yet to appoint a woman director as required under section 149(1) of the Companies Act, 2013 read with rules made thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

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

AFCONS INFRASTRUCTURE LIMITED

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

Issued the debentures as mentioned below

- (i) 500, 9.99% Unsecured, Redeemable, Unlisted, Rated, Non-Convertible Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lacs only) each aggregating ₹ 50 crores
- (ii) 500, 9.87% Unsecured, Redeemable, Unlisted, Rated, Non-Convertible Debentures of the face value of ₹ 10,00,000/- (Rupees Ten Lacs only) each aggregating ₹ 50 crores

For Parikh Parekh & Associates
Company Secretaries

Jigyasa Ved
Partner

Place: Mumbai
Date: 20th August, 2015

FCS No: 6488 CP No: 6018

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

'Annexure A'

To,

The Members

Afcons Infrastructure Limited

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

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

For Parikh Parekh & Associates
Company Secretaries

Jigyasa Ved
Partner

Place: Mumbai
Date: 20th August, 2015

FCS No: 6488 CP No: 6018

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sr. No. | Name and Address of the Company | CIN /GLN | Holding / Subsidiary / Associate | % of shares held | Applicable section |
|---------|--|-----------------------|----------------------------------|------------------|--------------------|
| 1 | Shapoorji Pallonji and Company Private Limited | U45200MH1943PTC003812 | Holding | *51.74% | 2(46) |
| 2 | Hazarat & Co. Private Limited | U74999MH1982PTC028701 | Subsidiary | 100% | 2(87)(ii) |
| 3 | Afcons Corrosion Protection Private Limited | U28920MH1985PTC036876 | Subsidiary | 100% | 2(87)(ii) |
| 4 | Afcons Offshore and Marine Services Private Limited | U11101MH1984PTC032807 | Subsidiary | 100% | 2(87)(ii) |
| 5 | Afcons Construction Mideast LLC | - | Subsidiary | 49% | 2(87)(i) |
| 6 | Afcons Gulf International Projects Services FZE | - | Subsidiary | 100% | 2(87)(ii) |
| 7 | Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL | - | Subsidiary | 49% | 2(87)(i) |
| 8 | Afcons Overseas Construction LLC | - | Subsidiary | 49% | 2(87)(i) |
| 9 | Afcons Mauritius Infrastructure Limited | - | Subsidiary | 100% | 2(87)(ii) |
| 10 | Afcons Overseas Singapore Pte Ltd. | - | Subsidiary | 100% | 2(87)(ii) |
| 11 | Afcons Infra Projects Kazakhstan LLC | - | Subsidiary | 100% | 2(87)(ii) |
| 12 | Afcons Sener LNG Construction Projects Pvt.Ltd. | U45400MH2015PTC260889 | Associate | 49% | 2(6) |

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---------------------------|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 48900182 | 21048429 | 69948611 | 97.1909 | 49009022 | 21048429 | 70057451 | 97.3423 | 0.1513 |
| e) Banks /FI | - | - | - | - | - | - | - | - | - |
| f) Any Other... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1): | 48900182 | 21048429 | 69948611 | 97.1909 | 49009022 | 21048429 | 70057451 | 97.3423 | 0.1513 |

AFCONS INFRASTRUCTURE LIMITED

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other- Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any Other... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2) : | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A) = (A)(1) + (A)(2) | 48900182 | 21048429 | 69948611 | 97.1909 | 49009022 | 21048429 | 70057451 | 97.3424 | 0.1513 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks /FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B) (1) : | - | - | - | - | - | - | - | - | - |
| (2) Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1040 | 50000 | 51040 | 0.0711 | - | 50000 | 50000 | 0.0695 | (0.0016) |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh | 125657 | 365031 | 490688 | 0.6818 | 100587 | 318190 | 418777 | 0.5819 | (0.0907) |
| ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh | 91145 | 68668 | 159813 | 0.2221 | 91145 | 57148 | 148293 | 0.2060 | (0.0160) |
| c) Others (specify) | | | | | | | | | |
| Director and their relatives | 84488 | 44228 | 128716 | 0.1788 | 84488 | 19859 | 104347 | 0.1450 | (0.0338) |
| Trusts | - | 1191370 | 1191370 | 1.6554 | - | 1191370 | 1191370 | 1.6554 | - |
| Sub-total (B) (2) : | 302330 | 1719297 | 2021627 | 2.8091 | 276220 | 1636567 | 1912787 | 2.6577 | (0.1421) |
| Total Public Shareholding (B) = (B)(1) +(B)(2) | 302330 | 1719297 | 2021627 | 2.8091 | 276220 | 1636567 | 1912787 | 2.6577 | (0.1421) |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| Public | - | - | - | - | - | - | - | - | - |
| Total Custodian (C) | - | - | - | - | - | - | - | - | - |
| Grand Total (A) +(B) +(C) | 49202512 | 22767726 | 71970238 | 100.0000 | 49285242 | 22684996 | 71970238 | 100.0000 | - |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|-----------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1. | SHAPOORJI PALLONJI & CO PVT. LTD. | 48900182 | 67.9448 | - | 49009022 | 68.0962 | - | 0.1513 |
| 2. | FLOREAT INVESTMENTS LIMITED | 13015929 | 18.0851 | - | 13015929 | 18.0851 | - | - |
| 3. | HERMES COMMERCE LIMITED | 4016250 | 5.5804 | - | 4016250 | 5.5804 | - | - |
| 4. | RENAISSANCE COMMERCE PRIVATE LTD | 4016250 | 5.5804 | - | 4016250 | 5.5804 | - | - |
| | Total | 69948611 | 97.1909 | - | 70057451 | 97.3423 | - | 0.1513 |

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

| Sr No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | SHAPOORJI PALLONJI & CO PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 48900182 | 67.9448 | 48900182 | 67.9448 |
| | Purchase 13-Jun-2014 | 500 | 0.0006 | 48900682 | 67.9456 |
| | Purchase 30-Jun-2014 | 1040 | 0.0014 | 48901722 | 67.9471 |
| | Purchase 29-Aug-2014 | 5580 | 0.0077 | 48907302 | 67.9548 |
| | Purchase 10-Oct-2014 | 480 | 0.0006 | 48907782 | 67.9555 |
| | Purchase 07-Nov-2014 | 16260 | 0.0225 | 48924042 | 67.9781 |
| | Purchase 28-Nov-2014 | 1200 | 0.0016 | 48925242 | 67.9798 |
| | Purchase 19-Dec-2014 | 6720 | 0.0093 | 48931962 | 67.9891 |
| | Purchase 31-Dec-2014 | 9500 | 0.0131 | 48941462 | 68.0023 |
| | Purchase 30-Jan-2015 | 6250 | 0.0086 | 48947712 | 68.0110 |
| | Purchase 13-Feb-2015 | 900 | 0.0012 | 48948612 | 68.0122 |
| | Purchase 13-Mar-2015 | 28011 | 0.0389 | 48976623 | 68.0512 |
| | Purchase 13-Mar-2015 | 1400 | 0.0019 | 48978023 | 68.0532 |
| | Purchase 20-Mar-2015 | 30999 | 0.0430 | 49009022 | 68.0962 |
| | At the end of the Year 31-Mar-2015 | 49009022 | 68.0962 | 49009022 | 68.0962 |
| 2 | FLOREAT INVESTMENTS LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 13015929 | 18.0851 | 13015929 | 18.0851 |
| | At the end of the Year 31-Mar-2015 | 13015929 | 18.0851 | 13015929 | 18.0851 |
| 3 | HERMES COMMERCE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 4016250 | 5.5804 | 4016250 | 5.5804 |
| | At the end of the Year 31-Mar-2015 | 4016250 | 5.5804 | 4016250 | 5.5804 |
| 4 | RENAISSANCE COMMERCE PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 4016250 | 5.5804 | 4016250 | 5.5804 |
| | At the end of the Year 31-Mar-2015 | 4016250 | 5.5804 | 4016250 | 5.5804 |

AFCONS INFRASTRUCTURE LIMITED

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

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1. | Afcons Shareholding (Holiday Assistance) Trust No.1 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 2. | Afcons Shareholding (Holiday Assistance) Trust No.2 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 3. | Afcons Shareholding (Holiday Assistance) Trust No.3 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 4. | Afcons Shareholding (Educational Assistance) Trust No.1 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 5. | Afcons Shareholding (Educational Assistance) Trust No.2 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 6. | Afcons Shareholding (Educational Assistance) Trust No.3 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 7. | Afcons Shareholding (Health Promotion) Trust No.1 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 8. | Afcons Shareholding (Health Promotion) Trust No.2 Trustee: Homeyar Jal Tavaría JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 9. | Afcons Shareholding (Health Promotion) Trust No.3 Trustee: Homeyar Jal Tavaria JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |
| 10. | Afcons Shareholding (General Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria JT1 : Jimmy Jehangir Parkh JT2 : Firoze Kavash Bathena | | | | |
| | At the beginning of the year 1-April-2014 | 50000 | 0.0694 | 50000 | 0.0694 |
| | At the end of the year 31-March-2015 | 50000 | 0.0694 | 50000 | 0.0694 |

v) **Shareholding of Directors and Key Managerial Personnel:**

| Sr. No. | For Each of the Directors and KMP | Name of the Directors | | | |
|---------|---|---------------------------------------|----------------------------------|---|----------------------------------|
| | | Shareholding at beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1. | Mr. S. P. Mistry | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 2. | Mr. N. J. Jhaveri | | | | |
| | At the beginning of the year | 17749 | 0.0246 | 17749 | 0.0246 |
| | Sale 30-Jan-2015 | 17749 | 0.0246 | - | - |
| | At the end of the year | - | - | - | - |
| 3. | Mr. N. D. Khurody | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 4. | Mr. J. J. Parakh | | | | |
| | At the beginning of the year | 6619 | 0.0091 | 6619 | 0.0091 |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | As on 02/02/2015 (being the date on which he cease to be Director of the Company) | 6619 | 0.0091 | 6619 | 0.0091 |

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| Sr. No. | For Each of the Directors and KMP | Name of the Directors | | | |
|---------|---|---------------------------------------|----------------------------------|---|----------------------------------|
| | | Shareholding at beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 5. | Mr. P. N. Kapadia | | | | |
| | At the beginning of the year | | | | |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 6. | Mr. R. M. Premkumar | - | - | - | - |
| | At the beginning of the year | | | | |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 7. | Mr. U. N. Khanna | - | - | - | - |
| | At the beginning of the year | | | | |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 8. | Mr. K. Subrahmanian | | | | |
| | At the beginning of the year | 58208 | 0.0808 | 58208 | 0.0808 |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | 58208 | 0.0808 | 58208 | 0.0808 |
| 9. | Mr. S. Paramasivan | | | | |
| | At the beginning of the year | 26280 | 0.0365 | 26280 | 0.0365 |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | 26280 | 0.0365 | 26280 | 0.0365 |
| Sr. No. | For Each of the Directors and KMP | Name of the Key Managerial Personnel | | | |
| | | Shareholding at beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1. | Mr. P. R. Rajendran | | | | |
| | At the beginning of the year | 3942 | 0.0054 | 3942 | 0.0054 |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | 3942 | 0.0054 | 3942 | 0.0054 |
| 2. | Mr. Ashok G. Darak | 760 | 0.0010 | 760 | 0.0010 |
| | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,) | - | - | - | - |
| | At the end of the year | 760 | 0.0010 | 760 | 0.0010 |

V. INDEBTEDNESS

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

(₹ In Lacs)

| | Secured Loan | Unsecured Loan | Deposits | Total Indebtedness |
|--|--------------|----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal amount | 79,524.72 | 53,448.68 | - | 1,32,973.40 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 706.08 | - | 706.08 |
| Total (i + ii + iii) | 79,524.72 | 54,154.76 | - | 1,33,679.48 |
| Change in indebtedness during the financial year | | | | |
| • Addition | 33,157.13 | 1,14,903.25 | - | 1,48,060.38 |
| • Reduction | 26,635.64 | 1,13,910.05 | - | 1,40,545.69 |
| Net Change | 86,046.21 | 55,147.95 | - | 1,41,194.17 |
| Indebtedness at the end of financial year | | | | |
| i) Principal amount | 86,046.21 | 54,023.85 | - | 1,40,070.06 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 1124.11 | - | 1124.11 |
| Total (i + ii + iii) | 86,046.21 | 55,147.96 | - | 1,41,194.17 |

VI. A. Remuneration to Managing Director, Whole-time Directors and /or Manager :

(₹ In Lacs)

| Sr. No. | Particulars of Remuneration | Mr. K. Subrahmanian Vice Chairman & Managing Director | Mr. S. Paramasivan Deputy Managing Director | Total Amount |
|---------|---|---|---|----------------|
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 166.29 | 128.40 | 294.69 |
| | (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 | 4.49 | 3.60 | 8.09 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, please specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | TOTAL (A) | 170.78 | 132.00 | 302.78 |
| | Ceiling as per the Act # | | | 1096.94 |

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

B. Remuneration to other directors :
1. Independent Directors

(₹ In Lacs)

| Sr. No. | Particulars of Remuneration | Mr. N. D. Khurody | Mr. R. M. Premkumar | Mr. P. N. Kapadia | Total Amount |
|---------|---|-------------------|---------------------|-------------------|--------------|
| a | Fees for attending Board/Committee meetings | 1.80 | 0.90 | 2.70 | 5.40 |
| b | Commission | - | - | - | - |
| c | Others, please specify | - | - | - | - |
| | Total (1) | 1.80 | 0.90 | 2.70 | 5.40 |

2. Other Non Executive Directors

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|---|-------------------|-------------------|------------------|------------------|--------------|
| | | Mr. S. P. Mistry | Mr. N. J. Jhaveri | Mr. J. J. Parakh | Mr. Umesh Khanna | |
| a | Fees for attending Board/Committee meetings | 0.60 | 1.00 | 1.00 | 0.60 | 3.20 |
| b | Commission | - | - | - | - | - |
| c | Others, please specify | - | - | - | - | - |
| | Total (2) | 0.60 | 1.00 | 1.00 | 0.60 | 3.20 |
| | TOTAL B =(1+2) | 8.60 | | | | |
| | Total Managerial Remuneration* | 302.78 | | | | |
| | Overall ceiling as per the Act^ | 1206.64 | | | | |

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

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

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C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB :

(₹ In Lacs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total amount |
|---------|---|---|--|---------------|
| | | Mr. Ashok G. Darak, Chief Financial Officer | Mr. P. R. Rajendran, Company Secretary | |
| 1. | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 59.80 | 71.71 | 131.51 |
| | (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 | 0.44 | 0.21 | 0.65 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, please specify... | - | - | - |
| 5. | Others, please specify | | | |
| | TOTAL C | 60.24 | 71.92 | 132.16 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

Annexure IV to Boards' Report
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes : Afcons CSR Policy aims at implementing its CSR activities in accordance with section 135 of the Companies Act, 2013 and the Rules thereunder. The CSR Committee shall periodically review the implementation of the CSR.

CSR Policy is available on the website of the Company www.afcons.com/ web link: <http://www.afcons.com/afcons-csr-policy.html>

2. The Composition of the CSR Committee. : Mr. K. Subrahmanian – Chairman
Mr. P. N. Kapadia – Member
Mr. Umesh Khanna – Member

3. Average net profit of the Company for last three financials years. : (₹ 40 crores)
In terms of the definition of Net Profit provided in the Companies (Corporate Social Responsibility) Rules 2014, profits arising out of overseas branches has not been considered, therefore the profits from Indian operations of the Company is showing a loss.

4. Prescribed expenditure (two per cent. of the amount as in item 3 above) : **Not Applicable**
As the Average Net Profit for three preceding financial years is negative.

5. Details of CSR spent during the financial year 2014-15. : **Not Applicable**

a) Total amount to be spent for the financial year; : **Not Applicable**

b) Amount unspent, if any;

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

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or Programs wise (₹ In Lacs) | Amount spent on the project or Programs Sub Heads; (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period (₹ In Lacs) | Amount Spent: direct or through implementing agency |
|---------|--|---|---|---|--|---|---|
| 1. | Ashramshala School Project, | Education Schedule VII clause (ii) | 1. Padsare, Raigad District 2. School Improvement Programme | 9.24 | Direct Expenditure through corporate office | 17.50 | Direct |
| 2. | Relief Material provided for J&K flood victims | Disaster relief Schedule VII Clause (viii) | 1. Jammu & Kashmir 2. Donation of blankets & solar lamps for flood victims | 19.50 | Direct Expenditure through corporate office | 19.50 | Direct |

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report – Not Applicable

7. "The implementation and monitoring of Corporate Social Responsibility policy is in compliance with CSR Objectives and CSR Policy of the Company."

K. Subrahmanian
Vice Chairman & Managing Director &
Chairman of the CSR Committee

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MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GLOBAL ECONOMY

The global economy has till now not gained the momentum as many of the developed economies continue to grapple with the legacies of the financial and euro-area crises. Emerging economies also were less dynamic than in the past. Decrease in investment, including in China, has led to a lower capital growth and slowdown in total productivity across the world. OPEC's decision to maintain oil production levels saw a reallocation of real income from oil exporting nations to oil importing ones. In Middle East, opportunities shrunk between the 3rd and 4th quarter because of loss in revenues. Growth in CIS region also slowed sharply majorly because of oil price reduction and dependency on Russia for trade & remittances. Activity in Africa was affected by declining commodity prices and Ebola Health situation; funding in the continent also remains scarce.

Global growth is projected to be 3.5% in 2015 (IMF). With most explanations suggesting that the oil price decline is going to stay for some more time, realignment to the new price paradigm will create an opportunity for decreasing subsidies in oil products and replace them with developmental programs for importers. Exporting economies will face a challenging time and their strategy will depend on ability to absorb the revenue decline for keeping up with fiscal plans.

With the new government in India and re-election of President in Brazil, ambitious plans are being drawn out in the two emerging economies. Infrastructure growth is expected to get damped by the oil price fall but on the flip side strengthening of Infrastructure to build diversified business capabilities will be required to reduce the economies reliance on oil prices. The newly crowned King of Saudi Arabia has already initiated consolidation of policies of the kingdom for taking it on a development-pro track. UAE, Oman and Qatar are also rationalising their investments based on priorities and looking at diversification into newer industries for revenue generation. Negative effects of oil price shock were also seen in African nations like Democratic Republic of Congo, Ghana and Nigeria. The Ebola epidemic of 2014 in West Africa has hurt the economies badly and these are now being mostly supported by foreign aid.

OVERVIEW OF THE INDIAN ECONOMY

India, whose energy imports account to more than 6% of its GDP, reported a positive current account surplus in the last quarter of FY 2014-15, and it also decontrolled the price of diesel fuel in the third quarter of FY 2014-15. With a new pro-development government at the centre, India also reached out to developed nations like China and Japan for pushing trade, manufacturing in India and inviting investments into India's Infrastructure.

India's GDP has grown at 7.3% rate y-o-y in the fiscal. Central Government's first full year union budget, which was released in the last quarter, envisions a big push to infrastructure spending in 2015-16. The Goods and Services Tax (GST) Constitution Amendment Bill, a single national taxation system, has been proposed to be implemented from 1st April 2016. India's central bank, RBI, had reduced the interest rates at two instances in the last quarter by a total 50 bps; further cut in the rates can be expected in 2015-16. Overall India's investment outlook has improved in this year.

The World Economic Forum Global Competitiveness Report 2014-15 ranked India at 87th position out of 144 countries in terms of infrastructure quality with 'inadequate supply of infrastructure' listed as one of the most problematic factors for doing business in the country. A positive investment sentiment by itself will not be sufficient to improve the business environment, especially in the infrastructure sector. Challenges such as disputes in land acquisition, enforcement of laws, funding constraints and other contractual issues amongst others will continue to keep the investors away till them getting resolved. The actions taken this year by the government encourage policy reforms to maintain the growth momentum of the economy. Implementation of effective policies can anyways take some time before visible changes are seen in the infrastructure sector.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Construction Industry continues to be the 2nd largest employer and contributor to economic activity, after agriculture sector. The construction sector also accounts for 2nd highest inflow of FDI after the services sector and employs more than 3.5 crore people. The industry contributes almost 10% of the country's GDP. The Indian construction industry was valued at ₹ 7,81,200 crores in the last fiscal with 50% of the demand coming from the infrastructure sector; the rest comes from industrial activities, residential and commercial development etc.

The Indian government has replaced the Planning Commission of India with the newly formed National Institution of Transforming India Aayog (NITI Aayog) for supporting government for social and economic issues. The Indian government has announced public investment plan of ₹ 1,42,000 crores with a focus on roads and railways in its first full year national budget for fiscal 2015-16. Implementation details of the said plans will provide the visibility into the schedule and level of infrastructure spending.

With ambitious plans to build infrastructure in the country, there will be a substantial funding requirements. We have seen a push for brining private investments, through PPP, in the Infrastructure projects last year. As there limited contribution by the non-bank resources, banks only have to bear the burden of the financing needs. High reliance on debt financing and various uncertainties has put tremendous pressure on the viability of projects and has also led to a record number of companies going for Corporate Debt Restructuring in last couple of years. Developmental agencies, especially Roads authorities, have introduced the Hybrid model which is a combination of BOT (build-operate-transfer) Annuity model and the EPC (engineering-procurement-construction) models. To ease infrastructure financing, RBI has also allowed banks to finance projects for 25 years with an option to rollover the loan every five years.

The government has announced large scale infrastructure programs for Railways, Roads, Industrial corridors, Ports, and other segments. These programs are definitely much required by the country for its growth and are expected to create large opportunities for the construction companies.

OPPORTUNITIES

As per World Bank data a 1% increase in physical infrastructure stocks can raise the GDP by as much as 1 – 2% points in the short term. In the present economic scenario, high focus on infrastructure is essential for sustaining strong growth in coming years. Development of infrastructure will not only create a structure for improving standards of living but also create employment, reduce the cost of doing business and improve production efficiency.

Announcements for developing 100 smart cities, inland waterways, industrial corridors, and high speed railways, does create excitement and coupled with the expected policy decisions on issues such as land acquisition hurdles, timely clearances of projects, inter-ministry coordination will provide the necessary momentum for the sector to realise its potential.

Road

The transport sector constitutes 6% of the country's GDP and 70% of the share of the roads sector. A road network of 48 lakh kms makes it the world's second largest network. This extensive network handles more than 60% of freight and 90% of passenger traffic. The rise in passenger vehicle traffic and freight traffic along with strong trade flows between states will be driving the growth in the roads sector. Programmes such as The National Highway Development Project (NHDP), Special Accelerated Road Development Program for the North-east region (SARDP-NE), National Highways Interconnectivity Improvement Project (NHIP) aim to further develop a total of 64,000 kms of National Highways in coming years.

In terms of implementation, NHAI aimed to award 5,000 kms of projects in 2014-15 and another 400 kms were to be awarded by MORTH. In 2014-15 NHAI awarded 700 kms under BOT mode and 2,400 kms under EPC mode. This is more than double the achievement of 2013-14, when NHAI was able to award 313 kms under BOT and ~ 800 kms under EPC mode. 100% FDI is has also been made open under the automatic route for the roads and highway sector.

EPC dominated in 2014-15 as majority of PPP projects did not take off in the earlier year because of lack of financial appetite of developers, delays in clearances amongst others. As most of the EPC projects launched this year were small in size, this has led to emergence of new contractors. Majority of the projects awarded to these new contractors were won at prices below NHAI estimates. This trend shows a continuation of aggressive pricing in this sector.

NHAI targets to further speed up the award process in 2015-16. The target set is for 2,800 kms in EPC, 1,000 kms in BOT and 1,500 kms in hybrid mode. For PPP projects, NHAI has made modifications to the Model Concession Agreement terms this year to attract developers for taking projects under PPP mode as well. The introduction of hybrid model for BOT projects in this fiscal is focused to bring back private investment which has been missing since last couple of years. Simultaneously the focus on EPC Projects is expected to remain high. An increasingly high competitive intensity and skewed contractual terms are going to be the key pressure points for the sector.

Railways

A rail network of more than 64,600 kms makes Indian Railways the world's third largest railway network. It carries over 2.3 crore passengers and 30 lakh tonnes of freight every day making it the largest passenger carrier and the fourth-largest rail freight carrier in the world. Increasing urbanisation and industrialisation across the country has been driving the slow but steady increase in the passenger and freight traffic volumes over the last four-five years. A report was released by NITI Ayog (Debroy Committee) in March 2015 on modernizing the Indian Railways. The report highlights that the Indian Railways has suffered from high operating costs and lacks dynamism. Inadequate funds, substandard contracts and selection of contractors with inadequate experience lead to cost and time overruns.

Ministry of Railways had planned to construct six high-capacity, high-speed dedicated freight corridors along the Golden Quadrilateral and its diagonals to match the increasing traffic. These projects are yet to pick up pace to achieve completion.

The union budget of 2014-15 has put a high focus on diamond quadrilateral network of high speed rail. Rail connectivity to ports through private participation is also in the anvil. Feasibility study for high speed trains by Japanese and Chinese companies is also underway. Thus high technology opportunities are expected to develop in this segment in coming years.

MRTS / Urban Infrastructure

Rapid urbanisation and growing population in cities have led to planning and building Mass Rapid Transport Systems such as Metro / Monorail systems which uses technology to offer high utilisation and convenience to the commuters. Successful implementation of metro rail projects in the cities of Kolkata, Delhi, Bengaluru and Mumbai have set an example for cities with populations exceeding 20 lakh for developing advanced transport structure as part of urban planning itself.

Mass Rapid Transit Systems projects are at various stages of planning and implementation for the following cities of India: Pune, Nagpur, Ahmedabad, Lucknow, Hyderabad, Chandigarh, Jaipur, Kochi, Patna, Surat, Vijaywada and Visakhapatnam. EPC as well as PPP modes will be used to implement the projects. This sector gives a highly visible project pipeline for next five years, though competitive intensity is expected to remain high.

Ports

Maritime transport handles 90% of the country's trade by volume and 70% by value. There are 12 major and 60 non-major operational ports in India as on date and the sector has attracted an investment of ₹ 43,000 crores between 2010 and 2014. The sector already has 100% FDI allowed under the automatic route for projects related to the construction and maintenance of ports and harbours.

Under the Maritime Agenda 2010-2020, the Ministry of Shipping has set a target capacity of over 3,130 MT by 2020 which will be driven by private sector participation. More than 50 per cent of this capacity is anticipated to be generated at non-major ports. Under this year's union budget, the government of India has announced Inland Waterways Development project plan for converting 101 rivers across the nation into waterways to promote water transport and create an alternate to road and rail transport. 'Sagarmala' project (string of ports) has been re-announced, which aims to develop 10 coastal economic regions. The government has also announced to set up two new major ports, one each at Sagar in West Bengal and the other at Dugarajapatnam in Nellore district of Andhra Pradesh. An amount of ₹ 11,600 crores has also been allocated for Phase-1 of the development of the Outer Harbour Project in Tuticorin.

Power

The fiscal 2014-15 was a year of achievement for the power sector. The generation capacity addition during the year was 22,566 MW against a target of 17,830 MW, which is the highest ever achievement in a single year for India. The annual electricity generation crossed One Lakh Crore Units, which is another first time for India. This huge capacity addition coupled with higher generation and improvement in transmission capacity has resulted in reducing the electricity energy shortage from a level of 7 to 11% during the last two decades to a record low of only 3.6% during the year 2014-15.

The power generation capacity addition was majorly achieved by commissioning of Thermal power capacity. However, thermal power and gas power capacity addition has been plagued by fuel availability concerns. Increased dependence on imported fuel results in higher generation costs. Increased generation costs and poor financials of state electricity distribution companies has led to under-procurement of power by States.

In the budget government has proposed 5 new Ultra Mega Power Projects, and has brought in renewed focus on renewable power production.

Hydro power projects are expected to take some time before taking off, given the extent of clearances required for such projects.

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Overseas Market

The Infrastructure sector saw a slowdown in investments in most parts of globe in the present fiscal. This was majorly due to fall in oil and commodity prices because of supply-demand positioning. For GCC countries, where oil and gas revenues contribute to more than 75% of total export earnings, will face US\$ 215 billion loss in oil revenues, if, the prices continue to stay low. Saudi Arabia, with US\$ 700 billion in reserves, is not planning to cut on infrastructure investments in near future. Qatar, UAE and Oman are looking to diversification and rationalisation in capital investments to keep running the economy. A slowdown in consumption of commodities like coal, iron-ore and copper in China along with overproduction by mines in Africa, Australia and other parts led to a glut in prices which is now impacting the capital investment plans of mining companies and also hitting the economies which relies on commodity export revenues. One of the most severe public health emergencies seen in modern times, the Ebola epidemic of 2014-15, caused more than 11,000 deaths in the Western Africa region. There was almost a total shutdown of business in the affected regions because of this.

Weak crude oil prices have also hurt the energy-exporting countries of CIS region. Growth slowed sharply for the region to 1.5% in the fiscal. Exports to Russia had reduced in excess of 10% in Kazakhstan and Uzbekistan.

Economies in Southeast Asia saw a growth of ~ 5% in 2014-15 compared to a ~ 6% growth in the earlier year. The region is set to comeback as domestic demand in Indonesia and Malaysia has started to pick up from the last quarter. Thailand already has an established manufacturing base and Vietnam is rapidly scaling up its manufacturing base. Philippines is expected to continue to leverage on its strong logistics market to post high economic growth in 2015-16. These growth drivers will create newer infrastructure opportunities in respective markets.

Closer home, Sri Lanka, Nepal and Bangladesh reported growth in excess of 5.5% in this fiscal. Funding support from JICA, ADB, World Bank and also the Indian government is expected to drive infrastructural growth in the region. The announcement of forming BRICS bank and Asia Infrastructure Investment Bank will also create an additional pool of funds for developing infrastructure in their target regions.

BUSINESS OVERVIEW

During the year, the Company has bagged orders of approx ₹ 6,910 crores. The sectors of key businesses to the Company faced increased level of competitive intensity due to lower number of jobs and increase in competition. The pending order book position of the Company as on 31st March 2015 was ₹ 11,968 crores. While our quality of orders is good and the order size is about 3.31 times of our turnover, we aim to increase the order book size.

During the last decade, the Company has executed projects in Abu Dhabi, Dubai, Qatar, Mauritius, Madagascar, Oman, Yemen, Algeria, Jordan, Bahrain and Liberia. Currently, the Company is executing projects in Bangladesh and Kuwait. Project in Liberia is under suspension because of health emergency in the country caused by Ebola scare. During the year ended 31st March 2015, the Company achieved approx 24.02% of its turnover from overseas market. This reflects an improvement vis-a-vis and shown company's determination and we expect this situation to improve further in the next couple of years.

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

CONSOLIDATED FINANCIAL PERFORMANCE

Your Company has achieved total income of ₹ 4,070.24 crores for the year compared to the previous year's ₹ 3,674.41 crores showing an increase of 10.77%. The EBITDA for the year was ₹ 409.66 crores compared to ₹ 408.88 crores in the previous year resulting in increase by 0.19%. The Consolidated Profit before Tax for the year was ₹ 78.82 crores compared to ₹ 94.87 crores in the previous year resulting in a decrease of 16.92%. The Consolidated Profit after Tax for the year was ₹ 53.18 crores compared to ₹ 49.17 crores in the previous year resulting in increase by 8.15%. Our Order book as on 31st March, 2015 was ₹ 11,968 crores as compared to previous year order book of ₹ 7,851 crores.

RISK AND CONCERNS

A. Global Events

Global political and economic events made a strong impact on Indian economy. Some of these events are listed below:

- Volatility in prices of Oil and Commodity can impact the infrastructure investment outlay for both exporting and importing economies.
- The European debt crisis continues to haunt global financial markets. Implication of this is yet to be ascertained.
- Rising terrorism in Middle East & North Africa is a major concern for doing business in affected areas.
- High competitive intensity for the limited global opportunities.

B. Domestic Events:

This year, when most competing economies are facing challenges, India promised to accelerate its growth.

- Low levels of clarity in certain policies e.g. Land Acquisition Bill, GST Bill, Decreasing level of interest in PPP etc
- Investor confidence for infrastructure projects has not picked up even after reduction of interest rate by 50bps and new refinancing schemes announced by Reserve Bank of India.
- Foreign funding support, primarily from China, for developing new infrastructure will open the entry of Chinese companies which can further increase the competitive intensity in the market.
- Availability of skilled manpower and high attrition levels of employees in the industry.
- Dispute resolution mechanism is time consuming resulting into significant blockage of working capital.
- Increasing competitive intensity across segments, due to mushrooming of competition in the last few years, and slowdown in award of projects.

Your Company's presence in projects across various segments of construction business both in India as well as abroad has helped to mitigate the above constraints and also ensure long term sustainable growth with profitability.

OUTLOOK

The global capital investment climate is on a slow revival path and will take some more time to pick up pace. Growth forecast for the Indian economy looks optimistic and is one of the best in global markets. The government is aiming to achieve a growth in GDP of 8–8.5% y-o-y for FY 2015-16 and believes that double digit growth number in coming years is also achievable. The pro-development policies of Indian government are bringing attention of rest of the world to India as an attractive investment destination.

Your company will continue to follow a path of de-risking as a key component of its growth. We have been successful to build about 20% of our turnover from overseas market. Going forward, we target to continue strengthening our international businesses and gradually take revenue contribution from overseas markets from present 20% to 50% in next few years.

Your Company would continue to maintain its status as a prominent Transnational Infrastructure Company recognized for its business innovation, focused on Total Satisfaction and creating enhanced value for all our stakeholders.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

HUMAN RESOURCES DEVELOPMENT

The Company HR Policy focuses on:

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

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

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

CAUTIONARY STATEMENT

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

AFCONS INFRASTRUCTURE LIMITED

REPORT ON CORPORATE GOVERNANCE

I. CORPORATE GOVERNANCE PHILOSOPHY

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

II. BOARD OF DIRECTORS

(a) Composition

As on 31st March, 2015 the Board of Directors of the Company comprised of 8 Directors out of which 2 are Executive Directors and the remaining 6 are Non-Executive Directors. The Chairman of the Board is Non Executive Director and the Board consists of 3 Independent Directors. All the Directors possess the requisite qualification & experience in Industry, Management, Finance, Research, Law and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

(b) Board Meetings and Attendance

During the year 2014-15, Four (4) Board Meetings were held on the following dates 24th June 2014, 30th September, 2014, 17th December 2014 and 24th March 2015. The notice for the Board Meeting and the detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take an informed decision at the Meetings.

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

None of the Directors are members of more than ten Board level committees nor are they chairman of more than five committees in which they are members. The name and category of the Directors on the Board, their attendance at the Board meetings during the year and at the last Annual General Meeting, as also the number of Directorship & Committee Memberships held by them in other Companies are given below:

| Name of the Director | Category | Total no. of Board Meetings during the year 2014-2015 | | No. of other Directorship(s) in other Public co. ¹ | No of Committee position held in other Public co. ² | | Whether attended last AGM held on 30.09.2014 |
|----------------------|-----------------------------------|---|----------|---|--|--------|--|
| | | Held | Attended | | Chairman | Member | |
| Mr. S.P. Mistry | Chairman | 4 | 3 | 6 | - | - | Yes |
| Mr. N.J.Jhaveri ** | Independent Director | 4 | 2 | N.A | N.A | N.A | Yes |
| Mr.N.D.Khurody | Independent Director | 4 | 4 | 1 | - | - | Yes |
| Mr. J.J.Parakh^ | Non-Executive Director | 4 | 2 | N.A | N.A | N.A | No |
| Mr.R.M.Premkumar | Independent Director | 4 | 4 | 5 | - | - | Yes |
| Mr.P.N.Kapadia | Independent Director | 4 | 4 | 5 | 2 | 2 | Yes |
| Mr. U.N. Khanna | Non-Executive Director | 4 | 3 | 1 | N.A | N.A | Yes |
| Mr.K.Subrahmanian | Vice Chairman & Managing Director | 4 | 4 | - | - | - | Yes |
| Mr.S.Paramasivan | Dy. Managing Director | 4 | 4 | - | - | - | Yes |

Note:

** Mr. N. J. Jhaveri passed away on 6th June, 2015.

^ Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 2nd February, 2015.

1. Excludes Directorship in association, Private Companies, Foreign Companies & Companies registered under section 8 of the Companies Act, 2013.
2. Chairmanships / Memberships of Audit Committee and Shareholders/ Investor's Grievances Committee in other Public Companies have been considered.

III. AUDIT COMMITTEE

- a. The Audit Committee of the Company was constituted on 7th March, 2001 in accordance with the provisions of Section 292A of the Companies Act, 1956.
- b. Terms of reference of the Audit Committee:

In compliance with the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 amended the terms of reference of the Audit Committee which are as under:

- Overseeing the Company's financial reporting process and the disclosure of financial information.
- Recommending the appointment and removal of external auditors and fixing of audit fees.
- Review with management the annual financial statements before submission to the Board.
- Review with management, external and internal auditors, the adequacy of internal controls.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Monitoring the end use of funds raised through public offers and related matters.
 - To obtain professional advice from external sources and have full access to information contained in the records of the company
 - To oversee the vigil mechanism
 - In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
 - All other powers and duties as per Section 177 of the Companies Act 2013 and the Rules made thereunder.
- c. Four Meetings were held during the year on the following dates:
24th June, 2014, 30th September, 2014, 17th December, 2014 and 24th March, 2015.
- d. As on 31st March, 2015 composition of Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

| Name of the Director | Category | Position | No. of Meetings | |
|----------------------|------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. N.J.Jhaveri ^^ | Independent Director | Chairman | 4 | 2 |
| Mr. N.D.Khurody | Independent Director | Member | 4 | 4 |
| Mr. P.N. Kapadia | Independent Director | Member | 4 | 4 |
| Mr. J.J. Parakh ** | Non-Executive Director | Member | 4 | 2 |

^^ Mr. N. J. Jhaveri passed away on 6th June, 2015.

** Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 2nd February, 2015.

IV. NOMINATION AND REMUNERATION COMMITTEE

- a. The Remuneration Committee of the Company was constituted on 25th March, 2003. In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have renamed the Remuneration Committee as "Nomination and Remuneration Committee".
- b. Terms of Reference of the Nomination and Remuneration Committee, as amended by the Board of Directors of the Company at its meeting held on 24th June, 2014, are as under:
- To identify persons who are qualified to become directors and who may be appointed in senior management.
 - To recommend to the Board the appointment/ removal of the Directors or senior management personnel.
 - To carry out evaluation of every Director's performance.
 - To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
 - To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other senior employees.
 - All other powers and authorities as provided under the provisions of Schedule V and other applicable provision of the Companies Act, 2013 and the Rules made thereunder and any amendment thereof, if any, in granting the approval of remuneration to Whole Time Directors and the Managing Directors of the Company.
- c. As on 31st March, 2015 the composition of Committee and particulars of meetings attended by the members of Nomination and Remuneration Committee are given below :

| Name of the Director | Category | Position | No. of Meetings | |
|----------------------|----------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. N.J.Jhaveri ^^ | Independent Director | Chairman | 2 | 2 |
| Mr. P.N. Kapadia | Independent Director | Member | 2 | 2 |
| Mr. N.D.Khurody | Independent Director | Member | 2 | 1 |

^^ Mr. N. J Jhaveri passed away on 6th June, 2015.

- d. Two Meetings were held during the year on the following dates: 14th August, 2014 and 17th December, 2014
- e. Remuneration Policy

Remuneration policy of the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Nomination and Remuneration policy of the Company is annexed to the Board's Report.

Remuneration to Executive Directors has been decided based on the years of experience and contribution made by the respective Executive Directors and is consistent with the industrial practice. As regards payment of sitting fees to non-executive directors, the same has been within the limit allowed in terms of the Companies Act, 2013.

- f. Details of Remuneration paid to Directors during the financial year 2014-15:

i. Executive Directors

(in ₹ p.a.)

| Name of Director | Basic Salary | PF/SA | Perquisites | Total Remuneration |
|-------------------|------------------|------------------|--------------------|--------------------|
| Mr.K.Subrahmanian | 34,50,000 | 9,31,500 | 1,32,18,498 | 1,75,99,998 |
| Mr.S.Paramasivan | 28,50,000 | 7,69,500 | 1,00,30,497 | 1,36,49,997 |
| | 63,00,000 | 17,01,000 | 2,32,48,995 | 3,12,49,995 |

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

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

II. Non-Executive Directors

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

| Name of the Director | Sitting Fees (₹) | Equity Shareholding in the Company | |
|----------------------|------------------|------------------------------------|-----------|
| | | No. of Shares | % holding |
| Mr.S.P. Mistry | 60,000 | - | - |
| Mr.J.J.Parakh** | 1,00,000 | 6,619 | 0.009 |
| Mr.N.J. Jhaveri^^ | 1,00,000 | - | - |
| Mr.P.N. Kapadia | 2,70,000 | - | - |
| Mr.N.D.Khurody | 1,80,000 | - | - |
| Mr.R.M.Premkumar | 90,000 | - | - |
| Mr.U.N.Khanna | 60,000 | - | - |
| Total | 8,60,000 | 6,619 | 0.009 |

^^ Mr. N. J Jhaveri passed away on 6th June, 2015.

** Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 2nd February, 2015.

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

V. Corporate Social Responsibility Committee

- In accordance with the requirement of Section 135 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have constituted a Corporate Social Responsibility Committee.
- The terms of reference of the Corporate Social Responsibility Committee are as under:
 - Framing of Corporate Social Responsibility (CSR) Policy and recommending Board for approval.
 - Spending of CSR corpus.
 - Implementation & monitoring of CSR Policy.
- During the year one meeting was held on 17th December, 2014
- The composition of Corporate Social Responsibility Committee is as under:

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

VI. SHAREHOLDERS/ INVESTOR'S GREIVANCES CUM SHARE TRANSFER CUM SHARE ALLOTMENT COMMITTEE:

- The Shareholders / Investor's Grievances Cum Share Transfer Committee was constituted on 28th November 2006. The Board of Director at its meeting held on 24th September 2008 renamed the said Committee as Shareholders / Investor's Grievance Cum Share Transfer cum ESOP Share Allotment Committee. Thereafter the Committee was again renamed at the meeting of the Board of Directors held on 12th March, 2014 as Shareholder/Investors' Grievance cum Share Transfer cum Shares Allotment Committee ("STC").
- The broad terms of reference of STC is as under:
 - To allot equity shares to the employees exercising the ESOP options granted under the ESOP Scheme 2006 of the Company.
 - To issue and allot Equity Shares, Convertible Preference shares (fully/party/optionally convertible).
 - To exercise such powers and to do all such act, deed, matters and things in connection with the issue and allotment of the Equity Shares, Convertible Preference shares (fully/party/optionally convertible) as the Committee deems fit and proper.
 - To approve transfer of the Equity and Preference Shares of the Company and further delegate such powers to the Registrar for the Transfer of Shares of the Company.
 - To allot Debentures to the Investor.
 - To approve/record Transfer, Dematerialisation / Rematerialisation of Debentures, issue of duplicate Debenture Certificates, issue of new Debenture certificates on split / Consolidation.
 - To look into matters pertaining to the shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, redress complaints of Debentureholder pertaining to the issue including non-receipt of interests, etc.
 - To decide on all other matters related to Debentures.

- To investigate into any matter in relation to areas specified above or referred to it by the Board of Directors and for this purpose will have full access to information contained in the records of the Company.
 - To determine the conversion price of the Convertible Preference shares (fully/party/optionally convertible).
 - To sub-delegate any of the said powers and authorities to any of the Committee members and/or to any other person as the Committee deems fit.
 - To pass any resolution by Circulation.
- c. Seven meetings were held during the year on the following dates:
26th May, 2014, 24th June, 2014, 5th September, 2014, 16th September, 2014, 5th December, 2014, 21st January, 2015 & 17th March, 2015.
- d. As on 31st March, 2015 the composition and attendance of members at the meetings of the Shareholders / Investor's Grievance Cum Share Transfer Cum Share Allotment Committee was as under:

| Name of the Director | Category | Position | No. of Meetings | |
|----------------------|--------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr.P.N.Kapadia | Independent Director | Chairman | 7 | 7 |
| Mr.J.J.Parakh # | Non-Executive Director | Member | 7 | 2 |
| Mr.S.Paramasivan | Deputy Managing Director | Member | 7 | 7 |

Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 2nd February, 2015.

- e. Name and Designation of the Compliance Officer

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

- f. Status of Investor's Complaints

During the financial year all the letters / complaints received by the Registrar and Share Transfer Agent have been redressed and there were no complaints pending with the Company / Registrar and Share Transfer Agent. All the valid share transfers requests received during the year were duly attended to and processed in time. There was no valid request pending for share transfer as on 31st March 2015.

VII. OTHER COMMITTEES OF THE BOARD

A. COMMITTEE OF DIRECTORS

- i. The Committee of Directors was constituted for reviewing the various aspects of business including Operations, Finance, Business Development and to recommend to the Board the strategies for creating better value for the Organisation from all angles.
- ii. During the year under review no meeting was held.
- iii. The Composition of Committee of Directors is as under:

| Name of the Director | Category | Position |
|----------------------|-----------------------------------|----------|
| Mr. N.J. Jhaveri^^ | Independent Director | Chairman |
| Mr. S.P. Mistry | Non-Executive Director | Member |
| Mr. N.D. Khurody | Independent Director | Member |
| Mr.J.J. Parakh # | Non-Executive Director | Member |
| Mr.K. Subrahmanian | Vice Chairman & Managing Director | Member |
| Mr.S. Paramasivan | Deputy Managing Director | Member |

^^ Mr. N. J Jhaveri passed away on 6th June, 2015.

Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 2nd February, 2015.

B. FCP COMMITTEE

- i. The Company with the object of raising fund through Private Placement by issuing Fully Convertible, Non-Cumulative, Non-Participatory Preference Shares ("FCPs") constituted a Committee of Directors named as "FCPs Committee" and delegated to such Committee the following powers:
 - To finalise all terms and conditions for subscription agreement, call option agreement and such other agreements incidental or ancillary to the Issue and allotment of Fully Convertible, Non-Cumulative, Non-Participatory Preference Shares ("FCPs") convertible into Equity Shares.
 - To convene Extraordinary General Meeting of the Company to obtain shareholders consent to amend the Articles of Association of the Company in relation to the issue of FCPs;
 - To make applications to such authorities as may be required and to accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
 - To accept application money, open bank account for receiving the application money from allottees and to issue them share certificates in accordance with the relevant rules;
 - To make application to authorities for dematerialisation of FCPs allotted to the allottees.
 - To authorize and approve the incurring of expenditure and payment of fees in connection with the issue and allotment of FCPs;
 - To do all such acts, deeds, matters and things and execute all such other documents as it may, in its absolute discretion, deem necessary or desirable for such purpose, and to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters Incidental thereto as it may, in Its absolute discretion deem fit;
 - To engage services of professionals including merchant bankers, lawyers, Chartered Accountants and Valuers.

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- To exercise such powers and to do all such act, deed, matters and things in connection with the issue and allotment of FCPs as the FCPs Committee deems fit and proper.
 - To sub-delegate any of the said powers and authorities to any one of the Committee Members and/or to any other person as the FCPs Committee deems fit.
 - The FCPs Committee may pass any resolution by circulation.
- ii. During the year under review, no meeting was held.
- iii. Composition of the Committee

| Name of the Member | Category | Position |
|--------------------|-----------------------------------|----------|
| Mr.P.N.Kapadia | Independent Director | Chairman |
| Mr.J.J.Parakh # | Non-Executive Director | Member |
| Mr.K.Subrahmanian | Vice Chairman & Managing Director | Member |
| Mr.S.Paramasivan | Deputy Managing Director | Member |

Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 2nd February, 2015.

- iv. As Shareholders / Investor's Grievances Cum Share Transfer Committee cum Share Allotment Committee is empowered to take all action in connection with FCPs of the Company. The Board of Directors of the Company at its meeting held on 29th June, 2015 have dissolved FCP Committee.

C. COMPENSATION (ESOP) COMMITTEE

- i. The Compensation (ESOP) Committee was constituted for implementation, administration and superintendence of the ESOP Schemes and to formulate the detailed terms and conditions of the ESOP Scheme.
- ii. During the year under review no meeting was held.
- iii. The composition of the Committee

| Name of the Member | Category | Position |
|--------------------|-----------------------------------|----------|
| Mr. N.J.Jhaveri** | Independent Director | Chairman |
| Mr. P.N.Kapadia | Independent Director | Member |
| Mr. K.Subrahmanian | Vice Chairman & Managing Director | Member |

** Mr. N. J Jhaveri passed away on 6th June, 2015.

- iv. As Shareholders / Investor's Grievances Cum Share Transfer Committee cum Share Allotment Committee is empowered to take all action in connection with ESOP of the Company. The Board of Directors of the Company at its meeting held on 29th June, 2015 have dissolved Compensation (ESOP) Committee.

D. INDEPENDENT DIRECTORS MEETING

Meeting of the Independent Directors of Afcons was held on 25th March, 2015, this meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss & review the performance of the chairman, Non-independent Directors, non – executive directors and executive directors & review the performance of the Board of Directors as a whole as per the provisions of Section 149 read with Schedule IV of the Companies Act, 2013.

All the independent Directors except Mr. N. J. Jhaveri were present at the Meeting.

VIII. GENERAL BODY MEETINGS

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

| For Financial Year ended | Location | Date of AGM | Time |
|--------------------------|----------------------------------|-------------|----------|
| 31.03.2014 | registered office of the Company | 30.09.2014 | 4.30 p.m |
| 31.03.2013 | registered office of the Company | 26.09.2013 | 4.30 p.m |
| 31.03.2012 | registered office of the Company | 28.09.2012 | 4.30 p.m |

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

| Date of EGM | Location | Time |
|-------------|----------------------------------|------------|
| 21.03.2014 | registered Office of the Company | 11.30 a.m. |
| 10.01.2013 | registered Office of the Company | 11.30 a.m. |

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

| | |
|---------------------------------------|--|
| 38 th AGM dated 30.09.2014 | i. Consent of the Company for re-appointment of Mr.K. Subrahmanian as Vice Chairman & Managing Director under section 196,197 & 203 and other applicable provisions if any of the Companies Act, 2013 for further period of 3 years w.e.f 1.7.14 to 30.06.17 on the terms & conditions including remuneration payable to him at any time, subject to limit under section 197, read with Schedule V of the Companies Act, 2013. ii. Consent of the Company for re-appointment of Mr.S. Paramasivan as Deputy Managing Director under section 196,197 & 203 and other applicable provisions if any of the Companies Act, 2013 for further period of 3 years w.e.f 1.7.14 to 30.06.17 on the terms & conditions including remuneration payable to him at any time, subject to limit under section 197, read with Schedule V of the Companies Act, 2013. iii. Consent of the Company under section 180(1)(c) of the Companies Act, 2013 to borrow money from Company's bankers or any foreign bank or from any other financial institution not exceeding ₹ 3,000 Crores at any time. iv. Consent of the Company under section 180(1)(a) of the Companies Act, 2013 to create charges, mortgages or any other hypothecation on movable or non movable assets of the Company not exceeding ₹ 15,000 Crores. |
| 37 th AGM dated 26.09.2013 | No special resolution was passed at the 37 th AGM. |
| 36 th AGM dated 28.09.2012 | Consent of the Company to make/give loan(s) / guarantees/ advances / deposits and to make investments in excess of the limits under section 372A, to direct / indirect subsidiary of the Company set up / likely to be set up in Qatar. |

d. Details of special resolutions passed at Extraordinary General Meeting (EGM)

| | |
|----------------------|---|
| EGM dated 21.03.2014 | a) Consent to issue 10,00,00,000 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares having face value of ₹ 10/- each aggregating to ₹ 100,00,00,000/- to Shapoorji Pallonji and Company Limited. b) (i) Consent of the Company to make/give loan(s) / guarantees/ advances / deposits and to make investments in excess of the limits under section 372A, to direct / indirect subsidiary of the Company set up / likely to be set up in Singapore and Kazakhstan subject to an aggregate limit of ₹1,500 Crores and (ii) make investment in equity shares of Tata Consultancy Services Limited subject to the limit of ₹ 100 Crores. |
| EGM dated 10.01.2013 | a) To vary the terms and conditions of 25,00,00,000 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares having face value of ₹ 10/- each aggregating to ₹ 250,00,00,000 of the Company held by Goswami Infratech Private Limited. b) Alteration of Articles of Association c) Payment of minimum remuneration to Mr.K.Subrahmanian, Vice Chairman & Managing Director. d) Payment of minimum remuneration to Mr.S.Paramasivan, Deputy Managing Director |

e. During the year Two resolution were passed through Postal Ballot

| | |
|---|---|
| Postal Ballot result declared on 16.03.2015 | Pursuant to provision of section 42, 71, 180 and other applicable provisions of the Companies Act, 2013, consent of the Company is accorded for raising funds through issue of Unsecured, Redeemable, Unlisted, Rated, Non-Convertible Debentures ("NCDs") of ₹ 100 Crores on Private Placement basis. |
| Postal Ballot result declared on 25.03.2015 | Pursuant to provision of section 149,152 and other applicable provision of the Companies Act, 2013, consent of the company is accorded for appointment of Mr. Pradip N Kapadia (Din-00078673) as an Independent Director of the Company not liable to retire by rotation, to hold office up to the conclusion of the Forty-Third AGM of the Company to be held on 2019. |

IX. DISCLOSURES

- There were no materially significant related party transactions during the financial year 2014-15 that may have potential conflict with the interests of the Company at large. The detail of the related party transactions as per AS-18 are included in the notes to accounts forming part of the Annual Report.
- Although the Company is not listed with any stock Exchange, it voluntarily complies with Corporate Governance requirement of the Listing Agreement.

X MEANS OF COMMUNICATION:

- The Company has its own website and all the vital information relating to the Company is displayed on the website. Address of the website is www.afcons.com.
- Annual Report containing Inter alia, Audited Annual Report, Financial Statements, Directors Report, Auditors Report and other important information is circulated to the members and others entitled thereto.

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XI. GENERAL SHAREHOLDERS INFORMATION

- a. Annual General Meeting
 Date : 30th September, 2015
 Time : 4.30 pm
 Venue : Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Mumbai 400 053.
- b. Financial Year : 1st April to 31st March
- c. Date of Book Closure : 23rd September, 2015 to 30th September, 2015 (both days Inclusive)
- d. ISIN No. : INE101I01011
- e. Registrar & Share Transfer Agent : Cameo Corporate Service Limited
 Subramanian Building, 1 Club House Road, Chennai-600002
 Tel. No.: 044-28460390
 Fax No.: 044-28460129
 Email id.: afcons@cameoindia.com
- f. CIN : U45200MH1976PLC019335
- g. Tel : +91 22 67191000
- h. Fax : +91 22 26730027 / 1031 / 0047
- i. Email id : rajendran@afcons.com
- j. website : www.afcons.com

XII SHAREHOLDING PATTERN AS ON 31st MARCH, 2015.

| Sr. No. | Category | No. of Shares | % of total |
|---------|--|-----------------|---------------|
| 1 | Promoter's holding | | |
| | Indian Promoters -Bodies Corporate | 70057451 | 97.34 |
| | Sub total (1) | 70057451 | 97.34 |
| 2 | Non Promoters Holding | | |
| | Companies / Bodies Corporate | 50000 | 0.07 |
| | Employees Trust | 1191370 | 1.66 |
| | Directors & their Relatives | 104347 | 0.14 |
| | Employees / Retired Employees / General Public | 567070 | 0.79 |
| | Subtotal (2) | 1912787 | 2.66 |
| | Total (1+2) | 71970238 | 100.00 |

XIII DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2015

| Number of Shares | Shareholders | | Shares | |
|------------------|--------------|---------------|-----------------|---------------|
| | Number | % of Total | Number | % of Total |
| 1 to 100 | 68 | 13.26 | 5551 | 0.01 |
| 101 to 500 | 290 | 56.53 | 78020 | 0.11 |
| 501 to 1000 | 38 | 7.41 | 30014 | 0.04 |
| 1001 to 2000 | 25 | 4.87 | 37860 | 0.05 |
| 2001 to 3000 | 11 | 2.14 | 27139 | 0.04 |
| 3001 to 4000 | 11 | 2.14 | 38813 | 0.05 |
| 4001 to 5000 | 8 | 1.56 | 36462 | 0.05 |
| 5001 to 10000 | 24 | 4.68 | 166318 | 0.23 |
| 10001 & above | 38 | 7.41 | 71550061 | 99.42 |
| Total | 513 | 100.00 | 71970238 | 100.00 |

XIV. Address for Correspondence:

Afcons Infrastructure Limited
 Afcons House, 16, Shah Industrial Estate,
 Veera Desai Road, Azad Nagar, P. O.
 Andheri (W), Mumbai – 400053.
 Tel.no.: 67191000; Fax.no.: 26730027/26731031
 Website: www.afcons.com

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS of AFCONS INFRASTRUCTURE LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **AFCONS INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 48(a) of the financial statements regarding legal opinion received by the Company that interest free advances aggregating to ₹ 33,359.55 lacs made towards financing the unincorporated joint ventures do not attract Section 186 of the Companies Act, 2013 for the reasons stated therein.

Our opinion is not qualified in respect on this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 (i) to the financial statements.
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts. Refer Note 12 (b) (ii) to the financial statements.
 - iii. There has been no delay in transferring amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117364W)

R. Salivati
Partner
Membership No.34004

MUMBAI,
Dated: 20th August, 2015

J. C. Bhatt & Associates
Chartered Accountants
(Registration No. 130923W)

J. C. Bhatt
Partner
Membership No.10977

MUMBAI,
Dated: 20th August, 2015

AFCONS INFRASTRUCTURE LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report On Other Legal and Regulatory Requirements" of our report of even date)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management in a phased periodical manner as per regular program of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
2. In respect of its inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternate sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Attention is invited to note 31 regarding the reliance placed on the legal opinion obtained by management in the matter of non-applicability of Section 73 of the Companies Act 2013 and Companies (Acceptance of Deposit) Rules, 2014, to Unsecured Unlisted Redeemable Non- Convertible Debentures issued by the Company to banks on a private placement basis and its subsequent transfer to Mutual Funds by the Banks. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and any other material statutory dues have been regularly deposited with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and any other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - c. Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax and Cess which have not been deposited on account of disputes are given below:

| Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount (₹ in lacs) | Amount Paid / Adjusted (₹ In lacs) | Net Balance (₹ in lacs) |
|---|----------------|---|------------------------------------|--------------------|------------------------------------|-------------------------|
| Andhra Pradesh General Sales Tax Act 1957 | Sales Tax | Sales Tax appellate Tribunal, Hyderabad | 1995-96, 1996-97, 1997-98 | 16.39 | - | 16.39 |
| Andhra Pradesh General Sales Tax Act 1957 | Sales Tax | Appellate Dy. Commissioner of Commercial taxes, Hyderabad | 1997-98 | 0.75 | 0.56 | 0.19 |
| Delhi Value Added Tax Act, 2004 | Sales Tax | Addl. Commissioner (Appeals) | 2007-08, 2008-09 | 39.51 | 10.81 | 28.69 |
| Karnataka Sales Tax Act, 1957 | Sales Tax | Joint Commissioner, Mangalore | 2008-09 | 120.03 | 61.73 | 58.29 |
| Madhya Pradesh General Sales Tax Act 1958 | Sales Tax | Dy. Commissioner | 1985-86 | 15.09 | 5.18 | 9.91 |
| Madhya Pradesh General Sales Tax Act 1958 | Sales Tax | Addl. Commissioner | 1987-88, 1988-89, 1989-90 | 15.48 | 2.00 | 13.48 |
| Orissa Sales Tax Act, 1947 | Sales Tax | Appellate Tribunal of Sales Tax, Cuttak | 1998-99 | 206.74 | 183.96 | 22.78 |
| Orissa Sales Tax Act, 1947 | Sales Tax | Addn. Commissioner of Sales Tax, Cuttak | 1998-99 | 194.75 | 151.63 | 43.12 |
| Orissa Sales Tax Act, 1947 | Sales Tax | High Court, Orissa | 1999-00 | 184.07 | 153.44 | 30.63 |

| Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount (₹ in lacs) | Amount Paid / Adjusted (₹ in lacs) | Net Balance (₹ in lacs) |
|---|----------------|---|------------------------------------|--------------------|------------------------------------|-------------------------|
| Orissa Sales Tax Act, 1947 | Sales Tax | Addn. Commissioner of Sales Tax, Bhubaneswar | 2004-05 | 43.82 | 28.45 | 15.37 |
| Tamilnadu General Sales Tax Act, 1959 | Sales Tax | Dy. Commissioner Of Commercial Taxes, Chennai | 1992-93, 1994-95, 1995-96, 1996-97 | 13.47 | 12.47 | 1.00 |
| West Bengal Sales Tax Act, 1954 | Sales Tax | West Bengal Commercial Tax Tribunal, Kolkatta | 1987-88, 1988-89 | 11.24 | 5.32 | 5.92 |
| West Bengal Sales Tax Act, 1954 | Sales Tax | Dy. Commissioner of Commercial Taxes, Durgapur | 1994-95 | 19.57 | 8.54 | 11.03 |
| West Bengal Sales Tax Act, 1954 | Sales Tax | Addl. Commissioner of Sales Tax | 2011-12 | 7.24 | 2.77 | 4.47 |
| Karnataka Tax on Entry of Goods Act, 1979 | Entry Tax | Joint Commissioner Commercial Taxes Appeals, Mangalore | 2007-08, 2008-09 | 294.93 | 161.07 | 133.87 |
| Chapter V, Finance Act, 1994 | Service Tax | Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai | 2007-08 | 2.86 | - | 2.86 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT, West Zonal Branch, Mumbai | 2006-07, 2007-08 | 207.71 | - | 207.71 |
| Chapter V, Finance Act, 1994 | Service Tax | High Court, Mumbai | 2007-08, 2008-09, 2009-10, 2010-11 | 5,740.39 | - | 5,740.39 |
| Chapter V, Finance Act, 1994 | Service Tax | Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai | 2006-07, 2007-08, 2008-09 | 18.72 | - | 18.72 |
| Chapter V, Finance Act, 1994 | Service Tax | Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai | 2009-10 | 51.76 | - | 51.76 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2008-10 | 229.61 | - | 229.61 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2008-09 | 122.56 | - | 122.56 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2008-09 | 101.31 | - | 101.31 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2010-14 | 5,083.91 | - | 5,083.91 |

d. The Company has been regular in transferring the amounts to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder within time.

8. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.
10. In our opinion and according to information and explanation given to us terms and conditions of the guarantees given by the Company for loans taken by others from bank or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
12. To the best of our knowledge and according to the information and explanations given to us, no frauds by the Company and no material frauds on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117364W)

R. Salivati
Partner
Membership No.34004

MUMBAI,
Dated: 20th August, 2015

J. C. Bhatt & Associates
Chartered Accountants
(Registration No. 130923W)

J. C. Bhatt
Partner
Membership No.10977

MUMBAI,
Dated: 20th August, 2015

AFCONS INFRASTRUCTURE LIMITED

Balance Sheet as at 31st March, 2015

| | Particulars | Note No. | As at 31 st March, 2015 ₹ in Lacs | As at 31 st March, 2014 ₹ in Lacs |
|---|---|--|--|--|
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 3 | 52,197.02 | 52,197.02 |
| | (b) Reserves and surplus | 4 | 58,411.71 | 52,154.66 |
| | | | 110,608.73 | 104,351.68 |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 5 | 62,442.25 | 55,298.13 |
| | (b) Deferred tax liabilities (net) | 6 | 12,405.83 | 11,490.04 |
| | (c) Other long-term liabilities | 7 | 32,853.27 | 9,952.86 |
| | (d) Long-term provisions | 8 | 866.97 | 859.28 |
| | | | 108,568.32 | 77,600.31 |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 9 | 51,950.25 | 62,337.99 |
| | (b) Trade payables | 10 | 84,997.01 | 76,443.95 |
| | (c) Other current liabilities | 11 | 84,506.32 | 38,109.65 |
| | (d) Short-term provisions | 12 | 2,241.31 | 2,167.77 |
| | | | 223,694.89 | 179,059.36 |
| | TOTAL | | 442,871.94 | 361,011.35 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 13.A | 89,724.44 | 91,397.50 |
| | (ii) Intangible assets | 13.B | 178.39 | 317.03 |
| | (iii) Capital work-in-progress | 13.C | 17,447.43 | 10,460.09 |
| | | | 107,350.26 | 102,174.62 |
| | (b) Non-current investments | 14 | 9,908.81 | 9,884.17 |
| | (c) Long-term loans and advances | 15 | 16,418.81 | 12,122.00 |
| | (d) Other non-current assets | 16 | 39,250.31 | 28,436.31 |
| | | | 172,928.19 | 152,617.10 |
| 2 | Current assets | | | |
| | (a) Inventories | 17 | 138,327.61 | 106,273.22 |
| | (b) Trade receivables | 18 | 58,993.45 | 47,606.23 |
| | (c) Cash and bank balances | 19 | 1,782.55 | 1,006.01 |
| | (d) Short-term loans and advances | 20 | 48,902.71 | 39,239.32 |
| | (e) Other current assets | 21 | 21,937.43 | 14,269.47 |
| | | | 269,943.75 | 208,394.25 |
| | TOTAL | | 442,871.94 | 361,011.35 |
| | See accompanying notes 1 to 54 forming part of the financial statements | | | |
| In terms of our report attached | | For and on behalf of the Board of Directors | | |
| For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS | | For J.C. BHATT & ASSOCIATES CHARTERED ACCOUNTANTS | | S.P.MISTRY Chairman |
| R. SALIVATI Partner | | J.C.BHATT Partner | | K.SUBRAHMANIAN Vice Chairman & Managing Director |
| | | | | S.PARAMASIVAN Deputy Managing Director |
| | | | | P.N. KAPADIA Director |
| | | | | N.D.KHURODY Director |
| | | | | P.R. RAJENDRAN Company Secretary |
| Place: Mumbai | | ASHOK G.DARAK | | |
| Date: 20 th August, 2015 | | Chief Financial Officer | | |

Statement of Profit and Loss for the year ended 31st March, 2015

| Particulars | | Note No. | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|---|----------|--|--|
| | | | ₹ in Lacs | ₹ in Lacs |
| 1 | Revenue from operations | 22 | 301,262.96 | 272,674.46 |
| 2 | Other income | 23 | 15,560.81 | 7,415.42 |
| 3 | Total revenue (1 + 2) | | 316,823.77 | 280,089.88 |
| 4 | Expenses | | | |
| | (a) Cost of construction | 24 | 198,512.28 | 177,040.32 |
| | (b) Cost of traded Goods | 25 | 957.88 | 824.30 |
| | (c) Employee benefits expense | 26 | 42,000.64 | 37,418.77 |
| | (d) Finance costs | 27 | 17,871.58 | 15,972.10 |
| | (e) Depreciation and amortisation expense | 13.D | 12,466.60 | 14,595.53 |
| | (f) Other expenses | 28 | 34,886.20 | 23,950.18 |
| | Total expenses | | 306,695.18 | 269,801.20 |
| 5 | Profit before tax (3 - 4) | | 10,128.59 | 10,288.68 |
| 6 | Tax expense: | | | |
| | (a) Current Tax (including foreign tax ₹ 556.46 Lacs) (Previous year ₹ 1,150.00 Lacs) | | 2,610.76 | 2,467.76 |
| | (b) MAT credit | | (2,054.30) | (1,561.54) |
| | (c) Deferred tax | | 1,095.19 | 2,261.77 |
| | (d) Tax expense relating to prior year (including Mat ₹ 444.15 Lacs) (Previous year ₹ 117.91 Lacs) | | 580.11 | 423.37 |
| | | | 2,231.76 | 3,591.36 |
| 7 | Profit for the year from continuing operations (5 - 6) | | 7,896.83 | 6,697.32 |
| 8 | Earnings per share (Face value of ₹ 10/- each): | 42 | | |
| | (a) Basic | | 10.96 | 9.30 |
| | (b) Diluted | | 2.32 | 1.97 |
| See accompanying notes 1 to 54 forming part of the financial statements | | | | |

In terms of our report attached
For and on behalf of the Board of Directors
**For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS**
**For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS**
**S.P.MISTRY
Chairman**
**K.SUBRAHMANIAN
Vice Chairman &
Managing Director**
**R. SALIVATI
Partner**
**J.C.BHATT
Partner**
**S.PARAMASIVAN
Deputy Managing Director**
**P.N. KAPADIA
Director**
**N.D.KHURDY
Director**
**P.R. RAJENDRAN
Company Secretary**
**Place: Mumbai
Date: 20th August, 2015**
**ASHOK G.DARAK
Chief Financial Officer**

AFCONS INFRASTRUCTURE LIMITED

Cash Flow Statement for the year ended 31st March, 2015

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Cash flow from operating activities | | |
| Profit before tax | 10,128.59 | 10,288.68 |
| adjustments for : | | |
| Depreciation | 12,466.60 | 14,595.53 |
| Loss on sale of fixed assets (net) | 63.22 | 134.47 |
| Dividend income | (1,924.18) | (0.01) |
| Interest income | (8,797.37) | (4,704.76) |
| Interest expense | 16,314.17 | 14,560.52 |
| Profit distribution from Joint Venture | (6,258.00) | (5,770.00) |
| Bad/irrecoverable Debtors /Unbilled Revenue /Advances /Duty Scrip w/off | 1.04 | 1,409.18 |
| Provision for doubtful debtors / advances no longer required written back | - | (444.50) |
| Share of Loss in a firm in which the Company is a partner | 0.06 | 0.07 |
| Creditors / Excess Provision for expenses of earlier years written back | (754.95) | (533.51) |
| Provision for Projected Losses on contract (net) | 52.59 | 444.41 |
| Operating profit before working capital changes | 21,291.77 | 29,980.08 |
| (Increase) in Inventories | (32,054.39) | (32,551.85) |
| (Increase) in Trade receivables | (11,387.22) | (8,738.27) |
| (Increase) in Loans and Advances and Other Assets | (16,398.44) | (9,193.71) |
| Increase in Trade, Other payables and Provisions | 67,993.38 | 20,964.33 |
| Cash from Operations | 29,445.10 | 460.58 |
| Direct taxes - (paid) (including interest) | (4,889.22) | (2,439.70) |
| Net Cash flow from / (used in) operating activities | 24,555.88 | (1,979.12) |
| Cash flow from investing activities | | |
| Purchase of fixed assets | (19,086.47) | (9,536.24) |
| Proceeds from sale of fixed assets | 45.32 | 141.72 |
| Purchase of Investments | (24.64) | (8,572.61) |
| Profit distribution from Joint Venture | 1,308.00 | 5,770.00 |
| Loss in a firm in which the Company is a partner | (0.06) | (0.07) |
| Dividend received | 1,924.18 | 0.01 |
| Investment in Other bank balance (made) / redeemed | (53.46) | 294.28 |
| Interest received | 2,129.08 | 2,452.82 |
| Net Cash flow (used in) investing activities | (13,758.05) | (9,450.09) |
| Cash flow from financing activities | | |
| Proceeds from issue of Preference share | - | 10,000.00 |
| Proceeds from long-term borrowings | 35,507.37 | 18,708.17 |
| Repayment of long-term borrowings | (17,778.69) | (13,093.81) |
| (Repayment) / Proceeds from short term borrowings - net | (10,387.74) | 1,477.56 |
| Interest paid | (16,332.04) | (14,668.84) |
| Dividend paid on Equity Shares (including tax for previous year) (Interim) | (1,079.55) | (1,684.06) |
| Dividend paid on Preference Shares (including tax) | (4.10) | (4.07) |
| Net Cash from financing activities | (10,074.75) | 734.95 |
| Net increase / (decrease) in cash and cash equivalents | 723.08 | (10,694.26) |
| Cash and cash equivalents at the beginning of the year | 867.90 | 1,179.37 |
| Add: Cash and cash equivalents acquired upon amalgamation (Refer Note 3 below) | - | 10,382.79 |
| Cash and cash equivalents at the end of the year | 1,590.98 | 867.90 |

Notes

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006
- Cash and Cash equivalents includes unrealised Profit / (Loss) of ₹ 10.77 Lacs (Previous year ₹ 185.61 lacs) on account of translation of foreign currency bank balances.
- Refer Note 46 for details of Assets, Liabilities and Reserve taken over on Amalgamation of Afcons Infrastructure International Ltd. with the Company
- Figures relating to previous year have been recast where necessary to conform to figures of the current year.

In terms of our report attached

For and on behalf of the Board of Directors

**For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS**

**For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS**

**S.P.MISTRY
Chairman**

**K.SUBRAHMANYAN
Vice Chairman &
Managing Director**

**R. SALIVATI
Partner**

**J.C.BHATT
Partner**

**S.PARAMASIVAN
Deputy Managing Director**

**P.N. KAPADIA
Director**

**N.D.KHURODY
Director**

**P.R. RAJENDRAN
Company Secretary**

Place: Mumbai

Date: 20th August, 2015

**ASHOK G.DARAK
Chief Financial Officer**

Notes forming part of the financial statements for the year ended 31st March, 2015

| Note | Particulars |
|------------|---|
| 1 | Corporate information |
| | <p>Afcons Infrastructure Limited is an unlisted Public Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 / the companies Act, 2013. Afcons is a part of the Shapoorji Pallonji Group. Afcons has a presence in almost the entire spectrum of infrastructure activities in India and Overseas. The Company is engaged in Marine Works, Highways, Bridges, Metro Works, Power Houses, Tunnels, Oil & Gas, LNG Tanks and other general Civil Engineering Projects both in India and Overseas.</p> |
| 2 | Significant accounting policies |
| 2.1 | Basis of Accounting |
| | <p>The Accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with the Generally Accepted Accounting Principles (GAAP) in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.</p> |
| 2.2 | Use of estimates |
| | <p>The preparation of financial statements in conformity with Indian GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of financial statements. All information on key policies and the basis of the estimates and the major sources of uncertainties have been disclosed along with the respective note. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, classification of current / non current assets / liabilities, etc. Difference between actual results and estimates are recognised in the period in which the results are known / materialise.</p> |
| 2.3 | Cash flow statement |
| | <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p> |
| | <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> |
| 2.4 | Tangible Fixed Assets |
| | <p>Tangible Fixed assets are stated at cost of acquisition/construction; inclusive of inward freight, duties, taxes, installation expenses and any expenses directly attributable to the assets to bring them to site and in working condition for its intended use; or book value and include amounts added on revaluation less accumulated depreciation (refer note 13(D)) and impairment loss, if any. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.</p> |
| | <p>Leasehold improvements have been capitalized and are written off over the primary lease term not exceeding five years.</p> |
| 2.5 | Intangible Fixed Assets |
| | <p>Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 – "Intangible Assets".</p> |
| 2.6 | Depreciation & Amortisation |
| | <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:</p> |
| | <p>Plant & Equipment (except Tunnel Boring Machines) which includes Cranes < 100 mt., Concreting, Crushing, Piling, Road Making, Laboratory & Welding Equipments - 20 Years.</p> |
| | <p>Tunnel Boring Machines - Length of the tunnel bored over life of the construction project for where it is used.</p> |
| | <p>Capital Spares - 4 years</p> |
| | <p>Leasehold land is amortised over the duration of the lease.</p> |
| | <p>Intangible assets are amortised over their estimated useful life on straight line method as follows:</p> |
| | <p>Computer Software - 5 years</p> |
| | <p>The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.</p> |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

| Note | Particulars |
|-------------|--|
| 2.7 | <p>Impairment</p> <p>The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:</p> <p>(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.</p> <p>If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.</p> <p>The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.</p> <p>When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.</p> |
| 2.8 | <p>Investments</p> <p>Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, when there is a decline, other than temporary in the value of a long term investment, the carrying amount is reduced to recognize the decline.</p> <p>Investment in shares of subsidiaries registered outside India, are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.</p> |
| 2.9 | <p>Inventories</p> <p>a) Construction materials, stores and spare parts are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average method. Cost of shuttering materials (included in construction materials), issued to jobs, is charged off equally over a period of four years.</p> <p>b) Construction Work in Progress : Work done remaining to be certified / billed is treated as Construction Work in Progress in the accounts. The same is valued at the realizable value.</p> |
| 2.10 | <p>Retention monies</p> <p>Amounts retained by the clients until satisfactory completion of the contract(s) are recognised in the financial statements as receivables. Where such retention monies have been released by the clients against submission of bank guarantees, the amounts so released are adjusted against receivables from these clients.</p> |
| 2.11 | <p>Foreign currency transactions</p> <p>(i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(iii) Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.</p> <p>(iv) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items (net of mark to market gain / loss on related forward contracts / options) are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.</p> |
| 2.12 | <p>Revenue recognition on contracts</p> <p>a. Contract revenue and expenses are recognized, when outcome can be estimated reliably, on the basis of percentage of completion method. Percentage of completion is determined based on the nature of contracts, either in proportion of contract costs incurred upto the reporting date to the estimated total cost or on the basis of physical proportion of the contract work completed as considered appropriate.</p> <p>b. Contract revenue in case of 'Cost Plus' contracts is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.</p> <p>c. Variations (in contracts) and amounts in respect thereof are recognized only when it is probable that the customer(s) will approve them and amounts can be measured reliably.</p> <p>d. Claims and amounts in respect thereof are recognized only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be reliably measured. In the case of Arbitration Awards (the "Awards") which are granted in favor of the Company, the award amount (including interest thereon), are accounted when they are granted and where it is reasonable to expect ultimate collection of such awards.</p> <p>e. Revenue is recognised only when no significant uncertainties exist regarding its measurement and collectability.</p> |

Notes forming part of the financial statements for the year ended 31st March, 2015

| Note | Particulars |
|-------------|--|
| 2.13 | Export Benefits: Export benefits in the form of duty credit entitlement licenses granted by the Government of India under the "Served from India" scheme, on the basis of export realizations made, are recognised on the basis and to the extent of actual utilisation and management's estimate of their likely utilisation. |
| 2.14 | Provision for Estimated Losses Estimated losses, if any, in respect of contracts in progress are provided for based upon current estimates of cost to completion. |
| 2.15 | Employee benefits <ul style="list-style-type: none"> i) Gratuity Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. ii) Superannuation The trustees of Afcons Infrastructure Limited Superannuation Scheme Trust have taken a Group Superannuation policy from the Life Insurance Corporation of India. Provision for superannuation is made on the basis of premium payable in respect of the aforesaid policy. iii) Provident fund Contribution as required under the statute/ rules is made to the Government Provident Fund. iv) Compensated absences The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the period in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. v) Other Benefits The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders the service. vi) Actuarial gains and losses The actuarial gains and losses are recognised immediately in the statement of Profit and Loss. |
| 2.16 | Borrowing costs Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue. |
| 2.17 | Segment Reporting The following accounting policies have been followed for segment reporting: <ul style="list-style-type: none"> i. Segment Revenue includes income directly identifiable with / allocable to the segment. ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Results. The expenses which relate to the Group as a whole and not allocable to segments are included under Unallocable expenses. iii. Segment assets and liabilities include those directly identifiable with the respective segments. |
| 2.18 | Leases Assets leased out under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term. Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to Statement of Profit & Loss on straight line basis over the lease term. |
| 2.19 | Doubtful debts and advances Provision is made in the accounts for debts and advances which in the opinion of the management are considered doubtful of recovery. |
| 2.20 | Taxation Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for taxes on income". Income tax comprises both current and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses, items relating to capital losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realisation. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity. |
| 2.21 | Interest Income Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates. |
| 2.22 | Provisions, Contingent Liabilities and Contingent Assets Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed. |
| 2.23 | Derivatives Interest rates derivatives are marked to market and net loss (if any) is charged to Statement of Profit and Loss. |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

3. Share Capital

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------------------|-------------------|------------------------------------|-------------------|
| | Number of shares | ₹ in Lacs | Number of shares | ₹ in Lacs |
| (a) Authorised | | | | |
| Equity shares of ₹ 10 each. | 350,000,000 | 35,000.00 | 350,000,000 | 35,000.00 |
| Preference shares of ₹ 10 each. | 650,000,000 | 65,000.00 | 650,000,000 | 65,000.00 |
| Total | 1,000,000,000 | 100,000.00 | 1,000,000,000 | 100,000.00 |
| (b) Issued, Subscribed and Fully Paid up | | | | |
| Equity shares of ₹ 10 each. (Refer Note (i) below) | 71,970,238 | 7,197.02 | 71,970,238 | 7,197.02 |
| 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each. (Refer Note (ii) below) | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iii) below) | 250,000,000 | 25,000.00 | 250,000,000 | 25,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iv) below) | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| Total | 521,970,238 | 52,197.02 | 521,970,238 | 52,197.02 |

Notes:

(i) Rights, preferences and restrictions attached to Equity Shares:

- Rights to receive dividend as may be approved by the Board / Annual General Meeting.
- The Equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

(ii) Rights, preferences and restrictions attached to 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares:

- The Preference Shares shall be non- cumulative and non profit participating convertible Preference Shares carrying a fixed rate of dividend of 0.01% per annum to be paid in priority to the holders of any other class of shares.
- The Preference Shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹ 10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the Preference Shares mentioned in note iii(a) below.
- Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

(iii) Rights, preferences and restrictions attached to 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares:

- The Preference Shares shall be automatically and mandatorily converted into equity shares on 13th January, 2019 ("Mandatory Conversion Date") i.e. on the Eleventh year from the Issue date. The mandatory conversion date of the 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares has been revised from 13th January, 2013 (5th year from the date of issue) to 13th January, 2019 (11th year from the date of issue) in terms of the consent letter obtained from the preference shareholder and the special resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 10th January, 2013.
- On Mandatory Conversion Date, the Preference Shares shall be converted into such number of equity shares of the Company constituting 74% of all the outstanding equity share capital of the Company calculated on a fully diluted basis.
- The Preference Shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.
- On return of capital on a liquidation or otherwise of the assets of the Company, the holder of Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the Preference Shares held by it.
- Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

(iv) Rights, preferences and restrictions attached to 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares:

- The Preference Shares shall be automatically and mandatorily converted into equity shares on 21st March, 2019 ("Mandatory Conversion Date") i.e. on the expiry of Five year from the Issue date.
- On Mandatory Conversion Date, the Preference Shares shall be converted into such number of equity shares of the Company at the time of allotment of preference shares provided such conversion price shall not exceed ₹ 132 per Equity shares (consisting of par of ₹ 10 and a premium of ₹ 122).
- The Preference Shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.
- On return of capital on a liquidation or otherwise of the assets of the Company, the holder of Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the Preference Shares held by it.
- Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

Notes forming part of the financial statements for the year ended 31st March, 2015

3. Share Capital (Continued)

(v). Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|------------------|------------------------------------|------------------|
| | Number of Shares | ₹ in Lacs | Number of Shares | ₹ in Lacs |
| Equity shares outstanding at the beginning of the year | 71,970,238 | 7,197.02 | 71,970,238 | 7,197.02 |
| Equity shares outstanding at the end of the year | 71,970,238 | 7,197.02 | 71,970,238 | 7,197.02 |
| 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares at the beginning of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| Preference shares outstanding at the end of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year | 250,000,000 | 25,000.00 | 250,000,000 | 25,000.00 |
| Preference shares outstanding at the end of the year | 250,000,000 | 25,000.00 | 250,000,000 | 25,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| Preference shares outstanding at the end of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |

(vi). Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Particulars | As at 31 st March, 2015 | | | As at 31 st March, 2014 | | |
|---|------------------------------------|---|---|------------------------------------|---|---|
| | Equity Shares | 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares | 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares | Equity Shares | 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares | 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares |
| | Number of shares | | | Number of shares | | |
| Shapoorji Pallonji & Co.Pvt.Ltd., the holding company | 49,009,022 | - | 100,000,000 | 48,900,182 | - | 100,000,000 |
| Subsidiaries of the holding company: | | | | | | |
| Floreat Investments Limited (FIL) | 13,015,929 | 100,000,000 | - | 13,015,929 | 100,000,000 | - |
| Renaissance Commerce Pvt. Limited | 4,016,250 | - | - | 4,016,250 | - | - |
| Hermes Commerce Ltd | 4,016,250 | - | - | 4,016,250 | - | - |

(vii). Details of shares held by each shareholder holding more than 5% of shares of the Company:

| Class of shares / Name of shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|-----------|------------------------------------|-----------|
| | Number of shares held | % holding | Number of shares held | % holding |
| Equity shares | | | | |
| Shapoorji Pallonji & Co.Pvt.Ltd | 49,009,022 | 68.10 | 48,900,182 | 67.95 |
| Floreat Investments Limited | 13,015,929 | 18.09 | 13,015,929 | 18.09 |
| Renaissance Commerce Pvt. Ltd | 4,016,250 | 5.58 | 4,016,250 | 5.58 |
| Hermes Commerce Ltd. | 4,016,250 | 5.58 | 4,016,250 | 5.58 |
| 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares | | | | |
| Floreat Investments Limited | 100,000,000 | 100.00 | 100,000,000 | 100.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares | | | | |
| Goswami Infratech Private Ltd. | 250,000,000 | 100.00 | 250,000,000 | 100.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares | | | | |
| Shapoorji Pallonji & Co.Pvt.Ltd. | 100,000,000 | 100.00 | 100,000,000 | 100.00 |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

4. Reserves and Surplus

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Capital reserve | | |
| Opening balance | 19.13 | 19.13 |
| Closing balance | 19.13 | 19.13 |
| (b) Capital redemption reserve | | |
| Opening balance | 12.50 | 12.50 |
| Closing balance | 12.50 | 12.50 |
| (c) Securities premium account | | |
| Opening balance | 1,028.00 | 1,028.00 |
| Closing balance | 1,028.00 | 1,028.00 |
| (d) Revaluation reserve | | |
| Opening balance | - | 43.02 |
| Less: Utilised for set off against depreciation | - | (43.02) |
| Closing balance | - | - |
| (e) Contingencies reserve | | |
| Opening balance | 800.00 | 800.00 |
| Closing balance | 800.00 | 800.00 |
| (f) Debenture redemption reserve | | |
| Opening balance | 1,250.00 | 625.00 |
| Add : Transferred from surplus in Statement of Profit and Loss | 1,290.00 | 625.00 |
| Closing balance | 2,540.00 | 1,250.00 |
| (g) General reserve | | |
| Opening balance | 6,570.05 | 5,900.32 |
| Add : Transferred from surplus in Statement of Profit and Loss | - | 669.73 |
| Closing balance | 6,570.05 | 6,570.05 |
| (h) Surplus in Statement of Profit and Loss | | |
| Opening balance | 42,474.98 | 27,470.24 |
| Add: Credit Balance in Profit and Loss account of Afcons Infrastructure International Ltd taken over on Amalgamation (Refer Note 46) | - | 11,290.31 |
| Add: Profit for the year | 7,896.83 | 6,697.32 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹ 179.40 Lacs) (Refer Note 50) | 338.97 | - |
| Less: Appropriations | | |
| Interim Dividend on Equity Shares (₹ 1.50 per share) (Previous Year ₹ 2.00 per share) | 1,079.55 | 1,439.40 |
| Proposed Dividend on Preference Shares (₹ 0.001 per share) (Previous Year ₹ 0.001 per share) | 4.50 | 3.53 |
| Tax on Dividend | 216.76 | 245.23 |
| Transferred to General reserve | - | 669.73 |
| Transferred to Debenture redemption reserve | 1,290.00 | 625.00 |
| Closing balance | 47,442.03 | 42,474.98 |
| Total | 58,411.71 | 52,154.66 |

5. Long-term borrowings

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Debentures (Unsecured) (Refer Note 5A) | 20,000.00 | 10,000.00 |
| (b) Working Capital loans (Refer Note (i) of 5B) | | |
| From banks | | |
| Secured | 15,000.00 | 17,500.00 |
| (c) Equipment Loan (Secured) (Refer Note (ii) of 5B) | | |
| From banks | | |
| Rupee Loan | 10,514.83 | 6,755.01 |
| Foreign Currency Loan | 15,436.32 | 18,423.86 |
| (d) Other loans and advances (Refer Note (iii) of 5B) | | |
| Foreign Currency Loan (Secured) | | |
| Buyers Credit from Banks | 1,491.10 | 2,619.26 |
| Total | 62,442.25 | 55,298.13 |

Notes forming part of the financial statements for the year ended 31st March, 2015

5. Long-term borrowings (Continued)

(A) Details of Debentures

| Particulars | Terms of repayment | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| | | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| <u>Unsecured, Redeemable, Unlisted, Non-Convertible Debentures (NCDs)</u> | | | | | |
| i) 10.45% NCDs | Refer Note (i) below | - | 10,000.00 | - | 10,000.00 |
| ii) 9.99% NCDs | Refer Note (ii) below | - | 5,000.00 | - | - |
| iii) 9.87% NCDs | Refer Note (iii) below | - | 5,000.00 | - | - |
| Total Non-Convertible Debentures | | - | 20,000.00 | - | 10,000.00 |

Notes:

- The NCDs carry interest @ 10.45% per annum payable quarterly and are redeemable in full at the end of 5 years from the date of issue i.e. 12th February, 2018. The NCDs carry a Put option to the holders and a Call option to the Company to get the NCDs redeemed at any time after 3 1/2 years from the date of allotment i.e. 12th August, 2016, by giving a 30 days notice to the other party.
- The NCDs carry interest @ 9.99% per annum payable annually and are redeemable in full at the end of 3 years and 40 days from the date of allotment i.e. 26th April, 2018.
- The NCDs carry interest @ 9.87% per annum payable semi annually and are redeemable in full at the end of 5 years and 20 days from the date of allotment i.e. 6th April, 2020.

(B) Details of terms of repayment of long-term borrowings from Banks and security provided in respect thereof:

| Particulars | Terms of repayment and security | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|---------------------------------|------------------------------------|------------------------|------------------------------------|------------------------|
| | | Secured ₹ in Lacs | Unsecured ₹ in Lacs | Secured ₹ in Lacs | Unsecured ₹ in Lacs |
| (i) Working Capital loans from banks | Refer Note (ii) below | - | - | 10,000.00 | - |
| Axis Bank Ltd. (Refer Note (i) below) | | 15,000.00 | - | 7,500.00 | - |
| State Bank of India (Refer Note (i) below) | | 15,000.00 | - | 17,500.00 | - |
| (ii) Equipment Loan from banks | Refer Note (iii) below | | | | |
| Rupee Loan: | | | | | |
| Indian Overseas Bank | | 514.83 | - | 3,014.83 | - |
| Oriental Bank of Commerce | | - | - | 1,240.18 | - |
| State Bank of India | | 10,000.00 | - | 2,500.00 | - |
| Foreign Currency Loan (ECB): | | | | | |
| DBS Bank Ltd | | 3,742.14 | - | 8,388.10 | - |
| HSBC Bank | | 3,742.14 | - | 7,189.80 | - |
| Societe Generale | | 7,952.04 | - | 2,845.96 | - |
| Total - Equipment Loan | | 25,951.15 | - | 25,178.87 | - |
| (iii) Other Loans and Advances from banks | Refer Note (iv) below | | | | |
| -Buyer's Credit Foreign Currency Loans | | | | | |
| State Bank of India | | 1,491.10 | - | 2,619.26 | - |
| Total - Other loans and advances | | 1,491.10 | - | 2,619.26 | - |
| Total Long-term Borrowings from Banks | | 42,442.25 | - | 45,298.13 | - |

Notes:

- Working Capital loan from Axis Bank is secured by subservient charge over current assets and Working Capital loan from State Bank of India is secured by second charge on Plant and Machinery.
- Working Capital loans from Banks carry interest ranging from Base rate + 0.50% to Base rate + 0.70% per annum. The repayment schedule of the loans are as follows.

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2016-17 | Repayment in 2017-18 | Repayment in 2018-19 | Repayment in 2019-20 |
|---------------------|----------------------------|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| State Bank of India | 15,000.00 | 2 installments of ₹ 2,500.00 each | 2 installments of ₹ 2,500.00 each | 1 installment of ₹ 2,500.00 | 1 installment of ₹ 2,500.00 |

| Previous Year | | | | | |
|----------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|--|
| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2015-16 | Repayment in 2016-17 | Repayment in 2017-18 | |
| Axis Bank Ltd. | 10,000.00 | 1 installment of ₹ 10,000.00 | - | - | |
| State Bank of India | 7,500.00 | 1 installment of ₹ 2,500.00 | 1 installment of ₹ 2,500.00 | 1 installment of ₹ 2,500.00 | |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

5. Long-term borrowings (Continued)

- (iii) Secured by first pari passu charge on Plant & Machinery. The Rupee loans carry interest ranging from Base rate + 0.50% to Base rate + 0.75% per annum and Foreign currency loans carry interest ranging from Libor + 2.35% to Libor + 2.70% per annum. The repayment schedule of the loans are as follows.

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2016-17 | Repayment in 2017-18 | Repayment in 2018-19 | Repayment in 2019-20 | Repayment in 2020-21 |
|-------------------------------|----------------------------|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Rupee Loan: | | | | | | |
| Indian Overseas Bank | 514.83 | 1 Installments of ₹ 514.83 | - | - | - | - |
| State Bank of India | 10,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 |
| Foreign Currency Loan: | | | | | | |
| DBS Bank Ltd | 3,742.14 | 3 installments of ₹ 1247.38 each | - | - | - | - |
| HSBC Bank | 3,742.14 | 2 installments of ₹ 1,871.07 each | - | - | - | - |
| Societe Generale | 7,952.04 | Installments of ₹ 467.77 & ₹623.69 | 2 installments of ₹ 623.69 each | 2 installments of ₹ 935.54 each | 2 installments of ₹ 935.53 each | 2 installments of ₹ 935.53 each |

Previous Year

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2015-16 | Repayment in 2016-17 | Repayment in 2017-18 | Repayment in 2018-19 | Repayment in 2019-20 | Repayment in 2020-21 |
|-------------------------------|----------------------------|---|---|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Rupee Loan: | | | | | | | |
| Indian Overseas Bank | 3,014.83 | 2 installments of ₹ 1250.00 each | 1 Installments of ₹ 514.83 | - | - | - | - |
| Oriental Bank of Commerce | 1,240.18 | Installments of ₹ 625.00 & ₹ 615.18 | - | - | - | - | - |
| State Bank of India | 2,500.00 | - | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 |
| Foreign Currency Loan: | | | | | | | |
| DBS Bank Ltd | 8,388.10 | 4 installments of ₹ 1198.30 each | 3 installments of ₹ 1198.30 each | - | - | - | - |
| HSBC Bank | 7,189.80 | 2 installments of ₹ 1797.45 each | 2 installments of ₹ 1797.45 each | - | - | - | - |
| Societe Generale | 2,845.96 | 2 installments of ₹ 149.79 each | Installments of ₹ 149.79 & ₹ 199.72 | Installments of ₹ 199.72 & ₹ 199.73 | 2 installments of ₹ 299.57 each | 2 installments of ₹ 299.57 each | 2 installments of ₹ 299.57 each |

- (iv) The Loans carry interest ranging from Libor + 95 bps to Euribor + 150 bps per annum. State Bank of India loan is secured by a first charge by way of equitable mortgage on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis with other banks. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and first charge on plant and machinery of the Company on pari-passu basis with other consortium banks and term lenders upto 50% of the Fund Based Limits.

The repayment schedule of the loans are as follows:

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2016-17 |
|---------------------|----------------------------|--|
| State Bank of India | 1,491.10 | Installments of ₹ 156.75, ₹ 156.74, ₹ 199.13, ₹ 420.52 & ₹ 557.96 |

Previous Year

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2015-16 | Repayment in 2016-17 |
|---------------------|----------------------------|--|--|
| State Bank of India | 2,619.26 | Installments of ₹ 220.62, ₹ 319.38, ₹ 110.31, ₹ 319.38 & ₹ 132.06 | Installments of ₹ 193.12, ₹ 193.12, ₹ 191.29, ₹ 403.97 & ₹ 536.01 |

Notes forming part of the financial statements for the year ended 31st March, 2015

6. Major components of deferred tax (assets) and liabilities are as under:

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Deferred tax liability / (asset) | | |
| <u>Tax effect of items constituting deferred tax liability</u> | | |
| On difference between book balance and tax balance of fixed assets | 4,720.04 | 5,403.64 |
| Arbitration Awards (including interest) | 9,755.14 | 7,125.89 |
| Tax effect of items constituting deferred tax liability | 14,475.18 | 12,529.53 |
| <u>Tax effect of items constituting deferred tax assets</u> | | |
| Provision for compensated absences, gratuity and other employee benefits | (487.47) | (331.43) |
| Provision for doubtful debts / advances | (715.12) | (702.35) |
| Others (includes carry forward losses, etc.) | (866.76) | (5.71) |
| Tax effect of items constituting deferred tax assets | (2,069.35) | (1,039.49) |
| Net deferred tax liability Total | 12,405.83 | 11,490.04 |

7. Other long-term liabilities

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Trade Payables - Retention monies | 4,156.67 | 3,576.37 |
| (b) Others: | | |
| (i) Advances from customers | 28,673.46 | 6,345.61 |
| (ii) Statutory remittances (VAT, Service Tax, etc.) | 23.14 | 30.88 |
| Total | 32,853.27 | 9,952.86 |

8. Long-term provisions

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Provision for employee benefits: | | |
| (i) Provision for compensated absences | 675.10 | 503.82 |
| (ii) Provision for gratuity (net) (Refer Note 39) | 191.87 | 12.68 |
| (b) Provision - For contingencies (Refer Note 47) (In relation to expense of job completed in earlier year under dispute) | - | 342.78 |
| Total | 866.97 | 859.28 |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

9. Short-term borrowings

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Short term Loans from Bank | | |
| Foreign Currency Loan: | | |
| Buyers Credit (Secured) (Refer note below) | - | 1,947.98 |
| Packing Credit Finance (Unsecured) | 935.54 | 5,990.90 |
| | 935.54 | 7,938.88 |
| (b) Cash Credit Facility from Banks (Secured) (Refer Note below) | 16,802.29 | 16,197.16 |
| (c) Commercial Papers (Unsecured) | | |
| From Banks | | |
| Face Value | 5,000.00 | 10,000.00 |
| Less: Discount not written-off | 370.76 | 696.69 |
| | 4,629.24 | 9,303.31 |
| From Other parties | | |
| Face Value | 30,840.00 | 30,000.00 |
| Less: Discount not written-off | 1,256.82 | 1,229.45 |
| | 29,583.18 | 28,770.55 |
| (Maximum amount outstanding during the year ₹ 55,000.05 Lacs) (Previous Year ₹ 43,487.27 Lacs) | | |
| (d) Loans Repayable on demand (Unsecured) | | |
| From Related Parties (Refer Note 40) | - | 90.00 |
| (e) Loans and Advances from Related Parties (Refer Note 40) | | |
| Unsecured | - | 38.09 |
| Total | 51,950.25 | 62,337.99 |

Note:

Details of security for the secured short-term borrowings:

| Particulars | Terms of repayment and security | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-----------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| | | ₹ in Lacs | ₹ in Lacs |
| Short Term Loans from Bank | | | |
| Foreign Currency Loan: | | | |
| Buyers Credit (Secured) | | | |
| State Bank of India | Refer Note below | - | 1,947.98 |
| Cash Credit Facility | Refer Note below | 16,802.29 | 16,197.16 |

Note: Secured by a first charge by way of equitable mortgage on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and first charge on plant and machinery of the Company on pari-passu basis with other consortium banks and term lenders upto 50% of the Fund Based Limits. Cash credit facility is further secured by the Company's proportionate share of Current Assets in all the Joint Ventures both present and future. Buyers Credit from banks carry interest @ Libor + 0.75 bps per annum and Cash Credit Facility from Banks carry interest ranging from 10.25% per annum to 13.65% per annum.

10. Trade payables

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Acceptances | 3,660.92 | 3,035.11 |
| <u>Other than Acceptances</u> | | |
| (i) Total outstanding dues to micro, medium and small enterprises (Refer Note 30) | 69.40 | 84.09 |
| (ii) Total outstanding dues other than to micro, medium and small enterprises | 81,266.69 | 73,324.75 |
| Total | 84,997.01 | 76,443.95 |

Notes forming part of the financial statements for the year ended 31st March, 2015

11. Other current liabilities

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Current maturities of long-term debt (Refer Note (i) below) | 26,801.67 | 16,081.45 |
| (b) Interest accrued but not due on borrowings | 289.84 | 307.71 |
| (c) Income received in advance (against sale of scrap) | 131.35 | 10.67 |
| (d) Unclaimed / unpaid dividends (Refer Note (ii) below) | 26.85 | 34.39 |
| (e) Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below) | 0.61 | 1.24 |
| (f) Other payables | | |
| (i) Statutory remittances (VAT, Service Tax, etc.) | 2,579.49 | 2,831.08 |
| (ii) Interest accrued on advance from customers | 551.42 | 51.60 |
| (iii) Trade / security deposits received | 153.07 | 67.33 |
| (iv) Advances from customers | 47,099.13 | 11,432.25 |
| (v) Amount received on invocation of Bank Guarantees | 6,872.79 | 7,291.83 |
| (vi) Others | 0.10 | 0.10 |
| Total | 84,506.32 | 38,109.65 |

Note: (i) Refer Notes B(ii), B(iii) and B(iv) in Note 5 - Long-term borrowings for details of security.

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Working Capital Loans from Banks | | |
| Secured | 12,500.00 | 2,500.00 |
| (b) Equipment Loans from Banks (Secured) | 3,740.18 | 3,750.00 |
| (c) Foreign Currency Loans (Secured) | 10,561.49 | 9,831.45 |
| Total | 26,801.67 | 16,081.45 |

(ii) This does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund.

12. Short-term provisions

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Provision for employee benefits: | | |
| (i) Provision for compensated absences | 65.01 | 57.74 |
| (ii) Provision for gratuity (net) (Refer Note 39) | 476.55 | 400.84 |
| | 541.56 | 458.58 |
| (b) Provision - Others: | | |
| (i) Provision for tax (net of advance tax ₹ 2,013.47 Lacs) (As at 31 st March, 2014 ₹ 1,522.35 lacs) | 981.49 | 1,260.65 |
| (ii) Provision for projected loss on contract | 497.00 | 444.41 |
| (iii) Proposed dividend on Preference shares | 4.50 | 3.53 |
| (iv) Tax on proposed dividend | 216.76 | 0.60 |
| | 1,699.75 | 1,709.19 |
| Total | 2,241.31 | 2,167.77 |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

13. Fixed assets

A. Tangible assets

| Particulars | Gross block | | | Depreciation / Amortisation | | | | | Net Block |
|----------------------------|---|------------------|-----------------|--|---|--|--|----------------------------------|--|
| | Balance as at 1 st April, 2014 | Additions | Disposals | Balance as at 31 st March, 2015 | Balance as at 1 st April, 2014 | Depreciation / amortisation expense for the year | Other adjustments / Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer note 50) | Eliminated on disposal of assets | Balance as at 31 st March, 2015 |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| (a) Land | | | | | | | | | |
| Freehold | 1.58 | - | - | 1.58 | - | - | - | - | 1.58 |
| Leasehold | 16.58 | - | - | 16.58 | 0.96 | 0.16 | - | - | 15.46 |
| (b) Buildings | 1,853.54 | - | - | 1,853.54 | 1,414.83 | 25.10 | - | - | 413.61 |
| (c) Plant and Equipment | 114,137.26 | 9,827.71 | (288.17) | 123,676.80 | 38,376.72 | 10,488.82 | 84.98 | (192.81) | 74,919.09 |
| (d) Furniture and Fixtures | 1,564.23 | 776.98 | (6.07) | 2,335.14 | 260.70 | 231.96 | 4.68 | (1.66) | 1,839.46 |
| (e) Vehicles | 857.16 | 266.47 | - | 1,123.63 | 183.56 | 125.69 | 0.82 | - | 813.56 |
| (f) Office equipments | 2,004.57 | 262.44 | (13.74) | 2,253.27 | 946.85 | 373.83 | 334.48 | (8.49) | 606.60 |
| (g) Leasehold improvements | 279.22 | - | - | 279.22 | 279.22 | - | - | - | - |
| (h) Floating Equipments | 15,954.46 | 144.07 | (83.54) | 16,014.99 | 3,848.61 | 1,075.65 | 93.41 | (80.02) | 11,077.34 |
| (i) Laboratory Equipments | 85.45 | - | - | 85.45 | 45.10 | 2.61 | - | - | 37.74 |
| Total | 136,754.05 | 11,277.67 | (391.52) | 147,640.20 | 45,356.55 | 12,323.82 | 518.37 | (282.98) | 57,915.76 |
| | | | | | | | | | 89,724.44 |

Previous Year

| Particulars | Gross block | | | Depreciation / Amortisation | | | | | Net Block |
|----------------------------|---|------------------|-----------------|--|---|--|-------------|----------------------------------|--|
| | Balance as at 1 st April, 2013 | Additions | Disposals | Balance as at 31 st March, 2014 | Balance as at 1 st April, 2013 | Depreciation / amortisation expense for the year | Adjustments | Eliminated on disposal of assets | Balance as at 31 st March, 2014 |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| (a) Land | | | | | | | | | |
| Freehold | 1.58 | - | - | 1.58 | - | - | - | - | 1.58 |
| Leasehold | 16.58 | - | - | 16.58 | 0.80 | 0.16 | - | - | 15.62 |
| (b) Buildings | 1,853.54 | - | - | 1,853.54 | 1,353.08 | 61.75 | - | - | 438.71 |
| (c) Plant and Equipment | 100,351.86 | 14,158.64 | (373.24) | 114,137.26 | 25,772.66 | 12,911.46 | - | (307.40) | 75,760.54 |
| (d) Furniture and Fixtures | 1,209.70 | 392.42 | (37.89) | 1,564.23 | 182.92 | 94.20 | - | (16.42) | 1,303.53 |
| (e) Vehicles | 705.50 | 177.69 | (26.03) | 857.16 | 127.93 | 67.55 | - | (11.92) | 673.60 |
| (f) Office equipments | 2,061.45 | 129.10 | (185.98) | 2,004.57 | 845.43 | 171.20 | - | (69.78) | 1,057.72 |
| (g) Leasehold improvements | 279.22 | - | - | 279.22 | 279.22 | - | - | - | - |
| (h) Floating Equipments | 15,931.75 | 311.09 | (288.38) | 15,954.46 | 2,905.26 | 1,173.16 | - | (229.81) | 12,105.85 |
| (i) Laboratory Equipments | 85.45 | - | - | 85.45 | 42.49 | 2.61 | - | - | 40.35 |
| Total | 122,496.63 | 15,168.94 | (911.52) | 136,754.05 | 31,509.79 | 14,482.09 | - | (635.33) | 91,397.50 |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

Notes:

- (1) Some of the Fixed assets viz., Plant & Equipment, (including certain items fully written off in previous years) Laboratory Equipment, Barges (Floating equipments), New & Old Workshop and Office Building as on 1st April, 1990 were revalued on the basis of the valuation made by the external valuers resulting in net increase of ₹ 4,551.21 lacs being surplus on revaluation.
- (2) Revalued amounts substituted for Historical Cost as at 1st April, 1990 and included under Gross Block are as under :

| | |
|---------------------------------|-----------------|
| i) Plant & Equipment | ₹ 4,261.48 lacs |
| ii) Laboratory Equipments | ₹ 124.45 lacs |
| iii) Workshop & Godown | ₹ 466.02 lacs |
| iv) Buildings | ₹ 1,260.00 lacs |
| v) Barges (Floating Equipments) | ₹ 899.78 lacs |
- (3) Plant and Equipment includes assets for a Gross Value ₹ Nil (previous year ₹ 9,636.05 Lacs) and WDV ₹ Nil (previous year ₹ 7,899.38 Lacs) hypothecated in favour of Chennai Metro Rail Ltd. on behalf of Transtonnelstroy Afcons Joint Venture.
- (4) Additions for the year includes foreign exchange capitalised during the year amounting to ₹ 0.57 Lacs (Previous Year ₹ 940.83 Lacs). The balance amount of Foreign exchange fluctuation, capitalised as a part of cost of Tangible Assets, remaining to be amortised is ₹ 901.79 Lacs (Previous year ₹ 1,186.35 Lacs) .

B. Intangible assets

| Particulars | Gross block (At cost) | | | Amortisation | | | Net Block |
|------------------------------|---|-----------|-----------|--|---------------------------|----------------------------------|-----------|
| | Balance as at 1 st April, 2014 | Additions | Disposals | Balance as at 31 st March, 2015 | Amortisation for the year | Eliminated on disposal of assets | |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | |
| Computer software - Acquired | 795.08 | 4.14 | - | 799.22 | 478.05 | - | 178.39 |

Previous Year

| Particulars | Gross block (At cost) | | | Amortisation | | | Net Block |
|------------------------------|---|-----------|-----------|--|---------------------------|----------------------------------|-----------|
| | Balance as at 1 st April, 2013 | Additions | Disposals | Balance as at 31 st March, 2014 | Amortisation for the year | Eliminated on disposal of assets | |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | |
| Computer software - Acquired | 671.96 | 123.12 | - | 795.08 | 321.59 | - | 317.03 |

C. Capital Work in Progress - Plant and equipments under installation ₹ 17,447.43 Lacs (Previous year ₹ 10,460.09 Lacs)

(Capital work in progress includes capitalised foreign exchange fluctuation ₹ 605.68 Lacs (Previous year ₹ 668.25 Lacs))

D. Depreciation and amortisation:

| Particulars | For the year ended 31 st March, 2015 | | For the year ended 31 st March, 2014 | |
|--|---|--|---|--|
| | ₹ in Lacs | | ₹ in Lacs | |
| Depreciation and amortisation for the year on tangible assets as per (A) above | 12,323.82 | | 14,482.09 | |
| Depreciation and amortisation for the year on intangible assets as per (B) above | 142.78 | | 156.46 | |
| | 12,466.60 | | 14,638.55 | |
| Less: Utilised from revaluation reserve | - | | 43.02 | |
| Depreciation and amortisation as per Statement of Profit and Loss | 12,466.60 | | 14,595.53 | |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

14. Non-current investments

| Particulars | Face Value | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------|------------------------------------|-----------|------------------------------------|-----------|
| | | Quantity | Amount | Quantity | Amount |
| | | | ₹ in Lacs | | ₹ in Lacs |
| A. Trade (Fully paid, at cost): | | | | | |
| (a) Investment in equity instruments (Unquoted) : | | | | | |
| (i) of subsidiaries | | | | | |
| Hazarat & Co. Ltd. | ₹ 10 | 202,610 | 20.26 | 202,610 | 20.26 |
| Afcons Offshore & Marine Services Pvt. Ltd. | ₹ 10 | 100,000 | 25.50 | 100,000 | 25.50 |
| Afcons Corrosion Protection Pvt. Ltd. | ₹ 10 | 80,000 | 6.40 | 80,000 | 6.40 |
| Afcons Construction Mideast LLC.* | AED 1000 | 147 | 17.65 | 147 | 17.65 |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL.* | KD 1200 | 49 | 95.67 | 49 | 95.67 |
| Afcons Overseas Construction LLC, Qatar.* | QAR 1000 | 98 | 14.90 | 98 | 14.90 |
| Afcons Mauritius Infrastructure Ltd. | Euro 1 | 1,100,000 | 917.19 | 1,100,000 | 917.19 |
| Afcons Overseas Singapore Pte. Ltd. | SGD 1 | 50,000 | 24.15 | - | - |
| (ii) of associates | | | | | |
| Afcons (Mideast) Constructions & Investments Pvt. Ltd.# | ₹ 100 | 1 | - | 1 | - |
| (iii) of Joint Ventures - jointly controlled entity | | | | | |
| Afcons Sener LNG Construction Projects Pvt.Ltd. | ₹ 10 | 4,900 | 0.49 | - | - |
| | | | 1,122.21 | | 1,097.57 |
| *Subsidiary on the basis of control on the composition of the Board of Directors. | | | | | |
| # denotes value less than rupees one thousand. | | | | | |
| (b) Investment in partnership firms : | | | | | |
| Afcons Pauling Joint Venture (Refer Note (iv) below) | | | 174.00 | | 174.00 |
| Total - Trade (A) | | | 1,296.21 | | 1,271.57 |
| B. Other investments (Fully paid, at cost): | | | | | |
| (a) Investment in equity instruments (Quoted): | | | | | |
| Hindustan Oil Exploration Co. Ltd. | ₹ 10 | 40,072 | 29.34 | 40,072 | 29.34 |
| Hindustan Construction Co. Ltd. | ₹ 1 | 2,000 | 0.03 | 2,000 | 0.03 |
| Simplex Infrastructures Ltd. | ₹ 2 | 500 | 0.04 | 500 | 0.04 |
| ITD Cementation India Ltd. | ₹ 10 | 100 | 0.42 | 100 | 0.42 |
| Gammon India Ltd. | ₹ 2 | 250 | 0.06 | 250 | 0.06 |
| Tata Consultancy Services Ltd. | ₹ 1 | 400,000 | 8,572.61 | 400,000 | 8,572.61 |
| | | | 8,602.50 | | 8,602.50 |
| (b) Investment in equity instruments (Unquoted) | | | | | |
| Simar Port Ltd. | ₹ 10 | 1,000 | 0.10 | 1,000 | 0.10 |
| (c) Investment in mutual funds (Unquoted): | | | | | |
| SBI Infrastructure Fund | ₹ 10 | 50,000 | 5.00 | 50,000 | 5.00 |
| UTI Infrastructure Fund - Growth Plan | ₹ 10 | 12,731 | 5.00 | 12,731 | 5.00 |
| | | | 10.00 | | 10.00 |
| Total - Other investments (B) | | | 8,612.60 | | 8,612.60 |
| Total (A+B) | | | 9,908.81 | | 9,884.17 |
| Notes: | | | | | |
| (i) Aggregate amount of quoted investments | | | 8,602.50 | | 8,602.50 |
| (ii) Aggregate market value of quoted investments | | | 10,234.30 | | 8,552.69 |
| (iii) Aggregate amount of unquoted investments | | | 1,306.31 | | 1,281.67 |

(iv) Other details relating to investment in partnership firms

| Name of the firm | As at 31 st March, 2015 | | | As at 31 st March, 2014 | | |
|------------------------------|------------------------------------|---------------------------|--|------------------------------------|---------------------------|--|
| | Names of partners in the firm | Total capital (₹ in Lacs) | Share of each partner in the profits of the firm | Names of partners in the firm | Total capital (₹ in Lacs) | Share of each partner in the profits of the firm |
| Afcons Pauling Joint Venture | Afcons Infrastructure Limited | 174.00 | 95.00% | Afcons Infrastructure Limited | 174.00 | 95.00% |
| | Pauling Plc | - | 5.00% | Pauling Plc | - | 5.00% |

Notes forming part of the financial statements for the year ended 31st March, 2015

15. Long-term loans and advances (Unsecured, considered good unless otherwise specified)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Capital advances | 968.27 | 150.38 |
| (b) Security deposits Unsecured, considered good | 543.84 | 544.44 |
| (c) Prepaid expenses | 147.01 | 541.98 |
| (d) Advance income tax (net of provision ₹ 1,469.84 Lacs) (As at 31 st March, 2014 ₹ 3,256.24 Lacs) | 4,890.20 | 3,026.86 |
| (e) MAT credit entitlement | 6,692.07 | 5,081.92 |
| (f) Balances with government authorities | | |
| (i) VAT credit receivable | 3,151.82 | 2,761.48 |
| (ii) Other Deposits | 25.60 | 14.94 |
| | 3,177.42 | 2,776.42 |
| Total | 16,418.81 | 12,122.00 |

16. Other non-current assets

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Long-term trade receivables - Under arbitration and Retention monies Unsecured, considered good Doubtful | 12,716.65 1,995.61 | 4,555.70 1,995.61 |
| Less: Provision for doubtful trade receivables | 1,995.61 | 1,995.61 |
| | 12,716.65 | 4,555.70 |
| (b) Construction Work-in-Progress - Under arbitration Unsecured, considered good Doubtful | 14,054.83 7.00 | 15,649.48 7.00 |
| Less: Advances received | 2.55 | 2.55 |
| Less: Provision for doubtful Construction Work-in-Progress | 7.00 | 7.00 |
| | 14,052.28 | 15,646.93 |
| (c) Interest on trade receivables as per arbitration awards | 11,389.42 | 6,554.36 |
| (d) Other Loans and Advances (Doubtful) Less: Provision for other doubtful loans and advances | 63.73 63.73 | 63.73 63.73 |
| (e) Other Bank Balances * Less : Provision | 19.10 19.10 | 19.10 19.10 |
| (f) Receivable under foreign currency contracts | 1,091.96 | 1,679.32 |
| Total | 39,250.31 | 28,436.31 |

* The balances in these bank accounts are subject to exchange control restrictions for repatriation.

17. Inventories

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Construction Materials - at lower of cost and net realisable value | | |
| Steel | 8,005.51 | 9,279.08 |
| Cement | 764.20 | 900.78 |
| Aggregate | 1,016.27 | 956.32 |
| Bitumen | 2.45 | 71.08 |
| Shuttering Material | 4,026.54 | 3,707.82 |
| Sand | 241.39 | 173.45 |
| Other Construction Material | 3,256.80 | 2,803.66 |
| | 17,313.16 | 17,892.19 |
| (b) Stores and spares - at lower of cost and net realisable value | 8,799.25 | 6,933.33 |
| | 8,799.25 | 6,933.33 |
| (c) Construction Work-in-Progress | | |
| At estimated realisable value | 151,778.11 | 107,348.58 |
| Less: Advances received | 39,562.91 | 25,900.88 |
| | 112,215.20 | 81,447.70 |
| Total | 138,327.61 | 106,273.22 |

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Notes forming part of the financial statements for the year ended 31st March, 2015

18. Trade receivables

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 35,812.61 | 30,873.95 |
| Other Trade receivables | | |
| Unsecured, considered good | 23,180.84 | 16,732.28 |
| Total | 58,993.45 | 47,606.23 |

19. Cash and cash equivalents

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| A. Cash and cash equivalents | | |
| (a) Cash on hand | 94.87 | 56.49 |
| (b) Balances with banks | | |
| (i) In current accounts | 1,496.11 | 811.41 |
| Total - cash and cash equivalents (as per AS 3 Cash Flow Statements) (A) | 1,590.98 | 867.90 |
| B. Other bank balances | | |
| (a) In other deposit accounts | | |
| -Original maturity more than 3 months | 4.60 | 3.94 |
| (b) In earmarked accounts | | |
| - Unpaid dividend accounts | 26.85 | 34.39 |
| - Balances held as margin money or security against borrowings, guarantees and other commitments | 8.49 | 8.16 |
| - Other earmarked accounts (Refer Note (i) below) | 151.63 | 91.62 |
| Total - Other bank balances (B) | 191.57 | 138.11 |
| Total cash and cash equivalents (A+B) | 1,782.55 | 1,006.01 |

Note:

Balance with banks-other earmarked accounts Include deposits ₹ 10.86 Lacs (Previous Year ₹ 44.28 Lacs) over which Banks and Clients have lien and ₹ 140.77 Lacs (Previous year ₹ 47.34 Lacs) placed as Earnest Money Deposit with various authorities.

20. Short-term loans and advances (Unsecured, considered good)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Loans and advances to related parties (Refer Note 40) | | |
| To Subsidiaries | 936.70 | 2,573.82 |
| To Joint Ventures | 33,359.55 | 26,133.97 |
| To Partnership Firm | 698.79 | 698.86 |
| | 34,995.04 | 29,406.65 |
| (b) Security deposits | 453.68 | 186.09 |
| (c) Loans and advances to employees | 235.43 | 183.92 |
| (d) Prepaid expenses | 1,442.44 | 742.12 |
| (e) Balances with government authorities | | |
| (i) VAT credit receivable | 2,480.90 | 1,311.40 |
| (ii) Service Tax credit receivable | 282.34 | 121.11 |
| (iii) Other Deposits | 2.52 | 1.40 |
| | 2,765.76 | 1,433.91 |
| (f) Others - Advance to vendors and others | 9,010.36 | 7,286.63 |
| Total | 48,902.71 | 39,239.32 |

Notes forming part of the financial statements for the year ended 31st March, 2015

21. Other current assets

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Accruals | | |
| (i) Interest accrued on bank deposits | 3.16 | 7.63 |
| (b) Interest on trade receivable as per arbitration awards | 10,546.10 | 8,708.40 |
| (c) Receivable under foreign currency contracts | 1,251.95 | 529.50 |
| (d) Others | | |
| (i) Insurance claims | 902.42 | 592.98 |
| (ii) Duty Credit receivable | 1,426.03 | 2,342.40 |
| (iii) Custom Duty receivable | - | 459.94 |
| (iv) Other Receivables from Joint ventures (Refer Note 40) | 2,857.77 | 1,628.62 |
| (v) Distribution of profits receivable from Joint ventures (Refer Note 40) | 4,950.00 | - |
| Total | 21,937.43 | 14,269.47 |

22. Revenue from operations

| | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-----|---|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (a) | Sale of products (Refer Note (i) below) | 847.21 | 810.53 |
| (b) | Sale of services (Refer Note (ii) below) | 292,267.20 | 262,557.38 |
| (c) | Other operating revenues (Refer Note (iii) below) | 8,148.55 | 9,306.55 |
| | Total | 301,262.96 | 272,674.46 |

| Note | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-------|---|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (i) | Sale of products comprises: | | |
| | Construction Materials | 847.21 | 810.53 |
| | Total - Sale of products | 847.21 | 810.53 |
| (ii) | Sale of services comprises: | | |
| | Construction Revenue | 296,639.80 | 265,246.80 |
| | Less : Value added tax | 4,372.60 | 2,689.42 |
| | Total - Sale of services | 292,267.20 | 262,557.38 |
| (iii) | Other operating revenues comprises: | | |
| | Sale of scrap | 1,147.97 | 923.39 |
| | Duty Scrip credit | - | 2,342.40 |
| | Equipment Hire Charges | 172.04 | 270.00 |
| | Consultancy Service Charges | 570.54 | 0.76 |
| | Distribution of Profits from Joint Ventures | 6,258.00 | 5,770.00 |
| | Total - Other operating revenues | 8,148.55 | 9,306.55 |

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Notes forming part of the financial statements for the year ended 31st March, 2015

23. Other income

| | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-----|--|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (a) | Interest income (Refer Note (i) below) | 8,797.37 | 4,704.76 |
| (b) | Dividend income: | | |
| | From non trade, non current investments | 1,924.18 | 0.01 |
| (c) | Other non operating income (Refer Note (ii) below) | 4,839.26 | 2,710.65 |
| | Total | 15,560.81 | 7,415.42 |

| Note | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|------|---|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (i) | Interest income comprises: | | |
| | Interest from banks deposits | 4.42 | 23.76 |
| | Interest on loans and advances | 1,288.79 | 639.94 |
| | Interest on Arbitration awards | 7,503.29 | 3,938.69 |
| | Interest income from non current investments | 0.87 | 0.97 |
| | Interest on income tax refund | - | 101.40 |
| | Total - Interest income | 8,797.37 | 4,704.76 |
| (ii) | Other non operating income comprises: | | |
| | Provision for doubtful debtors / advances no longer required written back | - | 444.50 |
| | Creditors / Excess provision written back | 754.95 | 533.51 |
| | Insurance Claim received | 1,027.93 | 951.25 |
| | Provision for Projected Loss written back | 444.41 | - |
| | Net Gain on foreign currency transactions and translation | 1,436.31 | - |
| | Miscellaneous income | 1,175.66 | 781.39 |
| | Total - Other non-operating income | 4,839.26 | 2,710.65 |

24. Cost of construction

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Cost of Construction Materials consumed (Including Bought out Items) | 54,808.37 | 73,712.56 |
| <u>Other Construction Expenses:</u> | | |
| Consumption of stores and spare parts | 18,137.68 | 13,752.70 |
| Subcontracting expenses (Including lease payment for equipments hired) (Refer Note 41) | 101,703.41 | 65,143.80 |
| Site Installation | 2,615.83 | 1,118.43 |
| Technical Consultancy | 4,520.16 | 4,297.80 |
| Power and fuel | 9,096.35 | 12,884.42 |
| Freight and forwarding | 7,630.48 | 6,130.61 |
| | 143,703.91 | 103,327.76 |
| Total | 198,512.28 | 177,040.32 |

25. Cost of traded goods

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|------------------------|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Construction Materials | 957.88 | 824.30 |
| Total | 957.88 | 824.30 |

26. Employee benefits expense

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Salaries and wages | 37,055.11 | 33,007.22 |
| Contributions to provident and other funds (Refer Note 39) | 2,716.10 | 2,482.97 |
| Staff welfare expenses | 2,229.43 | 1,928.58 |
| Total | 42,000.64 | 37,418.77 |

Notes forming part of the financial statements for the year ended 31st March, 2015

27. Finance costs

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Interest expense on: | | |
| (i) Borrowings and Advances | 16,297.34 | 14,559.60 |
| (ii) Delayed / deferred payment of income tax | 16.83 | 0.92 |
| (b) Other borrowing costs: | | |
| (i) Bank Guarantee Commission including Bank Charges | 1,217.45 | 963.81 |
| (ii) L/c charges & Processing Fees | 339.96 | 447.77 |
| Total | 17,871.58 | 15,972.10 |

28. Other expenses

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Water and Electricity | 393.62 | 440.95 |
| Rent (Refer Note 41) | 3,013.03 | 2,396.89 |
| Repairs and maintenance - Buildings | 87.88 | 0.30 |
| Repairs and maintenance - Machinery | 1,084.92 | 727.72 |
| Repairs and maintenance - Others | 636.36 | 477.59 |
| Insurance | 2,384.26 | 2,114.35 |
| Rates and taxes | 3,745.73 | 2,899.42 |
| Communication | 452.57 | 437.91 |
| Travelling and conveyance | 4,900.02 | 3,980.44 |
| Security Charges | 1,639.87 | 1,747.66 |
| Donations and contributions (Refer Note 45) | 307.46 | 50.80 |
| Expenditure on Corporate Social Responsibility (Refer Note 49) | 28.74 | 8.26 |
| Legal and professional | 12,422.88 | 2,999.02 |
| Payments to auditors (Refer Note below) | 93.52 | 86.93 |
| Duty Scrip Written off | - | 906.76 |
| Bad/Irrecoverable Debtors/Unbilled Revenue written off | - | 414.44 |
| Advances written off | 1.04 | 87.98 |
| Net loss on foreign currency transactions and translation (Net) | - | 525.77 |
| Directors Fees | 8.60 | 6.20 |
| Provision for projected loss on contract | 497.00 | 444.41 |
| Loss on sale of fixed assets | 63.22 | 134.47 |
| Share of Loss from partnership firm | 0.06 | 0.07 |
| Expenses of jobs completed in earlier year | 29.79 | 30.00 |
| Hedging expenses | 1,047.99 | 920.09 |
| Miscellaneous expenses | 2,047.64 | 2,111.75 |
| Total | 34,886.20 | 23,950.18 |

Note:

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| <u>Payments to the auditors comprises *</u> | | |
| As auditors - statutory audit | 47.00 | 39.50 |
| For taxation matters | 15.17 | 20.99 |
| For other services | 20.40 | 15.00 |
| Reimbursement of expenses | 0.66 | 0.37 |
| For Service tax | 10.29 | 11.07 |
| Total | 93.52 | 86.93 |

* excludes payment of ₹ 29.68 Lacs (Previous Year ₹ 16.05 Lacs) for taxation matters to an affiliated firm / company of one of the joint auditors covered by a networking arrangement which is registered with the institute of Chartered Accountants of India.

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Notes forming part of the financial statements for the year ended 31st March, 2015

29 Contingent liabilities and commitments (to the extent not provided for)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (i) Contingent liabilities | | |
| (a) Claims against the Company not acknowledged as debts Differences with sub-contractors in regard to rates and quantity of materials. The above claims are pending before various courts. The Company is confident that the cases will be successfully contested. | 7,396.31 | 6,821.55 |
| (b) Guarantees i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures and counter guaranteed by the Company. | 130,338.15 | 115,185.91 |
| (c) Sales Tax and Entry Tax Represents demands raised by Sales Tax Authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on AS7 Turnover c) Entry Tax and d) Interest and Penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested. | 632.46 | 1,179.28 |
| (d) Service Tax Represents demand confirmed by the CESTAT / Asst. Commissioner of Service Tax for a) disallowance of Cenvat Credit, since abatement claimed by the Company, b) disallowance of general exemption of private Transport terminals and c) Taxability under "Commercial or Industrial Construction Service, etc. The Company has appealed / in the process of appeal against the said order with Commissioner of Service Tax Mumbai, CESTAT / High Court and is confident that the cases will be successfully contested. The company has received the stay order for some case from the CESTAT. Amount disclosed does not include penalties in certain matters for which amount is unascertainable. | 11,558.87 | 6,219.27 |
| Note:- In respect of items mentioned under Paragraphs (a), (c), and (d) above, till the matters are finally decided, the financial effect cannot be ascertained. | | |
| (ii) Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for | 4,160.99 | 1387.04 |

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 66.41 | 82.37 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 2.99 | 1.72 |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | 2.99 | 1.72 |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |
| Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. | | |

- 31. (A)** During the financial year 2012-13, the Company had issued Unsecured Unlisted Non-Convertible Debentures (NCDs) amounting to ₹1,000,000 ('000) to a Bank on a private placement basis. The said Bank subsequently transferred the NCDs in favor of Mutual Fund. The company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956 read together with the Companies Acceptance of Deposit Rules, 1975 are not attracted to the NCDs, as aforesaid, originally issued on private placement basis to a Bank and its subsequent transfer to a Mutual Fund as mentioned above in accordance with the provisions of Section 111A of the Companies Act, 1956. The company has placed reliance on legal opinion to the effect that the NCD issued under the 1956 Act remain exempt under the 2013 Act and Deposit Rules.
- (B)** During the current year, the Company had issued Unsecured Unlisted Non-Convertible Debentures (NCDs) amounting to ₹1,000,000 ('000) to a Bank on a private placement basis. The said Bank subsequently transferred the NCDs in favor of Mutual Fund. The company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 73 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposit Rules), 2014 are not attracted to the NCDs, as aforesaid, originally issued on private placement basis to a Bank and its subsequent transfer to a Mutual Fund as mentioned above in accordance with the provisions of Section 58 (2) of the Companies Act, 2013.

Notes forming part of the financial statements for the year ended 31st March, 2015

32. Details on derivative instruments and unhedged foreign currency exposures

(A) Details of derivative instruments

The company has entered into the following derivative instruments:

- (a) Forward Exchange Contracts / Options [being a derivative instrument], which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the Forward Exchange Contracts entered into by the company as on 31st March, 2015 (Previous Year USD 36,888,120, ₹ in lacs 22,101.52)

| Currency | Amount | Buy/Sell | Cross Currency | ₹ in Lacs |
|-----------|------------|----------|----------------|-----------|
| US Dollar | 27,888,120 | Buy | Rupees | 17,393.54 |

- (b) Interest Rate Swaps to hedge against fluctuations in interest rate changes:

| | | |
|--------------------|-----------------|-----------|
| No. of contracts: | 2 | ₹ in Lacs |
| Notional Principal | US\$ 26,000,000 | 16,215.94 |
| Previous year | US\$ 35,000,000 | 20,970.25 |

(B) Details of unhedged foreign currency exposures

Borrowings taken in foreign currency as at the balance sheet date not covered by forward contracts are USD 14,250,000 and EURO 1,803,017 equivalent to ₹ 8,887.58 Lacs and ₹ 1,207.74 Lacs respectively (as on 31st March, 2014 USD 10,829,530 equivalent to ₹ 6,488.51 Lacs and Euro 5,128,617 equivalent to ₹ 4,232.52 lacs).

The above amounts do not include packing credit finance and overdraft facilities drawn by overseas branches from banks in local currencies which are to be repaid out of proceeds from project billing in the said local currencies and accordingly no foreign exchange exposure is anticipated on such borrowings.

Receivables and Payables in foreign currency as at the balance sheet date not covered by forward contracts are ₹ 58,873.57 Lacs (as at 31st March 2014 ₹ 38,238.06 Lacs) and ₹ 89,461.98 Lacs (as at 31st March 2014 ₹ 74,742.76 Lacs) respectively as given below.

| Receivable 2014-15 | | | Receivable 2013-14 | | |
|--------------------|---------------|------------------|--------------------|----------------|------------------|
| Foreign currency | | Rs in Lacs | Foreign currency | | Rs in Lacs |
| QR | 10,018,112.20 | 1,716.30 | QR | 277,420.65 | 45.65 |
| OMR | 49,611.10 | 80.42 | OMR | 47,707.21 | 74.28 |
| MAUR Ru | 303,229.40 | 5.20 | MAUR Ru | 270,676.95 | 5.41 |
| UAED | 21,031,514.82 | 3,571.43 | UAED | 27,496,741.29 | 4,485.60 |
| JOD | 6,245,146.26 | 5,501.46 | JOD | 8,841,523.64 | 7,485.38 |
| USD | 52,435,888.51 | 32,703.74 | USD | 29,672,624.91 | 17,778.36 |
| EURO | 2,821,718.44 | 1,890.11 | EURO | 327,567.07 | 270.33 |
| BHD | 2,765,239.34 | 4,574.67 | BHD | 3,500,809.60 | 5,563.69 |
| KWD | 3,879,420.59 | 8,065.18 | KWD | 219,988.68 | 468.73 |
| BDT | 56,521,750.84 | 453.25 | BDT | 1,442,165.42 | 11.14 |
| JPY | 58,933,979.00 | 306.16 | JPY | 353,116,493.00 | 2,049.49 |
| SAR | 33,980.89 | 5.65 | SAR | - | - |
| Total | | 58,873.57 | Total | | 38,238.06 |

| Payable 2014-15 | | | Payable 2013-14 | | |
|------------------|----------------|------------------|------------------|------------------|------------------|
| Foreign currency | | Rs in Lacs | Foreign currency | | Rs in Lacs |
| QR | 11,863,001.58 | 2,032.37 | QR | 32,936.59 | 5.42 |
| OMR | 2,530.17 | 4.10 | OMR | 6,964.02 | 10.85 |
| MAUR Ru | 1,073,283.14 | 18.41 | MAUR Ru | 436,251.25 | 8.71 |
| UAED | 443,507.49 | 75.32 | UAED | 632,252.59 | 103.14 |
| JOD | 11,042,891.18 | 9,727.88 | JOD | 14,045,009.99 | 11,890.73 |
| USD | 97,854,915.45 | 61,031.14 | USD | 66,078,310.64 | 39,590.82 |
| EURO | 9,059,591.25 | 6,068.49 | EURO | 9,154,354.32 | 7,554.86 |
| BHD | 930,408.49 | 1,539.22 | BHD | 2,443,683.44 | 3,883.64 |
| KWD | 3,869,210.89 | 8,043.96 | KWD | 2,705,353.07 | 5,764.27 |
| GBP | 24,232.03 | 22.40 | GBP | 51,935.30 | 51.85 |
| JPY | 153,995,820.96 | 800.01 | JPY | 1,005,038,883.90 | 5,833.25 |
| SGD | 16,131.24 | 7.33 | SGD | - | - |
| CHF | - | - | CHF | 18,004.34 | 12.20 |
| BDT | 5,112,822.05 | 41.00 | BDT | 1,253,987.83 | 9.69 |
| IQD | 7,222,220.15 | 3.87 | IQD | 6,666,660.19 | 3.43 |
| SAR | 279,517.19 | 46.48 | SAR | 124,563.33 | 19.90 |
| Total | | 89,461.98 | Total | | 74,742.76 |

QR- Qatari Riyal, OMR – Omani Riyal, MAUR - Mauritian Rupee, UAED- UAE Dirham, JOD- Jordanian Dinar, USD – United States Dollars, GBP- Great Britain Pound, JPY- Japanese Yen, SGD - Singapore Dollar, CHF- Swiss Franc, EURO - European Currency, BHD - Bahraini Dinar, KWD - Kuwaiti Dinar, BDT - Bangladesh Taka, IQD - Iraqi Dinar, SAR - Saudi Riyal

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Notes forming part of the financial statements for the year ended 31st March, 2015

33. Value of imports calculated on CIF basis

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---------------|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Components | 2,647.07 | 1,984.35 |
| Capital goods | 4,156.28 | 4,005.59 |
| Total | 6,803.35 | 5,989.94 |

34. Expenditure in foreign currency (on accrual basis)

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--------------------------------------|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Construction materials consumed | 17,395.19 | 27,527.90 |
| Sub – Contract and Hire Charges | 67,525.04 | 36,719.83 |
| Technical consultancy fees | 2,521.30 | 2,485.16 |
| Professional Fees | 10,174.22 | 1,518.35 |
| Rent | 922.75 | 671.47 |
| Salaries, Wages & Bonus | 7,082.68 | 5,943.89 |
| Interest | 13.00 | 78.68 |
| Tax | 2,673.69 | 2,633.02 |
| Freight & Transportation | 4,703.32 | 4,239.22 |
| Travelling Expenses | 1,663.31 | 960.83 |
| Staff Welfare Expenses | 1,109.08 | 1,200.32 |
| Insurance | 502.74 | 365.30 |
| Clearing Charges for imported spares | 1,013.34 | 486.28 |
| Bank Guarantee Commission | 624.54 | 562.92 |
| Repairs and Maintenance | 21.09 | 37.03 |
| Others | 1,898.88 | 2,045.56 |
| Total | 119,844.17 | 87,475.76 |

35. Earnings in foreign currency (on accrual basis)

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---------------------------|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Value of work executed | 138,815.63 | 78,851.17 |
| Sale of Scrap | 155.30 | 201.64 |
| Insurance Claim Received | - | 0.31 |
| Interest and Other Income | 1,071.12 | 185.71 |
| Equipment Hire Charges | 25.01 | - |
| Service Charges | 410.54 | 0.76 |
| Dividend | 1,624.17 | - |
| Total | 142,101.77 | 79,239.59 |

36. Expenses capitalized during the year on fabrication/ improvement of equipment that has resulted in increased future benefits beyond their previously assessed standard of performance are as under :

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---------------------------------|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Construction materials consumed | 74.92 | 94.03 |
| Stores and spares consumed | 58.90 | 64.40 |
| Repairs | 76.38 | 119.13 |
| Others | 21.00 | 24.75 |
| Total | 231.20 | 302.31 |

Notes forming part of the financial statements for the year ended 31st March, 2015

37. Disclosure in accordance with Accounting Standard - 7 (Revised)

(₹ in Lacs)

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Details of contract revenue and costs | | |
| a) Contract Revenue | 292,267.20 | 262,557.38 |
| b) Disclosure for contracts in progress: | | |
| (i) Aggregate amount of costs incurred | 790,721.15 | 604,497.49 |
| (ii) Recognized profits (less recognized losses) | 106,188.87 | 108,282.24 |
| (iii) Advances Received | 113,416.94 | 43,157.75 |
| (iv) Retention Money | 8,397.57 | 6,950.89 |
| c) Gross amount due from customers for contract work in progress | 144,559.43 | 106,241.29 |
| d) Gross amount due to customers for contract work in progress | 150.73 | - |

38. Segment information

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

The company has only one reportable business segment of construction business, hence information for primary business segment is not given.

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

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

- (i) Revenue from customers within India - Local projects
(ii) Revenue from customers outside India - Foreign projects

Secondary : Geographical (Location of customers)

(₹ in Lacs)

| | Local Projects | Foreign Projects | Total |
|---|-----------------------------------|---------------------------------|-----------------------------------|
| Income from operation | 231,479.09 (220,371.16) | 69,783.87 (52,303.30) | 301,262.96 (272,674.46) |
| Carrying amount of asset (Excluding Taxes on Income and Investment) | 384,614.45 (313,593.25) | 36,766.41 (29,425.15) | 421,380.86 (343,018.40) |
| Additions to Fixed Assets | 17,845.86 (10,755.33) | 423.28 (190.91) | 18,269.14 (10,946.24) |

Figures in parenthesis are those of previous year.

39. The company has accounted liability for gratuity and compensated absences as per the Accounting Standard (AS- 15 Revised) on "Employee Benefits".

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity and long term compensated absences is given below:

- a) Gratuity (Funded)

| A. Assumptions | Current Year | 31 st March 2014 |
|-------------------------------|--|---|
| Discount Rate | 7.96% | 9.31% |
| Rate of Return on Plan Assets | 7.96% | 8.70% |
| Salary Escalation | 4.50% | 4.50% |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

(₹ in Lacs)

| B. Changes in the Benefit Obligation | Current Year | 31 st March 2014 |
|--|-----------------|-----------------------------|
| Liability at the Beginning of the current year | 1401.75 | 1388.16 |
| Interest Cost | 130.50 | 114.52 |
| Current Service Cost | 117.11 | 128.07 |
| Past Service Cost | - | - |
| Benefit Paid | (154.79) | (235.84) |
| Actuarial Loss/ (Gain) on obligations | 245.27 | 6.84 |
| Liability at the end of the current year | 1,739.84 | 1,401.75 |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

| C. Fair Value of the Plan Asset | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Fair Value of Plan Asset at the beginning of the year | 988.23 | 1006.05 |
| Expected Return on Plan Asset | 85.98 | 87.53 |
| Contributions | 149.18 | 133.17 |
| Benefit paid | (154.79) | (235.84) |
| Actuarial Gain/ (Loss) on Plan Assets | 2.82 | (2.68) |
| Fair value of Plan Assets at the end of the year | 1071.42 | 988.23 |
| Total Actuarial Loss to be Recognized | (242.45) | (9.52) |

| D. Actual Return on Plan Assets: | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Expected Return on Plan Assets | 85.98 | 87.53 |
| Actuarial Gain/ (Loss) on Plan Assets | 2.82 | (2.68) |
| Actual Return on Plan Assets | 88.80 | 84.85 |

| E. Amount Recognized in the Balance Sheet: | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Liability at the end of the year | 1,739.84 | 1,401.75 |
| Fair Value of Plan Assets at the end of the year | 1,071.42 | 988.23 |
| Unrecognized Past Service Cost | - | - |
| Amount recognized in the Balance Sheet | (668.42) | (413.53) |

| F. Expense Recognized in the Profit and Loss Account: | Current Year | 31st March 2014 |
|--|---------------------|-----------------------------------|
| Current Service Cost | 117.11 | 128.07 |
| Interest Cost | 130.50 | 114.52 |
| Expected Return on Plan Assets | (85.98) | (87.53) |
| Past Service Cost | - | - |
| Net Actuarial Gain / Loss to be recognized | 242.45 | 9.52 |
| Expense recognized in the Profit and Loss Account under staff expenses | 404.08 | 164.58 |

| G. Reconciliation of the Liability recognized in the Balance Sheet: | Current Year | 31st March 2014 |
|--|---------------------|-----------------------------------|
| Opening Net Liability | 413.52 | 382.11 |
| Expense recognized | 404.08 | 164.58 |
| Employers Contribution | (149.18) | (133.17) |
| Amount recognized in the Balance Sheet under "Provision for Retirement Benefits" | 668.42 | 413.52 |

| H. Major category of plan assets as percentage of total plan assets: | (%) | (%) |
|---|------------|------------|
| Insured Managed funds | 100 | 100 |

(b) Compensated Absences (Non funded) :

| Actuarial Assumptions | Current Year | 31st March 2014 |
|------------------------------|---|---|
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Discount Rate | 7.96% | 9.31% |
| Salary Escalation | 4.50% | 4.50% |
| Withdrawal Rate | 2.00% | 2.00% |

Experience adjustments

| | 2014-2015 | 2013-2014 | 2012-2013 | 2011- 2012 | 2010-11 |
|--|------------------|------------------|------------------|-------------------|----------------|
| Gratuity | | | | | |
| Present value of DBO | 1,739.84 | 1,401.75 | 1,388.16 | 1,231.33 | 1044.40 |
| Fair value of plan assets | 1,071.42 | 988.23 | 1,006.05 | 964.22 | 835.94 |
| Funded status [Surplus / (Deficit)] | (668.42) | (413.53) | (382.11) | (267.12) | (208.46) |
| Experience gain / (loss) adjustments on plan liabilities | (92.77) | (108.39) | (140.29) | (107.95) | (108.35) |
| Experience gain / (loss) adjustments on plan assets | 2.82 | (2.68) | 5.79 | 14.57 | 13.40 |

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1,573.77 Lacs (Year ended 31st March, 2014 ₹ 1,647.82 Lacs) for Provident Fund contributions and ₹ 742.06 Lacs (Year ended 31st March, 2014 ₹ 651.23 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes forming part of the financial statements for the year ended 31st March, 2015**Notes :**

- i) Premium is paid to LIC under Group Gratuity Scheme of LIC.
- ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.
- iii) Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ **476.55 Lacs** (Previous year ₹ 400.85 Lacs).
- iv) The expected return on plan assets is determined considering several applicable factors which includes mainly the composition of plan assets held, assessed risks of asset management and historical result of the return on plan asset.

40. Related party disclosures as per Accounting Standard 18 on “Related Party Disclosures”**(a) Details of related parties:****Related Party where Control exists****Holding Company**

Shapoorji Pallonji & Company Private Limited

Subsidiaries of the Company

Hazarat & Company Private Limited
Afcons Corrosion Protection Private Limited
Afcons Offshore and Marine Services Private Limited
Afcons Construction Mideast LLC
Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL
Afcons Overseas Construction LLC
Afcons Gulf International Project Services FZE
Afcons Gunanusa Joint Venture
Transtonneltroy Afcons Joint Venture
Dahej Standby Jetty Project undertaking
Afcons Mauritius Infrastructure Ltd (AMIL)
Afcons Overseas Singapore Pte Ltd. (w.e.f. 27th March, 2014)
Afcons Infra Projects Kazakhstan LLP (w.e.f. 11th July, 2014)

Fellow Subsidiary(s)

Floreat Investments Limited
SP Jammu Udhampur Highway Pvt. Ltd
Forvol International Service Ltd
Renaissance Commerce Pvt. Ltd
Hermes Commerce Ltd.
Armada C-7 Pte Ltd.
Shapoorji AECOS Construction Pvt. Ltd.
Forbes & Company Ltd.
Shapoorji & Pallonji Qatar, WLL
Eureka Forbes Ltd.

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

Partnership firm in which the Company is a partner

Afcons Pauling Joint Venture

Jointly Controlled Entities

Strabag AG Afcons Joint Venture
Saipem Afcons Joint Venture
Ircon Afcons Joint Venture
Afcons Sener LNG Construction Projects Pvt.Ltd. (w.e.f. 13th January, 2015)

Key Management Personnel

Mr. S. P. Mistry – Chairman
Mr. K. Subrahmanian – Vice Chairman & Managing Director
Mr. S. Paramasivan – Dy. Managing Director

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

(₹ in Lacs)

b) Details of transactions with related parties for the period 01/04/2014 to 31/03/2015

| Nature of Transaction | Holding Company(s) | | Subsidiaries | | Fellow subsidiary(s) | | Partnership Firm in which Company is a partner | | Joint Venture(s) | | Associate Company | | Key Management Personnel | | Total | |
|--|--------------------|-----------|--------------|----------|----------------------|----------|--|----------|------------------|----------|-------------------|----------|--------------------------|----------|----------|-----------|
| | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 |
| <u>Managerial Remuneration paid</u> | | | | | | | | | | | | | | | | |
| K.Subrahmanian | | | | | | | | | | | | | 176.00 | 155.00 | 176.00 | 155.00 |
| S.Paramasivan | | | | | | | | | | | | | 136.50 | 120.00 | 136.50 | 120.00 |
| <u>Sitting Fees paid</u> | | | | | | | | | | | | | | | | |
| S.P.Mistry | | | | | | | | | | | | | 0.60 | 0.60 | 0.60 | 0.60 |
| <u>Issue of Preference Shares</u> | | | | | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | - | 10,000.00 | | | | | | | | | | | | | - | 10,000.00 |
| <u>Dividend on Preference Shares</u> | | | | | | | | | | | | | | | | |
| Floreat Investments Limited | | | | | 1.00 | 1.00 | | | | | | | | | 1.00 | 1.00 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 1.00 | 0.03 | | | | | | | | | | | | | 1.00 | 0.03 |
| <u>Interim Dividend on Equity Shares</u> | | | | | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 735.11 | 978.00 | | | | | | | | | | | | | 735.11 | 978.00 |
| Floreat Investments Limited | | | | | 195.24 | 260.32 | | | | | | | | | 195.24 | 260.32 |
| Hermes Commerce Limited | | | | | 60.24 | 80.33 | | | | | | | | | 60.24 | 80.33 |
| Renaissance Commerce Private Ltd. | | | | | 60.24 | 80.33 | | | | | | | | | 60.24 | 80.33 |
| K.Subrahmanian | | | | | | | | | | | | | 0.87 | 1.16 | 0.87 | 1.16 |
| S.Paramasivan | | | | | | | | | | | | | 0.39 | 0.53 | 0.39 | 0.53 |
| <u>Income on Interim Dividend on Equity Shares</u> | | | | | | | | | | | | | | | | |
| Afcons Overseas Singapore Pte Ltd. | | | 1,624.17 | - | | | | | | | | | | | 1,624.17 | - |
| <u>Income from Consultancy Services</u> | | | | | | | | | | | | | | | | |
| Shapoorji AECOS Construction Pvt. Ltd. | | | | | 160.00 | - | | | | | | | | | 160.00 | - |
| <u>Overhead Charges Recovered</u> | | | | | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 995.39 | 477.07 | | | | | 995.39 | 477.07 |
| <u>Interest Income</u> | | | | | | | | | | | | | | | | |
| Afcons Construction Mideast. LLC | | | 265.07 | 167.70 | | | | | | | | | | | 265.07 | 167.70 |
| Afcons Overseas Construction LLC, Qatar | | | 4.91 | 6.32 | | | | | | | | | | | 4.91 | 6.32 |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 16.99 | - | | | | | | | | | | | 16.99 | - |
| Icon-Afcons Joint Venture | | | | | | | | | 27.99 | - | | | | | 27.99 | - |
| <u>Income from Services charges</u> | | | | | | | | | | | | | | | | |
| Afcons Overseas Singapore Pte Ltd. | | | 410.54 | - | | | | | | | | | | | 410.54 | - |
| <u>Distribution of Profit from Joint Ventures</u> | | | | | | | | | | | | | | | | |
| Dahaj Standby Jetty Project Undertaking (DJPU) | | | 1,308.00 | 2,800.00 | | | | | | | | | | | 1,308.00 | 2,800.00 |
| Transonnelstroy-Afcons Joint Venture | | | 4,950.00 | 2,970.00 | | | | | | | | | | | 4,950.00 | 2,970.00 |
| <u>Sale of Spares/Materials/Assets</u> | | | | | | | | | | | | | | | | |
| Transonnelstroy-Afcons Joint Venture | | | 833.43 | 815.55 | | | | | | | | | | | 833.43 | 815.55 |
| Dahaj Standby Jetty Project Undertaking (DJPU) | | | 15.95 | 29.24 | | | | | | | | | | | 15.95 | 29.24 |
| Afcons Construction Mideast. LLC | | | - | 10.51 | | | | | | | | | | | - | 10.51 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 34.55 | - | | | | | | | | | | | | | 34.55 | - |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

(₹ in Lacs)

b) Details of transactions with related parties for the period 01/04/2014 to 31/03/2015



| Nature of Transaction | Holding Company(s) | | Subsidiaries | | Fellow subsidiary(s) | | Partnership Firm in which Company is a partner | | Joint Venture(s) | | Associate Company | | Key Management Personnel | | Total | |
|--|--------------------|----------|--------------|-------------|----------------------|-----------|--|----------|------------------|----------|-------------------|----------|--------------------------|----------|-------------|-------------|
| | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 |
| Advance Given | | | | | | | | | | | | | | | | |
| Afcons Construction Mideast, LLC | | | 1,353.28 | 967.28 | | | | | | | | | | | 1,353.28 | 967.28 |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 1,105.31 | 160.60 | | | | | | | | | | | 1,105.31 | 160.60 |
| Translonnelstroy-Afcons Joint Venture | | | 92,471.99 | 101,396.04 | | | | | | | | | | | 92,471.99 | 101,396.04 |
| Afcons Gnanusa Joint Venture | | | 292.40 | 2,290.25 | | | | | | | | | | | 292.40 | 2,290.25 |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | 2,328.93 | 12,531.78 | | | | | | | | | | | 2,328.93 | 12,531.78 |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 435.00 | - | | | | | 435.00 | - |
| Icon-Afcons Joint Venture | | | | | | | | | 1,811.00 | 3.10 | | | | | 1,811.00 | 3.10 |
| Afcons Offshore & Marine Services Private Limited | | | 0.63 | (0.95) | | | | | | | | | | | 0.63 | (0.95) |
| Afcons Overseas Construction LLC, Qatar | | | 91.70 | 111.46 | | | | | | | | | | | 91.70 | 111.46 |
| Saipem-Afcons Joint Venture | | | | | | | | | - | (210.14) | | | | | - | (210.14) |
| Shapoorji Pallonji Qatar WLL | | | | | 2,050.84 | - | | | | | | | | | 2,050.84 | - |
| Advance Received back | | | | | | | | | | | | | | | | |
| Icon-Afcons Joint Venture | | | | | | | | | | | | | | | | |
| Afcons Construction Mideast, LLC | | | (3,585.86) | (194.72) | | | | | (1,811.00) | - | | | | | (1,811.00) | - |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | (496.87) | - | | | | | | | | | | | (3,585.86) | (194.72) |
| Translonnelstroy-Afcons Joint Venture | | | (85,238.30) | (95,058.85) | | | | | | | | | | | (496.87) | - |
| Afcons Gnanusa Joint Venture | | | (45.00) | (1,358.75) | | | | | | | | | | | (85,238.30) | (95,058.85) |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | (3,527.64) | (8,050.62) | | | | | | | | | | | (45.00) | (1,358.75) |
| Afcons Overseas Construction LLC, Qatar | | | (2.65) | - | | | | | | | | | | | (3,527.64) | (8,050.62) |
| Shapoorji Pallonji Qatar WLL | | | | | (332.67) | - | | | | | | | | | (2.65) | - |
| Subcontract Income | | | | | | | | | | | | | | | | |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | | 3,791.05 | | | | | | | | | | | | |
| Translonnelstroy-Afcons Joint Venture | | | 12,794.31 | 18,035.88 | | | | | | | | | | | 12,794.31 | 18,035.88 |
| SP Jammu Udhampur Highway Pvt. Ltd | | | | | 12,382.52 | 63,774.42 | | | | | | | | | 12,382.52 | 63,774.42 |
| Equipment Hire Charges Received | | | | | | | | | | | | | | | | |
| SP Jammu Udhampur Highway Pvt. Ltd | | | | | 56.77 | - | | | | | | | | | 56.77 | - |
| Icon-Afcons Joint Venture | | | | | | | | | 99.39 | - | | | | | 99.39 | - |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 5.50 | - | | | | | 5.50 | - |
| Sale of Duty Credit scrip | | | | | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | - | 833.72 | | | | | | | | | | | | | - | 833.72 |
| Profit/(Loss) of share in partnership firm | | | | | | | | | | | | | | | | |
| Afcons Pauling Joint Venture | | | | | | | (0.06) | (0.07) | | | | | | | (0.06) | (0.07) |
| Service Charges paid | | | | | | | | | | | | | | | | |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 224.85 | 198.89 | | | | | | | | | | | 224.85 | 198.89 |
| Afcons Overseas Construction LLC, Qatar | | | 87.92 | 90.76 | | | | | | | | | | | 87.92 | 90.76 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 13.24 | - | | | | | | | | | | | | | 13.24 | - |
| Afcons Construction Mideast, LLC | | | 407.70 | - | | | | | | | | | | | 407.70 | - |
| Rent Expense | | | | | | | | | | | | | | | | |
| Hazarat & Company Private Limited | | | 1.20 | 1.20 | | | | | | | | | | | 1.20 | 1.20 |
| Forbes & Company Limited | | | | | 45.08 | - | | | | | | | | | 45.08 | - |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

(₹ in Lacs)

b) Details of transactions with related parties for the period 01/04/2014 to 31/03/2015

| Nature of Transaction | Holding Company(s) | | Subsidiaries | | Fellow subsidiary(s) | | Partnership Firm in which Company is a partner | | Joint Venture(s) | | Associate Company | | Key Management Personnel | | Total | |
|--|--------------------|----------|--------------|------------|----------------------|----------|--|----------|------------------|-----------|-------------------|----------|--------------------------|----------|-----------|------------|
| | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 |
| Expenses incurred by / on behalf of Afcons | | | | | | | | | | | | | | | | |
| Afcons Construction Mideast, LLC | | | 3.55 | 188.09 | | | | | | | | | | | 3.55 | 188.09 |
| Afcons Corrosion Protection Private Limited | | | 0.05 | - | | | | | | | | | | | 0.05 | - |
| Transbanelstroy-Afcons Joint Venture | | | 42.76 | 66.31 | | | | | | | | | | | 42.76 | 66.31 |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | 19.74 | 41.78 | | | | | | | | | | | 19.74 | 41.78 |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 337.38 | 357.74 | | | | | 337.38 | 357.74 |
| Afcons Gunanusa Joint Venture | | | 95.85 | 88.01 | | | | | | | | | | | 95.85 | 88.01 |
| Icon-Afcons Joint Venture | | | | | | | | | 422.24 | 27.62 | | | | | 422.24 | 27.62 |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 187.17 | - | | | | | | | | | | | 187.17 | - |
| Afcons Overseas Construction LLC, Qatar | | | 4.49 | 2.65 | | | | | | | | | | | 4.49 | 2.65 |
| Armada C-7 Pte Ltd. | | | | | 42.51 | - | | | | | | | | | 42.51 | - |
| Hazarat & Company Private Limited | | | (0.28) | - | | | | | | | | | | | (0.28) | - |
| Renovation Expenses | | | | | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 88.06 | - | | | | | | | | | | | | | 88.06 | - |
| Subcontract Expense | | | | | | | | | | | | | | | | |
| Shapoorji Pallonji Qatar WLL | | | | | 2,734.18 | - | | | | | | | | | 2,734.18 | - |
| Interest expense | | | | | | | | | | | | | | | | |
| Afcons (Mideast) Constructions and Investments Private Limited | | | | | | | | | | | 1.95 | 9.00 | | | 1.95 | 9.00 |
| Air Ticketing Expenses | | | | | | | | | | | | | | | | |
| Forvol International Service Ltd | | | | | 784.13 | 726.74 | | | | | | | | | 784.13 | 726.74 |
| Equipment Hire Charges Paid | | | | | | | | | | | | | | | | |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 177.85 | - | | | | | | | | | | | 177.85 | - |
| Purchase of Assets / Materials | | | | | | | | | | | | | | | | |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | 119.41 | 244.56 | | | | | | | | | | | 119.41 | 244.56 |
| Transbanelstroy-Afcons Joint Venture | | | 335.58 | 356.53 | | | | | | | | | | | 335.58 | 356.53 |
| Eureka Forbes Ltd. | | | | | 19.50 | - | | | | | | | | | 19.50 | - |
| Guarantees Given for / (Released) | | | | | | | | | | | | | | | | |
| Afcons Corrosion Protection Private Limited | | | (2.05) | 3.06 | | | | | | | | | | | (2.05) | 3.06 |
| Afcons Gunanusa Joint Venture | | | (39.54) | (2,443.30) | | | | | | | | | | | (39.54) | (2,443.30) |
| Strabag-AG Afcons Joint Venture | | | | | | | | | (685.91) | (952.43) | | | | | (685.91) | (952.43) |
| Transbanelstroy-Afcons Joint Venture | | | 3,553.02 | 2,252.22 | | | | | | | | | | | 3,553.02 | 2,252.22 |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | 4,500.00 | (1,936.13) | | | | | | | | | | | 4,500.00 | (1,936.13) |
| Icon-Afcons Joint Venture | | | | | | | | | 1,046.48 | - | | | | | 1,046.48 | - |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 1,902.93 | - | | | | | | | | | | | 1,902.93 | - |
| Afcons Sener LNG Constructions Projects Pvt. Ltd. | | | | | | | | | 1,283.04 | - | | | | | 1,283.04 | - |
| Outstanding amount of guarantee given / (taken) | | | | | | | | | | | | | | | | |
| Afcons Corrosion Protection Private Limited | | | 33.03 | 35.07 | | | | | | | | | | | 33.03 | 35.07 |
| Afcons Gunanusa Joint Venture | | | 29,147.40 | 24,088.01 | | | | | | | | | | | 29,147.40 | 24,088.01 |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 16,730.15 | 20,345.17 | | | | | 16,730.15 | 20,345.17 |

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

(₹ in Lacs)

b) Details of transactions with related parties for the period 01/04/2014 to 31/03/2015

| Nature of Transaction | Holding Company(s) | | Subsidiaries | | Fellow subsidiary(s) | | Partnership Firm in which Company is a partner | | Joint Venture(s) | | Associate Company | | Key Management Personnel | | Total | |
|--|--------------------|----------|--------------|-----------|----------------------|----------|--|----------|------------------|----------|-------------------|----------|--------------------------|----------|-----------|-----------|
| | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 |
| Transstonselstroy-Afcons Joint Venture | | | 65,328.02 | 61,775.00 | | | | | | | | | | | 65,328.02 | 61,775.00 |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | 11,169.86 | 6,623.12 | | | | | | | | | | | 11,169.86 | 6,623.12 |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 1,902.93 | - | | | | | | | | | | | 1,902.93 | - |
| Afcons Sener LNG Constructions Projects Pvt. Ltd. | | | | | | | | | 1,528.04 | - | | | | | 1,528.04 | - |
| Icon-Afcons Joint Venture | | | | | | | | | 1,046.48 | - | | | | | 1,046.48 | - |
| Outstanding Amount Loans & Advances Dr/ (Cr) | | | | | | | | | | | | | | | | |
| Afcons Offshore & Marine Services Private Limited | | | 0.63 | - | | | | | | | | | | | 0.63 | - |
| Afcons Construction Mideast, LLC | | | 704.84 | 2,528.50 | | | | | | | | | | | 704.84 | 2,528.50 |
| Afcons Corrosion Protection Private Limited | | | 0.05 | | | | | | | | | | | | 0.05 | - |
| Afcons Gunanusa Joint Venture | | | 15,891.00 | 15,547.75 | | | | | | | | | | | 15,891.00 | 15,547.75 |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 437.55 | 2.55 | - | (90.00) | | | 437.55 | 2.55 |
| Afcons (Mideast) Constructions and Investments Private Limited | | | | | | | | | | | | | | | - | (90.00) |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | 322.82 | 1,605.25 | | | | | | | | | | | 322.82 | 1,605.25 |
| Transstonselstroy-Afcons Joint Venture | | | 16,152.21 | 8,875.76 | | | | | | | | | | | 16,152.21 | 8,875.76 |
| Saipem-Afcons Joint Venture | | | | | | | 698.79 | 698.86 | 77.82 | 71.95 | | | | | 77.82 | 71.95 |
| Afcons Pauling Joint Venture | | | | | | | | | | | | | | | 698.79 | 698.86 |
| Afcons Overseas Construction LLC, Qatar | | | 55.85 | 45.32 | | | | | | | | | | | 55.85 | 45.32 |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 175.33 | (38.09) | | | | | | | | | | | 175.33 | (38.09) |
| Icon-Afcons Joint Venture | | | | | | | | | 478.15 | 30.72 | | | | | 478.15 | 30.72 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 45.49 | | | | | | | | | | | | | | 45.49 | - |
| Shapoorji Pallonji Qatar WLL | | | | | 1,718.17 | - | | | | | | | | | 1,718.17 | - |
| Other Receivables | | | | | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 2857.77 | 1,628.62 | | | | | 2,857.77 | 1,628.62 |
| Distribution of Profit receivable from Joint Venture | | | | | | | | | | | | | | | | |
| Transstonselstroy-Afcons Joint Venture | | | 4,950.00 | - | | | | | | | | | | | 4,950.00 | - |
| Outstanding Amount - Debtors | | | | | | | | | | | | | | | | |
| Afcons Construction Mideast, LLC | | | 1,920.29 | 1,923.04 | | | | | | | | | | | 1,920.29 | 1,923.04 |
| Dahel Standby Jetty Project Undertaking (DJPU) | | | - | 218.13 | | | | | | | | | | | - | 218.13 |
| Transstonselstroy-Afcons Joint Venture | | | 25,489.75 | 12,796.54 | | | | | | | | | | | 25,489.75 | 12,796.54 |
| Afcons Pauling Joint Venture | | | | | | | 762.58 | 762.58 | | | | | | | 762.58 | 762.58 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 5.91 | 5.91 | | | | | | | | | | | | | 5.91 | 5.91 |
| SP Jammu Udhampur Highway Pvt. Ltd | | | | | | | | | | | | | | | 20.84 | - |
| Icon-Afcons Joint Venture | | | 411.59 | - | | | | | 97.40 | - | | | | | 97.40 | - |
| Afcons Overseas Singapore Pte Ltd. | | | | | | | | | | | | | | | 411.59 | - |
| Armada C-7 Pte Ltd. | | | | | 42.51 | - | | | | | | | | | 42.51 | - |
| Shapoorji AECOS Construction Pvt. Ltd. | | | | | 163.78 | - | | | | | | | | | 163.78 | - |
| Strabag-AG Afcons Joint Venture | | | | | | | | | 5.61 | - | | | | | 5.61 | - |
| Outstanding Amount - Creditors | | | | | | | | | | | | | | | | |
| Forvol International Service Ltd | | | | | 136.29 | 168.59 | | | | | | | | | 136.29 | 168.59 |
| Shapoorji Pallonji Qatar WLL | | | | | 777.61 | - | | | | | | | | | 777.61 | - |
| Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL. | | | 70.79 | - | | | | | | | | | | | 70.79 | - |
| Afcons Construction Mideast, LLC | | | 408.72 | - | | | | | | | | | | | 408.72 | - |
| Hazarat & Company Private Limited | | | 0.28 | - | | | | | | | | | | | 0.28 | - |

Note: There are no provisions for doubtful debts or amounts written off or written back during the year for debts due from/ to related parties.



AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

41. Details of leasing arrangements

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| As Lessor | | |
| (i) The company has let out one of the premises and equipments under operating lease. The lease is cancellable and is renewable by mutual consent on mutually agreeable terms. | | |
| (ii) The lease income of equipments recognised in the Statement of Profit and Loss under 'Other Operating Revenues' in Note 22 | 172.04 | 270.00 |
| As Lessee | | |
| (i) The company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and 3 years under leave and licence agreement and are renewable by mutual consent on mutually agreeable terms. | | |
| (ii) Lease payments recognised for residential and other properties in the Statement of Profit and Loss under 'Rent' in Note 28 | 3,013.03 | 2,396.89 |
| (iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting Expenses' in Note 24 | 13,181.18 | 6,499.85 |

42. Earnings per share (EPS)

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

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Profit after tax | 7,896.83 | 6,697.32 |
| Less: Dividend on 0.01% Convertible Non Cumulative Non Participatory Preference shares (including dividend tax) | 5.42 | 4.13 |
| Profit for the year attributable to equity shareholders | 7,891.41 | 6,693.19 |
| Weighted average number of shares outstanding during the year | Numbers | Numbers |
| For basic EPS | 71,970,238 | 71,970,238 |
| For diluted EPS (refer note below) | 340,738,268 | 340,738,268 |
| Earnings per share | ₹ | ₹ |
| Basic | 10.96 | 9.30 |
| Diluted | 2.32 | 1.97 |
| Nominal value per share in Rupees | ₹ 10.00 | ₹ 10.00 |
| Note : | | |
| Weighted average number of shares outstanding during the year- for Diluted EPS: | Numbers | Numbers |
| Weighted average number of shares outstanding during the year – for calculating basic EPS (numbers) | 71,970,238 | 71,970,238 |
| Add: Potential equity shares that could arise on conversion of 0.01% Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each. {Refer Note 3(iii b)} | 246,540,258 | 246,540,258 |
| Add: Potential equity shares that could arise on conversion of 0.01% Non-cumulative, Non-Participatory Convertible Preference shares at ₹ 68.25. {Refer Note 3(ii b)} | 14,652,014 | 14,652,014 |
| Add: Potential equity shares that could arise on conversion of 0.01% Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each. {Refer Note 3 (iv b) (for arriving at potential equity shares maximum conversion price of ₹ 132/- per share is considered)} | 7,575,758 | 7,575,758 |
| Total | 340,738,268 | 340,738,268 |

Notes forming part of the financial statements for the year ended 31st March, 2015

43. Interest in joint ventures :

The Company has interests in the following jointly controlled entities:

(₹ in Lacs)

| Name of companies and country of incorporation | % holding Share | Amount of interest based on accounts for the year ended 31 st March, 2015 | | | | | |
|--|-----------------|--|-------------------------|------------------------|------------------------|------------------------|---------------------|
| | | Assets | Liabilities | Income | Expenditure | Contingent liabilities | Capital commitments |
| Saipem Afcons Joint Venture, Oman (unaudited) | 50% (50%) | 58.71 (58.06) | 58.71 (58.06) | - (-) | 1.70 (19.17) | - (-) | - (-) |
| Strabag AG Afcons Joint Venture, India (audited) | 40% (40%) | 8,094.99 (11,082.65) | 8,094.99 (11,082.65) | 9,094.03 (7,261.16) | 8,803.62 (7,198.55) | @ 264.07 (430.00) | - (56.50) |
| Ircon Afcons Joint Venture, India (audited) | 47% (47%) | 5,197.41 (2,250.66) | 5,197.41 (2,250.66) | 4,424.21 (121.91) | 4,026.82 (221.53) | - (-) | - (-) |
| Afcons Sener LNG Construction Projects Pvt. Ltd. (unaudited) (w.e.f. 13 th January, 2015) | 49% (-) | 0.49 (-) | 0.49 (-) | - (-) | - (-) | - (-) | - (-) |

Note: Figures in brackets relate to the previous year

@ Exclude Labour & Vendor cases as amount is unascertained

44. Disclosures on Employee share based payments:

Employee Stock Option Plan.

On 22nd December, 2006, the Company has granted 721,150 Stock options to its eligible employees at a price of ₹ 17/- per option in terms of Employees Stock Option Scheme 2006 of the Company as approved by the Share holders at the Extra Ordinary General meeting held on 22nd December, 2006.

- a) The particulars of the Options distributed under ESOP 2006 are as follows:

| Particulars | ESOP 2006 |
|--|---|
| Eligibility | Employees and Directors of the Company and its subsidiaries and its holding Company. |
| Vesting period for options granted during the year | Not less than One year and not more than Five years from the date of grant. |
| Exercise Period | Three years beginning from date of vesting |
| Method of Settlement | Equity Shares |
| Exercise Price | The Exercise price shall be equal to the fair market value of the shares as determined by the independent valuer. |
| No. of Options Granted | 721,150 |

- b) The particulars of number of options granted, exercised and lapsed and the Price of Stock Options for ESOP 2006 are as follows:

| Particulars | Current year | As at 31 st March 2014 |
|--|--------------|-----------------------------------|
| | Quantity | Quantity |
| Authorised to be Granted | 1,785,000 | 1,785,000 |
| Granted and Outstanding at the beginning of the year | - | - |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Lapsed during the year | - | - |
| Granted and outstanding at the end of the year | - | - |
| Fair value of the ESOP on the date of Grant | ₹ 9.41 | ₹ 9.41 |

- c) The Company has followed the intrinsic value-based method of accounting for stock options granted based on Guidance Note on Accounting on Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The exercise price of the option granted is based on the fair value of the Company's share as on the date of the Grant. The Fair Value of the Share has been calculated by an independent valuer by applying Rule 1D of the Wealth Tax Rules, 1957. As the exercise price of the option granted is based on the fair value as on the date of the Grant, the intrinsic value of the option is NIL.

Fair value of Options calculated by external valuer using Black Scholes Model is lower than the exercise price and hence the options are considered to be anti-dilutive in nature and the effect of this is ignored in calculating diluted earnings per share in accordance with Accounting Standard 20 viz. Earnings Per Share issued by Chartered Accountants of India.

- d) The Method and significant assumptions used to estimate the Fair Value of the Options are as under:

The Fair value of Options has been calculated by an independent valuer. The valuation has been done using the Black-Scholes model based on the assumptions given by the management, which are as under:

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2015

(i) Expected Life of the Options:

These stock options will vest in the following proportion from the date of grant and can be exercised during a period of four years from the date of vesting.

Year 1 from the date of Grant - 20% of the Options Granted;

Year 2 from the date of Grant - 25% of the Options Granted;

Year 3 from the date of Grant - 25% of the Options Granted;

Year 4 from the date of Grant - 30% of the Options Granted

(ii) Risk free interest rate:

This rate has been assumed at 8%.

(iii) Share price:

Share price of ₹ 17/- is treated as fair value as on 22nd December, 2006 the date of grant.

(iv) Volatility:

Volatility is calculated based on historical volatility in the stock of similar comparable companies over the previous 4 years at 0.63.

(v) Expected dividend yield: Nil

45. The Board of Directors at its meeting dated 12th March, 2014 accorded its consent to the Company making donations to Bharatiya Janata Party. Accordingly the Company has in terms of section 182 of the Companies Act, 2013 made a donation of ₹ 2.50 crores during April 2014 – May 2014.

46. During the previous year the Bombay High Court had vide its order dated 7th March, 2014 approved the Scheme of Amalgamation prepared in terms of section 391-394 of the Companies Act, 1956 of Afcons Infrastructure International Limited ('Transferor company'), a wholly owned subsidiary of Afcons Infrastructure Limited, incorporated in Mauritius, with the Company ('Transferee company'). The appointed date for the scheme was 1st January 2014 and an effective date 21st March, 2014 ('the effective date') being the date on which all the requirements under the Companies Act, 1956 had been completed. Pursuant to the said order the name of Afcons Infrastructure International Limited has been struck off from the records of Corporate and Business Registration Department, Registrar of Companies Mauritius and Financial Service Commission, Mauritius.

The amalgamation has been accounted under the pooling of interest method and the assets and liabilities transferred have been recorded at their book values. Since entire stated capital of the transferor company was held by the transferee company, no shares of the transferee company are allotted in lieu of the shares of the transferor company.

Details of Assets, Liabilities and Reserve taken over on Amalgamation.

| Value of assets and liabilities acquired | As at 31 st March, 2014 | |
|--|------------------------------------|-----------|
| | ₹ in Lacs | ₹ in Lacs |
| Investment | 917.19 | |
| Current Assets: | | |
| Cash and Bank Balance | 10,382.79 | |
| Other Current Assets | 7.82 | |
| Current Liabilities: | | |
| Trade Payable | (4.98) | 11,302.82 |
| Less: | | |
| Credit Balance in P & L Account taken over | 11,290.31 | |
| Carrying value of investment in the Transferor Company | 12.51 | 11,302.82 |
| Difference considered as goodwill / capital reserve | | - |

47. Disclosure of movement in Provision for Contingencies

| Particular | As at 31 st March, 2015 | As at 31 st March, 2014 |
|----------------------------|---------------------------------------|---------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Opening Provision | 342.78 | 312.78 |
| (Less) / Add: For the year | (342.78) | 30.00 |
| Closing Provision | - | 342.78 |

Provision for contingencies pertains to expenses of jobs completed in earlier year which are under dispute.

48. a) The Company has been legally advised that interest free advances aggregating to ₹ 33,359.55 Lacs made towards financing the unincorporated joint ventures do not come under the purview of Section 186 of Companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.
- b) In view of non-applicability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable.

49. Corporate Social Responsibility:

(₹ in Lacs)

| | | | |
|---|----------------|-------------------------------|--------------|
| Gross amount required to be spent by the company during the year | | | ₹ Nil |
| Amount spent during the year: | | | |
| CSR activities | In Cash | Yet to be paid in Cash | Total |
| Disaster relief | 19.50 | - | 19.50 |
| Promoting education | 9.24 | - | 9.24 |
| Total | 28.74 | - | 28.74 |

50. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied rates / useful life are as follows:

| Asset | Previous depreciation rate /useful life | Revised useful life based on SLM |
|------------------------|--|---|
| Buildings | 3.34% / ~ 30 years | 60 years |
| Plant and Equipment | 4.75% / ~ 20 years | 20 years |
| Earthmoving Equipment | 11.31% / ~ 8 years | 9 years |
| General Machinery | 4.75% / ~ 20 years | 12 years |
| Furniture and Fixtures | 6.33% / ~ 16 years | 10 years |
| Vehicles | 9.50% / ~ 11 years | 10 years |
| Office Equipment | 4.75% / ~ 20 years | 5 years |
| Computers | 16.21% / ~ 6 years | 3 years |
| Network and Server | 16.21% / ~ 6 years | 6 years |
| Floating equipment | 7.00% / ~ 14 years | 14 years |
| Laboratory equipment | 4.75% / ~ 20 years | 20 years |
| Software | 20.00% / ~ 5 years | 5 years |

In case of Tunnel Boring Machine, there is no change in the method of Depreciation from previous year.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 338.97 Lacs (net of deferred tax of ₹ 179.40 Lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 643.57 Lacs consequent to the change in the useful life of the assets.

51. a) During the year, the Company has recognised net income from operations on account of arbitration award amounting to ₹ 3,755.93 Lacs (including interest of ₹ 2,626.88 Lacs) pertaining to awards granted till the date of approval of these financial statements and where it is reasonable to expect ultimate collection of such awards. Earlier such awards were accounted in the year of receipt of award.
- b) In case of awards where management expects favourable outcome, interest of ₹ 2,504.60 Lacs has been accounted during the year, from the date of award, based on negotiated settlement pattern.
- c) The company has revised contract revenue in respect of variations where arbitration awards are received, resulting in increase in revenue of ₹ 3,333.00 Lacs.
52. During the year, all the projects being executed in Liberia were temporarily suspended by Arcelor Mittal (Client) due to Ebola outbreak. A written suspension notice was issued in February 2015.
53. The Company is in the process of appointing a woman director on its Board as required under section 149 (1) of Companies Act 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014.
54. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman

K.SUBRAHMANYAN
Vice Chairman &
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.N. KAPADIA
Director

N.D.KHURDY
Director

P.R. RAJENDRAN
Company Secretary

Place: Mumbai

Date: 20th August, 2015

ASHOK G.DARAK
Chief Financial Officer

AFCONS INFRASTRUCTURE LIMITED

FINANCIAL HIGHLIGHTS

(₹ in lacs)

| REVENUE ACCOUNTS | | | | | | | CAPITAL ACCOUNTS | | | | | EARNINGS & PAYOUT | | |
|------------------|--------------|--------------|------------------------------|-------|---------------------------|---------------|--|------------|-------------|-------------------------|-----------|------------------------------------|------------------------------------|--|
| YEAR | TOTAL INCOME | DEPRECIATION | PROFIT / (LOSS) BEFORE TAXES | TAX | PROFIT / (LOSS) AFTER TAX | SHARE CAPITAL | RESERVES (Excluding Revaluation Reserve) | BORROWINGS | GROSS BLOCK | CUMULATIVE DEPRECIATION | NET BLOCK | EARNINGS PER EQUITY SHARE OF RS 10 | DIVIDEND PER EQUITY SHARE OF RS 10 | |
| 2005-06 | 68,629 | 1,491 | 1,490 | 917 | 573 | 17,153 | 4,610 | 34,838 | 26,490 | 14,811 | 11,679 | 1.85 | - | |
| 2006-07 | 107,411 | 1,808 | 2,516 | 1,061 | 1,455 | 17,153 | 6,065 | 57,144 | 36,785 | 16,661 | 20,124 | 2.15 | - | |
| 2007-08 | 174,944 | 2,400 | 6,647 | 2,245 | 4,402 | 42,152 | 9,841 | 51,644 | 48,512 | 18,445 | 30,067 | 6.16 | - | |
| 2008-09 | 208,867 | 2,962 | 7,508 | 2,573 | 4,935 | 42,140 | 14,772 | 69,051 | 58,925 | 20,789 | 38,136 | 6.91 | - | |
| 2009-10 | 151,028 | 3,221 | 5,598 | 1,962 | 3,636 | 42,170 | 18,424 | 53,876 | 59,238 | 22,116 | 37,122 | 5.08 | - | |
| 2010-11 | 114,106 | 3,243 | 8,885 | 3,016 | 5,869 | 42,184 | 24,297 | 68,039 | 64,740 | 22,951 | 41,789 | 8.18 | - | |
| 2011-12 | 164,760 | 3,789 | 11,148 | 2,561 | 8,587 | 42,197 | 32,890 | 83,741 | 80,518 | 25,864 | 54,654 | 11.94 | - | |
| 2012-13 | 194,920 | 6,747 | 5,700 | 1,058 | 4,642 | 42,197 | 35,855 | 120,187 | 123,169 | 31,831 | 91,337 | 6.44 | 2.00 | |
| 2013-14 | 280,012 | 14,596 | 10,289 | 3,591 | 6,698 | 52,197 | 52,155 | 133,718 | 137,549 | 45,835 | 91,715 | 9.30 | 2.00 | |
| 2014-15 | 316,824 | 12,467 | 10,129 | 2,232 | 7,897 | 52,197 | 58,412 | 141,194 | 148,439 | 58,537 | 89,903 | 10.96 | 1.50 | |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS of AFCONS INFRASTRUCTURE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **AFCONS INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 judgement, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and that the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

The consolidated financial statements include the unaudited financial statements of five subsidiaries and two joint ventures (Previous year ended 31st March, 2014: seven subsidiaries and one joint venture), whose financial statements reflect total assets (net) of ₹ 38,032.22 lacs as at 31st March, 2015 (As at 31st March, 2014: ₹ 26,093.49 lacs), total revenue of ₹ 20,172.90 lacs (Previous year ended 31st March 2014: ₹ 7,428.97 lacs) and net cash flows amounting to ₹ 10,093.30 lacs (Previous year ended 31st March 2014: ₹ 1,336.05 lacs) for the period ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint venture, is based solely on such unaudited financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group its associates and joint ventures as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 45(a) of the consolidated financial statements regarding legal opinion received by the Holding Company that interest free advances aggregating to ₹ 33,359.55 lacs made by the Holding company towards financing the unincorporated joint ventures do not attract Section 186 of the Companies Act, 2013 for the reasons stated therein.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of eight subsidiaries and two joint ventures, whose financial statements reflect total assets (net) of ₹ 18,026.60 lacs as at 31st March, 2015, total revenues of ₹ 15,469.80 lacs and net cash flows amounting to ₹ (1,712.85 lacs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 0.008 lacs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by either of us in our individual capacity or by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report to extent applicable that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statement;
 - b. In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statement;
 - d. In our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, and taken on record by the Board of Directors of the Holding Company and the report of the Statutory Auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Holding Company, its subsidiary company and associate is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 to the financial statements;
 - ii. Provision has been made in the consolidated financial statements as required under the applicable law or accounting standards for material foreseeable losses, if any, on the long-term contracts including derivative contracts- Refer Note 12 (b) (ii) to the financial statements;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117364W)

R. Salivati
Partner
Membership No.34004

MUMBAI,
Dated: 20th August, 2015

J. C. Bhatt & Associates
Chartered Accountants
(Registration No. 130923W)

J. C. Bhatt
Partner
Membership No.10977

MUMBAI,
Dated: 20th August, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes two subsidiary companies, and one associate company incorporated in India, to which the Order is applicable, and which have been audited by one of the joint auditors of the Company, and our report in respect of these entities is based solely on the reports of one of the joint auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of one joint venture company incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements of such entities provided to us by the management and hence no report under Companies (Auditor's Report) Order, 2015 is available and accordingly the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and associate company incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion, opinion of one of the joint auditors and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and one of the joint auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and associate company incorporated in India:
 - (a) As explained to us and one of the joint auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of one of the joint auditors and according to the information and explanations given to us and one of the joint auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and opinion of one of the joint auditors and according to the information and explanations given to us and one of the joint auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies and associate company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of one of the joint auditors and according to the information and explanations given to us and one of the joint auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternate sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company, subsidiary companies and associate company in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and one of the joint auditors' audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us and one of the joint auditors the Holding Company, subsidiary companies and associate company incorporated in India have not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act. Attention is invited to note no. 31 regarding the reliance placed on the legal opinion obtained by management in the matter of non-applicability of Section 73 of the Companies Act 2013 and Companies (Acceptance of Deposit) Rules, 2014, to Unsecured Unlisted Redeemable Non-Convertible Debentures issued by the Holding Company to banks on a private placement basis and its subsequent transfer to Mutual Funds by the Banks.

In respect of unclaimed deposits, the Holding Company, subsidiary companies and associate company has complied with the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act. According to the information and explanations given to us and one of the joint auditors, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us and one of the joint auditors, in our opinion and opinion of one of the joint auditors, the Holding Company, subsidiary companies, and associate company incorporated in India have, *prima facie*, maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection(1) of Section 148 of the Companies Act, 2013. Neither we, nor one of the joint auditors, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and one of the joint auditors, in respect of statutory dues of the Holding Company, subsidiary companies and associate company incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

| Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount (₹ in lacs) | Amount Paid / Adjusted (₹ In lacs) | Net Balance (₹ in lacs) |
|---|----------------|---|------------------------------------|--------------------|------------------------------------|-------------------------|
| Andhra Pradesh General Sales Tax Act 1957 | Sales Tax | Sales Tax appellate Tribunal, Hyderabad | 1995-96, 1996-97, 1997-98 | 16.39 | - | 16.39 |
| Andhra Pradesh General Sales Tax Act 1957 | Sales Tax | Appellate Dy. Commissioner of Commercial taxes, Hyderabad | 1997-98 | 0.75 | 0.56 | 0.19 |
| Delhi Value Added Tax Act, 2004 | Sales Tax | Addl. Commissioner (Appeals) | 2007-08, 2008-09 | 39.51 | 10.81 | 28.69 |
| Karnataka Sales Tax Act, 1957 | Sales Tax | Joint Commissioner, Mangalore | 2008-09 | 120.03 | 61.73 | 58.29 |
| Madhya Pradesh General Sales Tax Act 1958 | Sales Tax | Dy. Commissioner | 1985-86 | 15.09 | 5.18 | 9.91 |
| Madhya Pradesh General Sales Tax Act 1958 | Sales Tax | Addl. Commissioner | 1987-88, 1988-89, 1989-90 | 15.48 | 2.00 | 13.48 |
| Orissa Sales Tax Act, 1947 | Sales Tax | Appellate Tribunal of Sales Tax, Cuttack | 1998-99 | 206.74 | 183.96 | 22.78 |
| Orissa Sales Tax Act, 1947 | Sales Tax | Addn. Commissioner of Sales Tax, Cuttack | 1998-99 | 194.75 | 151.63 | 43.12 |
| Orissa Sales Tax Act, 1947 | Sales Tax | High Court, Orissa | 1999-00 | 184.07 | 153.44 | 30.63 |
| Orissa Sales Tax Act, 1947 | Sales Tax | Addn. Commissioner of Sales Tax, Bhubaneswar | 2004-05 | 43.82 | 28.45 | 15.37 |
| Tamilnadu General Sales Tax Act, 1959 | Sales Tax | Dy. Commissioner Of Commercial Taxes, Chennai | 1992-93, 1994-95, 1995-96, 1996-97 | 13.47 | 12.47 | 1.00 |
| West Bengal Sales Tax Act, 1954 | Sales Tax | West Bengal Commercial Tax Tribunal, Kolkata | 1987-88, 1988-89 | 11.24 | 5.32 | 5.92 |
| West Bengal Sales Tax Act, 1954 | Sales Tax | Dy. Commissioner of Commercial Taxes, Durgapur | 1994-95 | 19.57 | 8.54 | 11.03 |
| West Bengal Sales Tax Act, 1954 | Sales Tax | Addl. Commissioner of Sales Tax | 2011-12 | 7.24 | 2.77 | 4.47 |
| Karnataka Tax on Entry of Goods Act, 1979 | Entry Tax | Joint Commissioner Commercial Taxes Appeals, Mangalore | 2007-08, 2008-09 | 294.93 | 161.07 | 133.87 |
| Chapter V, Finance Act, 1994 | Service Tax | Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai | 2007-08 | 2.86 | - | 2.86 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT, West Zonal Branch, Mumbai | 2006-07, 2007-08 | 207.71 | - | 207.71 |
| Chapter V, Finance Act, 1994 | Service Tax | High Court, Mumbai | 2007-08, 2008-09, 2009-10, 2010-11 | 5,740.39 | - | 5,740.39 |
| Chapter V, Finance Act, 1994 | Service Tax | Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai | 2006-07, 2007-08, 2008-09 | 18.72 | - | 18.72 |
| Chapter V, Finance Act, 1994 | Service Tax | Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai | 2009-10 | 51.76 | - | 51.76 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2008-10 | 229.61 | - | 229.61 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2008-09 | 122.56 | - | 122.56 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2008-09 | 101.31 | - | 101.31 |
| Chapter V, Finance Act, 1994 | Service Tax | CESTAT | 2010-14 | 5,083.91 | - | 5,083.91 |

- (d) The aforesaid entities have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and opinion of one of the joint auditors and according to the information and explanations given to us and one of the joint auditors, the Holding Company, subsidiary companies and associate company incorporated in India have not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (x) In our opinion and opinion of one of the joint auditors and according to the information and explanations given to us and one of the joint auditors, the terms and conditions of the guarantees given; wherever, by the Holding company, subsidiary companies and associate company incorporated in India for loans taken by others outside of the Group from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Group.
- (xi) In our opinion and opinion of one of the joint auditors and according to the information and explanations given to us and one of the joint auditors, the term loans have been applied by the Holding Company, subsidiary companies and associate company incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and one of the joint auditors, no fraud by the Holding Company, its subsidiary companies and associate company incorporated in India and no material fraud on the Holding Company, its subsidiary companies and associate company incorporated in India has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117364W)

R. Salivati
Partner
Membership No.34004

MUMBAI,
Dated: 20th August, 2015

J. C. Bhatt & Associates
Chartered Accountants
(Registration No. 130923W)

J. C. Bhatt
Partner
Membership No.10977

MUMBAI,
Dated: 20th August, 2015

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Consolidated Balance Sheet as at 31st March, 2015

| Particulars | | Note No. | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|--|---|--|---------------------------------------|
| | | | ₹ in Lacs | ₹ in Lacs |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 3 | 52,197.02 | 52,197.02 |
| | (b) Reserves and surplus | 4 | 64,756.42 | 60,810.03 |
| | | | 116,953.44 | 113,007.05 |
| 2 | Minority Interest (net) | | (130.76) | (106.29) |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 5 | 62,442.25 | 55,298.13 |
| | (b) Deferred tax liabilities (net) | 6 | 12,434.52 | 11,575.66 |
| | (c) Other long-term liabilities | 7 | 43,918.73 | 22,730.81 |
| | (d) Long-term provisions | 8 | 866.97 | 864.55 |
| | | | 119,662.47 | 90,469.15 |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | 9 | 86,780.61 | 78,229.97 |
| | (b) Trade payables | 10 | 110,110.27 | 98,961.75 |
| | (c) Other current liabilities | 11 | 96,238.00 | 43,731.49 |
| | (d) Short-term provisions | 12 | 2,272.00 | 2,171.77 |
| | | | 295,400.88 | 223,094.98 |
| | TOTAL | | 531,886.03 | 426,464.89 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 13.A | 97,823.87 | 99,168.54 |
| | (ii) Intangible assets | 13.B | 202.29 | 337.03 |
| | (iii) Capital work-in-progress | 13.C | 17,448.36 | 10,460.09 |
| | | | 115,474.52 | 109,965.66 |
| | (b) Goodwill on Consolidation | | 437.44 | 13.90 |
| | (c) Non-current investments | 14 | 8,612.71 | 8,612.71 |
| | (d) Long-term loans and advances | 15 | 24,059.80 | 19,036.21 |
| | (e) Other non-current assets | 16 | 53,486.20 | 29,933.09 |
| | | | 202,070.67 | 167,561.57 |
| 2 | Current assets | | | |
| | (a) Inventories | 17 | 238,619.62 | 184,223.80 |
| | (b) Trade receivables | 18 | 42,533.80 | 43,042.30 |
| | (c) Cash and bank balances | 19 | 15,150.39 | 6,787.56 |
| | (d) Short-term loans and advances | 20 | 17,758.89 | 11,168.04 |
| | (e) Other current assets | 21 | 15,752.66 | 13,681.62 |
| | | | 329,815.36 | 258,903.32 |
| | TOTAL | | 531,886.03 | 426,464.89 |
| See accompanying notes 1 to 54 forming part of the financial statements | | | | |
| In terms of our report attached | | For and on behalf of the Board of Directors | | |
| For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS | For J.C. BHATT & ASSOCIATES CHARTERED ACCOUNTANTS | S.P.MISTRY Chairman | K.SUBRAHMANIAN Vice Chairman & Managing Director | |
| R. SALIVATI Partner | J.C.BHATT Partner | S.PARAMASIVAN Deputy Managing Director | P.N. KAPADIA Director | |
| | | N.D.KHURDY Director | P.R. RAJENDRAN Company Secretary | |
| Place: Mumbai | | | ASHOK G.DARAK Chief Financial Officer | |
| Date: 20 th August, 2015 | | | | |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

| Particulars | | Note No. | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|--|---|
| | | | ₹ in Lacs | ₹ in Lacs |
| 1 | Revenue from operations | 22 | 393,049.59 | 359,349.61 |
| 2 | Other income | 23 | 13,974.20 | 8,091.00 |
| 3 | Total revenue (1 + 2) | | 407,023.79 | 367,440.61 |
| 4 | Expenses | | | |
| | (a) Cost of construction | 24 | 266,415.23 | 246,905.75 |
| | (b) Employee benefits expense | 25 | 52,912.02 | 45,835.70 |
| | (c) Finance costs | 26 | 21,308.84 | 17,661.86 |
| | (d) Depreciation and amortisation expense | 13.D | 13,880.21 | 15,689.88 |
| | (e) Other expenses | 27 | 44,625.71 | 31,860.75 |
| | Total expenses | | 399,142.01 | 357,953.94 |
| 5 | Profit before tax (3 - 4) | | 7,881.78 | 9,486.67 |
| 6 | Tax expense: | | | |
| | (a) Tax expense for current year | | 2,974.33 | 3,695.92 |
| | (b) MAT credit | | (2,054.30) | (1,563.00) |
| | (c) Deferred tax | | 1,038.24 | 2,336.12 |
| | (d) Tax expense relating to prior year (net) | | 605.26 | 100.14 |
| | | | 2,563.53 | 4,569.18 |
| 7 | Profit after tax and before Minority interest (5 - 6) | | 5,318.25 | 4,917.49 |
| 8 | Minority Interest | | (28.01) | (221.41) |
| 9 | Profit for the year (7 + 8) | | 5,290.24 | 4,696.08 |
| 10 | Earnings per share (face value of ₹ 10/- each): | 37 | | |
| | (a) Basic | | 7.34 | 6.52 |
| | (b) Diluted | | 1.55 | 1.38 |
| See accompanying notes 1 to 54 forming part of the financial statements | | | | |
| In terms of our report attached | | | For and on behalf of the Board of Directors | |
| For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS | | For J.C. BHATT & ASSOCIATES CHARTERED ACCOUNTANTS | S.P.MISTRY Chairman | K.SUBRAHMANYAN Vice Chairman & Managing Director |
| R. SALIVATI Partner | | J.C.BHATT Partner | S.PARAMASIVAN Deputy Managing Director | P.N. KAPADIA Director |
| | | | N.D.KHURODY Director | P.R. RAJENDRAN Company Secretary |
| Place: Mumbai Date: 20th August, 2015 | | | | ASHOK G.DARAK Chief Financial Officer |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Consolidated Cash Flow Statement for the year ended 31st March, 2015

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Cash flow from operating activities | | |
| Profit before tax | 7,881.78 | 9,486.67 |
| Adjustments for : | | |
| Depreciation | 13,880.21 | 15,689.88 |
| Loss on sale of fixed assets (net) | 77.57 | 134.43 |
| Dividend income | (300.00) | (0.01) |
| Interest income | (8,528.27) | (4,658.07) |
| Interest expense | 19,204.19 | 15,711.76 |
| Bad/irrecoverable Debtors /Unbilled Revenue /Advances/ Duty Scrip w/off | 2.81 | 1,413.57 |
| Provision for doubtful debtors no longer required written back | - | (366.49) |
| Provision for doubtful advances no longer required written back | - | (78.01) |
| Creditors / Excess Provision for expenses of earlier years written back | (1,094.48) | (681.57) |
| Provision for Projected Losses on contract (net) | 52.59 | 444.41 |
| Operating profit before working capital changes | 31,176.40 | 37,096.57 |
| (Increase) in Inventories | (54,395.82) | (52,537.59) |
| (Increase) / Decrease in Trade receivables | 508.50 | (4,476.50) |
| (Increase) / Decrease in Loans and Advances and Other Assets | (25,173.38) | 5,643.29 |
| Increase in Trade, Other payables and Provisions | 75,320.23 | 11,153.22 |
| Cash from Operations | 27,435.93 | (3,121.01) |
| Direct taxes - (paid) (including interest) | (5,979.45) | (6,645.13) |
| Net Cash flow from / (used in) operating activities | 21,456.48 | (9,766.14) |
| Cash flow from investing activities | | |
| Purchase of fixed assets | (20,854.07) | (10,140.61) |
| Proceeds from sale of fixed assets | 50.22 | 142.14 |
| Purchase of Investments | - | (8,572.61) |
| Consideration paid on acquisition of a subsidiary | (423.54) | - |
| Dividend received | 300.00 | 0.01 |
| Investment in Other bank balance redeemed | 793.08 | 1,934.88 |
| Interest received | 1,860.13 | 2,555.51 |
| Net Cash flow (used in) investing activities | (18,274.18) | (14,080.68) |
| Cash flow from financing activities | | |
| Proceeds from issue of Preference share | - | 10,000.00 |
| Proceeds from long-term borrowings | 35,507.37 | 18,708.17 |
| Repayment of long-term borrowings | (17,778.69) | (13,093.81) |
| (Repayment) / Proceeds from short term borrowings - net | 8,550.64 | 20,018.04 |
| Interest paid | (19,222.06) | (15,820.08) |
| Dividend paid on Equity Shares (including tax for previous year) (Interim) | (1,079.55) | (1,684.06) |
| Dividend paid on Preference Shares (including tax) | (4.10) | (4.07) |
| Net Cash flow from financing activities | 5,973.61 | 18,124.19 |
| Net increase in cash and cash equivalents | 9,155.91 | (5,722.63) |
| Cash and cash equivalents at the beginning of the year | 5,087.19 | 10,809.82 |
| Cash and cash equivalents at the end of the year | 14,243.10 | 5,087.19 |

Notes

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006
- Cash and Cash equivalents includes unrealised Profit / (Loss) of ₹ 10.77 Lacs (Previous year ₹ 185.61 lacs) on account of translation of foreign currency bank balances of translation of foreign currency bank balances.
- Figures relating to previous year have been recast where necessary to conform to figures of the current year.

In terms of our report attached

**For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS**

**R. SALIVATI
Partner**

**For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS**

**J.C.BHATT
Partner**

For and on behalf of the Board of Directors

**S.P.MISTRY
Chairman**

**S.PARAMASIVAN
Deputy Managing Director**

**N.D.KHURDY
Director**

**K.SUBRAHMANYAN
Vice Chairman &
Managing Director**

**P.N. KAPADIA
Director**

**P.R. RAJENDRAN
Company Secretary**

Place: Mumbai

Date: 20th August, 2015

**ASHOK G.DARAK
Chief Financial Officer**

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| Note | Particulars | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------|--------------------------|--------------------------|--------------------------------------|-------|------|--|-------|------|---|-------|------|--|--------|-----|----------------------------------|-------|-----|-----------------------------------|-------|-----|---|--------|------|---|-----------|------|------------------------------|-------|-----|-------------------------------|-------|-----|--|-------|-----|---|-------|------|--|-----------|------|--|------------|------|
| 1 | Significant accounting policies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1 | Principles of Consolidation: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | The Consolidated Financial Statements relate to Afcons Infrastructure Limited (the "Holding Company"), its subsidiaries and jointly controlled entities (the Holding Company, its subsidiaries and jointly controlled entities constitute the "Group") which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on the following basis : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.1 | The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS- 21) "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.2 | The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.3 | The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit and Loss as the profit or loss on sale of investment in subsidiary. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.4 | Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.5 | Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.6 | In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity or exercises significant influence over the investee, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for Investments in Associates in consolidated financial statements" notified under the Companies (Accounting Standards) Rules, 2006. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.7 | The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.8 | The Company's interest in Jointly Controlled Entities are consolidated on a proportionate consolidation basis by adding together the proportionate book values of assets, liabilities, income and expenses and eliminating the unrealised profits/losses on intra-group transactions. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.9 | As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.10 | The accounts of the Indian subsidiaries have been prepared in compliance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. In the opinion of the Management, based on the analysis of the significant transactions of those subsidiaries, no material adjustments are required to be made to comply with group accounting policies / Indian GAAP. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.2 | As required by Accounting Standard (AS-23) "Accounting for Investments in Associates on consolidated financial statements" notified under the Companies (Accounting Standards) Rules, 2006, the carrying amounts of investments in Associates is adjusted for post acquisition change in the Company's share in the net assets of the associates after eliminating unrealised profits or losses, if any. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.3 | The list of the subsidiaries of the Company which are included in the consolidation and the Group's holding therein are as under: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table><tr><th>Name of Subsidiary</th><th>Country of Incorporation</th><th>Percentage Holding-Share</th></tr><tr><td>Hazarat and Company Private Limited.</td><td>India</td><td>100%</td></tr><tr><td>Afcons Corrosion Protection Pvt. Ltd (Formerly SSS Electricals (India) Private Limited).</td><td>India</td><td>100%</td></tr><tr><td>Afcons Offshore and Marine Services Pvt. Limited.</td><td>India</td><td>100%</td></tr><tr><td>Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL*</td><td>Kuwait</td><td>49%</td></tr><tr><td>Afcons Construction Mideast LLC*</td><td>U.A.E</td><td>49%</td></tr><tr><td>Afcons Overseas Construction LLC*</td><td>Qatar</td><td>49%</td></tr><tr><td>Afcons Gulf International Projects Services FZE #</td><td>U.A.E.</td><td>100%</td></tr><tr><td>Afcons Mauritius Infrastructure Limited (AMIL) (w.e.f.29.07.2013)</td><td>Mauritius</td><td>100%</td></tr><tr><td>Afcons Pauling Joint Venture</td><td>India</td><td>95%</td></tr><tr><td>Afcons Gunanusa Joint Venture</td><td>India</td><td>80%</td></tr><tr><td>Transtonnellstroy Afcons Joint Venture</td><td>India</td><td>99%</td></tr><tr><td>Dahej Standby Jetty Project Undertaking</td><td>India</td><td>100%</td></tr><tr><td>Afcons Overseas Singapore Pte Ltd. (w.e.f. 27th March, 2014)</td><td>Singapore</td><td>100%</td></tr><tr><td>Afcons Infra Projects Kazakhstan, LLP (w.e.f. 11th July, 2014) %</td><td>Kazakhstan</td><td>100%</td></tr></table> | Name of Subsidiary | Country of Incorporation | Percentage Holding-Share | Hazarat and Company Private Limited. | India | 100% | Afcons Corrosion Protection Pvt. Ltd (Formerly SSS Electricals (India) Private Limited). | India | 100% | Afcons Offshore and Marine Services Pvt. Limited. | India | 100% | Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL* | Kuwait | 49% | Afcons Construction Mideast LLC* | U.A.E | 49% | Afcons Overseas Construction LLC* | Qatar | 49% | Afcons Gulf International Projects Services FZE # | U.A.E. | 100% | Afcons Mauritius Infrastructure Limited (AMIL) (w.e.f.29.07.2013) | Mauritius | 100% | Afcons Pauling Joint Venture | India | 95% | Afcons Gunanusa Joint Venture | India | 80% | Transtonnellstroy Afcons Joint Venture | India | 99% | Dahej Standby Jetty Project Undertaking | India | 100% | Afcons Overseas Singapore Pte Ltd. (w.e.f. 27 th March, 2014) | Singapore | 100% | Afcons Infra Projects Kazakhstan, LLP (w.e.f. 11 th July, 2014) % | Kazakhstan | 100% |
| Name of Subsidiary | Country of Incorporation | Percentage Holding-Share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hazarat and Company Private Limited. | India | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Corrosion Protection Pvt. Ltd (Formerly SSS Electricals (India) Private Limited). | India | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Offshore and Marine Services Pvt. Limited. | India | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL* | Kuwait | 49% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Construction Mideast LLC* | U.A.E | 49% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Overseas Construction LLC* | Qatar | 49% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Gulf International Projects Services FZE # | U.A.E. | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Mauritius Infrastructure Limited (AMIL) (w.e.f.29.07.2013) | Mauritius | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Pauling Joint Venture | India | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Gunanusa Joint Venture | India | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transtonnellstroy Afcons Joint Venture | India | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dahej Standby Jetty Project Undertaking | India | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Overseas Singapore Pte Ltd. (w.e.f. 27 th March, 2014) | Singapore | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afcons Infra Projects Kazakhstan, LLP (w.e.f. 11 th July, 2014) % | Kazakhstan | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | * It is accounted based on control exercised by the Company on the composition of Board of Directors. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | # Subsidiary of AIIL till 15th August, 2013; subsidiary of AMIL w.e.f.16th August, 2013. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | % Subsidiary of Afcons Overseas Singapore Pte Ltd. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| Note | Particulars | | |
|------|--|----------------------------|--------------------------|
| 1.4 | The associate of the Group which is included in the consolidation and the Group's holdings therein is as under: | | |
| | Name of the Associate | Country of Incorporation | Percentage Holding-Share |
| | Afcons (Mideast) Constructions and Investments Private Limited * | India | Less than 1% |
| | *It is accounted based on significant influence by the Company on the composition of Board of Directors. | | |
| 1.5 | The list of the joint ventures of the group that are included in the consolidation and the Group's holding therein are as under: | | |
| | Name of the Joint Ventures | Percentage Holding – Share | |
| | Strabag AG Afcons Joint Venture, India | 40% | |
| | Saipem Afcons Joint Venture, Oman | 50% | |
| | Iron Afcons Joint Venture, India (w.e.f. 29.11.2013) | 47% | |
| | Afcons Sener LNG Construction Projects Pvt.Ltd.,India (w.e.f.13.01.2015) | 49% | |
| 2 | Basis of Accounting | | |
| 2.1 | The Accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with the Generally Accepted Accounting Principles (GAAP) in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. | | |
| 2.2 | Use of Estimates | | |
| | The preparation of financial statements in conformity with Indian GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of financial statements. All information on key policies and the basis of the estimates and the major sources of uncertainties have been disclosed along with the respective note. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, classification of current/non current, assets/liabilities etc. Difference between actual results and estimates are recognised in the period in which the results are known / materialise. | | |
| 2.3 | Cash flow statement | | |
| | Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. | | |
| | Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. | | |
| 2.4 | Tangible Fixed Assets | | |
| | Tangible Fixed assets are stated at cost of acquisition/construction; inclusive of inward freight, duties, taxes, installation expenses and any expenses directly attributable to the assets to bring them to site and in working condition for its intended use; or book value and include amounts added on revaluation less accumulated depreciation (refer note 13(D)) and impairment loss, if any. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. | | |
| | Leasehold improvements have been capitalized and are written off over the primary lease term not exceeding five years. | | |
| 2.5 | Intangible Fixed Assets | | |
| | Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 – "Intangible Assets". | | |
| 2.6 | Depreciation | | |
| | Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.: | | |
| | Plant & Equipment (except Tunnel Boring Machines) which includes Cranes < 100 mt., Concreting, Crushing, Piling, Road Making, Laboratory & Welding Equipments - 20 Years. | | |
| | Tunnel Boring Machines - Length of the tunnel bored over life of the construction project for where it is used. | | |
| | Capital Spares - 4 years | | |
| | Leasehold land is amortised over the duration of the lease. | | |
| | Intangible assets are amortised over their estimated useful life on straight line method as follows: | | |
| | Computer Software - 5 years | | |
| | The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any. | | |

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| Note | Particulars |
|-------------|---|
| 2.7 | <p>Impairment</p> <p>The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:</p> <p>(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.</p> <p>If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.</p> <p>The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.</p> <p>When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.</p> |
| 2.8 | <p>Investments</p> <p>Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, when there is a decline, other than temporary in the value of the long term investment, the carrying amount is reduced to recognize the decline.</p> <p>Investment in shares of the subsidiaries registered outside India, are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.</p> |
| 2.9 | <p>Inventories</p> <p>(a) Construction materials, stores and spare parts are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average method. Cost of shuttering materials (included in construction materials), issued to jobs, is charged off equally over a period of four years.</p> <p>(b) Work done remaining to be certified / billed is treated as Construction Work in Progress in the accounts. The same is valued at the realizable value.</p> |
| 2.10 | <p>Retention monies</p> <p>Amounts retained by the clients until satisfactory completion of the contract(s) are recognised in the financial statements as receivables. Where such retention monies have been released by the clients against submission of bank guarantees, the amounts so released are adjusted against receivables from these clients.</p> |
| 2.11 | <p>Foreign currency transactions</p> <p>(i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(iii) Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.</p> <p>(iv) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items (net of mark to market gain/loss on related forward contracts /options) are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.</p> |
| 2.12 | <p>Revenue recognition on contracts</p> <p>(a) Contract revenue and expenses are recognized, when outcome can be estimated reliably, on the basis of percentage completion method. Percentage of completion is determined based on the nature of contracts, either in proportion of contract costs incurred upto the reporting date to the estimated total cost or on the basis of physical proportion of the contract work completed.</p> <p>(b) Contract revenue in case of 'Cost Plus' contracts is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.</p> <p>(c) Variations (in contracts) and amounts in respect thereof are recognized only when it is probable that the customer(s) will approve them and amounts can be measured reliably.</p> <p>(d) Claims and amounts in respect thereof are recognized only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be reliably measured. In the case of Arbitration Awards (the "Awards") which are granted in favor of the Company, the award amount (including interest thereon), are accounted when they are granted and where it is reasonable to expect ultimate collection of such awards.</p> <p>(e) Revenue is recognised only when no significant uncertainties exist regarding its measurement and collectability.</p> |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| Note | Particulars |
|-------------|--|
| 2.13 | Export Benefits Export benefits in the form of duty credit entitlement licenses granted by the Government of India under the "Served from India" scheme, on the basis of export realizations made, are recognised on the basis and to the extent of actual utilisation and management's estimate of their likely utilisation. |
| 2.14 | Government grants /subsidies Benefit under Deemed Export scheme are recognised when there is a reasonable assurance that the Benefit will be received and all attaching conditions will be complied with. |
| 2.15 | Provision for Estimated Losses Estimated losses, if any, in respect of contracts in progress are provided for based upon current estimates of cost to completion. |
| 2.16 | Employee benefits <ul style="list-style-type: none"> i) Gratuity Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. ii) Superannuation The trustees of Afcons Infrastructure Limited Superannuation Scheme Trust have taken a Group Superannuation policy from the LIC. Provision for superannuation is made on the basis of premium payable in respect of the aforesaid policy. iii) Provident fund Contribution as required under the statute/ rules is made to the Government Provident Fund. iv) Compensated absences The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the period in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. v) Other Benefits The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders the service. vi) Actuarial gains and losses The actuarial gains and losses are recognised immediately in the statement of Profit and Loss. |
| 2.17 | Borrowing costs Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue. |
| 2.18 | Segment Reporting: The following accounting policies have been followed for segment reporting: <ul style="list-style-type: none"> i) Segment Revenue includes income directly identifiable with / allocable to the segment. ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Results. The expenses which relate to the Group as a whole and not allocable to segments are included under Unallocable expenses. iii) Segment assets and liabilities include those directly identifiable with the respective segments. |
| 2.19 | Leases Assets leased out under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term. Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to Statement of Profit & Loss on straight line basis over the lease term. |
| 2.20 | Doubtful debts and advances Provision is made in the accounts for debts and advances which in the opinion of the management are considered doubtful of recovery. |
| 2.21 | Taxation Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for taxes on income". Income tax comprises both current and deferred tax. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realisation. |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| Note | Particulars |
|-------------|--|
| | Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity. |
| 2.22 | Interest Income Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates. |
| 2.23 | Accounting for joint ventures: Accounting for joint ventures has been done as follows :- Type of Joint Venture : Jointly Controlled Entity Accounting treatment : Interests in jointly controlled entities comprise of the share of the Group's interest in a company in which the Group has acquired joint control over its economic activities by contractual agreement. Interests in jointly controlled entities are included in the consolidated financial statements of the Group from the point in time at which the joint control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the joint control ceases. Interests in joint ventures are aggregated in the consolidated financial statements by using the proportionate consolidation method, which means that the Group's share in book values of like items of assets, liabilities, income and expenses are aggregated after eliminating the intra-Group balances and transactions to the extent of the proportionate share of the Group in the joint venture. |
| 2.24 | Provisions, Contingent Liabilities and Contingent Assets Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed. |
| 2.25 | Derivatives Interest rates derivatives are marked to market and net loss (if any) is charged to statement of Profit and Loss |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

3. Share Capital

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------------------|-------------------|------------------------------------|-------------------|
| | Number of shares | ₹ in Lacs | Number of shares | ₹ in Lacs |
| (a) Authorised | | | | |
| Equity shares of ₹ 10 each. | 350,000,000 | 35,000.00 | 350,000,000 | 35,000.00 |
| Preference shares of ₹ 10 each. | 650,000,000 | 65,000.00 | 650,000,000 | 65,000.00 |
| Total | 1,000,000,000 | 100,000.00 | 1,000,000,000 | 100,000.00 |
| (b) Issued, Subscribed and Fully Paid up | | | | |
| Equity shares of ₹ 10 each. (Refer Note (i) below) | 71,970,238 | 7,197.02 | 71,970,238 | 7,197.02 |
| 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each. (Refer Note (ii) below) | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iii) below) | 250,000,000 | 25,000.00 | 250,000,000 | 25,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iv) below) | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| Total | 521,970,238 | 52,197.02 | 521,970,238 | 52,197.02 |

Notes:

(i) Rights, preferences and restrictions attached to Equity Shares:

- Rights to receive dividend as may be approved by the Board / Annual General Meeting.
- The Equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

(ii) Rights, preferences and restrictions attached to 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares:

- The Preference Shares shall be non- cumulative and non profit participating convertible Preference Shares carrying a fixed rate of dividend of 0.01% per annum to be paid in priority to the holders of any other class of shares.
- The Preference Shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹ 10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the Preference Shares mentioned in note iii(a) below.
- Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

(iii) Rights, preferences and restrictions attached to 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares:

- The Preference Shares shall be automatically and mandatorily converted into equity shares on 13th January, 2019 ("Mandatory Conversion Date") i.e. on the Eleventh year from the Issue date. The mandatory conversion date of the 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares has been revised from 13th January, 2013 (5th year from the date of issue) to 13th January, 2019 (11th year from the date of issue) in terms of the consent letter obtained from the preference shareholder and the special resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 10th January, 2013.
- On Mandatory Conversion Date, the Preference Shares shall be converted into such number of equity shares of the Company constituting 74% of all the outstanding equity share capital of the Company calculated on a fully diluted basis.
- The Preference Shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.
- On return of capital on a liquidation or otherwise of the assets of the Company, the holder of Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the Preference Shares held by it.
- Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

(iv) Rights, preferences and restrictions attached to 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares:

- The Preference Shares shall be automatically and mandatorily converted into equity shares on 21st March, 2019 ("Mandatory Conversion Date") i.e. on the expiry of Five year from the Issue date.
- On Mandatory Conversion Date, the Preference Shares shall be converted into such number of equity shares of the Company at the time of allotment of preference shares provided such conversion price shall not exceed ₹ 132 per Equity shares (consisting of par of ₹ 10 and a premium of ₹ 122).
- The Preference Shares shall be entitled to fixed non-cumulative preferential dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.
- On return of capital on a liquidation or otherwise of the assets of the Company, the holder of Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the Preference Shares held by it.
- Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolutions placed before the Company which directly affect the rights attached to his preference shares.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

3. Share Capital (Continued)

(v). Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|------------------|------------------------------------|------------------|
| | Number of Shares | ₹ in Lacs | Number of Shares | ₹ in Lacs |
| Equity shares outstanding at the beginning of the year | 71,970,238 | 7,197.02 | 71,970,238 | 7,197.02 |
| Equity shares outstanding at the end of the year | 71,970,238 | 7,197.02 | 71,970,238 | 7,197.02 |
| 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares at the beginning of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| Preference shares outstanding at the end of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year | 250,000,000 | 25,000.00 | 250,000,000 | 25,000.00 |
| Preference shares outstanding at the end of the year | 250,000,000 | 25,000.00 | 250,000,000 | 25,000.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |
| Preference shares outstanding at the end of the year | 100,000,000 | 10,000.00 | 100,000,000 | 10,000.00 |

(vi). Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Particulars | As at 31 st March, 2015 | | | As at 31 st March, 2014 | | |
|---|------------------------------------|---|---|------------------------------------|---|---|
| | Equity Shares | 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares | 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares | Equity Shares | 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares | 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares |
| | Number of shares | | | Number of shares | | |
| Shapoorji Pallonji & Co.Pvt.Ltd., the holding company | 49,009,022 | - | 100,000,000 | 48,900,182 | - | 100,000,000 |
| Subsidiaries of the holding company: | | | | | | |
| Floreat Investments Limited (FIL) | 13,015,929 | 100,000,000 | - | 13,015,929 | 100,000,000 | - |
| Renaissance Commerce Pvt. Limited | 4,016,250 | - | - | 4,016,250 | - | - |
| Hermes Commerce Ltd | 4,016,250 | - | - | 4,016,250 | - | - |

(vii). Details of shares held by each shareholder holding more than 5% of shares of the Company:

| Class of shares / Name of shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|-----------|------------------------------------|-----------|
| | Number of shares held | % holding | Number of shares held | % holding |
| Equity shares | | | | |
| Shapoorji Pallonji & Co.Pvt.Ltd | 49,009,022 | 68.10 | 48,900,182 | 67.95 |
| Floreat Investments Limited | 13,015,929 | 18.09 | 13,015,929 | 18.09 |
| Renaissance Commerce Pvt. Ltd | 4,016,250 | 5.58 | 4,016,250 | 5.58 |
| Hermes Commerce Ltd. | 4,016,250 | 5.58 | 4,016,250 | 5.58 |
| 0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares | | | | |
| Floreat Investments Limited | 100,000,000 | 100.00 | 100,000,000 | 100.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares | | | | |
| Goswami Infratech Private Ltd. | 250,000,000 | 100.00 | 250,000,000 | 100.00 |
| 0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares | | | | |
| Shapoorji Pallonji & Co.Pvt.Ltd. | 100,000,000 | 100.00 | 100,000,000 | 100.00 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

4. Reserves and Surplus

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Capital reserve | | |
| Opening balance | 83.78 | 83.78 |
| Closing balance | 83.78 | 83.78 |
| (b) Capital redemption reserve | | |
| Opening balance | 12.50 | 12.50 |
| Closing balance | 12.50 | 12.50 |
| (c) Securities premium account | | |
| Opening balance | 1,028.00 | 1,028.00 |
| Closing balance | 1,028.00 | 1,028.00 |
| (d) Revaluation reserve | | |
| Opening balance | - | 43.02 |
| Less: Utilised for set off against depreciation | - | (43.02) |
| Closing balance | - | - |
| (e) Contingencies reserve | | |
| Opening balance | 800.00 | 800.00 |
| Closing balance | 800.00 | 800.00 |
| (f) Debenture redemption reserve | | |
| Opening balance | 1,250.00 | 625.00 |
| Add : Transferred from surplus in Statement of Profit & Loss | 1,290.00 | 625.00 |
| Closing balance | 2,540.00 | 1,250.00 |
| (g) General reserve | | |
| Opening balance | 6,574.98 | 5,905.25 |
| Add : Transferred from surplus in Statement of Profit & Loss | - | 669.73 |
| Closing balance | 6,574.98 | 6,574.98 |
| (h) Foreign currency translation reserve | | |
| Opening balance | 250.94 | 1,989.53 |
| Add : Effect of foreign exchange rate variations during the year | 297.44 | 1,322.70 |
| Less: Adjustment on account of amalgamation | - | 3,061.29 |
| Closing balance | 548.38 | 250.94 |
| (i) Surplus in Statement of Profit and Loss | | |
| Opening balance | 50,809.83 | 46,035.35 |
| Add: Profit for the year | 5,290.24 | 4,696.08 |
| Add: Adjustment on account of amalgamation | - | 3,061.29 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹ 179.92 Lacs) (Refer Note 48) | 340.48 | - |
| Less: Appropriations | | |
| Interim Dividend on Equity Shares (₹ 1.50 per share) (Previous Year ₹ 2.00 per share) | 1,079.55 | 1,439.40 |
| Proposed Dividend on Preference Shares (₹ 0.001 per share) (Previous Year ₹ 0.001 per share) | 4.50 | 3.53 |
| Tax on dividend | 216.76 | 245.23 |
| Transferred to General reserve | - | 669.73 |
| Transferred to Debenture redemption reserve | 1,290.00 | 625.00 |
| Closing balance | 53,168.78 | 50,809.83 |
| Total | 64,756.42 | 60,810.03 |

5. Long-term borrowings

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Debentures (Unsecured) (Refer Note 5A) | 20,000.00 | 10,000.00 |
| (b) Working Capital loans (Refer Note (i) of 5B) | | |
| From banks | | |
| Secured | 15,000.00 | 17,500.00 |
| (c) Equipment Loan (Secured) (Refer Note (ii) of 5B) | | |
| From banks | | |
| Rupee Loan | 10,514.83 | 6,755.01 |
| Foreign Currency Loan | 15,436.32 | 18,423.86 |
| (d) Other loans and advances (Refer Note (iii) of 5B) | | |
| Foreign Currency Loan (Secured) | | |
| Buyers Credit from Banks | 1,491.10 | 2,619.26 |
| Total | 62,442.25 | 55,298.13 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

5. Long-term borrowings (Continued)

(A) Details of Debentures

| Particulars | Terms of repayment | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| | | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| Unsecured, Redeemable, Unlisted, Non-Convertible Debentures (NCDs) | | | | | |
| i) 10.45% NCDs | Refer Note (i) below | - | 10,000.00 | - | 10,000.00 |
| ii) 9.99% NCDs | Refer Note (ii) below | - | 5,000.00 | - | - |
| iii) 9.87% NCDs | Refer Note (iii) below | - | 5,000.00 | - | - |
| Total Non-Convertible Debentures | | - | 20,000.00 | - | 10,000.00 |

Notes:

- The NCDs carry interest @ 10.45% per annum payable quarterly and are redeemable in full at the end of 5 years from the date of issue i.e. 12th February, 2018. The NCDs carry a Put option to the holders and a Call option to the Company to get the NCDs redeemed at any time after 3 1/2 years from the date of allotment i.e. 12th August, 2016, by giving a 30 days notice to the other party.
- The NCDs carry interest @ 9.99% per annum payable annually and are redeemable in full at the end of 3 years and 40 days from the date of allotment i.e. 26th April, 2018.
- The NCDs carry interest @ 9.87% per annum payable semi annually and are redeemable in full at the end of 5 years and 20 days from the date of allotment i.e. 6th April, 2020.

(B) Details of terms of repayment of long-term borrowings from Banks and security provided in respect thereof:

| Particulars | Terms of repayment and security | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|---------------------------------|------------------------------------|------------------------|------------------------------------|------------------------|
| | | Secured ₹ in Lacs | Unsecured ₹ in Lacs | Secured ₹ in Lacs | Unsecured ₹ in Lacs |
| (i) Working Capital loans from banks | | | | | |
| Axis Bank Ltd. (Refer Note (i) below) | Refer Note (ii) below | - | - | 10,000.00 | - |
| State Bank of India (Refer Note (i) below) | | 15,000.00 | - | 7,500.00 | - |
| Total - Term Loan | | 15,000.00 | - | 17,500.00 | - |
| (ii) Equipment Loan from banks | | | | | |
| Rupee Loan: | | | | | |
| Indian Overseas Bank | Refer Note (iii) below | 514.83 | - | 3,014.83 | - |
| Oriental Bank of Commerce | | - | - | 1,240.18 | - |
| State Bank of India | | 10,000.00 | - | 2,500.00 | - |
| Foreign Currency Loan (ECB): | | | | | |
| DBS Bank Ltd | | 3,742.14 | - | 8,388.10 | - |
| HSBC Bank | | 3,742.14 | - | 7,189.80 | - |
| Societe Generale | | 7,952.04 | - | 2,845.96 | - |
| Total - Equipment Loan | | 25,951.15 | - | 25,178.87 | - |
| (iii) Other Loans and Advances from banks | | | | | |
| -Buyer's Credit Foreign Currency Loans | | | | | |
| State Bank of India | Refer Note (iv) below | 1,491.10 | - | 2,619.26 | - |
| Total - Other loans and advances | | 1,491.10 | - | 2,619.26 | - |
| Total Long-term Borrowings from Banks | | 42,442.25 | - | 45,298.13 | - |

Notes:

- Working Capital loan from Axis Bank is secured by subservient charge over current assets and Working Capital loan from State Bank of India is secured by second charge on Plant and Machinery.
- Working Capital loans from Banks carry interest ranging from Base rate + 0.50% to Base rate + 0.70% per annum. The repayment schedule of the loans are as follows.

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2016-17 | Repayment in 2017-18 | Repayment in 2018-19 | Repayment in 2019-20 |
|---------------------|----------------------------|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| State Bank of India | 15,000.00 | 2 installments of ₹ 2,500.00 each | 2 installments of ₹ 2,500.00 each | 1 installment of ₹ 2,500.00 | 1 installment of ₹ 2,500.00 |

| Previous Year | | | | | |
|---------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|--|
| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2015-16 | Repayment in 2016-17 | Repayment in 2017-18 | |
| Axis Bank Ltd. | 10,000.00 | 1 installment of ₹ 10,000.00 | - | - | |
| State Bank of India | 7,500.00 | 1 installment of ₹ 2,500.00 | 1 installment of ₹ 2,500.00 | 1 installment of ₹ 2,500.00 | |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

5. Long-term borrowings (Continued)

- (iii) Secured by first pari passu charge on Plant & Machinery. The Rupee loans carry interest ranging from Base rate + 0.50% to Base rate + 0.75% per annum and Foreign currency loans carry interest ranging from Libor + 2.35% to Libor + 2.70% per annum. The repayment schedule of the loans are as follows.

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2016-17 | Repayment in 2017-18 | Repayment in 2018-19 | Repayment in 2019-20 | Repayment in 2020-21 |
|-------------------------------|----------------------------|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Rupee Loan: | | | | | | |
| Indian Overseas Bank | 514.83 | 1 Installments of ₹ 514.83 | - | - | - | - |
| State Bank of India | 10,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 | 1 installment of ₹ 2,000.00 |
| Foreign Currency Loan: | | | | | | |
| DBS Bank Ltd | 3,742.14 | 3 installments of ₹ 1247.38 each | - | - | - | - |
| HSBC Bank | 3,742.14 | 2 installments of ₹ 1,871.07 each | - | - | - | - |
| Societe Generale | 7,952.04 | Installments of ₹ 467.77 & ₹623.69 | 2 installments of ₹ 623.69 each | 2 installments of ₹ 935.54 each | 2 installments of ₹ 935.53 each | 2 installments of ₹ 935.53 each |

Previous Year

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2015-16 | Repayment in 2016-17 | Repayment in 2017-18 | Repayment in 2018-19 | Repayment in 2019-20 | Repayment in 2020-21 |
|-------------------------------|----------------------------|---|---|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Rupee Loan: | | | | | | | |
| Indian Overseas Bank | 3,014.83 | 2 installments of ₹ 1250.00 each | 1 Installments of ₹ 514.83 | - | - | - | - |
| Oriental Bank of Commerce | 1,240.18 | Installments of ₹ 625.00 & ₹ 615.18 | - | - | - | - | - |
| State Bank of India | 2,500.00 | - | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 | 1 Installments of ₹ 500.00 |
| Foreign Currency Loan: | | | | | | | |
| DBS Bank Ltd | 8,388.10 | 4 installments of ₹ 1198.30 each | 3 installments of ₹ 1198.30 each | - | - | - | - |
| HSBC Bank | 7,189.80 | 2 installments of ₹ 1797.45 each | 2 installments of ₹ 1797.45 each | - | - | - | - |
| Societe Generale | 2,845.96 | 2 installments of ₹ 149.79 each | Installments of ₹ 149.79 & ₹ 199.72 | Installments of ₹ 199.72 & ₹ 199.73 | 2 installments of ₹ 299.57 each | 2 installments of ₹ 299.57 each | 2 installments of ₹ 299.57 each |

- (iv) The Loans carry interest ranging from Libor + 95 bps to Euribor + 150 bps per annum. State Bank of India loan is secured by a first charge by way of equitable mortgage on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis with other banks. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and first charge on plant and machinery of the Company on pari- passu basis with other consortium banks and term lenders upto 50% of the Fund Based Limits. The facility is further secured by Company's proportionate share of current assets in all the joint ventures both present and future.

The repayment schedule of the loans are as follows:

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2016-17 |
|---------------------|----------------------------|--|
| State Bank of India | 1,491.10 | Installments of ₹ 156.75, ₹ 156.74, ₹ 199.13, ₹ 420.52 & ₹ 557.96 |

Previous Year

| Bank Name | Loan Amount (₹ in Lacs) | Repayment in 2015-16 | Repayment in 2016-17 |
|---------------------|----------------------------|--|--|
| State Bank of India | 2,619.26 | Installments of ₹ 220.62, ₹ 319.38, ₹ 110.31, ₹ 319.38 & ₹ 132.06 | Installments of ₹ 193.12, ₹ 193.12, ₹ 191.29, ₹ 403.97 & ₹ 536.01 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

6. Major components of deferred tax (asset) and liabilities are as under:

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Deferred tax liability / (asset) | | |
| <u>Tax effect of items constituting deferred tax liability</u> | | |
| On difference between book balance and tax balance of fixed assets | 4,748.73 | 5,489.33 |
| Arbitration Awards (including interest) | 9,755.14 | 7,125.89 |
| Tax effect of items constituting deferred tax liability | 14,503.87 | 12,615.22 |
| <u>Tax effect of items constituting deferred tax assets</u> | | |
| Provision for compensated absences, gratuity and other employee benefits | (487.47) | (331.43) |
| Provision for doubtful debts / advances | (715.12) | (702.35) |
| Others (includes carry forward losses, etc.) | (866.76) | (5.78) |
| Tax effect of items constituting deferred tax assets | (2,069.35) | (1,039.56) |
| Net deferred tax liability | 12,434.52 | 11,575.66 |

7. Other long-term liabilities

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Trade Payables - Retention monies | 6,536.50 | 5,396.23 |
| (b) Others: | | |
| (i) Advances from customers | 37,359.09 | 17,303.70 |
| (ii) Statutory remittances (VAT, Service Tax, etc.) | 23.14 | 30.88 |
| Total | 43,918.73 | 22,730.81 |

8. Long-term provisions

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Provision for employee benefits: | | |
| (i) Provision for compensated absences | 675.10 | 503.82 |
| (ii) Provision for gratuity (net) (Refer Note 33) | 191.87 | 17.95 |
| (b) Provision - For contingencies (Refer Note 42) (In relation to expense of job completed in earlier year under dispute) | - | 342.78 |
| Total | 866.97 | 864.55 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

9. Short-term borrowings

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Working Capital Demand Loans | | |
| From banks | | |
| Secured (Refer Note below) | 17,000.00 | 3,000.00 |
| Unsecured | 5,000.00 | 5,000.00 |
| | 22,000.00 | 8,000.00 |
| (b) Short term Loans from Bank | | |
| Foreign Currency Loan: | | |
| Buyers Credit (Secured) (Refer Note below) | - | 1,947.98 |
| Packing Credit Finance (Unsecured) | 935.54 | 5,990.90 |
| | 935.54 | 7,938.88 |
| (c) Cash Credit Facility from Banks (Secured) (Refer Note below) | 29,632.65 | 24,127.23 |
| (d) Commercial Papers (Unsecured) | | |
| From Banks | | |
| Face Value | 5,000.00 | 10,000.00 |
| Less: Discount not written-off | 370.76 | 696.69 |
| | 4,629.24 | 9,303.31 |
| From Other parties | | |
| Face Value | 30,840.00 | 30,000.00 |
| Less: Discount not written-off | 1,256.82 | 1,229.45 |
| | 29,583.18 | 28,770.55 |
| (Maximum amount outstanding during the year ₹ 55,000.05 Lacs) (Previous Year ₹ 43,487.27 Lacs) | | |
| (e) Loans Repayable on demand (Unsecured) | | |
| From Related Parties (Refer Note 35) | - | 90.00 |
| Total | 86,780.61 | 78,229.97 |

Note:

(i) Details of security for the secured short-term borrowings:

| Particulars | Terms of repayment and security | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------|------------------------------------|------------------------------------|
| | | ₹ in Lacs | ₹ in Lacs |
| Working Capital Demand Loans (WCDL) | | | |
| From banks: | | | |
| ING Vysya Bank | Refer Note (i) below | 12,000.00 | - |
| IDBI Bank Ltd. | | 5,000.00 | 3,000.00 |
| Short Term Loans from Bank | | | |
| Foreign Currency Loan: | | | |
| Buyers Credit (Secured) | | | |
| State Bank of India | Refer Note (ii) below | - | 1,947.98 |
| Cash Credit Facility | Refer Note (ii) below | 29,632.65 | 24,127.23 |

Note:

- (i) Working Capital Demand Loan (WCDL) is secured by the Company's proportionate share of Current Assets in all the Joint Ventures both present and future. WCDL from Banks carry interest ranging from 10.85% to 10.90%.
- (ii) Secured by a first charge by way of equitable mortgage on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and first charge on plant and machinery of the Company on pari-passu basis with other consortium banks and term lenders upto 50% of the Fund Based Limits. Cash credit facility is further secured by the Company's proportionate share of Current Assets in all the Joint Ventures both present and future. Buyers Credit from banks carry interest @ Libor + 0.75 bps per annum and Cash Credit Facility from Banks carry interest ranging from 10.25% per annum to 13.65% per annum.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

10. Trade payables

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|------------------------|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Acceptances | 5,105.03 | 4,464.84 |
| Other than Acceptances | 105,005.24 | 94,496.91 |
| Total | 110,110.27 | 98,961.75 |

11. Other current liabilities

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Current maturities of long-term debt (Refer Note (i) below) | 26,801.67 | 16,081.45 |
| (b) Interest accrued but not due on borrowings | 289.84 | 307.71 |
| (c) Income received in advance (against sale of scrap) | 166.12 | 10.67 |
| (d) Unclaimed / unpaid dividends (Refer Note (ii) below) | 26.85 | 34.39 |
| (e) Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below) | 0.61 | 1.24 |
| (f) Other payables | | |
| (i) Statutory remittances (VAT, Service Tax, etc.) | 2,958.18 | 3,149.22 |
| (ii) Interest accrued on advance from customers | 551.42 | 51.60 |
| (iii) Trade / security deposits received | 153.07 | 67.33 |
| (iv) Advances from customers | 55,505.13 | 15,527.33 |
| (v) Advances from Others | 2,910.53 | 1,208.62 |
| (vi) Amount received on invocation of Bank Guarantees | 6,872.79 | 7,291.83 |
| (vii) Others | 1.79 | 0.10 |
| Total | 96,238.00 | 43,731.49 |

Note: (i) Refer Notes (ii), (iii) and (iv) in Note 5 - Long-term borrowings for details of security.

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Working Capital Loans from Banks | | |
| Secured | 12,500.00 | 2,500.00 |
| (b) Equipment Loans from Banks (Secured) | 3,740.18 | 3,750.00 |
| (c) Foreign Currency Loans (Secured) | 10,561.49 | 9,831.45 |
| Total | 26,801.67 | 16,081.45 |

Note: (ii) This does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund.

12. Short-term provisions

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Provision for employee benefits: | | |
| (i) Provision for compensated absences | 65.01 | 57.74 |
| (ii) Provision for gratuity (net) (Refer Note 33) | 476.55 | 401.06 |
| | 541.56 | 458.80 |
| (b) Provision - Others: | | |
| (i) Provision for tax (net of advance tax ₹ 2,015.24 Lacs) (As at 31 st March, 2014 ₹ 1,522.35 Lacs) | 1,012.18 | 1,264.43 |
| (ii) Provision for projected loss on contract | 497.00 | 444.41 |
| (iii) Provision for proposed preference dividend | 4.50 | 3.53 |
| (iv) Provision for tax on proposed dividends | 216.76 | 0.60 |
| | 1,730.44 | 1,712.97 |
| Total | 2,272.00 | 2,171.77 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

13. Fixed assets

A. Tangible assets

| Particulars | Gross block | | | Depreciation / Amortisation | | | | Net Block |
|----------------------------|---|------------------|-----------------|--|---|--|--|------------------|
| | Balance as at 1 st April, 2014 | Additions | Disposals | Balance as at 31 st March, 2015 | Balance as at 1 st April, 2014 | Depreciation / amortisation expense for the year | Other adjustments / Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer note 48) | |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| (a) Land | | | | | | | | |
| Freehold | 1.58 | - | - | 1.58 | - | - | - | 1.58 |
| Leasehold | 16.58 | 30.26 | - | 46.84 | 0.96 | 1.66 | - | 44.22 |
| (b) Buildings | 1,857.54 | - | - | 1,857.54 | 1,414.83 | 25.10 | - | 417.61 |
| (c) Plant and Equipment | 122,696.70 | 11,247.19 | (300.25) | 133,643.64 | 40,395.50 | 11,599.91 | 84.99 | 51,885.46 |
| (d) Furniture and Fixtures | 2,195.04 | 805.51 | (6.15) | 2,994.40 | 435.10 | 285.35 | 4.69 | 723.42 |
| (e) Vehicles | 1,415.53 | 509.27 | (13.79) | 1,911.01 | 384.98 | 185.55 | 0.82 | 566.54 |
| (f) Office equipment | 2,596.42 | 289.13 | (14.59) | 2,870.96 | 1,146.85 | 555.09 | 334.54 | 2,027.44 |
| (g) Leasehold improvements | 279.22 | - | - | 279.22 | 279.22 | - | - | 279.22 |
| (h) Floating Equipments | 15,954.46 | 144.07 | (83.54) | 16,014.99 | 3,848.62 | 1,075.65 | 93.41 | 4,937.66 |
| (i) Laboratory Equipments | 151.04 | 14.59 | - | 165.63 | 89.51 | 8.70 | 1.44 | 65.98 |
| Total | 147,164.11 | 13,040.02 | (418.32) | 159,785.81 | 47,995.57 | 13,737.01 | 519.89 | 61,961.94 |

Previous Year

| Particulars | Gross block | | | Depreciation / Amortisation | | | | Net Block |
|----------------------------|---|------------------|-----------------|--|---|--|----------------------------------|------------------|
| | Balance as at 1 st April, 2013 | Additions | Disposals | Balance as at 31 st March, 2014 | Balance as at 1 st April, 2013 | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| (a) Land | | | | | | | | |
| Freehold | 1.58 | - | - | 1.58 | - | - | - | 1.58 |
| Leasehold | 16.58 | - | - | 16.58 | 0.80 | 0.16 | - | 15.62 |
| (b) Buildings | 1,857.54 | - | - | 1,857.54 | 1,353.08 | 61.75 | - | 442.71 |
| (c) Plant and Equipment | 108,371.45 | 14,698.48 | (373.23) | 122,696.70 | 26,842.93 | 13,862.50 | (307.40) | 82,301.20 |
| (d) Furniture and Fixtures | 1,830.14 | 402.86 | (37.96) | 2,195.04 | 312.83 | 128.71 | (16.42) | 1,759.94 |
| (e) Vehicles | 1,237.46 | 204.10 | (26.03) | 1,415.53 | 278.36 | 118.54 | (11.92) | 1,030.55 |
| (f) Office equipment | 2,626.01 | 156.72 | (186.31) | 2,596.42 | 993.88 | 225.49 | (69.79) | 1,449.57 |
| (g) Leasehold improvements | 279.22 | - | - | 279.22 | 279.22 | - | - | 279.22 |
| (h) Floating Equipments | 15,931.75 | 311.09 | (288.38) | 15,954.46 | 2,905.27 | 1,173.16 | (229.81) | 12,105.84 |
| (i) Laboratory Equipments | 150.98 | 0.06 | - | 151.04 | 83.38 | 6.13 | - | 61.53 |
| Total | 132,302.71 | 15,773.31 | (911.91) | 147,164.11 | 33,049.75 | 15,576.44 | 4.72 | 47,995.57 |

Notes:

- Some of the Fixed assets viz., Plant & Equipment, (including certain items fully written off in previous years) Laboratory Equipment, Barges (Floating equipments), New & Old Workshop and Office Building as on 1st April, 1990 were revalued on the basis of the valuation made by the external valuers resulting in net increase of ₹ 4,551.21 lacs being surplus on revaluation.
- Revalued amounts substituted for Historical Cost as at 1st April, 1990 and included under Gross Block are as under :
 - Plant & Equipment ₹ 4,261.48 lacs
 - Laboratory Equipments ₹ 124.45 lacs
 - Workshop & Godown ₹ 466.02 lacs
 - Buildings ₹ 1,260.00 lacs
 - Barges (Floating Equipments) ₹ 899.78 lacs
- Plant and Equipment includes assets for a Gross Value ₹ Nil (previous year ₹ 9,636.05 Lacs) and WDV ₹ Nil (previous year ₹ 7,899.38 Lacs) hypothecated in favour of Chennai Metro Rail Ltd on behalf of Transtonnelstroy Afcons Joint Venture.
- Additions for the year includes foreign exchange capitalised during the year amounting to ₹ 0.57 Lacs (Previous Year ₹ 940.83 Lacs). The balance amount of Foreign exchange fluctuation, capitalised as a part of cost of Tangible Assets, remaining to be amortised is ₹ 901.79 Lacs (Previous year ₹ 1,186.35 Lacs).

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

13. Fixed assets (contd.)

B. Intangible assets

| Particulars | Gross block | | | Amortisation | | | Net Block |
|--|---|-------------|-----------|--|---|---------------------------|---------------|
| | Balance as at 1 st April, 2014 | Additions | Disposals | Balance as at 31 st March, 2015 | Balance as at 1 st April, 2014 | Amortisation for the year | |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | |
| (a) Computer software - Acquired | 795.09 | 8.46 | - | 803.55 | 478.06 | 143.20 | 182.29 |
| (b) Goodwill - Acquired (Other than arising on Consolidation) | 20.00 | - | - | 20.00 | - | - | 20.00 |
| Total | 815.09 | 8.46 | - | 823.55 | 478.06 | 143.20 | 202.29 |

Previous Year

| Particulars | Gross block | | | Amortisation | | | Net Block |
|--|---|---------------|-----------|--|---|---------------------------|---------------|
| | Balance as at 1 st April, 2013 | Additions | Disposals | Balance as at 31 st March, 2014 | Balance as at 1 st April, 2013 | Amortisation for the year | |
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | |
| (a) Computer software - Acquired | 671.97 | 123.12 | - | 795.09 | 321.60 | 156.46 | 317.03 |
| (b) Goodwill - Acquired (Other than arising on Consolidation) | 20.00 | - | - | 20.00 | - | - | 20.00 |
| Total | 691.97 | 123.12 | - | 815.09 | 321.60 | 156.46 | 337.03 |

C. Capital Work in Progress - Plant and equipments under installation ₹ 17,448.36 Lacs (Previous year ₹ 10,460.09 Lacs)
(Capital work in progress includes capitalised foreign exchange fluctuation ₹ 605.68 Lacs (Previous year ₹ 668.25 Lacs))

D. Depreciation and amortisation:

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|---|---|
| | ₹ in Lacs | ₹ in Lacs |
| Depreciation and amortisation for the year on tangible assets as per (A) above | 13,737.01 | 15,576.44 |
| Depreciation and amortisation for the year on intangible assets as per (B) above | 143.20 | 156.46 |
| Less: Utilised from revaluation reserve | 13,880.21 | 15,732.90 |
| Depreciation and amortisation as per Statement of Profit and Loss | - | 43.02 |
| | 13,880.21 | 15,689.88 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

14. Non-current investments

| Particulars | Face Value | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------|------------------------------------|-----------|------------------------------------|-----------|
| | | Quantity | Amount | Quantity | Amount |
| | | | ₹ in Lacs | | ₹ in Lacs |
| A. Trade (Fully paid, at cost): | | | | | |
| (a) Investment in equity instruments (Unquoted) : | | | | | |
| (i) of associates | | | | | |
| Afcons (Mideast) Constructions & Investments Pvt. Ltd. | ₹ 100 | 1 | 0.11 | 1 | 0.11 |
| Total - Trade (A) | | | 0.11 | | 0.11 |
| B. Other investments (Fully paid, at cost): | | | | | |
| (a) Investment in equity instruments (Quoted) | | | | | |
| Hindustan Oil Exploration Co. Ltd. | ₹ 10 | 40,072 | 29.34 | 40,072 | 29.34 |
| Hindustan Construction Co. Ltd. | ₹ 1 | 1,000 | 0.03 | 1,000 | 0.03 |
| Simplex Infrastructures Ltd. | ₹ 2 | 500 | 0.04 | 500 | 0.04 |
| ITD Cementation India Ltd. | ₹ 10 | 100 | 0.42 | 100 | 0.42 |
| Gammon India Ltd. | ₹ 2 | 250 | 0.06 | 250 | 0.06 |
| Tata Consultancy Services Ltd. | ₹ 1 | 400,000 | 8,572.61 | 400,000 | 8,572.61 |
| | | | 8,602.50 | | 8,602.50 |
| (b) Investment in equity instruments (Unquoted) | | | | | |
| Simar Port Ltd. | ₹ 10 | 1,000 | 0.10 | 1,000 | 0.10 |
| (c) Investment in mutual funds (Unquoted): | | | | | |
| SBI Infrastructure Fund | ₹ 10 | 50,000 | 5.00 | 50,000 | 5.00 |
| UTI Infrastructure Fund - Growth Plan | ₹ 10 | 12,731 | 5.00 | 12,731 | 5.00 |
| | | | 10.00 | | 10.00 |
| Total - Other investments (B) | | | 8,612.60 | | 8,612.60 |
| Total (A+B) | | | 8,612.71 | | 8,612.71 |
| Notes: | | | | | |
| Aggregate amount of quoted investments | | | 8,602.50 | | 8,602.50 |
| Aggregate market value of quoted investments | | | 10,234.30 | | 8,552.69 |
| Aggregate amount of unquoted investments | | | 10.21 | | 10.21 |

15. Long-term loans and advances (Unsecured, considered good unless otherwise specified)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Capital advances | 968.27 | 150.38 |
| (b) Security deposits | | |
| Unsecured, considered good | 1,281.71 | 1,531.89 |
| (c) Prepaid expenses | 168.40 | 549.72 |
| (d) Advance income tax (net of provisions ₹ 6,622.26 Lacs) (As at 31 st March 2014 ₹ 8,172.23 Lacs) | 7,512.14 | 4,917.67 |
| (e) MAT credit entitlement | 6,695.31 | 5,087.30 |
| (f) Balances with government authorities | | |
| (i) VAT credit receivable | 4,491.75 | 3,867.59 |
| (ii) Service Tax credit receivable | 2,884.57 | 2,884.57 |
| (iii) Other Deposits | 57.65 | 47.09 |
| | 7,433.97 | 6,799.25 |
| Total | 24,059.80 | 19,036.21 |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

16. Other non-current assets

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Long-term trade receivables - Under arbitration and Retention monies | | |
| Unsecured, considered good | 13,721.99 | 6,052.48 |
| Doubtful | 1,995.61 | 1,995.61 |
| | 15,717.60 | 8,048.09 |
| Less: Provision for doubtful trade receivables | 1,995.61 | 1,995.61 |
| | 13,721.99 | 6,052.48 |
| (b) Construction Work-in-Progress - Under arbitration | | |
| Unsecured, considered good | 27,285.38 | 15,649.48 |
| Doubtful | 7.00 | 7.00 |
| | 27,292.38 | 15,656.48 |
| Less: Advances received | 2.55 | 2.55 |
| Less: Provision for doubtful Construction Work-in-Progress | 7.00 | 7.00 |
| | 27,282.83 | 15,646.93 |
| (c) Interest on trade receivables as per arbitration awards | 11,389.42 | 6,554.36 |
| (d) Other Loans and Advances (Doubtful) | 63.73 | 63.73 |
| Less: Provision for other doubtful loans and advances | 63.73 | 63.73 |
| | - | - |
| (e) Other Bank Balances * | 19.10 | 19.10 |
| Less : Provision | 19.10 | 19.10 |
| | - | - |
| (f) Receivable under foreign currency contracts | 1,091.96 | 1,679.32 |
| Total | 53,486.20 | 29,933.09 |

* The balances in these bank accounts are subject to exchange control restrictions for repatriation.

17. Inventories

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Construction Materials - at lower of cost and net realisable value | | |
| Steel | 10,883.26 | 14,330.44 |
| Cement | 828.81 | 960.00 |
| Aggregate | 1,224.56 | 1,086.96 |
| Bitumen | 2.48 | 71.10 |
| Shuttering Material | 4,659.78 | 4,277.63 |
| Sand | 241.39 | 175.27 |
| Other Construction Material | 5,799.88 | 3,713.61 |
| | 23,640.16 | 24,615.01 |
| (b) Stores and spares - at lower of cost and net realisable value | 13,591.50 | 12,075.10 |
| | 13,591.50 | 12,075.10 |
| (c) Construction Work-in-Progress | | |
| At estimated realisable value | 246,619.28 | 190,317.03 |
| Less: Advances received | 45,231.32 | 42,783.34 |
| | 201,387.96 | 147,533.69 |
| Total | 238,619.62 | 184,223.80 |

18. Trade receivables

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 26,095.10 | 32,973.64 |
| Other Trade receivables | | |
| Unsecured, considered good | 16,438.70 | 10,068.66 |
| Total | 42,533.80 | 43,042.30 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

19. Cash and cash equivalents

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| A. Cash and cash equivalents | | |
| (a) Cash on hand | 102.59 | 62.56 |
| (b) Balances with banks | | |
| (i) In current accounts | 7,899.80 | 4,944.53 |
| (ii) In deposit accounts (Original maturity of 3 months or less) | 6,240.71 | 80.10 |
| Total - cash and cash equivalents (as per AS 3 Cash Flow Statement) (A) | 14,243.10 | 5,087.19 |
| B. Other bank balances | | |
| (a) In other deposit accounts | | |
| - Original maturity more than 3 months | 699.95 | 794.60 |
| (b) In earmarked accounts | | |
| - Unpaid dividend accounts | 26.85 | 34.39 |
| - Balances held as margin money or security against borrowings, guarantees and Other commitments | 28.86 | 27.74 |
| - Other earmarked accounts (Refer Note (i) below) | 151.63 | 843.64 |
| Total - Other bank balances (B) | 907.29 | 1,700.37 |
| Total cash and cash equivalents (A+B) | 15,150.39 | 6,787.56 |
| Note: Balance with banks-other earmarked accounts include deposits ₹ 10.86 Lacs (Previous Year ₹ 788.10 Lacs) over which Banks and Clients have lien and ₹ 140.77 Lacs (Previous year ₹ 55.54 Lacs) placed as Earnest Money Deposit and pledge with various authorities. | | |

20. Short-term loans and advances (Unsecured, considered good)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Loans and advances to related parties (Refer Note 35) | | |
| To Joint Venture | 729.88 | 54.79 |
| (b) Security deposits | 1,395.55 | 313.91 |
| (c) Loans and advances to employees | 277.51 | 242.51 |
| (d) Prepaid expenses | 3,018.99 | 1,301.80 |
| (e) Balances with government authorities | | |
| (i) VAT credit receivable | 2,600.45 | 1,388.66 |
| (ii) Service Tax credit receivable | 282.34 | 121.11 |
| (iii) Other Deposits | 2.52 | 1.40 |
| | 2,885.31 | 1,511.17 |
| (f) Others - Advance to vendors and others | 9,451.65 | 7,743.86 |
| Total | 17,758.89 | 11,168.04 |

21. Other current assets

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Accruals | | |
| (i) Interest accrued on deposits | 9.14 | 14.30 |
| (b) Interest on trade receivables as per arbitration awards | 10,546.10 | 8,708.40 |
| (c) Receivable under foreign currency contracts | 1,251.95 | 529.50 |
| (d) Others | | |
| (i) Insurance claims | 911.01 | 593.08 |
| (ii) Deemed export receivable | - | 22.38 |
| (iii) Duty Credit receivable | 1,426.03 | 2,342.40 |
| (iv) Custom Duty receivable | - | 459.94 |
| (v) Other Receivables from Joint ventures (Refer Note 35) | 1,608.43 | 1,011.62 |
| Total | 15,752.66 | 13,681.62 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

22. Revenue from operations

| | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-----|---|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (a) | Sale of products (Refer Note (i) below) | 81.85 | 74.73 |
| (b) | Sale of services (Refer Note (ii) below) | 388,518.12 | 352,925.27 |
| (c) | Other operating revenues (Refer Note (iii) below) | 4,449.62 | 6,349.61 |
| | Total | 393,049.59 | 359,349.61 |

| Note | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-------|---|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (i) | Sale of products comprises: | | |
| | Construction Materials | 81.85 | 74.73 |
| | Total - Sale of products | 81.85 | 74.73 |
| (ii) | Sale of services comprises : | | |
| | Construction Revenue | 394,747.55 | 358,033.69 |
| | Less : Value added tax | 6,229.43 | 5,108.42 |
| | Total - Sale of services | 388,518.12 | 352,925.27 |
| (iii) | Other operating revenues comprise: | | |
| | Sale of scrap | 1,926.31 | 1,667.17 |
| | Duty Scrip credit availed | - | 2,342.40 |
| | Equipment hire charges | 123.13 | 270.00 |
| | Consultancy Service Charges | 160.00 | 0.76 |
| | Deemed Export Benefit | 2,218.26 | 2,000.44 |
| | Others | 21.92 | 68.84 |
| | Total - Other operating revenues | 4,449.62 | 6,349.61 |

23. Other income

| | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-----|--|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (a) | Interest income (Refer Note (i) below) | 8,528.27 | 4,658.07 |
| (b) | Dividend income: | | |
| | From non trade,non current investments | 300.00 | 0.01 |
| (c) | Other non operating income (Refer Note (ii) below) | 5,145.93 | 3,432.92 |
| | Total | 13,974.20 | 8,091.00 |

| Note | Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|------|---|--|--|
| | | ₹ in Lacs | ₹ in Lacs |
| (i) | Interest income comprises: | | |
| | Interest from banks deposits | 34.44 | 127.41 |
| | Interest on loans and advances | 988.66 | 465.91 |
| | Interest on Arbitration awards | 7,503.29 | 3,938.69 |
| | Interest income from long term investments | 0.87 | 0.97 |
| | Interest on income tax refund | 0.54 | 101.86 |
| | Other interest | 0.47 | 23.23 |
| | Total - Interest income | 8,528.27 | 4,658.07 |
| (ii) | Other non operating income comprises: | | |
| | Provision for doubtful debtors / advances no longer required written back | - | 444.50 |
| | Creditors / Excess provision written back | 1,094.48 | 681.57 |
| | Insurance Claim received | 1,027.93 | 1,573.89 |
| | Net Gain on foreign currency transactions and translation | 1,798.33 | - |
| | Provision for Projected Loss written back | 444.41 | - |
| | Miscellaneous income | 780.78 | 732.96 |
| | Total - Other non-operating income | 5,145.93 | 3,432.92 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

24. Cost of construction

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Cost of Construction Materials consumed (Including Bought out Items) | 78,218.00 | 103,442.05 |
| <u>Other Construction Expenses:</u> | | |
| Consumption of stores and spare parts | 29,286.84 | 25,187.30 |
| Subcontracting expenses (Including lease payment for equipments hired) (Refer Note 36) | 124,026.90 | 84,677.90 |
| Site Installation | 3,132.70 | 1,174.50 |
| Technical Consultancy | 7,830.67 | 6,324.26 |
| Power and fuel | 15,259.34 | 19,587.33 |
| Freight and forwarding | 8,660.78 | 6,512.41 |
| | 188,197.23 | 143,463.70 |
| Total | 266,415.23 | 246,905.75 |

25. Employee benefits expense

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Salaries and wages | 47,032.12 | 40,631.57 |
| Contributions to provident and other funds | 3,076.38 | 2,720.78 |
| Staff welfare expenses | 2,803.52 | 2,483.35 |
| Total | 52,912.02 | 45,835.70 |

26. Finance costs

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| (a) Interest expense on: | | |
| (i) Borrowings and Advances | 19,185.59 | 15,706.08 |
| (ii) Delayed / deferred payment of income tax | 18.60 | 5.68 |
| (b) Other borrowing costs: | | |
| (i) Bank Guarantee Commission including Bank Charges | 1,735.03 | 1,499.14 |
| (ii) L/c charges & Processing Fees | 369.62 | 450.96 |
| Total | 21,308.84 | 17,661.86 |

27. Other expenses

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Water and Electricity | 623.64 | 590.22 |
| Rent (Refer Note 36) | 4,849.61 | 4,199.37 |
| Repairs and maintenance - Buildings | 88.48 | 0.37 |
| Repairs and maintenance - Machinery | 1,719.96 | 1,068.65 |
| Repairs and maintenance - Others | 762.31 | 622.61 |
| Insurance | 3,209.79 | 2,987.46 |
| Rates and taxes | 4,020.61 | 3,348.39 |
| Communication | 607.40 | 582.27 |
| Travelling and conveyance | 6,178.32 | 5,276.49 |
| Security Charges | 2,258.38 | 2,372.64 |
| Donations and contributions (Refer Note 44) | 308.24 | 51.67 |
| Expenditure on Corporate Social Responsibility (Refer Note 46) | 28.74 | 8.26 |
| Legal and professional | 15,578.10 | 4,048.57 |
| Payments to auditors (Refer Note below) | 109.25 | 102.69 |
| Duty Scrip Written off | - | 906.76 |
| Bad/Irrecoverable Debtors/Unbilled Revenue written off | 1.33 | 414.44 |
| Advances written off | 1.48 | 92.37 |
| Net loss on foreign currency transactions and translation (Net) | - | 920.53 |
| Directors Fees | 8.60 | 6.20 |
| Provision for projected loss on contract | 497.00 | 444.41 |
| Loss on sale of fixed assets | 77.57 | 134.43 |
| Expenses of jobs completed in earlier year | 29.79 | 30.00 |
| Hedging Expenses | 1,047.99 | 920.09 |
| Miscellaneous expenses | 2,619.12 | 2,731.86 |
| Total | 44,625.71 | 31,860.75 |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

27. Other expenses (Continued)

| Note: | | |
|---|--|--|
| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
| | ₹ in Lacs | ₹ in Lacs |
| <u>Payments to the auditors comprises *</u> | | |
| As auditors - statutory audit | 62.73 | 53.54 |
| For taxation matters | 15.17 | 20.99 |
| For other services | 20.40 | 16.72 |
| Reimbursement of expenses | 0.66 | 0.37 |
| For Service tax | 10.29 | 11.07 |
| Total | 109.25 | 102.69 |

* excludes payment of ₹ 29.68 Lacs (Previous Year ₹ 16.05 Lacs) for taxation matters to an affiliated firm / company of one of the joint auditors covered by a networking arrangement which is registered with the institute of Chartered Accountants of India.

28. Contingent liabilities and commitments (to the extent not provided for)

| Particulars | As at 31 March, 2015 | As at 31 March, 2014 |
|--|----------------------|----------------------|
| | ₹ in Lacs | ₹ in Lacs |
| (i) Contingent liabilities | | |
| (a) Claims against the Company not acknowledged as debts | | |
| i) Differences with sub-contractors in regard to rates and quantity of materials. | 7,396.31 | 6,821.55 |
| (b) Claims against the Joint Venture not acknowledged as debts | | |
| i) Differences with sub-contractors / clients in regard to scope of work. The above claim is not accepted by the Joint Venture and is contested by the Subcontractor / client. The Management is confident that the claim will be successfully contested. | 11,693.87 | 8,308.26 |
| (c) Guarantees | | |
| i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures and counter guaranteed by the Company. | 130,338.15 | 115,185.91 |
| ii) Labour Guarantees | 50.94 | 48.94 |
| (d) Sales Tax and Entry Tax Represents demands raised by Sales Tax Authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on AS7 Turnover c) Entry tax and d) Interest and Penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested. | 639.66 | 1,186.48 |
| (e) Excise Duty Represents demands raised by Central Excise Department for Excisability of girders. The Company is confident that the cases will be successfully contested. | 330.38 | 371.31 |
| (f) Service Tax Represents demand confirmed by the CESTAT / Asst. Commissioner of Service Tax for a) disallowance of Cenvat Credit, since abatement claimed by the Company and b) disallowance of general exemption of private Transport terminals and c) taxability under "Commercial or Industrial Construction Service", etc. The Company has appealed / in the process of appeal against the said order with Commissioner of Service Tax Mumbai, CESTAT / High Court and is confident that the cases will be successfully contested. The company has received the stay order for some case from the CESTAT. Amount disclosed does not include penalties in certain matters for which amount is unascertainable. | 11,558.87 | 6,219.27 |
| Note:- In respect of items mentioned under Paragraphs (a), (b), (d), (e) and (f) above, till the matters are finally decided, the financial effect cannot be ascertained. | | |
| (ii) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for. | 4,160.99 | 1,443.54 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

- 29. (A)** During the financial year 2012-13, the Holding Company had issued Unsecured Unlisted Non-Convertible Debentures (NCDs) amounting to ₹ 1,000,000 ('000) to a Bank on a private placement basis. The said Bank subsequently transferred the NCDs in favor of Mutual Fund. The company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956 read together with the Companies Acceptance of Deposit Rules, 1975 are not attracted to the NCDs, as aforesaid, originally issued on private placement basis to a Bank and its subsequent transfer to a Mutual Fund as mentioned above in accordance with the provisions of Section 111A of the Companies Act, 1956. The company has placed reliance on legal opinion to the effect that the NCD issued under the 1956 Act remain exempt under the 2013 Act and Deposit Rules.
- (B)** During the current year, the Holding Company had issued Unsecured Unlisted Non-Convertible Debentures (NCDs) amounting to ₹ 1,000,000 ('000) to a Bank on a private placement basis. The said Bank subsequently transferred the NCDs in favor of Mutual Fund. The company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 73 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposit Rules), 2014 are not attracted to the NCDs, as aforesaid, originally issued on private placement basis to a Bank and its subsequent transfer to a Mutual Fund as mentioned above in accordance with the provisions of Section 58 (2) of the Companies Act, 2013.

30. Details on derivative instruments and unhedged foreign currency exposures

(A) Details of derivative instruments

The company has entered into the following derivative instruments:

- (a)** Forward Exchange Contracts [being a derivative instrument], which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the Forward Exchange Contracts entered into by the company as on 31st March, 2015 (Previous Year USD 36,888,120, ₹ in lacs 22,101.52)

| Currency | Amount | Buy/Sell | Cross Currency | ₹ in Lacs |
|-----------|------------|----------|----------------|-----------|
| US Dollar | 27,888,120 | Buy | Rupees | 17,393.54 |

- (b)** Interest Rate Swaps to hedge against fluctuations in interest rate changes:

| | | |
|---------------------------|----------------------|------------------|
| No. of contracts: | 2 | ₹ in Lacs |
| Notional Principal | \$ 26,000,000 | 16,215.94 |
| Previous year | \$ 35,000,000 | 20,970.25 |

(B) Details of unhedged foreign currency exposures

Borrowings taken in foreign currency as at the balance sheet date not covered by forward contracts are USD 14,250,000 and EURO 1,803,017 equivalent to ₹ **8,887.58 Lacs** and ₹ **1,207.74 Lacs** respectively (as on 31st March, 2014 USD 10,829,530 equivalent to ₹ 6,488.51 Lacs and Euro 5,128,617 equivalent to ₹ 4,232.52 lacs).

The above amounts do not include packing credit finance and overdraft facilities drawn by overseas branches from banks in local currencies which are to be repaid out of proceeds from project billing in the said local currencies and accordingly no foreign exchange exposure is anticipated on such borrowings.

Payables and Receivables in foreign currency as at the balance sheet date not covered by forward contracts are ₹ **91,647.85 Lacs** (as at 31st March, 2014 ₹ 77,019.41 Lacs) and ₹ **59,089.45 Lacs** (as at 31st March, 2014 ₹ 38,459.79 Lacs) respectively.

31. Expenses capitalized during the year on fabrication/ improvement of equipment that has resulted in increased future benefits beyond their previously assessed standard of performance are as under :

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---------------------------------|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Construction materials consumed | 74.92 | 94.03 |
| Stores and spares consumed | 58.90 | 64.40 |
| Repairs | 76.38 | 119.13 |
| Others | 21.00 | 24.75 |
| Total | 231.20 | 302.31 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

32. Disclosure in accordance with Accounting Standard - 7 (Revised)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|------------------------------------|------------------------------------|
| | ₹ in Lacs | ₹ in Lacs |
| Details of contract revenue and costs | | |
| a) Contract Revenue | 388,518.12 | 352,925.27 |
| b) Disclosure for contracts in progress: | | |
| (i) Aggregate amount of costs incurred | 1,312,122.92 | 1,039,684.38 |
| (ii) Recognized profits (less recognized losses) | 120,552.07 | 117,444.35 |
| (iii) Advances Received | 136,176.08 | 64,858.40 |
| (iv) Retention Money | 15,207.58 | 12,761.86 |
| c) Gross amount due from customers for contract work | 249,426.60 | 186,165.70 |
| d) Gross amount due to customers for contract work | 150.73 | 1,102.32 |

33. The company has accounted liability for gratuity and compensated absences as per the Accounting Standard (AS- 15 Revised) on "Employee Benefits". Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity and long term compensated absences is given below:

a) Gratuity (Funded)

| A. Assumptions | Current Year | 31st March 2014 |
|-------------------------------|--|---|
| Discount Rate | 7.96% | 9.31% |
| Rate of Return on Plan Assets | 7.96% | 8.70% |
| Salary Escalation | 4.50% | 4.50% |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

(₹ in Lacs)

| B. Changes in the Defined Benefit Obligation | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Liability at the Beginning of the current year | 1407.21 | 1393.40 |
| Interest Cost | 130.50 | 114.95 |
| Current Service Cost | 117.11 | 128.53 |
| Past Service Cost | - | - |
| Benefit Paid | (160.27) | (235.84) |
| Actuarial Loss/ (Gain) on obligations | 245.27 | 6.17 |
| Liability at the end of the current year | 1,739.82 | 1,407.21 |

| C. Fair Value of the Plan Asset | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Fair Value of Plan Asset at the beginning of the year | 988.20 | 1006.03 |
| Expected Return on Plan Asset | 85.98 | 87.53 |
| Contributions | 154.67 | 133.17 |
| Benefit paid | (160.27) | (235.84) |
| Actuarial Gain/ (Loss) on Plan Assets | 2.82 | (2.69) |
| Fair value of Plan Assets at the end of the year | 1071.40 | 988.20 |
| Total Actuarial Loss to be Recognized | (242.45) | (8.86) |

| D. Actual Return on Plan Assets: | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Expected Return on Plan Assets | 85.98 | 87.53 |
| Actuarial Gain/ (Loss) on Plan Assets | 2.82 | (2.69) |
| Actual Return on Plan Assets | 88.80 | 84.84 |

| E. Amount Recognized in the Balance Sheet: | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| Liability at the end of the year | 1739.82 | 1407.21 |
| Fair Value of Plan Assets at the end of the year | 1071.40 | 988.20 |
| Unrecognized Past Service Cost | - | - |
| Amount recognized in the Balance Sheet | (668.42) | (419.01) |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| F. Expense Recognized in the Profit and Loss Account: | Current Year | 31st March 2014 |
|--|---------------------|-----------------------------------|
| Current Service Cost | 117.11 | 128.53 |
| Interest Cost | 130.50 | 114.95 |
| Expected Return on Plan Assets | (85.98) | (87.53) |
| Past Service Cost | - | - |
| Net Actuarial Gain / Loss to be recognized | 242.45 | 8.86 |
| Expense recognized in the Profit and Loss Account under staff expenses | 404.08 | 164.81 |

| G. Reconciliation of the Liability recognized in the Balance Sheet: | Current Year | 31st March 2014 |
|--|---------------------|-----------------------------------|
| Opening Net Liability | 419.01 | 387.37 |
| Expense recognized | 404.08 | 164.81 |
| Employers Contribution | (154.67) | (133.17) |
| Amount recognized in the Balance Sheet under "Provision for Gratuity" | 668.42 | 419.01 |

| H. Major category of plan assets as percentage of total plan assets: | Current Year | 31st March 2014 |
|---|---------------------|-----------------------------------|
| | (%) | (%) |
| Insured Managed funds | 100 | 100 |

(b) Compensated Absences (Non funded) :

| Actuarial Assumptions | Current Year | 31st March 2014 |
|------------------------------|--|---|
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Discount Rate | 7.96% | 9.31% |
| Salary Escalation | 4.50% | 4.50% |
| Withdrawal Rate | 2.00% | 2.00% |

Experience adjustments

| Gratuity | 2014-2015 | 2013-2014 | 2012-2013 | 2011- 2012 | 2010-11 |
|--|------------------|------------------|------------------|-------------------|----------------|
| Present value of DBO | 1739.82 | 1407.21 | 1393.40 | 1235.05 | 1047.71 |
| Fair value of plan assets | 1071.40 | 988.20 | 1006.03 | 964.20 | 835.94 |
| Funded status [Surplus / (Deficit)] | (668.42) | (419.01) | (387.37) | (270.85) | (211.78) |
| Experience gain / (loss) adjustments on plan liabilities | (92.77) | (108.39) | (140.29) | (107.95) | (108.35) |
| Experience gain / (loss) adjustments on plan assets | 2.82 | (2.69) | 5.79 | 14.57 | 13.40 |

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised **₹ 1,573.77 Lacs** (Year ended 31 March, 2014 ₹ 1,647.82 Lacs) for Provident Fund contributions and **₹ 742.06 Lacs** (Year ended 31 March, 2014 ₹ 651.23 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes :

- Premium is paid to LIC under Group Gratuity Scheme of LIC.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.
- Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is **₹ 476.55 Lacs** (Previous year ₹ 400.85 Lacs).
- The expected return on plan assets is determined considering several applicable factors which includes mainly the composition of plan assets held, assessed risks of asset management and historical result of the return on plan asset.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)



Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

34. Segment information :

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

The company has only one reportable business segment of construction business, hence information for primary business segment is not given.

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

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

- (i) Revenue from customers within India - Local projects
- (ii) Revenue from customers outside India - Foreign projects

Secondary : Geographical (Location of customers)

(₹ in Lacs)

| Particulars | Local Projects | Foreign Projects | Total |
|---|----------------------------|--------------------------|----------------------------|
| Income from operation | 299,510.28 (300,666.69) | 93,539.31 (58,682.92) | 393,049.59 (359,349.61) |
| Carrying amount of asset (Excluding Goodwill on Consolidation, Taxes on Income and Investment) | 448,566.13 (370,791.51) | 60,062.30 (37,041.80) | 508,628.43 (407,833.31) |
| Additions to Fixed Assets (Including Capital Work In Progress) | 18,329.77 (11,323.97) | 1,706.98 (226.64) | 20,036.75 (11,550.61) |

Figures in parenthesis are those of previous year.

35. Related party disclosures as per Accounting Standard 18 on "Related Party Disclosures"

(a) Details of related parties:

Related Party where Control exists

Holding Company

Shapoorji Pallonji & Company Private Limited

Fellow Subsidiary(s)

Floreant Investments Limited

Hermes Commerce Limited

Renaissance Commerce Private Limited

SP Jammu Udhampur Highway Private Limited

Forvol International Services Limited

Armada C-7 Pte Ltd.

Shapoorji AECOS Construction Pvt. Ltd.

Forbes & Company Ltd.

Shapoorji & Pallonji Qatar, WLL

Eureka Forbes Ltd.

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

Jointly Controlled Entities

Strabag AG Afcons Joint Venture

Saipem Afcons Joint Venture

Ircon Afcons Joint Venture (w.e.f. 29.11.2013)

Afcons Sener LNG Construction Projects Pvt.Ltd. (w.e.f. 13.01.2015)

Key Management Personnel

Mr. S. P. Mistry – Chairman

Mr. K. Subrahmanian – Vice Chairman & Managing Director

Mr. S. Paramasivan – Deputy Managing Director

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

(b) Details of transactions with related parties for the period 01/04/2014 to 31/03/2015

(₹ in Lacs)

| Nature of Transaction | Holding Company(s) | | Fellow subsidiary(s) | | Joint Venture(s) | | Associate Company | | Key Management Personnel | | Total | |
|---|--------------------|-----------|----------------------|-----------|------------------|----------|-------------------|----------|--------------------------|----------|-----------|-----------|
| | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 |
| <u>Managerial Remuneration paid</u> | | | | | | | | | | | | |
| K.Subrahmanian | | | | | | | | | 176.00 | 155.00 | 176.00 | 155.00 |
| S.Paramasivan | | | | | | | | | 136.50 | 120.00 | 136.50 | 120.00 |
| <u>Sitting Fees paid</u> | | | | | | | | | | | | |
| S.P.Mistry | | | | | | | | | 0.60 | 0.60 | 0.60 | 0.60 |
| <u>Issue of Preference Shares</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | - | 10,000.00 | | | | | | | | | - | 10,000.00 |
| <u>Dividend on Preference Shares</u> | | | | | | | | | | | | |
| Floreat Investments Limited | | | 1.00 | 1.00 | | | | | | | 1.00 | 1.00 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 1.00 | 0.03 | | | | | | | | | 1.00 | 0.03 |
| <u>Interim Dividend on Equity Shares</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 735.11 | 978.00 | | | | | | | | | 735.11 | 978.00 |
| Floreat Investments Limited | | | 195.24 | 260.32 | | | | | | | 195.24 | 260.32 |
| Hermes Commerce Limited | | | 60.24 | 80.33 | | | | | | | 60.24 | 80.33 |
| Renaissance Commerce Private Ltd. | | | 60.24 | 80.33 | | | | | | | 60.24 | 80.33 |
| K.Subrahmanian | | | | | | | | | 0.87 | 1.16 | 0.87 | 1.16 |
| S.Paramasivan | | | | | | | | | 0.39 | 0.53 | 0.39 | 0.53 |
| <u>Income from Consultancy Services</u> | | | | | | | | | | | | |
| Shapoorji AECOS Construction Pvt. Ltd. | | | 160.00 | - | | | | | | | 160.00 | - |
| <u>Overhead Charges Recovered</u> | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | 597.23 | 286.24 | | | | | 597.23 | 286.24 |
| <u>Subcontract Income</u> | | | | | | | | | | | | |
| SP Jammu Udhampur Highway Pvt. Ltd. | | | 12,382.52 | 63,774.42 | | | | | | | 12,382.52 | 63,774.42 |
| <u>Income from Equipment Hire</u> | | | | | | | | | | | | |
| SP Jammu Udhampur Highway Pvt. Ltd. | | | 56.77 | - | | | | | | | 56.77 | - |
| Ircon-Afcons Joint Venture | | | | | 52.68 | - | | | | | 52.68 | - |
| Strabag-AG Afcons Joint Venture | | | | | 3.30 | - | | | | | 3.30 | - |
| <u>Interest Income</u> | | | | | | | | | | | | |
| Ircon-Afcons Joint Venture | | | | | 14.83 | - | | | | | 14.83 | - |
| <u>Sale of Spares/Materials/Assets</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 34.55 | - | | | | | | | | | 34.55 | - |
| <u>Advance Given</u> | | | | | | | | | | | | |
| Ircon-Afcons Joint Venture | | | | | 959.83 | 1.64 | | | | | 959.83 | 1.64 |
| Saipem-Afcons Joint Venture | | | | | - | (105.07) | | | | | - | (105.07) |
| Strabag-AG Afcons Joint Venture | | | | | 261.00 | - | | | | | 261.00 | - |
| Shapoorji Pallonji Qatar WLL | | | 2,050.84 | - | | | | | | | 2,050.84 | - |
| <u>Advance Received back</u> | | | | | | | | | | | | |
| Ircon-Afcons Joint Venture | | | | | (959.83) | - | | | | | (959.83) | - |
| Shapoorji Pallonji Qatar WLL | | | (332.67) | - | | | | | | | (332.67) | - |
| <u>Purchase of Material</u> | | | | | | | | | | | | |
| Eureka Forbes Ltd. | | | 19.50 | - | | | | | | | 19.50 | - |
| <u>Sale of Duty Credit Scrips</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | - | 833.72 | | | | | | | | | - | 833.72 |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

| Nature of Transaction | Holding Company(s) | | Fellow subsidiary(s) | | Joint Venture(s) | | Associate Company | | Key Management Personnel | | Total | |
|--|--------------------|----------|----------------------|----------|------------------|-----------|-------------------|----------|--------------------------|----------|-----------|-----------|
| | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 | CY | PY 13-14 |
| <u>Expenses incurred by /(on behalf of) Afcons</u> | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | 202.43 | 214.64 | | | | | 202.43 | 214.64 |
| Ircon-Afcons Joint Venture | | | | | 223.79 | 14.64 | | | | | 223.79 | 14.64 |
| Armada C-7 Pte Ltd. | | | 42.51 | - | | | | | | | 42.51 | - |
| <u>Renovation Expenses</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 88.06 | - | | | | | | | | | 88.06 | - |
| <u>Rent Expenses</u> | | | | | | | | | | | | |
| Forbes & Company Limited | | | 45.08 | - | | | | | | | 45.08 | - |
| <u>Service Charges Paid</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 13.24 | - | | | | | | | | | 13.24 | - |
| <u>Interest expense</u> | | | | | | | | | | | | |
| Afcons (Mideast) Constructions and Investments Pvt.Ltd. | | | | | | | 1.95 | 9.00 | | | 1.95 | 9.00 |
| <u>Travelling Expense</u> | | | | | | | | | | | | |
| Forvol International Service Ltd | | | 784.13 | 726.74 | | | | | | | 784.13 | 726.74 |
| <u>Subcontract Expense</u> | | | | | | | | | | | | |
| Shapoorji Pallonji Qatar WLL | | | 2,734.18 | - | | | | | | | 2,734.18 | - |
| <u>Guarantees Given for/ (Released)</u> | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | (685.91) | (952.43) | | | | | (685.91) | (952.43) |
| Afcons Sener LNG Construction Projects Pvt.Ltd. | | | | | 1,283.04 | - | | | | | 1,283.04 | - |
| Ircon-Afcons Joint Venture | | | | | 1,046.48 | - | | | | | 1,046.48 | - |
| <u>Outstanding amount of guarantee given/ (taken)</u> | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | 16,730.15 | 20,345.17 | | | | | 16,730.15 | 20,345.17 |
| Afcons Sener LNG Construction Projects Pvt.Ltd. | | | | | 1,528.04 | - | | | | | 1,528.04 | - |
| Ircon-Afcons Joint Venture | | | | | 1,046.48 | - | | | | | 1,046.48 | - |
| <u>Outstanding Amount Loans & Advances Dr/ (Cr)</u> | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | 262.53 | 1.53 | | | | | 262.53 | 1.53 |
| Afcons (Mideast) Constructions and Investments Pvt.Ltd. | | | | | | | - | (90.00) | | | - | (90.00) |
| Saipem-Afcons Joint Venture | | | | | 38.91 | 35.98 | | | | | 38.91 | 35.98 |
| Ircon-Afcons Joint Venture | | | | | 253.42 | 16.28 | | | | | 253.42 | 16.28 |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 45.49 | - | | | | | | | | | 45.49 | - |
| Shapoorji Pallonji Qatar WLL | | | 1,718.17 | - | | | | | | | 1,718.17 | - |
| <u>Other Receivables</u> | | | | | | | | | | | | |
| Strabag-AG Afcons Joint Venture | | | | | 1,714.66 | 977.17 | | | | | 1,714.66 | 977.17 |
| <u>Outstanding Amount Debtors</u> | | | | | | | | | | | | |
| Shapoorji Pallonji & Co. Pvt. Ltd. | 5.91 | 5.91 | | | | | | | | | 5.91 | 5.91 |
| SP Jammu Udhampur Highway Pvt. Ltd | | | 20.84 | - | | | | | | | 20.84 | - |
| Ircon-Afcons Joint Venture | | | | | 51.62 | - | | | | | 51.62 | - |
| Strabag-AG Afcons Joint Venture | | | | | 3.37 | - | | | | | 3.37 | - |
| Armada C-7 Pte Ltd. | | | 42.51 | - | | | | | | | 42.51 | - |
| Shapoorji AECOS Construction Pvt. Ltd. | | | 163.78 | - | | | | | | | 163.78 | - |
| <u>Outstanding Amount Creditors</u> | | | | | | | | | | | | |
| Forvol International Service Ltd | | | 136.29 | 168.59 | | | | | | | 136.29 | 168.59 |
| Shapoorji Pallonji Qatar WLL | | | 777.61 | - | | | | | | | 777.61 | - |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

36. Details of Leasing Arrangements

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| As Lessor | | |
| (i) The company has let out one of the premises and equipments under operating lease. The lease is cancellable and is renewable by mutual consent on mutually agreeable terms. | | |
| (ii) The lease income of equipments recognised in the Statement of Profit and Loss under 'Other Operating Income' in Note 22 | 123.13 | 270.00 |
| As Lessee | | |
| (i) The company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and 3 years under leave and licence agreement and are renewable by mutual consent on mutually agreeable terms. | | |
| (ii) Lease payments recognised for residential and other properties in the Statement of Profit and Loss under 'Rent' in Note 27 | 4,849.61 | 4,199.37 |
| (iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting Expenses' in Note 24. | 16,803.57 | 10,028.61 |

37. Earnings per share (EPS)

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

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | ₹ in Lacs | ₹ in Lacs |
| Profit after tax and minority interest | 5,290.24 | 4,696.08 |
| Less: Dividend on 0.01% Convertible Non Cumulative Non Participatory Preference shares (including dividend tax) | 5.42 | 4.13 |
| Profit for the year attributable to equity shareholders | 5,284.82 | 4,691.95 |
| Weighted average number of shares outstanding during the year | Numbers | Numbers |
| For basic EPS | 71,970,238 | 71,970,238 |
| For diluted EPS (refer note below) | 340,738,268 | 340,738,268 |
| Earnings per share | | |
| Basic | 7.34 | 6.52 |
| Diluted | 1.55 | 1.38 |
| Nominal value per share in Rupees | ₹ 10.00 | ₹ 10.00 |
| Note : | | |
| Weighted average number of shares outstanding during the year- for Diluted EPS: | Numbers | Numbers |
| Weighted average number of shares outstanding during the year – for calculating basic EPS (numbers) | 71,970,238 | 71,970,238 |
| Add: Potential equity shares that could arise on conversion of 0.01%.Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each {Refer Note 3(iii b)} | 246,540,258 | 246,540,258 |
| Add: Potential equity shares that could arise on conversion of 0.01% Non-cumulative, Non-Participatory Convertible Preference shares at ₹ 68.25. {Refer Note 3(ii b)} | 14,652,014 | 14,652,014 |
| Add: Potential equity shares that could arise on conversion of 0.01%.Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each {Refer Note 3(iv b) (for arriving at potential equity share maximum conversion price of ₹ 132/- per share is considered)} | 7,575,758 | 7,575,758 |
| | 340,738,268 | 340,738,268 |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

38. Disclosures on Employee share based payments

Employee Stock Option Plan.

On 22nd December, 2006, the Company has granted 721,150 Stock options to its eligible employees at a price of ₹ 17/- per option in terms of Employees Stock Option Scheme 2006 of the Company as approved by the Share holders at the Extra Ordinary General meeting held on 22nd December, 2006.

a) The particulars of the Options distributed under ESOP 2006 are as follows:

| Particulars | ESOP 2006 |
|--|---|
| Eligibility | Employees and Directors of the Company and its subsidiaries and its holding Company. |
| Vesting period for options granted during the year | Not less than One year and not more than Five years from the date of grant. |
| Exercise Period | Three years beginning from date of vesting |
| Method of Settlement | Equity Shares |
| Exercise Price | The Exercise price shall be equal to the fair market value of the shares as determined by the independent valuer. |
| No. of Options Granted | 721,150 |

(b) The particulars of number of options granted, exercised and lapsed and the Price of Stock Options for ESOP 2006 are as follows:

| Particulars | Current year | As at 31 st March 2014 |
|--|--------------|-----------------------------------|
| | Quantity | Quantity |
| Authorised to be Granted | 1,785,000 | 1,785,000 |
| Granted and Outstanding at the beginning of the year | Nil | Nil |
| Granted during the year | Nil | Nil |
| Forfeited during the year | Nil | Nil |
| Exercised during the year | Nil | Nil |
| Lapsed during the year | Nil | Nil |
| Granted and outstanding at the end of the year | Nil | Nil |
| Fair value of the ESOP on the date of Grant | ₹ 9.41 | ₹ 9.41 |

c) The Company has followed the intrinsic value-based method of accounting for stock options granted based on Guidance Note on Accounting on Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The exercise price of the option granted is based on the fair value of the Company's share as on the date of the Grant. The Fair Value of the Share has been calculated by an independent valuer by applying Rule 1D of the Wealth Tax Rules, 1957. As the exercise price of the option granted is based on the fair value as on the date of the Grant, the intrinsic value of the option is NIL.

Fair value of Options calculated by external valuer using Black Scholes Model is lower than the exercise price and hence the options are considered to be anti-dilutive in nature and the effect of this is ignored in calculating diluted earnings per share in accordance with Accounting Standard 20 viz. Earnings Per Share issued by Chartered Accountants of India.

d) The Method and significant assumptions used to estimate the Fair Value of the Options are as under:

The Fair value of Options has been calculated by an independent valuer. The valuation has been done using the Black-Scholes model based on the assumptions given by the management, which are as under:

(i) Expected Life of the Options:

These stock options will vest in the following proportion from the date of grant and can be exercised during a period of four years from the date of vesting.

Year 1 from the date of Grant - 20% of the Options Granted;

Year 2 from the date of Grant - 25% of the Options Granted;

Year 3 from the date of Grant - 25% of the Options Granted;

Year 4 from the date of Grant - 30% of the Options Granted

(ii) Risk free interest rate:

This rate has been assumed at 8%.

(iii) Share price:

Share price of ₹ 17/- is treated as fair value as on 22nd December, 2006 the date of grant.

(iv) Volatility:

Volatility is calculated based on historical volatility in the stock of similar comparable companies over the previous 4 years at 0.63.

(v) Expected dividend yield: Nil

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

39 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in Lacs)

| Particulars | | | | |
|--|--|-------------------|-------------------------------------|-----------------|
| Name of the entity | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | |
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Parent : Afcons Infrastructure Ltd. | 34.81% | 40,709.59 | -15.86% | (839.26) |
| Subsidiaries : | | | | |
| Indian: | | | | |
| 1) Hazarat & Company Pvt.Ltd. | 0.02% | 19.92 | -0.02% | (1.22) |
| 2) Afcons Corrosion Protection Pvt.Ltd. | 0.14% | 160.28 | -0.01% | (0.47) |
| 3) Afcons Offshore and Marine Services Pvt.Ltd. | 0.09% | 108.24 | 0.14% | 7.40 |
| Foreign: | | | | |
| 1) Afcons Construction Mideast LLC | 2.52% | 2,950.89 | -15.77% | (834.23) |
| 2) Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL | 0.38% | 445.35 | -5.28% | (279.43) |
| 3) Afcons Overseas Construction LLC | 0.03% | 38.02 | -1.59% | (84.07) |
| 4) Afcons Gulf International Project Services FZE | 0.14% | 163.42 | -0.85% | (45.15) |
| 5) Afcons Mauritius Infrastructure Ltd. | 0.47% | 552.15 | 0.02% | 1.02 |
| 6) Afcons Overseas Singapore Pte Ltd. | 3.75% | 4,386.49 | 134.34% | 7,106.90 |
| 7) Afcons Infra Projects Kazakhstan, LLP | 0.18% | 215.78 | -20.49% | (1,083.74) |
| 8) Afcons Gunanusa Joint Venture | 12.14% | 14,195.66 | 1.11% | 58.58 |
| 9) Transtonnelstroy Afcons Joint Venture | 40.69% | 47,585.64 | 9.32% | 493.03 |
| 10) Dahej Standby Jetty Project Undertaking | 0.72% | 838.92 | 0.25% | 13.26 |
| 11) Afcons Pauling Joint Venture | 1.40% | 1,636.68 | 0.00% | - |
| Minority Interests in all subsidiaries | 0.11% | 130.76 | -0.53% | (28.01) |
| Associate: | | | | |
| Afcons (Mideast) Constructions and Investments Private Limited | 0.00% | 0.02 | 0.00% | 0.00 |
| Joint Ventures (as per proportionate consolidation) : | | | | |
| Indian : | | | | |
| 1) Strabag AG Afcons Joint Venture | 2.05% | 2,402.91 | 10.76% | 569.06 |
| 2) Afcons Sener LNG Construction Projects Pvt.Ltd. | 0.00% | 0.49 | - | - |
| 3) Ircon Afcons Joint Venture | 0.34% | 394.78 | 4.50% | 238.27 |
| Foreign: | | | | |
| 1) Saipem Afcons Joint Venture | 0.01% | 17.45 | -0.03% | (1.70) |
| Total | 100.00% | 116,953.44 | 100.00% | 5,290.24 |

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

40. The following are details of the investment in associate made by the Company. (₹ in Lacs)

| Name of the Associate | Original Cost of the Investment | Amount of Capital Reserve | Accumulated Profit/(Loss) | Carrying Amount of Investment as at 31 st March, 2015 |
|--|---------------------------------|---------------------------|---------------------------|--|
| Afcons (Mideast) Constructions and Investments Private Limited | # (-) | - (-) | 0.11 (0.11) | 0.11 (0.11) |

Figures in parenthesis are those of the previous year.

denotes value less than ₹ one thousand

41. Following subsidiary of the Company has provided depreciation on all the fixed assets on written down value method, which is in variance to the method adopted by the Company. The value of such items is as under :

| Name of the subsidiary | Gross Value of Fixed Assets |
|---|-----------------------------|
| Afcons Corrosion Protection Private Limited | 77.39 (76.81) |

Figures in parenthesis are those of the previous year.

42. Disclosure of movement in provision for contingencies.

| Particulars | As at 31 st March 2015 | As at 31 st March 2014 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Opening Provision | 342.78 | 312.78 |
| (Less) / Add : For the year | (342.78) | 30.00 |
| Closing Provision | - | 342.78 |

Provision for contingencies pertains to expenses of jobs completed in earlier year which are under dispute.

43. During the previous year the Bombay High Court had vide its order dated 7th March, 2014 approved the Scheme of Amalgamation prepared in terms of section 391-394 of the Companies Act, 1956 of Afcons Infrastructure International Limited ('Transferor company'), a wholly owned subsidiary of Afcons Infrastructure Limited, incorporated in Mauritius, with the Company ('Transferee company'). The appointed date for the scheme was 1st January 2014 and an effective date 21st March, 2014 ('the effective date') being the date on which all the requirements under the Companies Act, 1956 had been completed. Pursuant to the said order the name of Afcons Infrastructure International Limited has been struck off from the records of Corporate and Business Registration Department, Registrar of Companies Mauritius and Financial Service Commission, Mauritius.
44. The Board of Directors of Holding Company at its meeting dated 12th March, 2014 accorded its consent to the Company making donations to Bharatiya Janata Party. Accordingly the Company has in terms of section 182 of the Companies Act, 2013 made a donation of ₹ 2.50 crores during April 2014 – May 2014.
45. a) The Holding Company has been legally advised that interest free advances aggregating to ₹ 33,359.55 Lacs made towards financing the unincorporated joint ventures do not come under the purview of Section 186 of Companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.
- b) In view of non-applicability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable.

46. Corporate Social Responsibility: (₹ in Lacs)

| Gross amount required to be spent by the Holding Company during the year: | | | ₹ Nil |
|---|--------------|------------------------|--------------|
| Amount spent during the year: | | | |
| CSR activities | In Cash | Yet to be paid in Cash | Total |
| Disaster relief | 19.50 | - | 19.50 |
| Promoting education | 9.24 | - | 9.24 |
| Total | 28.74 | - | 28.74 |

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

47. Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of the subsidiary / associate companies / and the joint venture.

(₹ in Lacs)

| Sr. No | Name of the Company | Country of Incorporation | Reporting Currency | Reporting Period | % of Share | Rate of Exchange | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Details of Investments in case of investment in subsidiaries) | | | Turnover (Incl. Other Income) | Profit/ (Loss) before Tax | Provision for Current & Deferred Tax | Profit/ (Loss) after Tax | Proposed Dividend |
|-----------------------|--|--------------------------|--------------------|---|------------|------------------|---------------|----------------------|--------------|-------------------|---|--------------|---------------------|-------------------------------|---------------------------|--------------------------------------|--------------------------|-------------------|
| | | | | | | | | | | | Shares | Mutual Funds | Total of Investment | | | | | |
| Part "A "Subsidiaries | | | | | | | | | | | | | | | | | | |
| 1 | Hazarat & Company Private Limited | India | INR | 1 st April 2014 31 st March 2015 | 100% | - | 20.26 | (0.06) | 20.49 | 20.49 | - | - | - | 1.52 | 0.19 | (0.20) | (0.01) | - |
| 2 | Afcons Corrosion Protection Private Limited - | India | INR | 1 st April 2014 31 st March 2015 | 100% | - | 8.00 | 152.22 | 170.09 | 170.09 | - | - | - | 134.77 | (0.32) | (0.15) | (0.47) | - |
| 3 | Afcons Offshore and Marine Services Pvt. Limited | India | INR | 1 st April 2014 31 st March 2015 | 100% | - | 10.00 | 97.61 | 110.18 | 110.18 | - | - | - | 16.18 | 14.95 | (7.54) | 7.41 | - |
| 4 | Afcons Construction Mideast LLC | Dubai, UAE | AED | 1 st Jan 2014 31 st Dec 2014 | 49% | 17.1853 | 51.56 | 3,062.80 | 3,114.36 | 3,114.36 | - | - | - | 12,927.93 | 821.60 | - | 821.60 | - |
| 5 | Afcons Gulf International Projects Services FZE (100 % subsidiary of AMIL) (Refer Note 4) | Fujairah | AED | 1 st Jan 2014 31 st Dec 2014 | 100% | 17.1853 | 171.85 | 1,257.15 | 1,429.00 | 1,429.00 | - | - | - | - | (37.27) | - | (37.27) | - |
| 6 | Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL, | Kuwait | KWD | 1 st April 2014 31 st March 2015 | 49% | 207.897 | 249.48 | 91.34 | 557.75 | 557.75 | - | - | - | 407.66 | 130.85 | (19.63) | 111.22 | - |
| 7 | Afcons Overseas Construction LLC, | Qatar | QAR | 1 st April 2014 31 st March 2015 | 49% | 17.132 | 34.26 | (52.10) | 42.25 | 42.25 | - | - | - | 86.77 | (2.80) | - | (2.80) | - |
| 8 | Afcons Mauritius Infrastructure Limited, Mauritius | Mauritius | EURO | 1 st April 2014 31 st March 2015 | 100% | 66.9842 | 736.83 | 58.60 | 797.37 | 797.37 | - | - | - | 36.63 | 28.94 | (0.52) | 28.42 | - |
| 9 | Afcons Overseas Singapore Pte Ltd. (w.e.f. 27.03.2014) | Singapore | SGD | 1 st April 2014 31 st March 2015 | 100% | 45.44 | 22.94 | 4,460.79 | 14,823.01 | 14,823.01 | - | - | - | 12,808.68 | 5,908.14 | - | 5,908.14 | - |
| 10 | Afcons Infra Projects Kazakhstan LLP (Refer Note 5) (Step down subsidiary) (w.e.f 11.7.2014) | Kazakhstan | KZT | 1 st April 2014 31 st March 2015 | 100% | 0.3358 | 1.46 | (1,096.50) | 320.68 | 320.68 | - | - | - | 14.26 | (1,083.73) | - | (1,083.73) | - |

Notes: 1) Names of subsidiaries which are yet to commence operations - Nil

2) Names of subsidiaries which have been liquidated or sold during the year - Nil

3) Indian rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st December 2014 / 31st March 2015.

4) Step down subsidiary of AAIL till 15th August, 2013; subsidiary of AMIL wef 16th August, 2013.

5) Afcons Overseas Singapore Pte Ltd. has acquired a LLP (Medet LLP, Kazakhstan) on 30th June, 2014 & subsequently the name of Medet LLP was changed to Afcons Infra Projects Kazakhstan LLP on 11th July, 2014 with the regulatory authorities.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

Part "B" Associates and Joint Ventures

| | Name of Associates / Joint Ventures | Saipem Afcons Joint venture | Strabag Afcons Joint venture | Iron Afcons Joint Venture | Afcons Sener LNG Construction Projects Pvt.Ltd. | Afcons Gunanusa Joint Venture | Transstomelstroy Afcons Joint Venture | Dahaj Standby Jetty Project Undertaking | Afcons (Mideast) Constructions & Investments Pvt.Ltd. | Afcons Pauling Joint Venture |
|---|---|---------------------------------|------------------------------|-----------------------------|---|----------------------------------|---------------------------------------|---|---|---------------------------------|
| | | Unincorporated JV | Unincorporated JV | Unincorporated JV | Incorporated JV (Refer Note 1 & 3) | Unincorporated JV (Refer Note 4) | Unincorporated JV (Refer Note 4) | Unincorporated JV (Refer Note 4) | Associate | Partnership Firm (Refer Note 6) |
| 1 | Latest audited Balance Sheet Date | 31 st December, 2012 | 31 st March 2015 | 31 st March 2015 | - | 31 st March 2011 | 31 st March 2015 | 31 st March 2015 | 31 st March 2015 | 31 st March 2015 |
| 2 | Shares of Associate / Joint ventures held by the company on the year end | | | | | | | | | |
| | No. | - | - | - | 4900 | - | - | - | 1 | |
| | Amount of Investment in Associates / Joint venture | - | - | - | ₹ 49,000 | - | - | - | ₹ 100 | ₹ 17,400,000 |
| | Extend of Holding % | 50% | 40% | 47% | 49% | 80% | 99% | 100% | 0.01% | 95% |
| 3 | Description of how there is significant influence | N/A | N/A | N/A | N/A | N/A | N/A | N/A | Refer Note 5 | N/A |
| 4 | Reason why the associate/Joint venture is not consolidated | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 5 | Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lacs) | 1676.53 | 1151.34 | 124.27 | 0.49 | 831.57 | 983.72 | 516.10 | 0.02 | 174.00 |
| 6 | Profit / Loss for the year (₹ in Lacs) | | | | | | | | | |
| | i. Considered in Consolidation | (1.70) | 168.70 | 178.40 | - | 46.86 | (104.81) | 13.26 | - | - |
| | i. Not considered in Consolidation | - | - | - | - | - | - | - | - | - |

Notes: 1) Names of associates or joint ventures which are yet to commence operations - Afcons Sener LNG Construction Projects Pvt.Ltd.

2) Names of associates or joint ventures which have been liquidated or sold during the year - Nil

3) Afcons Sener LNG Construction Projects Pvt.Ltd. was incorporated on 13th January, 2015 and hence accounts for the year ended 31st March, 2015 are not audited.

4) These entities are considered as subsidiaries in the Consolidated Financial Statements in terms of AS-21, however the same are not considered as subsidiaries /associates / joint venture company under Companies Act 2013.

5) Afcons (Mideast) Constructions & Investments Pvt.Ltd. is considered as Associate in Consolidated Financial Statements based on significant influence as per AS-23. Under Companies Act, 2013, the same is not an Associate Company.

6) Afcons Pauling Joint Venture is considered as Subsidiary in Consolidated Financials Statements as per AS-21 however the same is a Partnership Firm and not considered as subsidiaries /associates/ joint venture company under Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2015

48. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Group Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied rates / useful life are as follows:

| Asset | Previous depreciation rate /useful life | Revised useful life based on SLM |
|------------------------|---|----------------------------------|
| Buildings | 3.34% / ~ 30 years | 60 years |
| Plant and Equipment | 4.75% / ~ 20 years | 20 years |
| Earthmoving Equipment | 11.31% / ~ 8 years | 9 years |
| General Machinery | 4.75% / ~ 20 years | 12 years |
| Furniture and Fixtures | 6.33% / ~ 16 years | 10 years |
| Vehicles | 9.50% / ~ 11 years | 10 years |
| Office Equipment | 4.75% / ~ 20 years | 5 years |
| Computers | 16.21% / ~ 6 years | 3 years |
| Network and Server | 16.21% / ~ 6 years | 6 years |
| Floating equipment | 7.00% / ~ 14 years | 14 years |
| Laboratory equipment | 4.75% / ~ 20 years | 20 years |
| Software | 20.00% / ~ 5 years | 5 years |

In case of Tunnel Boring Machine, there is no change in the method of Depreciation from previous year.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 340.48 Lacs (net of deferred tax of ₹ 179.92 Lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 817.33 Lacs consequent to the change in the useful life of the assets.

49. a) During the year, the Holding Company has recognised net income from operations on account of arbitration award amounting to ₹ 3,755.93 lacs (including interest of ₹ 2,626.88 lacs) pertaining to awards granted till the date of approval of these financial statements and where it is reasonable to expect ultimate collection of such awards. Earlier such awards were accounted in the year of receipt of award.
- b) In case of arbitration awards where management expects favourable outcome, interest of ₹ 2,504.60 lacs has been accounted during the year, from the date of award, based on negotiated settlement pattern.
- c) The Company has revised contract revenue in respect of variations where arbitration awards are received, resulting in increase in revenue of ₹ 3,333.00 lacs.
50. During the year, all the projects being executed in Liberia by holding company were temporarily suspended by Arcelor Mittal (Client) due to Ebola outbreak. A written suspension notice was issued in February 2015.
51. The Design and Construction of the underground section from Howrah Maidan Station to the west end of the Central Station, to be carried out by the Transtonelstroy Afcons Joint Venture at Kolkata in the state of West Bengal, has been at a stand still since the last 2 years following issues over the alignment of the railway tracks between the aforesaid 2 stations and the state not handing over land to the Joint Venture. Kolkata Metro Rail Corporation Limited (KMRCL) vide its letter dated 20th March, 2014 issued to the Joint Venture has granted an interim extension of time up to September 2016, for completion of the above project.
52. The holding company is in the process of appointing a woman director on its Board as required under section 149 (1) of Companies Act 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014.
53. Afcons Gunanusa Joint Venture (AGJV) had submitted claims for Change orders aggregating to ₹ 847.41 crore to ONGC. The AGJV has invoked arbitration in respect of the aforesaid change orders, as the same were not approved by Outside Expert Committee (OEC). Claims against change orders and counter claims by ONGC aggregating to ₹ 30.45 crore will be discussed in arbitration.
54. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman

K.SUBRAHMANIAN
Vice Chairman &
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.N. KAPADIA
Director

N.D.KHURODY
Director

P.R. RAJENDRAN
Company Secretary

Place: Mumbai

Date: 20th August, 2015

ASHOK G.DARAK
Chief Financial Officer

Afcons becomes first Indian EPC contractor to install a Process Platform using the float-over technology on time



Greentech Safety Gold Awards 2014



Greentech Environment Awards 2014



Outstanding Contribution in Roads & Highways-EPC Catagory for Jammu-Udhampur Highways Project.



Golden peacock Environment Management Awards 2015



The Economic Times 2nd Annual Infra summit Afcons was felicitated for its outstanding contribution in infrastructure development



Asian Banker's Choice Awards 2015



Indian Roads And Highways Excellence Awards 2014 - for Jammu Udhampur Projects



Most Admired Companies Award from Construction World Magazine for the 8th year in succession

Marine & Industrial



Surface Transport



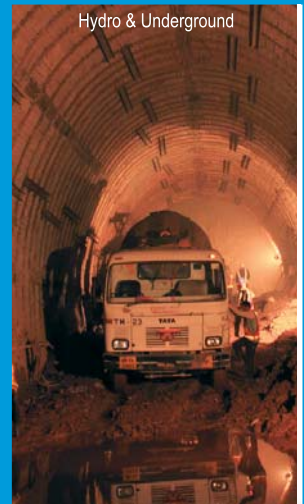
Rail & Metro



Oil & Gas



Hydro & Underground



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