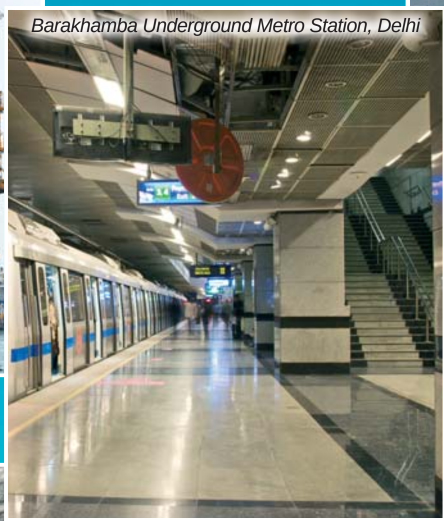
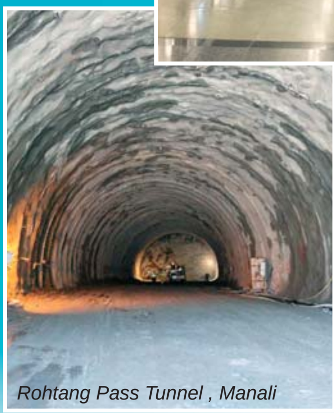
AFCONS

Annual Report & Accounts 2011-12


ICPR Platform


Bulk Jetty at Port of Sohar, Oman


Barakhamba Underground Metro Station, Delhi


Rohtang Pass Tunnel , Manali


LNG Jetty, Kochi

Mission

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

AFCONS INFRASTRUCTURE LIMITED
A Shapoorji Pallonji Group Company

AFCONS INFRASTRUCTURE LIMITED

BOARD OF DIRECTORS

S. P. Mistry - Chairman
N. J. Jhaveri
N. D. Khurody
J. J. Parakh
P. N. Kapadia
B. D. Narang
R. M. Premkumar
U. N. Khanna
K. Subrahmanian - Managing Director
S. Paramasivan - Dy. Managing Director

Audit Committee Members

N. J. Jhaveri - Chairman
J. J. Parakh
P. N. Kapadia
N. D. Khurody
B. D. Narang

COMPANY SECRETARY

P. R. Rajendran

AUDITORS

Deloitte Haskins & Sells, Chartered Accountants
J. C. Bhatt & Associates, Chartered Accountants

REGISTERED OFFICE

"AFCONS HOUSE"
16, Shah Industrial Estate,
Veera Desai Road,
Azad Nagar P.O.
Andheri (West)
Mumbai- 400 053

Thirty-Sixth Annual General Meeting on 28th September, 2012 at 4.30 p.m. at "Afcons House", 16, Shah Industrial Estate, Veera Desai Road, Andheri (West), Mumbai- 400 053

BANKERS

State Bank of India
UCO Bank
Oriental Bank of Commerce
Axis Bank Ltd.
Bank of India
Dena Bank
BNP Paribas
ING Vysya Bank Ltd.
ICICI Bank Ltd.
Union Bank of India
IDBI Bank Ltd.
Standard Chartered Bank
Yes Bank Ltd.

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

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AFCONS INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Thirty-Sixth Annual Report together with the Audited statement of accounts for the year ended 31st March 2012.

1. CONSOLIDATED FINANCIAL RESULTS

(₹ in Lacs)

Particulars	31st March 2012	31st March 2011
Total Income	255,192	2,89,548
Profit/(Loss) before Tax	15,056	15,135
Provision for Taxation	(6,086)	(3,207)
Excess/(short) provision for tax in respect of earlier years	(156)	(31)
Profit/(Loss) after Tax	8,814	11,897
Minority Interest	639	(18)
Balance brought forward from previous years	29,802	17,927
Appropriation	(11)	(4)
Balance Carried Forward to Balance Sheet	39,244	29,802

2. OPERATIONS

Your Company has achieved total income of ₹ 2,551.92 crores for the year compared to the previous year's ₹ 2,895.48 crores showing a decrease of 11.87%.The EBIDTA for the year was ₹ 278.57 crores compared to ₹ 251.53 crores in the previous year resulting in increase by 10.75%.The Consolidated Profit before Tax for the year was ₹150.56 crores compared to ₹ 151.35 crores in the previous year resulting in a marginal decrease of 0.52%.The Consolidated Profit after Tax for the year was ₹ 88.14 crores compared to ₹ 118.97crores in the previous year resulting in decrease by 25.91%.

This year's decline in top line was mainly due to delay in release of work fronts and technical clearances by the Client for execution of some of the projects leading to Company achieving less than the envisaged progress for these projects. This decline is an aberration and your Company is confident of overcoming this in the current year. However, overall market has witnessed a huge slowdown.

With a respectable order book of above ₹ 7,500 crores all throughout FY11-12, it was a well thought strategy to go slow on order procurement (in domestic market), as the market was desperate because of limited available projects.

Due to weak domestic environment, the Company is looking at overseas market in a big way. Over the last 3 years the Company had a sustained revenue share of more than 30% from overseas markets, and the strategy is to increase it to 40% and beyond over the next 2 years, through consolidation of its forays into Middle East and Africa.

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

1. Construction of A1 Berth at Jamnagar for Reliance Ports & Terminal Ltd, India.
2. Design and supply of fabricated structural steel for Algeria Fertilizer Jetty for Saipem S.A. Energies, France.
3. Construction of Grade Separator at crossing of Road No.56 and G.T.Road near Apsara Border, Delhi for PWD- Delhi, India.
4. Construction of port Sohar–Bulk Jetty for Sohar International Development Company, Oman in Joint Venture with Saipem.
5. Civil Works for two LNG Storage Tanks at Kochi for IHI Corporation, Japan.
6. Civil and erection works forming part of DSO Phase of Iron ore mining for Arcelor Mittal Liberia Ltd.,Liberia.
7. Construction of 3 Level Grade Separator at crossing of NH24 and Road No.56 at Ghazipur on NH-24, Delhi for PWD-Delhi, India.

During the year under review, the Company has secured the following major contracts:

1. 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 for BD 24,205,500 (approx. ₹ 29,050 Lacs).
2. Civil & Structural Steel Works of Polypropylene plant of ONGC Petro Additions Limited (OPAL) at Dahej SEZ, Gujarat for Technimont ICB, Mumbai for ₹ 4,830 Lacs.
3. Civil & Structural Steel Works of LLDPE/HDPE (Swing) Plant of ONGC Petro Additions Limited (OPAL) at Dahej SEZ, Gujarat for Technimont ICB, Mumbai for ₹ 7,982 Lacs.
4. Construction of viaduct including related works for 5.16 km length excluding station areas from CH.12570.00 to CH.18630.00 between Nicco Park to CBD-1 in Newgaria–Airport Corridor of Kolkata Metro Railway Line for Rail Vikas Nigam Limited, Kolkata for ₹ 21,254 Lacs.
5. Construction of viaduct including related works for 5.756 km length excluding station areas from CH. 247.00 to CH. 6400.00 between Kavi Subhash (Newgaria) to VIP Bazar in Newgaria–Airport corridor of Kolkata Metro Rail Line for Rail Vikas Nigam Limited, Kolkata for ₹ 23,360 Lacs.
6. Construction Works for Expansion of Vaporization plant of Shell Hazira LNG terminal for Saipem India Projects, Chennai for ₹ 890 Lacs.

3. CREDIT RATING

During the year, CRISIL has reaffirmed our Long Term Rating of "AA/Stable" which reflects high safety and short term rating of "A1+" which reflects highest safety.

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 reaffirmed rating of "5A2" which signifies the overall status of the Company is good.

4. **DIVIDEND**
The Directors recommend dividend of 0.01% on Convertible Preference Shares of the Company. The dividend, if declared, would involve an outflow of ₹ 4.06 Lacs including ₹ 0.57 Lacs towards dividend tax. In order to plough back the profit for the growth, the Directors are not proposing dividend on equity shares.

5. **SHARE CAPITAL**
During the year under review, company has allotted 130,770 equity shares to the employees who exercised ESOP option granted to them under the ESOP Scheme 2006.

6. **SUBSIDIARIES**
i) During the year, the Company has incorporated a subsidiary in Kuwait in the name of Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL.

ii) The Consolidated financial statement presented by the Company includes financial statement of the subsidiaries prepared in accordance with the applicable accounting standards.

iii) Pursuant to the provision of section 212(8) of the Companies Act,1956, the Ministry of Corporate Affairs vide its general circular no. 02/2011 dated 8th February,2011 and circular no.03/2011 dated 21st February, 2011 has granted general exemption from attaching balance sheet, statement of profit and loss and other documents of the subsidiaries, subject to fulfilment of conditions stated in the circular. Accordingly, the Balance Sheet, Profit and Loss account and other documents of the subsidiary companies are not being attached with the Balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March,2012 is included in the Annual Report.The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same.The annual accounts of the subsidiary companies will also be kept open for inspection by the members at the registered Office of the Company and that of the respective subsidiary companies on any working day during business hours.

iv) There has been no material change in the nature of business of the subsidiaries.

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.

8. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
The Management Discussion and Analysis Report for the year under review, is presented in as a separate section which forms part of the Annual Report.

9. **DIRECTORS**
i) Mr.P.S.Mistry, Mr.C.P.Mistry and Mr.A.H.Divanji resigned as Directors of the Company with effect from 6th February 2012, 31st March 2012 and 20th July 2012 respectively. The Board wishes to place on record their sincere appreciation of the valuable contribution of Mr.P.S.Mistry, Mr.C.P.Mistry and Mr.A.H.Divanji to the growth and success of the Company.
ii) Mr.C.P.Mistry stepped down as Chairman of the Company with effect from 23rd March 2012 and Mr.S.P.Mistry was appointed as the Chairman by the Company with effect from that date.
iii) Mr.S.Paramsivan, Whole-time Director of the Company was promoted as Dy.Managing Director of the Company with effect from 1st April 2012.
v) Mr.Umesh Khanna was appointed as Director with effect from 22nd August 2012 to fill the casual vacancy caused by the resignation of Mr.A.H.Divanji.
vi) Mr.S.P.Mistry, Mr.N.J.Jhaveri and Mr.K.Subrahmanian, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The brief profile of the Mr.S.P.Mistry, Mr.N.J.Jhaveri and Mr.K.Subrahmanian is annexed to the Notice of the Meeting.

10. **DIRECTOR'S RESPONSIBILITY STATEMENT**
Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors Responsibility Statement, it is hereby confirmed that:
(i) in preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation relating to any material departures from the same;
(ii) the Directors have selected such accounting policies, applied them consistently, and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012 and of the profit or loss of the Company for the year ended on that date;
(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities; and
(iv) the Directors have prepared the annual accounts on a going concern basis.

11. **QUALITY, HEALTH, SAFETY & ENVIRONMENT**
The Company firmly believes that the pursuit of excellence is one of the most critical component for a competitive success. With Quality, Health and Safety Environment being an essential part of the Company's policy, it strives to deliver services by maintaining the highest level of Quality, Health and Safe working environment.

The policy of the Company is to conduct its construction business through an established Quality Management System, which aims to achieve Customer Satisfaction and in the process improving Company's competencies and competitiveness.

The Company is certified 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.

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

- Adani Hazira Port Pvt.Ltd. has issued safety certificate for implementation of fairly high safety standards during construction of 2 no of Container Jetty at Hazira during the year 2011-12.
- SP Jammu Udhampur Highway Pvt. Ltd. has issued Appreciation letter to Jammu site for successfully achieving 1 million man hours without lost time accident.
- M/s.IHI Corporation, Japan has issued Best Safety Performer award to LNG site at Kochi with for completing 9 million safety man hours.
- Royal Haskoning has issued Appreciation letter to Aqaba Jordon site on successfully achieving 2 million man hours without lost time accident.
- SNC-Lavalin and Arcelor Mittal has issued Appreciation letter to Liberia Project Site for achieving impeccable milestone of 1.5 million man hours without lost time injury.
- General Consultant of Chennai Metro Rail Project has issued highest Occupational Health & Safety Performance Certificate's to Transtonnelstroy – AFCONS JV Project.

These milestones are the reflection of the strict HSE standards followed at the worksite and commitment of AFCONS management towards safety.

12. AWARDS AND RECOGNITIONS

i) During the year, the Company received the following awards:

- CIDC Vishwakarma Award 2012 from Construction Industries Development Council for best project award in the category Transportation, Infrastructure, Power Housing and Urban Development for the Grade Separator Project at Apsara Border, Delhi.
- EPC World Awards 2011 in the category of Outstanding Contribution in Roads & Highways for the 3 Level grade separator project at Ghazipur, Delhi.
- D&B Axis Bank Infra Awards 2011 in the Railways category for the Vallarpadam Rail bridge project.
- Construction Week Awards 2011 in the Roads and Highway section for the 3 Level grade separator projects at Ghazipur, Delhi.

ii) Our Mukarba Chowk project at Delhi received a Commemorative Trophy & Certificate and the 3 Level grade separator projects at Ghazipur, Delhi received Commemorative Medal & Certificate.

The Company has also been listed among the Top Ten Most Admired Companies for the Sixth year in succession by the Construction World.
All these proud achievements are the result of the hard work put in by the entire team of the Company.

13. AUDITORS

M/s.Deloitte Haskins & Sells, Chartered Accountants(ICAI Registration no.117366W) and M/s.J.C.Bhatt & Associates, Chartered Accountants(ICAI Registration no.130923W), the joint statutory auditors of the Company retiring at the ensuing Annual General Meeting and are eligible for re-appointment. As per the provision of section 224(1B) of the Companies Act,1956, the Company has received certificate from the Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

14. AUDITORS REPORTS

The Auditor's Report to the shareholders on the Accounts of the Company for the financial year ended 31st March 2012 does not contain any qualification.

15. FIXED DEPOSIT

Your Company did not invite or accept deposits from the public during the year under review. As on 31st March 2012, 19 deposits pertaining to previous years aggregating to ₹ 3.75 Lacs remained unclaimed.

16. 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 year 2004-2005 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.

17. PARTICULARS OF EMPLOYEES

In terms of the provision of section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are given in the Annexure to the Directors' Report.

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

This information pursuant to section 217(1) (e) of the companies Act,1956 read with the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given below :

A. CONSERVATION OF ENERGY

The Company is converting all major sites from fossil power to grid power thereby minimizing carbon foot print.This has been already implemented at some sites and is under implementation at the other sites.

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORBTION:

1. Automation of Burge through PLC and SCADA View at Dahej Project site.
2. Monitoring of Electrical Parameters as well as HSD consumption while TBM running through SCADA and Web based report at Chennai Metro Project site.
3. Upgradation and standardization of Software as well as PLC and Panel View / SCADA of all the CP 30 Batching Plant.

C. FUTURE ACTION PLAN:

1. Automation of other Burges through PLC and SCADA View.
2. Upgradation and standardisation of Software as well as PLC and Panel View / SCADA of all the M1 Batching Plants.

D. FOREIGN EXCHANGE EARNING AND OUTGO. (Standalone)

(₹ in Lacs)

	Current yr.	**Previous yr.**
Earnings	87,971	36,929
Outgo	108,983	29,767

19. 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: 22nd August, 2012

S.P. MISTRY
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GLOBAL ECONOMY

The year 2011-2012 was abetted by the continuing global volatility and challenges. The growth momentum of the Advance Economies was impacted as the protracted debt crisis in the euro area and fiscal fragilities dampened business and consumer confidence. The resource rich Middle East and North Africa (MENA) region has been facing significant internal challenges and geopolitical risks. These uncertainties led to widespread risk aversion and adversely affected capital flows to new projects.The growth prospects for 2012-2013 remain uncertain, with growth petering out in the euro area and moderating in the emerging markets, while a better-than- expected recovery is shaping up in the US.

OVERVIEW OF THE INDIAN ECONOMY

The Indian economy being exposed to global economic environment has been impacted by the global uncertainties. In addition, on the internal front, the economy is facing challenges due to inflationary pressures, tight monetary conditions, low investments, delays in policy decision and negative perception created due to scams etc.

In 2011-12 the GDP registered a growth of 6.5% driven by sectors like power, tourism, financial services etc. The slowdown in 2011-12 was seen in all the major sectors of the economy as compared with the previous year.The services sector grew by 8.9%, Industry by 3.4% and Agriculture by 2.8% and Construction sector by 4.8% as compared with 9.3%, 7.2%, 7% and 8% respectively in 2010-11. Industrial growth remained subdued due to supply-side bottlenecks, particularly in the mining sector, and moderation in investment demand. The most dismal picture has been presented by capital goods segment which has been in negative, territory during the fiscal. Significantly, slowdown was witnessed in capacity addition as defined by capital formation which decelerated to 5.5% in 2011-2012 as against 7.5% achieved in 2010-2011.The resilience of the Indian economy is being tested, but we hope the economy to bounce back in the short term.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Construction industry is an integral part of the Indian economy and accounts for 7.8% of the GDP. It is the second largest employers of skilled and unskilled labour force in the country and is characterized by mix of both organized and unorganized entities.

The infrastructure development story in India has been plagued with issues of implementation. As a result, the pace of growth has been much lower than required to sustain the desired economic growth.

The Eleventh Plan envisaged the importance of investment in Infrastructure for achieving a sustainable and inclusive growth of 9% to 10% in GDP over the next decade. In this context, investment in physical Infrastructure has increased from the level of about 5% of GDP (in 2007) to about 8% of GDP by 2011-12, and is expected to rise to 10% as per the 2012-13 union budget. The cumulative investment in Infrastructure in the Twelfth Five-Year plan (2012-17) is targeted at around $1trillion, with nearly half of it expected to be channelized into construction. Private participation is expected to bring about 50% of the funding required, with the rest coming from public sources.

Towards the same, in the Union Budget 2012-13, the tax free bonds were doubled to ₹ 60,000 crores including ₹ 10,000 crores each for NHAI, IRFC, IIFCL and power sector and ₹ 5,000 crores each for HUDCO, National Housing Bank, SIDBI, and ports. Additionally allocation has been increased to ₹ 25,360 crores towards the National Highways Development Programme, an increase of about 14 % over the previous year.

The Government has been actively encouraging private investment in Infrastructure through Public Private Partnership (PPP) to meet the massive Infrastructure funding requirement. In the course of the Eleventh Plan, the government has taken several initiatives for standardising the documents and processes for structuring and award of PPP projects in a transparent and competitive manner.

However, we find that things in reality have slowed down, while the Government had grandiose plans, implementation mechanism is not well-oiled. Fiscal situation & Inflation adds further dimension to the growth story.

BUSINESS OVERVIEW

During the year, the Company has bagged lower orders both in India and abroad. 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 order book position of the Company as on 31st March, 2012 was ₹ 7,005.20 crores.

During last 5 years, the Company has executed projects in, Abu Dhabi, Dubai, Qatar, Mauritius, Madagascar, Oman, Algeria, Liberia and Yemen. Currently, the Company is executing projects in Jordan, Liberia and Bahrain. During the year ended 31st March 2012, the Company achieved 38.28% of its turnover from overseas market.

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 a reasonable significant participation.

CONSOLIDATED FINANCIAL PERFORMANCE

Your Company has achieved total income of ₹ 2,551.92 crores for the year compared to the previous year’s ₹ 2,895.48 crores showing a decrease of 11.87%.The EBIDTA for the year was ₹ 278.57 crores compared to ₹ 251.53 crores in the previous year resulting in increase by 10.75%.The Consolidated Profit before Tax for the year was ₹ 150.56 crores compared to ₹ 151.35 crores in the previous year resulting in a marginal decrease of 0.52%.The Consolidated Profit after Tax for the year was ₹ 88.14 crores compared to ₹ 118.97crores in the previous year resulting in decrease by 25.91%.

OPPORTUNITIES

In the long-term, India continues to offer considerable opportunities aided by its favourable demographic profile. Its large consumer market has attracted global companies, many of whom have made India their manufacturing hub. However, in order to harness this potential and achieve sustainable growth, the country needs to push forward critical reforms and build innovative public-private partnerships to deliver rapid and inclusive growth as also provide an enabling environment for upgrading infrastructure.

The Government has announced measures to kick-start key infrastructure development projects and thereby provide a catalyst to revert the economy to a higher growth trajectory.

Overseas Market

The infrastructure segment in the overseas market, even in the face of uncertain economic conditions, is showing resilience in certain pockets. In view of the visibly strong infrastructure potentials, the Company has identified Middle East and Africa as the key markets. In Middle East, Saudi Arabia and Qatar have projected strong infrastructure investment in the coming years. Countries such as Dubai, Kuwait and Abu Dhabi which saw slowdown post 2008 financial crisis are slowly picking up, but we do not expect them to reach pre 2008 levels in infrastructure investment in the short term. Africa, given the abundance of natural resources such as coal and iron ore, has seen investment in green field mines by global mining corporations and thus mining driven infrastructure opportunities are available in both short and medium term in both railways and marine segments.

South East Asia is another market where opportunities are available. South East Asian economies are slowly reaching sustained GDP growth in excess of 6%, and are now developing infrastructure to sustain the same going forward. Specifically countries such as Indonesia, Myanmar and Vietnam with plenty of natural resources and increasingly improving political climate are attracting investments in mining and energy related infrastructure.

Given the favourable environment and our successful execution history in overseas markets, we are increasingly looking at overseas for driving our future growth.

Road:

Road has been the key drivers of infrastructure growth in India. Ministry of Roads, Transport and Highways (MORT&H) has prepared a Master Plan for the National Expressways Network for a total length of about 18,637 km. This is in addition to the initiatives taken up under National Highway Development Programme (NHDP). NHDP is being implemented under several phases.

The Working Group on road sector for Twelfth Plan in its report stated that ongoing phases of NHDP - I, II, III and V involving upgradation to four or more lanes of about 32,750 km to be completed within the Twelfth Plan at an estimated fund requirement of ₹ 3,23,774 crores. Further it is proposed that existing National Highway Network of 71,772 km may be increased to about 85,000 km in the Twelfth Plan, for the development of regions which are currently not connected by National Highways.

During the year 2011-12, an ambitious target of awarding 7800 KM was set, of which 6700 KM was awarded. Post this success, the target for the year 2012-13 have been decided at 9500 KM, marking an increase of 21.79 per cent over last year and an increase in investment by 73.6 per cent. Of these, a total of 4,360 km of roads will be awarded for maintenance under the OMT (Operate, Maintain, Transfer) system for the first time. The investment in the current year will hopefully bring in the required acceleration for successful implementation of the twelfth plan.

Railways:

The annual Plan of 2012-13 envisages the highest-ever planned investment in the railways at ₹ 60,100 crores. The Indian Railways plans to bring in new technologies and augment the existing infrastructure through High Speed Corridors, Dedicated Freight corridors etc.

MRTS / Urban Infrastructure :

The urban population share may reach 50% in 25 year thereby adding 300 to 400 million to the existing population of about 350 million. Urbanisation in India has been relatively slow in past, but is now expected to accelerate. The segment has been showing strong growth. Last year saw commencement of operations on Bengaluru Metro. Also construction was initiated on Jaipur Metro. Delhi Metro has been a success story and is in its 3rd phase of expansion.The Government is encouraging private sector participation in major urban transport projects. We expect the segment to remain strong and be a continuous source of opportunities.

Ports :

As per the data provided by Indian Ports Association, cargo handled at major ports decreased by 1.7% in the year 2011-12, for the first time in 12 years, primarily due to reduction in iron ore exports. The rate of addition of new capacity is expected to be higher in minor ports relative to major ports, and private investment is expected to drive the same. Ministry of Shipping has broadly identified 42 projects valued at ₹ 14,500 crores to be awarded in the current fiscal. The target includes development of two new ports on east coast.

The Maritime Agenda 2020 envisages investments worth over ₹ 1,48,500 crores in the maritime sector. The agenda aims to create a port capacity of around 3,200 MT to handle the expected traffic of about 2,500 MT by 2020. A majority of the projects will be implemented through the public-private participation (PPP) model. The Private investments in the port sector have increased significantly over the years.

Power:

The capacity addition in eleventh Five year plan is estimated to be ~55GW as against an original target of 78GW, with about 60% being added in last two years. The execution has been slow due to concerns on fuel availability, land, environmental issues and long term financing.

In the twelfth five year plan a target of 62GW of capacity addition has been defined, which would require an investment of ₹ 6,38,600 crores in power generation

RISK AND CONCERNS

A. Global Events

India being now connected with the global economy is not insulated from the events impacting the global economy. Political and economic events which may have an impact on Indian economy could be as under:

- Economic instability in European Union, with some countries still impacted deeply by recession
- Political instability in Middle East & North Africa, leading to slowdown in investment in infrastructure, at least in the short term.

B. Domestic Events:

Despite the Construction Industry in India witnessing growth in comparison to other emerging economies and developed economies in the last year, the developments on the economic front cast constraints and challenges on the prospect of the industry mainly due to the following:

- Change in government policies, priorities and its budgetary allocation for infrastructure development.
- Inflationary pressures, leading to sustained high interest rate, leading to a sustained stress of tightening Liquidity position and interest rate risks.
- Delay in award of contract and releasing work fronts and technical clearances for execution of projects.
- 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.
- Negative perceptions on the domestic front (various scams, high inflationary levels, etc.), there is a possibility of capital moving out of India.

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 Company has diversified in segments and geographies since 2008, and is continuing in the same direction for driving its growth. Apart from consolidating its business in Marine and Transportation segment, the Company intends to scale up its presence in oil & gas and hydro & tunnelling construction.

Geographically, the Company would enhance its overseas presence. Over the last 3 years the Company had a sustained revenue share of 30% from overseas markets, and the strategy is to increase it to 40% and beyond over the next 2 years, through consolidation of its forays into Middle East and Africa.

The 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 has in place an adequate Internal control system. The financial control operates through continuous Internal Audit and distribution of functional responsibilities. Internal Auditors conduct audits of sites of the Company throughout the year to test the adequacy of the internal systems and suggest continual improvements. Internal Audit reports and adequacy of internal controls are reviewed by the Board's Audit Committee on a regular basis. 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

At AFCONS, employees are a part of the performance raising team in professionalism, opportunity, responsibility, belongingness and accomplishment with Company's vision. Our employees are considered the most valuable asset and the Company is committed to enable employees to maximize their contribution to the company, while also maintaining effectiveness between their work and personal lives. By creating a framework for managing Work/Life effectiveness, the Company enhances our ability to develop and retain our employees and demonstrate our commitment to creating a great place to work in the AFCONS Innovative Culture.

The Company HR Policy focuses on the following key areas:

- 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.
- Culture building focus on building a culture of innovation and creativity in construction process.

The Company has taken many initiatives towards effective training and development for the employees at various levels. Some of the innovative initiatives of the Company includes Anugam-HR Induction program initiated through E-Learning platform, Whole Wellness Program, focused training sessions and workshops to continuously improve the skill sets of the employees. The Classroom @ site and Classroom @ H.O. program has been very successful.

Your Company endeavour to provide its employees a professional, congenial, safe work environment coupled with opportunities for personal growth and development.

For the sixth consecutive year, Construction World has rated us as one of the best companies to work for in the Construction and Infrastructure sector.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

I. CORPORATE GOVERNANCE PHILOSOPHY

The Company subscribes fully to the principles and spirit of sound Corporate Governance and embodies the principles of fairness, transparency, accountability and responsibility into the value systems driving the Company. It has been the constant endeavor of the company to create an environment for efficient conduct of the business and to enable management to meet its obligation to all its stakeholders, including amongst other, shareholders, customer, employees and the community in which the Company operates.

II. BOARD OF DIRECTORS

(a) Composition

As on 31st March, 2012 the Board of Directors of the Company comprised of 10 Directors out of which 2 are Executive Directors and the remaining 8 are Non-Executive Directors. The Chairman of the Board is the Non Executive Director and the Board consists of 6 Independent Directors.

All the Directors posses 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 2011-12, Four Board Meetings were held on the following dates 27th June 2011,29th September, 2011, 19th December 2011 and 23rd March 2012. 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 & Shareholdings are given below:

Name of the Director	Category	Total no. of Board Meetings during the year 2011-2012		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 20.09.2011
		Held	Attended	Member	Chairman	Member	
Mr.C.P.Mistry **	Chairman upto 23.03.12 #	4	4	N.A	N.A	N.A	Yes
Mr.P. S. Mistry ***	Non Executive Director	4	2	N.A	N.A	N.A	No
Mr. S.P. Mistry	Chairman # w.e.f. 23.03.12	4	3	10	N.A	N.A	No
Mr. N.J.Jhaveri	Independent Director	4	3	7	1	2	Yes
Mr.N.D.Khurody	Independent Director	4	3	5	1	N.A	No
Mr. J.J.Parakh	Non-Executive Director	4	1	3	N.A	N.A	No
Mr.B.D.Narang	Independent Director	4	2	10	N.A	N.A	No
Mr.R.M.Premkumar	Independent Director	4	4	5	1	N.A	No
Mr.P.N.Kapadia	Independent Director	4	4	3	N.A	N.A	Yes
Mr.A.H.Divanji $	Independent Director	4	3	N.A	N.A	N.A	No
Mr.K.Subrahmanian	Managing Director	4	4	N.A	N.A	N.A	Yes
Mr.S.Paramasivan	Executive Director	4	4	N.A	N.A	N.A	Yes

Note:

** Mr. C.P. Mistry resigned as director from the Board w.e.f. 31st March 2012.

*** Mr. P.S. Mistry resigned as director from the Board w.e.f. 6th February 2012.

Mr. C.P. Mistry stepped down as Chairman w.e.f. 23rd March 2012 and Mr. S. P. Mistry was appointed as the Chairman from that date.

$ Mr. A. H. Divanji ceased to be director from the Board w.e.f. 20th July 2012.

1 Excludes Directorship in association, Private Companies, Foreign Companies & Companies registered under section 25 of the Companies Act, 1956.

2 Represents Chairmanships / Memberships of Audit Committee and Shareholders' / Investors' Grievance Committee in other Public Companies.

III. AUDIT COMMITTEE

a. The Audit Committee of the Company is constituted in accordance with the provision of Section 292A of the Companies Act, 1956.

b. Terms of Reference of the Audit Committee are broadly 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.
- All other powers and duties as per Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement.

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

27th June 2011, 29th September 2011, 19th December 2011 and 23rd March 2012.

d. As on 31st March, 2012 Composition of Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name of the Director	Category	No. of Meetings	
		Held	Attended
Mr. N.J.Jhaveri	Independent Director - Chairman	4	3
Mr. N.D.Khurody	Independent Director	4	3
Mr. P.N. Kapadia	Independent Director	4	4
Mr. J.J. Parakh	Non-Executive Director	4	1

IV. REMUNERATION COMMITTEE

a. The broad terms of reference of the remuneration committee are as under:

The Remuneration Committee shall have powers and authorities as provided under the provisions of Schedule XIII of the Companies Act, 1956 and any amendment thereof, if any, granting the approval of remuneration to the Wholetime Directors and the Managing Director of the Company.

b. One meeting of the remuneration committee was held during the year i.e.29th September, 2011.

c. The Composition of remuneration committee was as under:

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

d. Remuneration Policy

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,1956.

e. Details of Remuneration paid to Directors during the financial year 2011-12:

i. Remuneration paid/payable to the executive directors for the financial year ended 31st March 2012:

(₹ p.a.)

Name of Director	Basic Salary	PF / SA	Perquisites	Total Remuneration
Mr.K.Subrahmanian	28,50,000	7,69,500	1,38,80,401	1,74,99,901
Mr.S.Paramasivan	22,95,000	6,19,650	1,02,10,287	1,31,24,937
	51,45,000	**13,89,150**	**2,40,90,688**	**3,06,24,838**

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 Remuneration paid/payable to the non-executive directors for the year ended 31st March 2012 is as under:

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 (₹)	Shareholding in the Company	
		No. of Shares	% holding
Mr.C.P.Mistry	80,000	-	
Mr.P.S.Mistry	20,000	-	
Mr. S.P.Mistry	30,000	-	
Mr. J.J.Parakh	70,000	6,619	0.009
Mr A.H.Divanji	30,000	14,220	0.020
Mr. N.J.Jhaveri	1,00,000	17,749	0.025
Mr.P.N.Kapadia	1,30,000	-	-
Mr.N.D.Khurody	90,000	-	-
Mr.B.D.Narang	20,000	-	-
Mr.R.M.Premkumar	40,000	-	-
Total	**6,10,000**	**38,588**	**0.054**

The Company does not have any material pecuniary relation or transactions with its non-executive directors.

V. SHAREHOLDERS/ INVESTOR'S GREVIANCES CUM SHARE TRANSFER CUM ESOP SHARE ALLOTMENT COMMITTEE:

a. 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.

b. The broad terms of reference of Shareholders / Investor's Grievance Cum Share Transfer cum ESOP Share Allotment Committee are as under:

- To look into matters pertaining to the redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- 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 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 allot equity shares to the employees exercising the ESOP options granted under the ESOP Scheme 2006 of the Company.

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

27th June, 2011, 21st October, 2011, 13th February, 2012 and 15th March, 2012.

d. Composition, Meetings and Attendance.

The Composition and attendance of members at the meetings of the Shareholders / Investor's Grievance Cum Share Transfer Cum ESOP Share Allotment Committee was as under:

Name of the Director	Category	No. Of Meetings	
		Held	Attended
Mr.P.N.Kapadia	Independent Director - Chairman	4	4
Mr.J.J.Parakh	Non-Executive Director	4	4
Mr.S.Paramasivan	Executive Director	4	4

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 letter/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 2012.

VI. 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. Four meeting were held during the year on the following dates:
27th June 2011, 29th September, 2011, 19th December 2011 and 23rd March 2012

iii The Composition, Meetings and Attendance of the Committee of Directors meetings was as under:

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:

a. 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 ("FCPs").
b. 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;
c. 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;
d. 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;
e. To make application to authorities for dematerialisation of FCPs allotted to the allottees.
f. To authorize and approve the incurring of expenditure and payment of fees in connection with the issue and allotment of FCPs;
g. 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;
h. To engage services of professionals including merchant bankers, lawyers, Chartered Accountants and Valuers.
i. 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.
j. 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.
k. 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
Mr. P.N.Kapadia	Independent Director –Chairman
Mr.J.J.Parakh	Non-Executive Director
Mr. K.Subrahmanian	Managing Director
Mr.S.Paramasivan	Executive Director

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. Composition of the Committee

Name of the Member	Category
Mr.N.J.Jhaveri	Independent Director -Chairman
Mr. P.N.Kapadia	Independent Director
Mr. K.Subrahmanian	Managing Director

VII. GENERAL BODY MEETINGS

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

For Financial Year ended	Location	Date of AGM	Time
31.03.2011	Registered Office of the Company	29.09.2011	4.30 p.m
31.03.2010	Registered Office of the Company	20.09.2010	4.30 p.m
31.03.2009	Registered Office of the Company	30.09.2009	4.30 p.m.

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

AGM:

35th AGM dtd.29.09.2011	Consent of the Company to make/give loan(s) / advances / commercial papers / deposits / make investments and to give guarantees / provide securities, in excess of the limits under section 372A, to direct / indirect subsidiary company of the Company set up / likely to be set up in Kuwait.
34th AGM dtd.20.09.2010	Consent of the Company to make / give loan(s) / advances / deposits / make investments and to give guarantees / provide securities, in excess of the limits under section 372A, to Afcons Offshore and Marine Service Private Limited and to direct / indirect subsidiary of the Company to be set up in Kingdom of Saudi Arabia.
33rd AGM dtd.30.09.2009	NIL

c. During the year no resolution was passed through Postal Ballot.

VIII. DISCLOSURES

a. There were no materially significant related party transactions during the financial year 2011-12 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.

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

IX. MEANS OF COMMUNICATION:

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

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

X. GENERAL SHAREHOLDERS INFORMATION

a. AGM
Date : 28th September, 2012
Time : 4.30 pm
Venue : "Afcons House",16, Shah Industrial Estate,
Veera Desai Road, Azad Nagar P.O., Andheri (West), Mumbai-400053

b. Financial Year : 1st April to March 31st

c. Date of Book Closure : 22nd September, 2012 to 28th September, 2012 (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

XI. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012.

Sr. No.	Category	No. of Shares	% of total
1	**Promoter's holding**		
	Indian Promoters –Bodies Corporate	6,97,69,312	96.94
	Sub total (1)	**6,97,69,312**	**96.94**
2	**Non Promoters Holding**		
	Companies / Bodies Corporate	50,000	0.07
	Employees / Retired Employees / General Public	7,42,501	1.03
	Directors & their Relatives	2,17,055	0.30
	Employees Trust	11,91,370	1.66
	Sub total (2)	**22,00,926**	**3.06**
	Total (1+2)	**7,19,70,238**	**100.00**

XII. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

Number of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 to 100	71	12.1580	5,781	0.0084
101 to 500	321	54.9657	86,168	0.1197
501 to 1000	38	6.5068	29,364	0.0408
1001 to 2000	32	5.4794	49,397	0.0686
2001 to 3000	18	3.0821	45,179	0.0627
3001 to 4000	12	2.0547	42,611	0.0592
4001 to 5000	7	1.1986	32,525	0.0451
5001 to 10000	41	7.0205	2,81,512	0.3911
10001 & above	44	7.5342	7,13,97,701	99.2044
Total	584	100.0000	7,19,70,238	100.0000

XIII Address for Correspondence:

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

AUDITORS' REPORT

To, the Members of Afcons Infrastructure Limited

1. We have audited the attached Balance Sheet of Afcons Infrastructure Limited ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
      (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

R. Laxminarayan
Partner
Membership No.33023

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

J. C. Bhatt
Partner
Membership No.10977

Place : Mumbai
Dated : 22nd August, 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2012 of Afcons Infrastructure Limited (" the Company")

(i) Having regard to the nature of the Company's business, clauses (xiii) and (xiv) of CARO are not applicable.

(ii) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:
   (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 explanation given to us, the procedures of physical verification of inventories followed by the Management were 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 its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company had taken loans aggregating to ₹ 90.00 Lacs from one party during the earlier years. At the year-end, the outstanding balance of such loans taken aggregated to ₹ 90.00 Lacs and the maximum amount involved during the year was ₹ 90.00 Lacs.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.

(c) The principal amounts have not fallen due for repayment during the year and payment of interest in respect of such loans have been regular.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956. We are informed that no Order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal.

(viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 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.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 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, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes, if any, are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. in Lacs)	Amount Paid / Adjusted (Rs. In Lacs)	Net Balance (Rs. in Lacs)
Assam General Sales Tax Act 1993	Sales Tax	Dy. Commissioner of Taxes (Appeal), Guwahati	2007-08	26.89	14.85	12.04
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 Sales Tax on Works Contract Act 1957	Sales Tax	Addl. Commissioner (Appeals)	2003-04, 2004-05	698.05	528.56	169.49
Delhi Value Added Tax Act, 2004	Sales Tax	Addl. Commissioner (Appeals)	2007-08, 2008-09	266.51	25.06	241.45
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
The Maharashtra Sales Tax on Transfer of property in goods involved in Execution of Works Contract (Re-enacted) Act, 1989	Sales Tax	Asst. Commissioner of Sales Tax, Mumbai	1997-98	13.99	13.99	-

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. in Lacs)	Amount Paid / Adjusted (Rs. In Lacs)	Net Balance (Rs. in Lacs)
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
Orissa Sales Tax Act, 1947	Sales Tax	Addn. Commissioner of Sales Tax, Behrampur	2000-01	109.84	107.74	2.10
Orissa Sales Tax Act, 1947	Sales Tax	Addn. Commissioner of Sales Tax, Bhubaneshwar	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	Sales Tax Appellate 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, 1996-97	32.42	21.39	11.03
Central Excise Act, 1944	Excise Duty	CESTAT, New Delhi	2009-10	145.02	-	145.02
Central Excise Act, 1944	Service Tax	Commissioner of Service Tax	2007-08	2.84	-	2.84
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2005-06	913.58	913.58	-

(xi) The company does not have accumulated losses as at the end of the year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, and financial institutions.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clause (xviii) regarding preferential allotment of shares of paragraph 4 of the Order is not applicable to the Company for the year.

(xviii) The Company has not issued any debentures during the year. Hence, the requirement of reporting on creation of security in respect of debentures issued under clause (xix) of the order does not arise.

(xix) The Company has not raised any money by public issue during the year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

R. Laxminarayan
Partner
Membership No. 33023

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

J. C. Bhatt
Partner
Membership No. 10977

Place : Mumbai
Dated :22nd August, 2012

AFCONS INFRASTRUCTURE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	**42,197.02**	42,183.95
(b) Reserves and surplus	4	**32,989.46**	24,459.48
		75,186.48	66,643.43
2. Non-current liabilities			
(a) Long-term borrowings	5	**26,369.85**	18,685.88
(b) Deferred tax liabilities (net)	6	**7,626.97**	5,760.42
(c) Other long-term liabilities	7	**5,501.88**	2,474.07
(d) Long-term provisions	8	**689.18**	574.88
		40,187.88	27,495.25
3. Current liabilities			
(a) Short-term borrowings	9	**41,441.59**	43,119.82
(b) Trade payables	10	**42,459.07**	21,222.25
(c) Other current liabilities	11	**55,665.56**	39,816.78
(d) Short-term provisions	12	**312.29**	507.78
		139,878.51	104,666.63
TOTAL		**255,252.87**	198,805.31
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13A	**54,173.52**	41,686.62
(ii) Intangible assets	13B	**480.05**	102.60
(iii) Capital work-in-progress	13C	**31,497.24**	472.64
		86,150.81	42,261.86
(b) Non-current investments	14	**391.98**	296.76
(c) Long-term loans and advances	15	**11,417.19**	3,736.98
(d) Other non-current assets	16	**32,134,59**	41,031.59
		130,094.57	87,327.19
2. Current assets			
(a) Inventories	17	**51,241.13**	37,006.57
(b) Trade receivables	18	**36,666.29**	25,831.54
(c) Cash and cash equivalents	19	**3,584.55**	16,004.87
(d) Short-term loans and advances	20	**33,494.38**	28,992.64
(e) Other current assets	21	**171.95**	3,642.50
		125,158.30	111,478.12
TOTAL		**255,252.87**	198,805.31

See accompanying notes 1 to 46 forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

R. LAXMINARAYAN
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

K.SUBRAHMANIAN
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 22nd August, 2012

AFCONS INFRASTRUCTURE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

		Note No.	For the Year ended 31st March,2012 ₹ in Lacs	For the Year ended 31st March,2011 ₹ in Lacs
1.	Revenue from operations	22	155,348.24	107,996.42
2.	Other income	23	9,411.65	6,355.59
3.	**Total revenue (1 + 2)**		164,759.89	114,352.01
4.	**Expenses**			
	(a) Cost of construction	24	100,851.47	64,309.76
	(b) Cost of traded Goods	25	794.99	-
	(c) Employee benefits expense	26	21,287.18	16,971.12
	(d) Finance costs	27	11,342.51	7,212.00
	(e) Depreciation and amortisation expense	13D	3,789.21	3,243.11
	(f) Other expenses	28	15,546.63	13,732.23
	Total expenses		153,611.99	105,468.22
5.	**Profit before tax (3 - 4)**		11,147.90	8,883.79
6.	**Tax expense:**			
	(a) Tax expense for current year		3,145.40	1,660.20
	(b) (Less): MAT credit		(1,323.04)	-
	(c) Deferred tax		1,866.55	1,323.78
	(d) Tax expense relating to prior years (including MAT ₹ 485.15 Lacs)		(1,128.15)	31.59
			2,560.76	3,015.57
7.	**Profit for the year from continuing operations (5 - 6)**		8,587.14	5,868.22
8.	**Earnings per share (of ₹ 10/- each):**	41		
	(a) Basic		11.94	8.18
	(b) Diluted		2.55	1.74

See accompanying notes 1 to 46 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
Managing Director

R. LAXMINARAYAN
Partner

J.C.BHATT
Partner

S.PARAMASIVAN
Deputy Managing Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 22nd August, 2012

AFCONS INFRASTRUCTURE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

		March'2012 ₹ in Lacs	March'2011 ₹ in Lacs
A.	**Cash flow from operating activities**		
	Profit before tax	**11,147.90**	8.883.79
	Adjustments for :		
	Depreciation	**3,789.21**	3,243.12
	Loss on sale of fixed assets (net)	**(114.13)**	1.27
	Dividend income	**(0.02)**	(0.22)
	Interest income	**(6,341.91)**	(2,406.34)
	Interest expense	**10,233.27**	7,242.00
	Bad/irrecoverable Debtors /Unbilled Revenue /Advances w/off	**1,788.76**	1,685.53
	Provision for doubtful debts no longer required written back	-	(1,575.00)
	Share of Loss in a firm in which the Company is a partner	**0.22**	0.29
	Excess Provision for expenses of earlier years written back	**(1,176.37)**	(668.85)
	Investment Written off	**0.55**	-
	Provision for Projected Losses written Back	**(204.45)**	(211.19)
	Operating profit before working capital changes	**19,123.03**	16,194.40
	(Increase)/Decrease in Inventories	**(14,234.56)**	2,883.66
	(Increase)/Decrease in Trade receivables	**(12,623.51)**	(7,207.15)
	(Increase)/Decrease in Loans and Advances and Other Assets	**4,832.35**	(18,533.11)
	Increase/(Decrease) in Trade, Other payables and Provisions	**31,404.33**	22,179.46
	Cash from Operations	**28,501.64**	15,517.26
	Direct taxes paid	**(4,978.31)**	(626.79)
	Net cash from operating activities	**23,523.33**	14,890.47
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	**(47,961.09)**	(8,442.12)
	Sale of fixed assets	**334.82**	72.17
	Purchase of Investments	**(95.77)**	(1.60)
	Loss in a firm in which the Company is a partner	**(0.22)**	(0.29)
	Dividend received	**0.02**	0.22
	Interest received	**6,341.91**	324.50
	Net cash used in investing activities	**(41,380.33)**	(8,047.12)
C.	**Cash flow from financing activities**		
	Proceeds from issue of Equity Shares	**22.22**	23.63
	Proceeds from long-term borrowings	**23,613.50**	13,792.99
	Repayment of long-term borrowings	**(6,233.35)**	(12,309.82)
	Proceeds from /repayment of short term borrowings - net	**(1,678.23)**	12,679.43
	Interest paid	**(9,880.62)**	(7,186.02)
	Dividend paid(including tax)	**(4.07)**	(4.07)
	Net cash from/(used in) financing activities	**5,839.45**	6,996.14
	Net increase in cash and cash equivalents	**(12,017.55)**	13,839.49
	Cash and cash equivalents at the beginning of the Period	**15,239.29**	1,399.80
	Cash and cash equivalents at the end of the Period	**3,221.74**	15,239.29
	Reconciliation of cash and cash equivalents		
	As per Balance sheet - Note 19	**3,584.55**	16,004.87
	Less : Fixed Deposits on Lien	**(362.81)**	(765.58)
	As per Cash flow statement	**3,221.74**	15,239.29

Notes

1. 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 Standard) Rules, 2006
2. Cash and Cash equivalents includes unrealised Profit/(Loss) of ₹ 192.90 Lacs (Previous year ₹ 7.30 Lacs) on account of translation of foreign currency bank balances.
3. 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. LAXMINARAYAN
Partner

For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS

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S.P.MISTRY
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Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 22nd August, 2012

1 Corporate information

Afcons Infrastructure Limited is an unlisted Public Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. 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.

2 Significant accounting policies

2.1 Basis of Accounting

The Accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with applicable accounting principles in India, the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 as amended from time to time.

2.2 Use of estimates

The preparation of financial statements in conformity with 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 uncertainities 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, 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(2)) and impairment loss, if any.

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 & Amortisation

Depreciation on fixed assets (including revalued assets) is provided on the straight-line basis in accordance with the provisions of the Companies Act, 1956, at the rates and in the manner specified in schedule XIV to the Act.

Capital spares consumed are capitalized and amortized over a period of four years.

The difference between depreciation on revalued cost and original cost has been withdrawn from Revaluation Reserve and credited to the statement of Profit and Loss.

Cost of the Intangible Assets viz computer software is amortized over a period of five years.

2.7 Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Profit & Loss in the year in which an asset is identified as impaired. The impaired loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

2.8 Investments

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. 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.

2.9 Inventories

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.

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. Site Mobilisation Advance is stated at cost.

2.10 Retention monies

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.

2.11 Foreign currency transactions

Transactions in foreign currency, including in respect of branch operations integral in nature, are recorded at the average rates of exchange in force for the period. At the year end, monetary items, including those of branch operations integral in nature, denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted for in the relevant year as income or expense.

2.12 Revenue recognition on contracts

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.

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

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.

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 unanimously in favor of the Company, the claims awarded, are accounted in the year the Awards are received. The interest granted on such claims is recognised as per terms of the Awards.

e. Revenue is recognised only when no significant uncertainties exist regarding its measurement and collectability.

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

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 Account.

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:

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 the 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", notified under the Companies (Accounting Standards) Rules, 2006. 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 the provisions of the Income Tax Act, 1961.

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.

2.21 Interest Income

Interest income is accounted on accrual basis.

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.

Notes forming part of the financial statements for the year ended 31st March, 2012

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Shares	**₹ in Lacs**	Number of Shares	₹ in Lacs
3. SHARE CAPITAL				
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 1 below)	**71,970,238**	**7,197.02**	71,839,468	7,183.95
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each (Refer Note 2 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 (“Subscriber Perference Shares”) of ₹ 10 each. (Refer Note 3 below)	**250,000,000**	**25,000.00**	250,000,000	25,000.00
TOTAL	**421,970,238**	**42,197.02**	421,839,468	42,183.95

3.1 Rights, preferences and restrictions attached to Equity Shares:

(a) Rights to receive dividend as may be approved by the Board / Annual General Meeting

(b) The Equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provision of the Companies Act, 1956.

(c) Every member of the company holding equity shares has 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.

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

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

(b) The Preference Shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹ 10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the Preference Shares mentioned in note 3.3 (b) below.

(c) Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolution placed before the Company which directly affects the rights attached to his preference shares.

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

(a) The Subscriber Preference Shares shall be entitled to non-cumulative preferential dividend at a fixed rate of 0.01% per annum to be paid in priority to the holders of any other class of shares.

(b) The Subscriber Preference Shares shall be fully automatically and mandatorily converted in to equity shares on the Mandatory Conversion date (i.e. 13th January, 2013 being the 5th year from the date of issue viz. 14th January, 2008) at a value to be determined at the time of Conversion.

(c) The Subscriber Preference Shares shall rank senior to all types of shares issued or to be issued by the Company.

(d) The Company to obtained prior consent of the holder of Subscriber Preference Shares (either at meeting or by way of a consent letter) before (i) issue of further Preference Shares of the same or any other class; (ii) issue of Ordinary Shares which will result in a change of control; (iii) issue of securities entitling holders to acquire any shares of and / or voting rights in the Company; (iv) amendment of Memorandum of Association and Article of Association of the Company; (v) variation of rights of Subscriber Preference Shares.

3.4 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	**71,839,468**	**7,183.94**	71,700,514	7,170.05
Add : Shares issued during the year under ESOP	**130,770**	**13.08**	138,954	13.90
Equity shares outstanding at the end of the year	**71,970,238**	**7,197.02**	71,839,468	7,183.95
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

3.5 Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares
	Number of shares			
Shapoorji Pallonji & Co. Ltd., the holding company	**48,720,883**	**-**	48,165,838	-
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	-

3.6 Details of shares held by each shareholder holding more than 5% of shares of the Company:

Class of shares / Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Co. Ltd.	**48,720,883**	**67.70%**	48,165,838	67.05%
Floreat Investments Limited	**13,015,929**	**18.09%**	13,015,929	18.12%
Renaissance Commerce Pvt. Ltd.	**4,016,250**	**5.58%**	4,016,250	5.59%
Hermes Commerce Ltd.	**4,016,250**	**5.58%**	4,016,250	5.59%
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				
India Infrastructure AIL (Mauritius)	**250,000,000**	**100.00%**	250,000,000	100.00%

Notes forming part of the financial statements for the year ended 31st March, 2012

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
4. Reserves and surplus		
(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	**1,018.85**	1,009.12
Add : Premium on shares issued during the year	**9.15**	9.73
Closing balance	**1,028.00**	1,018.85
(d) Revaluation reserve		
Opening balance	**161.70**	239.10
Less: Utilised for set off against depreciation	**(62.24)**	(77.40)
Closing balance	**99.46**	161.70
(e) Contingencies reserve		
Opening balance	**800.00**	800.00
Closing balance	**800.00**	800.00
(f) General reserve		
Opening balance	**5,552.16**	5,552.16
Closing balance	**5,552.16**	5,552.16
(g) Surplus in Statement of Profit and Loss		
Opening balance	**16,895.14**	11,030.99
Add: Profit for the year	**8,587.14**	5,868.22
Less: Appropriations		
Proposed Dividend on Preference Shares (₹.0.001 per share)	**3.50**	*3.50*
Tax on proposed dividend	**0.57**	0.57
Closing balance	**25,478.21**	16,895.14
Total	**32,989.46**	24,459.48

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
5. Long-term borrowings		
(a) Working Capital loans (Unsecured)		
From banks	**7,500.00**	15,000.00
(b) Equipment Loan (Secured)		
From banks :		
Rupee Loan	**4,015.28**	2,375.77
Foreign Currency Loan	**10,174.00**	-
(c) Other loans and advances		
Foreign Currency Loan (Secured)		
From banks	**4,680.57**	1,310.11
Total	**26,369.85**	18,685.88

5. Long-term borrowings (Contd.)

Notes:

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

Particulars	Terms of repayment and security	As at 31st March,2012 Secured ₹ in Lacs	As at 31st March,2012 Unsecured ₹ in Lacs	As at 31st March,2011 Secured ₹ in Lacs	As at 31st March,2011 Unsecured ₹ in Lacs
Working Capital loans from banks					
Oriental Bank of Commerce	Refer Note (i) below	-	-	-	5,000.00
Allahabad Bank		-	-	-	5,000.00
Bank of India		-	7,500.00	-	5,000.00
Total - Term Loan		-	7,500.00	-	15,000.00
Equipment Loan from banks					
Rupee Loan:					
Indian Overseas Bank	Refer Note (ii) below	693.97	-	830.40	-
Oriental Bank of Commerce		3,321.31	-	1,545.37	-
Foreign Currency Loan:					
DBS Bank Ltd		10,174.00	-	-	-
Total - Equipment Loan		14,189.28	-	2,375.77	-
Other Loans and Advances from banks - Buyer's Credit Foreign Currency Loans					
State Bank of India	Refer Note (iii) below	3,902.26	-	1,310.11	-
HSBC Bank		778.31	-	-	-
Total - Other loans and advances		4,680.57	-	1,310.11	-
Total Long-term Borrowings		18,869.85	7,500.00	3,685.88	15,000.00

Notes:

(i) Unsecured Working Capital loans from Banks carry interest ranging from 10% per annum to 11% per annum payable monthly. The repayment schedule of the loans are as follows.

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)
Bank of India	7,500.00	2 installments of ₹ 2500.00 each	1 installment of ₹ 2500.00 each

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2012-13 (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)
Oriental Bank of Commerce	5,000.00	1 installment of ₹ 5000.00	-
Allahabad Bank	5,000.00	1 installment of ₹ 5000.00	-
Bank of India	5,000.00	1 installment of ₹ 2,500.00	1 installment of ₹ 2,500.00

Notes forming part of the financial statements for the year ended 31st March, 2012

5. Long-term borrowings (Contd.)

(ii) Secured by first charge by way of hypothecation of the equipments financed. The Rupee loans carry interest ranging from 11% per annum to 12% per annum and Foreign currency loan carry interest @ Libor + 2.35%. The repayment schedule of the loans are as follows.

Bank Name	**Loan Amount (₹ in Lacs)**	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)	Repayment in 2016-17 (₹ in Lacs)
Rupee Loan: Indian Overseas Bank	**693.97**	2 installments of ₹ 99.14 each	2 installments of ₹ 99.14 each	2 installments of ₹ 99.14 each	1 installment of ₹ 99.13
Oriental Bank of Commerce	**384.38**	2 installments of ₹ 312.50 and ₹ 71.88	-	-	-
Oriental Bank of Commerce	**2,936.93**	2 installments of ₹ 625.00 each	2 installments of ₹ 625.00 each	1 installments of ₹ 436.93	-
Foreign Currency Loan: DBS Bank Ltd	**10,174.00**	-	3 installments of ₹ 1,017.40 each	4 installments of ₹ 1,017.40 each	3 installments of ₹ 1,017.40 each

Previous Year

Bank Name	**Loan Amount (₹ in Lacs)**	Repayment in 2012-13 (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)
Rupee Loan: Indian Overseas Bank	**830.40**	4 installments of ₹ 185.00 each and 1 installment of ₹ 90.40	-	-	-
Oriental Bank of Commerce	**1,545.37**	2 installments of ₹ 625.00 each	1 installment of ₹ 295.37	-	-

(iii) The Loans carry interest @ Libor + 2.00%.
State Bank of India loan are secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai and Nagpur on a pari-passu basis with other banks. It is further secured by hypothecation of the Company's stocks of construction materials, stores and work in progress, and all other movable properties, plant and machinery and book debts on a pari-passu basis and also by goods covered under Letters of Credit.

HSBC Bank loan secured by first charge by way of hypothecation of equipment finance.

The repayment schedule of the loans are as follows:

Bank Name	**Loan Amount (₹ in Lacs)**	**Repayment in 2013-14 (₹ in Lacs)**	**Repayment in 2014-15 (₹ in Lacs)**
State Bank of India	**3,902.26**	3 installments of ₹ 727.95, ₹ 755.42 & ₹ 1,763.88	2 installments of ₹ 254.62, & ₹ 400.39
HSBC Bank	778.31	-	1 installment of ₹ 778.31

Previous Year

Bank Name	**Loan Amount (₹ in Lacs)**	**Repayment in 2013-14 (₹ in Lacs)**	**Repayment in 2014-15 (₹ in Lacs)**
State Bank of India	**1,310.11**	2 installments of ₹ 636.99 and ₹ 673.12	-

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

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**(4,258.05)**	(3,429.34)
Arbitration Awards	**(5,277.56)**	(2,886.27)
Tax effect of items constituting deferred tax liability	**(9,535.61)**	(6,315.61)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	**232.89**	192.94
Provision for doubtful debts / advances	**814.79**	294.33
Provision for projected losses	**-**	67.92
Others	**860.96**	-
Tax effect of items constituting deferred tax assets	**1,908.64**	555.19
Net deferred tax liability	**(7,626.97)**	(5,760.42)

7. Other long-term liabilities

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Trade Payables - Retention monies		**3,544.81**	1,434.38
(b) Others:			
(i) Advances from customers		**1,713.66**	995.77
(ii) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax,etc.)		**243.41**	43.92
	Total	**5,501.88**	2,474.07

8. Long-term provisions

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
a) Provision for employee benefits: Provision for compensated absences		**406.40**	322.18
(b) Provision - For contingencies (in respect of contracts under dispute)		**282.78**	252.70
	Total	**689.18**	574.88

9. Short-term borrowings

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Working Capital Demand Loans			
From banks			
Secured (Refer Note below)		**23,000.00**	26,000.00
Unsecured		**2,500.00**	-
		25,500.00	26,000.00
(b) Short term Loans from Bank			
Rupee Loan:			
Unsecured		**-**	5,000.00
Foreign Currency Loan:			
Buyers Credit (Secured)		**1,601.84**	-
Packing Credit Finance (Unsecured)		**2,543.50**	-
		4,145.34	5,000.00
(c) Cash Credit Facility from Banks (Secured) (Refer Note below)		**6,826.43**	470.33
(d) Commercial Papers (Unsecured)			
From Banks			
Face Value		**5,000.00**	5,000.00
Less: Discount not written-off		**120.18**	341.46
		4,879.82	4,658.54
From Other parties			
Face Value		**-**	7,500.00
Less: Discount not written-off		**-**	599.05
		-	6,900.95
(e) Loans Repayable on demand (Unsecured) From Related Parties (Refer Note 39)		**90.00**	90.00
	Total	**41,441.59**	43,119.82

9. Short-term borrowings (Contd.)

Note:
Details of security for the secured short-term borrowings:

Particulars	Terms of repayment and security	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
Working Capital Demand Loans			
From banks:			
State Bank of India	Refer Note below	**15,000.00**	18,000.00
Oriental Bank of Commerce		**5,000.00**	-
IDBI Bank		**3,000.00**	-
ING Vysya Bank		**-**	4,500.00
Axis Bank		**-**	3,500.00
Total - from banks		**23,000.00**	26,000.00
Short Term Loans from Bank			
Foreign Currency Loan			
Buyers Credit (Secured)	Refer Note below	**1,601.84**	-
Cash Credit Facility	Refer Note below	**6,826.43**	470.33

Note: Secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai and Nagpur on a pari-passu basis. It is further secured by hypothecation of the Company's stocks of construction materials, stores and work in progress, and all other movable properties, plant and machinery and book debts on a pari-passu basis. Working Capital Demand Loans from banks carry interest ranging from 11.10% per annum to 11.25% per annum. Buyers Credit loans carry interest @ Libor +2.00% and Cash Credit Facility from Banks carry interest ranging from 11.50% per annum to 13.45% per annum.

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
10. Trade payables		
Acceptances	**668.05**	425.31
Other than Acceptances		
(i) Total outstanding dues to micro,medium and small enterprises (Refer Note 30)	**107.69**	0.96
(ii) Total outstanding dues other than micro, medium and small enterprises	**41,683.33**	20,795.98
Total	**42,459.07**	21,222.25

11. Other current liabilities

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Current maturities of long-term debt (Refer Note (i) below)	**15,929.55**	6,233.37
(b)	Interest accrued but not due on borrowings	**209.36**	562.01
(c)	Income received in advance (Unearned revenue)	**115.61**	12.75
(d)	Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below)	**5.08**	6.50
(e)	Advance from Related Parties (Refer Note 39)		
	From Joint Ventures	**20,410.99**	17,210.55
(f)	Other payables		
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**4,293.71**	2,754.38
	(ii) Interest accrued on advance from customers	**361.89**	78.79
	(iii) Trade / security deposits received	**12.80**	6.87
	(iv) Advances from customers	**14,326.47**	12,920.66
	(v) Others	**0.10**	30.90
	Total	**55,665.56**	39,816.78

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

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Working capital loans		
	From banks (Unsecured)	**12,500.00**	2,500.00
(b)	Equipment Loan (Secured)	**3,429.55**	3,733.37
	Total	**15,929.55**	6,233.37

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

12. Short-term provisions

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Provision for employee benefits:		
	(i) Provision for compensated absences	**40.60**	50.17
	(ii) Provision for gratuity (Refer Note 37)	**267.12**	208.47
		307.72	258.64
(b)	Provision - Others:		
	(i) Provision for tax (net of advance tax ₹ 138.90 Lacs (As at 31 March, 2011 ₹ 2606.95 Lacs)	**0.50**	40.62
	(ii) Provision for estimated losses on onerous contracts	**-**	204.45
	(iii) Proposed dividend on Preference shares	**3.50**	3.50
	(iv) Tax on proposed dividend	**0.57**	0.57
		4.57	249.14
	Total	**312.29**	507.78

Notes forming part of the financial statements for the year ended 31st March, 2012

13. FIXED ASSETS

(₹ in Lacs)

A.	TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		Balance As at 1st April, 2011	Additions	Disposals	Balance As at 31st March, 2012	Balance As at 1st April, 2011	Depreciation/ amortisation expense for the year	Adjustments	Eliminated on disposal of assets	Balance As at 31st March, 2012	Balance As at 31st March, 2012	Balance As at 31st March, 2011
	(a) Land											
	Freehold	1.58	-	-	**1.58**	-	-	-	-	**-**	**1.58**	1.58
	Leasehold	16.58	-	-	**16.58**	0.48	0.16	-	-	**0.64**	**15.94**	16.10
	(b) Buildings	1,853.54	-	-	**1,853.54**	1,229.58	61.75	-	-	**1,291.33**	**562.21**	623.96
	(c) Plant and Equipment	55,026.02	15,394.18	(1,006.72)	**69,413.48**	18,718.33	3,021.02	-	(883.00)	**20,856.35**	**48,557.13**	36,307.69
	(d) Furniture and Fixtures	299.66	435.24	(16.79)	**718.11**	87.87	45.87	-	(0.88)	**132.86**	**585.25**	211.79
	(e) Vehicles	333.09	287.20	(66.18)	**554.11**	69.32	30.90	-	(18.26)	**81.96**	**472.15**	263.77
	(f) Office Equipments	1,641.27	227.42	(15.16)	**1,853.53**	550.39	147.89	-	(4.25)	**694.03**	**1,159.50**	1,090.88
	(g) Leasehold improvements	279.22	-	-	**279.22**	279.22	-	-	-	**279.22**	**-**	-
	(h) Floating Equipments	5,031.24	93.22	(54.44)	**5,070.02**	1,905.88	422.08	-	(32.21)	**2,295.75**	**2,774.27**	3,125.36
	(i) Laboratory Equipments	85.45	-	-	**85.45**	39.96	-	-	-	**39.96**	**45.49**	45.49
	Total	**64,567.65**	**16,437.26**	**(1,159.29)**	**79,845.62**	**22,881.03**	**3,729.67**	**-**	**(938.60)**	**25,672.10**	**54,173.52**	**41,686.62**
	Previous Year	59,068.56	8,057.76	(2,558.67)	64,567.65	22,077.17	3,289.09	(39.51)	(2,445.72)	22,881.03	41,686.62	

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 ₹ 7,547.49 Lacs and WDV ₹ 6,753.89 Lacs hypothecated in favour of Chennai Metro Rail Ltd. on behalf of Transtonnelstroy - Afcons Joint Venture.

(4) Plant and Equipment includes assets leased to Afcons Gunanusa Joint Venture - Gross Value ₹ Nil (previous year ₹ 62.87 Lacs) , WDV ₹ Nil (previous year ₹ 61.14 Lacs)

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2012

13. FIXED ASSETS

₹ in Lacs

B	Intangible assets	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		Balance As at 1st April, 2011	Additions	Disposals	Balance As at 31st March, 2012	Balance As at 1st April, 2011	Depreciation/ amortisation expense for the year	Adjustments	Eliminated on disposal of assets	Balance As at 31st March, 2012	Balance As at 31st March, 2012	Balance As at 31st March, 2011
	Computer software - Acquired	172.73	499.23	-	**671.96**	70.13	121.78	-	**-**	**191.91**	**480.05**	102.60
	Previous year	169.20	3.53	-	**172.73**	38.71	31.42	-	-	**70.13**	**102.60**	

C. Capital Work in Progress - Plant and equipments under installation ₹ **31,497.24 Lacs** (Previous year ₹ 472.64 Lacs)

D. **Depreciation and amortisation**

Particulars	**For the year ended 31st March,2012 ₹ in Lacs**	For the year ended 31st March,2011 ₹ in Lacs
Depreciation and amortisation for the year on tangible assets as per (a) above	**3,729.67**	3,289.09
Depreciation and amortisation for the year on intangible assets as per (b) above	**121.78**	31.42
	3,851.45	3,320.51
Less: Utilised from revaluation reserve	**62.24**	77.40
Depreciation and amortisation as per statement of Profit and Loss	**3,789.21**	3,243.11

	Face Value	As at 31st March,2012 Quantity	As at 31st March,2012 Amount ₹ in Lacs	As at 31st March,2011 Quantity	As at 31st March,2011 Amount ₹ in Lacs
14. Non-current investments					
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	80000	**6.40**	80,000	6.40
Afcons Infrastructure International Ltd.	Euro 1	20,000	**12.51**	20,000	12.51
Afcons Construction Mideast LLC.*	AED 1	147	**17.65**	147	17.65
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL	KD 1200	49	**95.67**	-	-
(ii) of associates					
Afcons (Mideast) Constructions & Investments Pvt. Ltd.#	₹ 10	1	**-**	1	-
			177.99		82.32
* 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 : (Refer Note (iv) below)					
Afcons Pauling Joint Venture			**174.00**		174.00
			174.00		174.00
Total - Trade (A)			**351.99**		256.32
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.	₹ 1	100	**0.42**	100	0.42
Gammon India Ltd.	₹ 2	250	**0.06**	250	0.06
			29.89		29.89
(b) Investment in equity instruments (Unquoted)					
Simar Port Private Ltd.	₹ 10	1,000	**0.10**	-	-
(c) Investment in government securities :	₹ 0.55		**-**		0.55
(d) 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)			**39.99**		40.44
Total (A+B)			**391.98**		296.76
Notes:					
(i) Aggregate amount of quoted investments			**29.89**		29.89
(ii) Aggregate market value of quoted investments			**46.58**		83.33
(iii) Aggregate amount of unquoted investments			**362.09**		266.87

(iv) Other details relating to investment in partnership firms

Name of the firm	As at 31 March, 2012 Names of partners in the firm	As at 31 March, 2012 Total capital (₹ in Lacs)	As at 31 March, 2012 Share of each partner in the profits of the firm	As at 31 March, 2011 Names of partners in the firm	As at 31 March, 2011 Total capital (₹ in Lacs)	As at 31 March, 2011 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%

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
15. Long-term loans and advances (Unsecured, considered good unless otherwise specified)			
(a)	Capital advances	**2,881.81**	1,589.64
(b)	Security deposits		
	Unsecured, considered good	**604.50**	165.30
	Doubtful	**37.92**	37.92
		642.42	203.22
	Less: Provision for doubtful deposits	**37.92**	37.92
		604.50	165.30
(c)	Prepaid expenses	**249.73**	6.21
(d)	Advance income tax(net of provisions ₹ 2,645.33 Lacs (As at 31 March, 2011 ₹ 1,870.30 Lacs)	**2,455.92**	20.13
(e)	MAT credit entitlement	**1,877.28**	69.09
(f)	Balances with government authorities		
	(i) VAT credit receivable	**3,342.19**	1,880.62
	(ii) Other Deposits	**5.76**	5.99
		3,347.95	1,886.61
	Total	**11,417.19**	3,736.98

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
16. Other non-current assets			
(a)	**Long-term trade receivables - Under arbitration and Retention monies**		
	Unsecured, considered good	**7,666.24**	13,343.25
	Doubtful	**2,134.55**	509.65
		9,800.79	13,852.90
	Less: Provision for doubtful trade receivables	**2,134.55**	509.65
		7,666.24	13,343.25
(b)	**Construction work-in-progress - Under arbitration**		
	Unsecured, considered good	**24,468.35**	28,201.72
	Doubtful	**234.56**	234.56
		24,702.91	28,436.28
	Less: Advances received	**-**	513.38
	Less: Provision for doubtful trade receivables	**234.56**	234.56
		24,468.35	27,688.34
(c)	**Other Loans and Advances (Doubtful)**	**103.81**	103.81
	Less: Provision for other doubtful loans and advances	**103.81**	103.81
		-	-
(d)	**Other Bank Balances ***	**17.51**	17.51
	Less : Provision	**17.51**	17.51
		-	-
	Total	**32,134.59**	41,031.59

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

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
17. Inventories			
(At lower of cost and net realisable value)			
(a) Construction Materials			
Steel		**4,832.64**	3,446.09
Cement		**303.35**	202.62
Aggregate		**1,798.38**	497.54
Bitumen		**34.06**	-
Shuttering Material		**2,595.52**	2,794.41
Sand		**114.95**	202.00
Other Construction Material		**1,393.47**	689.60
		11,072.37	7,832.26
(b) Stores and spares		**5,327.48**	4,029.90
(c) Construction Work-in-Progress			
At estimated realisable value		**45,018.81**	31,126.99
Less: Advances received		**10,177.53**	5,982.58
		34,841.28	25,144.41
	Total	**51,241.13**	37,006.57

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
18. Trade receivables			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good		**10,435.88**	12,735.30
Other Trade receivables			
Unsecured, considered good		**26,230.41**	13,096.24
	Total	**36,666.29**	25,831.54

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
19. Cash and Cash Equivalents			
(a) Cash on hand		**43.85**	53.40
(b) Balances with banks			
(i) In current accounts		**3,174.49**	8,782.49
(ii) In deposit accounts (Refer Note (ii) below)		**3.40**	6,403.40
(iii) In earmarked accounts			
- Balances held as margin money or security against borrowings, guarantees and Other commitments (Refer Note (ii) below)		**6.92**	131.43
- Other earmarked accounts (Refer Note (i) below)		**355.89**	634.15
	Total	**3,584.55**	16,004.87
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		**3,221.74**	15,239.29

Notes:

(i) Includes deposits ₹ 335.11 Lacs (Previous Year ₹ 335.11 Lacs) over which Banks and Clients have lien and ₹ 20.78 Lacs (Previous year ₹ 299.04 Lacs) placed as Earnest Money Deposit with various authorities.

(ii) Includes deposits amounting to ₹ 3.40 Lacs (As at 31 March, 2011 ₹ 3.40 Lacs) and margin monies amounting to ₹ 6.92 Lacs (As at 31st March, 2011 ₹ 6.92 Lacs) which have an original maturity of more than 12 months.

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

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Loans and advances to related parties (Refer Note 39)			
To Subsidiaires		**118.06**	2,772.67
To Joint Ventures		**22,194.51**	12,302.46
To Partnership Firm		**699.07**	699.29
		23,011.64	15,774.42
(b) Security deposits		**219.51**	429.50
(c) Loans and advances to employees		**77.73**	54.97
(d) Prepaid expenses		**905.41**	740.47
(e) Balances with government authorities			
(i) CENVAT credit receivable		-	55.00
(ii) VAT credit receivable		**668.04**	2,202.20
(iii) Service Tax credit receivable		**11.58**	60.41
(iv) Other Deposits		**0.90**	0.90
		680.52	2,318.51
(f) Others - Advance to vendors and others		**8,599.57**	9,674.77
	Total	**33,494.38**	28,992.64

21. Other current assets

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Accruals			
(i) Interest accrued on bank deposits		**32.95**	30.23
(b) Others			
(i) Insurance claims		**16.93**	2.44
(ii) Duty Credit receivable		**122.07**	3,609.83
	Total	**171.95**	3,642.50

22. Revenue from operations

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
(a) Sale of products (Refer Note (i) below)		**888.87**	-
(b) Sale of services (Refer Note (ii) below)		**149,021.23**	95,819.74
(c) Other operating revenues (Refer Note (iii) below)		**5,438.14**	12,176.68
	Total	**155,348.24**	107,996.42

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
(i) Sale of products comprises:			
Construction Materials		**888.87**	-
	Total - Sale of products	**888.87**	-
(ii) Sale of services comprises:			
Construction Revenue		**152,519.12**	99,792.32
Less : Value added tax		**3,497.89**	3,972.58
	Total - Sale of services	**149,021.23**	95,819.74
(iii) Other operating revenues comprise:			
Project Management Fees		**1,329.02**	5,296.71
Sale of scrap		**800.79**	756.36
Duty Scrip credit availed		**2,349.02**	3,426.26
Equipment Hire Charges		**216.08**	1,997.83
Service Charges		**50.23**	699.52
Distribution of Profits from a Joint Venture		**693.00**	-
	Total - Other operating revenues	**5,438.14**	12,176.68

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
23. Other Income			
(a) Interest income (Refer Note (i) below)		**6,341.91**	2,567.27
(b) Dividend income:			
From non trade,non current investments		**0.02**	0.22
(c) Other non-operating income (Refer Note (ii) below)		**3,069.72**	3,788.10
	Total	**9,411.65**	6,355.59

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
(i) Interest income comprises:			
Interest from banks deposits		**118.99**	64.35
Interest on loans and advances		**950.43**	278.88
Interest on Arbitration awards		**5,258.92**	2,062.61
Interest income from non current investments		**1.65**	0.50
Interest on income tax refund		**11.92**	160.93
	Total - Interest income	**6,341.91**	2,567.27
(ii) Other non-operating income comprises:			
Profit on sale of fixed assets		**114.13**	-
Liabilities / provisions no longer required written back		**1,176.37**	2,243.85
Insurance Claim received		**245.91**	581.65
Net Gain on foreign currency transactions and translation		**797.65**	-
Provision for Projected Loss written back		**204.45**	211.19
Miscellaneous income		**531.21**	751.41
	Total - Other non-operating income	**3,069.72**	3,788.10

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
24. Cost of construction			
Cost of Construction Materials consumed		**19,856.24**	29,642.81
Other Construction Expenses:			
Consumption of stores and spare parts		**8,374.20**	1,642.38
Subcontracting		**60,914.22**	20,695.43
Site Installation		**1,170.07**	1,656.78
Technical Consultancy		**2,788.95**	3,023.72
Power and fuel		**3,915.26**	2,705.29
Freight and forwarding		**4,301.55**	5,458.51
		101,320.49	64,824.92
Less: Recovery of Expenses (Refer Note 45)		**(469.02)**	(515.16)
	Total	**100,851.47**	64,309.76

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
25. Cost of traded goods			
Construction Materials		**794.99**	-
	Total	**794.99**	**-**

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
26. Employee benefits expense			
Salaries and wages		**18,873.22**	16,501.61
Contributions to provident and other funds (Refer Note 37)		**1,271.36**	1,070.24
Staff welfare expenses		**1,516.72**	1,315.29
		21,661.30	18,887.14
Less: Recovery of Expenses (Refer Note 45)		**(374.12)**	(1,916.02)
	Total	**21,287.18**	16,971.12

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
27. Finance costs			
(a) Interest expense on:			
(i) Borrowings		**7,822.59**	5,419.45
(ii) Advance from Clients		**283.11**	218.68
(iii) Interest on delayed / deferred payment of income tax		**0.03**	0.03
(iv) Interest on Advances from Joint Ventures		**2,040.54**	659.71
(v) Others		**87.00**	149.57
(b) Other borrowing costs			
(i) Bank Guaratnee Commission including Bank Charges		**690.47**	684.18
(ii) L/c charges & Processing Fees		**492.92**	184.68
		11,416.66	7,316.30
Less: Recovery of Expenses (Refer Note 45)		**(74.15)**	(104.30)
	Total	**11,342.51**	7,212.00

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
28. Other expenses			
Water and Electricity		**203.16**	185.42
Rent (Refer Note 40)		**1,136.85**	1,303.98
Repairs and maintenance - Buildings		**0.31**	3.18
Repairs and maintenance - Machinery		**303.23**	226.00
Repairs and maintenance - Others		**887.15**	1,104.90
Insurance		**1,309.91**	1,330.04
Rates and taxes		**1,381.32**	1,945.96
Communication		**342.82**	371.67
Travelling and conveyance		**2,780.71**	2,644.33
Security Charges		**574.39**	542.03
Donations and contributions		**59.53**	24.57
Legal and professional		**3,461.33**	2,714.56
Payments to auditors (Refer Note below)		**55.63**	52.94
Provision for bad trade and other receivables		**1,624.91**	1,685.53
Duty Scrip / Advances written off		**163.85**	-
Net loss on foreign currency transactions and translation		**-**	481.27
Directors Fees		**6.10**	6.90
Loss on sale of fixed assets		**-**	1.27
Share of Loss from partnership firm		**0.22**	0.29
Expenses of jobs completed in earlier year		**30.08**	30.00
Miscellaneous expenses		**1,226.62**	1,301.95
		15,548.12	15,956.79
Less: Recovery of Expenses (Refer Note 45)		**(1.49)**	(2,224.56)
	Total	**15,546.63**	13,732.23

Note:

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
(i) Payments to the auditors comprises *			
As auditors - statutory audit		**25.50**	26.50
For taxation matters		**6.50**	3.00
For other services		**18.00**	17.50
Reimbursement of expenses		**-**	1.00
For Service tax		**5.63**	4.94
	Total	**55.63**	52.94

* excludes payment of ₹ 41.12 Lacs (Previous Year ₹ 24.22 Lacs) for taxation matters to an affilliated firm of one of the joint auditors covered by a networking arrangement which is registered with the institute of Chartered Accountants of India.

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

₹ in Lacs

Sr. No.	Particulars	As at 31st March,2012	As at 31st March,2011
(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. ii) Labour and other matters. The above claims are pending before various courts. The Company is confident that the cases will be successfully contested.	**171.90** **1.00**	420.33 1.00
b.	Guarantees i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures. ii) Corporate Guarantees given on behalf of Subsidiaries and Joint Ventures.	**141,543.60** **80,324.20**	130,634.98 71,599.84
c.	Sales Tax and Entry Tax Represents demands raised by Sales Tax Authorities in matters of disallowance of labour and service charges, consumables etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	**1,947.27**	1,924.55
d.	Excise Duty Represents demands raised by Central Excise Department for Excisability of girders. The Company is confident that the cases will be successfully contested.	**145.02**	145.02
e.	Service Tax Represents demand confirmed by the Asst. Commissioner of Service Tax for disallowance of Cenvat Credit, since abatement claimed by the Company. The Company has appealed against the said order with Commissioner of Service Tax Mumbai and is confident that Cenvat Credit will be allowed as it is project specific and abatement has not been availed on the same, by the Company.	**229.27**	2.84
f.	Income Tax Represents notices u/s 201(1) and 201(1A) received from Income Tax Dept in respect of Non compliance of TDS. Company has filed Appeals before the Appellate Authority & management is confident that the outcome of the appeals will be decided in company's favor and the demand raised will be set aside.	**-**	913.58

Note:- In respect of items mentioned under Paragraphs (a), (c), (d), (e) and (f) above, till the matters are finally decided, the financial effect cannot be ascertained.

(ii)	**Commitments**		
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	**4,113.88**	4,295.36

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

₹ in Lacs

Particulars	As at 31st March,2012	As at 31st March,2011
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**106.68**	0.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**1.05**	0.06
(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	**1.05**	0.06
(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	**-**	-
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. Details on derivatives instruments and unhedged foreign currency exposures

Secured Loans taken in foreign currency as at the balance sheet date not covered by forward contracts are USD 32,913,427.60 and EURO 3,325,600 equivalent to ₹ **16,743.06 Lacs** and ₹ **2,256.85 Lacs** respectively (as on 31st March,2011 USD 2,916,000 equivalent to ₹ 1,310.11 Lacs.)
Receivables and Payables in foreign currency as at the balance sheet date not covered by forward contracts are ₹ 20,943.91 Lacs (as at March 2011 ₹ 17,961.13 Lacs) and ₹ 23,759.52 Lacs (as at March 2011 ₹ 18,843.84 Lacs) respectively as given below.

As at 31 March, 2012		As at 31 March, 2011	
Receivable / (Payable) (₹ in Lacs)	**Receivable / (Payable) in Foreign currency**	Receivable / (Payable) (₹ in Lacs)	Receivable / (Payable) in Foreign currency
7.11	**QR 50,831.77**	28.43	QR 232,100
(34.54)	**(QR 247,074.60)**	(92.29)	(QR 753,399)
1,142.76	**OMR 862,627.41**	3,096.38	OMR 2,629,175
(107.88)	**(OMR 81,433.47)**	(601.03)	(OMR 510,342)
583.68	**MAUR 32,000,172.7**	730.29	MAUR 45,930,492
(458.32)	**(MAUR 25,127,319.08)**	(500.75)	(MAUR 31,493,952)
4,950.07	**UAED 35,743,157**	8,345.33	UAED 67,628,242
(135.64)	**(UAED 979,365.49)**	(248.50)	(UAED 2,013,779)
5,041.46	**USD 9,910,466.33**	1,985.82	USD 4,379,839
(7,502.20)	**(USD 14,747,788.07)**	(3,763.70)	(USD 8,301,055)
1,094.93	**EURO 1,613,451.95**	74.11	EURO 112,516
(726.39)	**(EURO 1,070,379.05)**	(29.92)	(EURO 47,449)
4,493.32	**JOD 6,238,734.59**	3,700.77	JOD 5,789,686
(12,050.68)	**(JOD 16,731,708.76)**	(13,607.65)	(JOD 21,288,567)
3,465.62	**BHD 2,552,038.65**	-	-
(2,738.45)	**(BHD 2,016,562.69)**	-	-
0.96	**KWD 525**	-	-
(0.31)	**(KWD 171.24)**	-	-
163.92	**JPY 26,740,665.71**	-	-
0.08	**SDG 201.87**	-	-
(5.10)	**(GBP 6,271.93)**	-	-
20,943.91 **(23,759.52)**		17,961.13 (18,843.84)	

QR- Qatari Riyal, OMR – Omani Riyal, MAUR - Mauritian Rupee, UAED- UAE Dirham, JOD- Jordanian Dinar, USD – United States Dollars, GBP- Great Britian Pound, SDG- Singapore Dollar, JPY- Japanese Yen, BHD- Bahraini Dinar, KWD- Kuwaiti Dinar.

32. Value of imports calculated on CIF basis

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
Components	**2,611.77**	3,402.16
Capital goods	**34,204.58**	716.89
Total	**36,816.35**	4,119.05

33. Expenditure in foreign currency

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
Construction materials consumed	**10,512.86**	7,788.21
Sub – Contract and Hire Charges	**48,116.09**	7,031.83
Technical consultancy fees	**1,584.18**	1,357.56
Professional Fees	**1,858.13**	198.19
Rent	**402.85**	341.44
Salaries, Wages & Bonus	**3,879.95**	1,519.19
Tax	**351.97**	203.16
Freight & Transportation	**1,892.44**	3,539.71
Traveling Expenses	**671.00**	486.46
Staff Welfare Expenses	**710.84**	1,220.18
Insurance	**317.59**	284.35
Clearing Charges for imported spares	**229.70**	17.40
Bank Guarantee Commission	**354.75**	349.56
Repairs and Maintenance	**187.97**	271.93
Others	**1,095.92**	1,039.05
Total	**72,166.24**	25,648.22

34. Earnings in foreign currency

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
Value of work executed	**87,101.23**	31,950.53
Sale of Scrap	**40.83**	73.73
Insurance Claim Received	**22.81**	378.33
Interest and Other Income	**612.61**	2,204.95
Equipment Hire Charges	**144.12**	698.92
Service Charges	**49.63**	1,622.67
Total	**87,971.23**	36,929.13

35. 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 :

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
Construction materials consumed	**317.05**	300.41
Stores and spares consumed	**143.77**	86.37
Repairs	**83.54**	176.35
Others	**84.07**	31.60
Total	**628.43**	594.73

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

Details of contract revenue and costs

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
a) Contract Revenue	**152,519.12**	99,792.32
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	**294,622.94**	210,734.13
(ii) Recognized profits (less recognized losses)	**68,344.05**	59,594.03
(iii) Advances Received	**25,622.14**	19,865.73
(iv) Retention Money	**3,071.72**	2,761.11
c) Gross amount due from customers for contract work	**40,743.61**	13,270.98
d) Gross amount due to customers for contract work	**-**	16,419.46

37. 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, 2011
Discount Rate	**8.50%**	8.25%
Rate of Return on Plan Assets	**8.60%**	8.00%
Salary Escalation	**4.50%**	4.50%
Mortality Table	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate

₹ in Lacs

B. Changes in the Benefit Obligation	Current Year	31st March, 2011
Liability at the Beginning of the current year	**1,044.40**	889.99
Interest Cost	**86.16**	73.42
Current Service Cost	**90.96**	92.21
Past Service Cost	**-**	-
Benefit Paid	**(77.55)**	(119.57)
Actuarial Loss/ (Gain) on obligations	**87.36**	108.35
Liability at the end of the current year	**1,231.33**	1,044.40

C. Fair Value of the Plan Asset	Current Year	31st March, 2011
Fair Value of Plan Asset at the beginning of the year	**835.94**	643.10
Expected Return on Plan Asset	**66.88**	51.45
Contributions	**124.38**	247.56
Benefit paid	**(77.55)**	(119.57)
Actuarial Gain/ (Loss) on Plan Assets	**14.57**	13.40
Fair value of Plan Assets at the end of the year	**964.21**	835.94
Total Actuarial Loss to be Recognized	**(72.79)**	(94.95)

D. Actual Return on Plan Assets:	Current Year	31st March, 2011
Expected Return on Plan Assets	**66.88**	51.45
Actuarial Gain/ (Loss) on Plan Assets	**14.57**	13.40
Actual Return on Plan Assets	**81.45**	64.85

E. Amount Recognized in the Balance Sheet:	Current Year	31st March, 2011
Liability at the end of the year	**1,231.33**	1,044.40
Fair Value of Plan Assets at the end of the year	**964.21**	835.94
Unrecognized Past Service Cost	**-**	-
Amount recognized in the Balance Sheet	**(267.12)**	(208.46)

₹ in Lacs

F. Expense Recognized in the Profit and Loss Account:	**Current Year**	31st March, 2011
Current Service Cost	**90.96**	92.21
Interest Cost	**86.16**	73.42
Expected Return on Plan Assets	**(66.88)**	(51.44)
Past Service Cost	**-**	-
Net Actuarial Gain / Loss to be recognized	**72.79**	94.95
Expense recognized in the Profit and Loss Account under staff expenses	**183.03**	209.14

G. Reconciliation of the Liability recognized in the Balance Sheet:	**Current Year**	31st March, 2011
Opening Net Liability	**208.47**	246.89
Expense recognized	**183.03**	209.14
Employers Contribution	**(124.38)**	(247.56)
Amount recognized in the Balance Sheet under “Provision for Retirement Benefits”	**267.12**	208.47

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, 2011
Mortality Table	**LIC (1994-1996) Ultimate**	LIC (1994-1996) Ultimate
Discount Rate	**8.50%**	8.25%
Salary Escalation	**4.50%**	4.50%
Withdrawal Rate	**2.00%**	2.00%

Experience adjustments

Actuarial Assumptions	**2011-2012**	**2010- 2011**	**2009- 2010**	**2008- 2009**	**2007- 2008**
Gratuity					
Present value of DBO	1,231.33	1,044.40	889.99	800.38	629.02
Fair value of plan assets	964.22	835.94	643.10	581.22	491.61
Funded status [Surplus / (Deficit)]	(267.12)	(208.46)	(246.89)	(219.16)	(137.41)
Experience gain / (loss) adjustments on plan liabilities	(107.95)	(108.35)	(44.48)	*	*
Experience gain / (loss) adjustments on plan assets	14.57	13.40	2.78	(0.98)	(2.52)

* As per note iii

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 ₹ 1251.87 Lacs (Year ended 31st March, 2011 ₹ 489.05 Lacs) for Provident Fund contributions and ₹ 475.00 Lacs (Year ended 31st March, 2011 ₹ 349.29 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.

Note :

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) The details of experience adjustments on account of Plan Liability and Plan Asset as required by Para 120 (n) (ii) of AS-15 is ₹107.95 Lacs (loss) and ₹ 14.57 Lacs (gain) respectively. However, as the details of experience adjustments on account of Plan Liability and fot the year ened 31st March 2008 and 2009 are not readily available in valuation reports and hence not furnished.

iv) Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 348.53 Lacs.

v) 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.

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 outsinde India - Foreign projects

Secondary : Geographical (Location of customers)

₹ in Lacs

Particulars	Local Projects	Foreign Projects	Total
Income from operation	**67,570.21** (71,952.28)	**87,778.03** (36,044.14)	**155,348.24** (107,996.42)
Carrying amount of asset (Excluding Taxes on Income and Investment)	**231,671.40** (165,114.36)	**18,856.29** (29,698.98)	**250,527.69** (194,813.34)
Additons to Fixed Assets	**47,201.94** (8,151.62)	**759.15** (290.50)	**47,961.09** (8,442.12)

Figures in parenthesis are those of previous year.

39. Related party disclosures

Details of related parties: (Identified by the management)

(a) Related Party where Control exists

Holding Company

Shapoorji Pallonji & Company Limited

Subsidiaries of the Company

Hazarat & Company Private Limited

Afcons Corrosion Protection Private Limited (formerly known as SSS Electricals (India) Pvt Ltd.)

Afcons Offshore and Marine Services Private Limited

Afcons Construction Mideast LLC

Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL w.e.f. 11th September, 2011

Afcons Infrastructure International Limited (AIIL)

Afcons Madagascar Overseas SARL (Subsidiary of AIIL)

Afcons Gulf International Project Services FZE (Subsidiary of AIIL)

Afcons Gunanusa Joint Venture (Jointly Controlled Entity)

Transtonnelstroy Afcons Joint Venture (Jointly Controlled Entity)

Dahej Standby Jetty Project undertaking

Fellow Subsidiary(s)

Floreat Investments Limited

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

Key Management Personnel

Mr. C.P. Mistry – Chairman (Upto 23rd March, 2012)

Mr. K. Subrahmanian – Managing Director

Mr. S. Paramasivan – Executive Director (Finance & Commercial) (Upto 31st March, 2012)

(b) Details of transaction with related parties for the period 01/04/2011 to 31/03/2012

₹ in Lacs

Nature of Transaction	Holding Company(s)		Subsidiary Companies		Fellow subsidiary(s)		Partnership Firm in which Company is a partner		Joint Venture(s)		Associate Company		Key Management Personnel		Total	
	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011
Managerial Remuneration paid																
K.Subrahmanian													175.00	147.95	175.00	147.95
S.Paramasivan													131.25	109.88	131.25	109.88
Sitting Fees paid																
C.P.Mistry													0.80	0.70	0.80	0.70
Dividend on Preference Shares																
Floreat Investments Limited					1.00	1.00									1.00	1.00
Service Charges																
Afcons Corrosion Protection Pvt.Ltd.			0.60	0.66											0.60	0.66
Saipem -Afcons Joint Venture									51.32	698.92					51.32	698.92
Afcons Infrastructure International Ltd.			23.43	168.80											23.43	168.80
Strabag-AG Afcons Joint Venture									380.89	868.89					380.89	868.89
Interest Income - Current Account																
Dahej Standby Jetty Project Undertaking (DJPU)			-	1.11											-	1.11
Afcons Construction Mideast,LLC			135.31	135.03											135.31	135.03
Distribution of Profit in Joint Venture																
Transtonnelstroy Afcons Joint Venture			693.00	-											693.00	-
Rent & Other Income																
Afcons Gunanusa Joint Venture			73.13	135.00											73.13	135.00
Saipem -Afcons Joint Venture									122.89	869.28					122.89	869.28
Utilisation of Duty Credit scrip																
Shapoorji Pallonji & Company Ltd	-	28.34													-	28.34
Sale of Spares/Materials																
Shapoorji Pallonji & Company Ltd	-	76.81													-	76.81
Transtonnelstroy - Afcons Joint Venture			601.71	87.49											601.71	87.49
Dahej Standby Jetty Project Undertaking (DJPU)			313.26	59.70											313.26	59.70

(b) Details of transaction with related parties for the period 01/04/2011 to 31/03/2012 (Contd.)

₹ in Lacs

Nature of Transaction	Holding Company(s)		Subsidiary Companies		Fellow subsidiary(s)		Partnership Firm in which Company is a partner		Joint Venture(s)		Associate Company		Key Management Personnel		Total	
	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011
Loan Advance Given / (Received)																
Afcons Construction Mideast,LLC			(2,636.91)	4,861.64											(2,636.91)	4,861.64
Transtonnelstroy - Afcons Joint Venture			(7,399.28)	(5,604.03)											(7,399.28)	(5,604.03)
Afcons Gunanusa Joint Venture			12,492.31	2,390.47											12,492.31	2,390.47
Dahej Standby Jetty Project Undertaking (DJPU)			(2,198.91)	5,135.60)											(2,198.91)	(5,135.60)
Subcontract Income																
Afcons Construction Mideast,LLC			-	1,617.62											-	1,617.62
Dahej Standby Jetty Project Undertaking			2,458.70	-											2,458.70	-
Hire Income																
Shapoorji Pallonji & Company Ltd	6.88	323.85													6.88	323.85
Saipem -Afcons Joint Venture									44.17	1,622.67					44.17	1,622.67
Project Management Consultancy Service Income																
Afcons Gunanusa Joint Venture			505.91	2,729.53											505.91	2,729.53
Saipem -Afcons Joint Venture									442.22	1,698.29					442.22	1,698.29
Profit /(Loss) of share in partnership firm																
Afcons Pauling Joint Venture							(0.22)	(0.29)							(0.22)	(0.29)
Rent Expense																
Hazarat & Company Pvt.Ltd.			1.20	1.20											1.20	1.20
Expenses incurred by / (on behalf of) Afcons																
Afcons Corrosion Protection Private Limited			0.03	(0.75)											0.03	(0.75)
Hazarat & Company Private Limited			-	(0.11)											-	(0.11)
Afcons Offshore & Marine Services Private Limited			0.95	(0.22)											0.95	(0.22)
Afcons Construction Mideast, LLC			(82.75)	(1,831.22)											(82.75)	(1,831.22)
Afcons (Mideast) Constructions and Investments Private Limited												0.06	(0.66)		0.06	(0.66)
Transtonnelstroy Afcons Joint Venture			2,298.99	2,744.00											2,298.99	2,744.00
Dahej Standby Jetty Project Undertaking			4,356.48	333.40											4,356.48	333.40
Strabag AG Afcons Joint Venture									161.05	16.71					161.05	16.71
Afcons Gunanusa Joint Venture			392.14	-											392.14	-
Interest expense																
Afcons (Mideast) Constructions and Investments Pvt.Ltd.											5.85	5.85			(5.85)	(5.85)
Transtonnelstroy Afcons Joint Venture			(1,574.59)	(659.71)											(1,574.59)	(659.71)
Dahej Standby Jetty Project Undertaking			(465.95)	-											(465.95)	-

(b) Details of transaction with related parties for the period 01/04/2011 to 31/03/2012 (Contd.)

₹ in Lacs

Nature of Transaction	Holding Company(s)		Subsidiary Companies		Fellow subsidiary(s)		Partnership Firm in which Company is a partner		Joint Venture(s)		Associate Company		Key Management Personnel		Total	
	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011	CY	PY-1011
Purchase of Shares															-	1.60
Afcons Corrosion Protection Private Limited			-	1.60												
Purchase of Assets / Material																
Afcons Construction Mideast, LLC			(62.53)	116.39											(62.53)	116.39
Dahej Standby Jetty Project Undertaking			(29.21)	-											(29.21)	-
Guarantees Given for/ (Released)																
Afcons Corrosion Protection Pvt.Ltd.			13.31	(17.85)											13.31	(17.85)
Afcons Gunanusa Joint Venture			20,512.81	-											20,512.81	-
Strabag-AG Afcons Joint Venture									(306.15)	8,108.47					(306.15)	8,108.47
Transtonnelstroy - Afcons Joint Venture			2,358.21	38,167.08											2,358.21	38,167.08
Dahej Standby Jetty Project Undertaking			-	10,697.02											-	10,697.02
Outstanding amount of guarantee given/ (taken)																
Afcons Corrosion Protection Pvt.Ltd.			27.26	13.95											27.26	13.95
Afcons Construction Mideast,LLC			80,324.20	71,599.84											80,324.20	71,599.84
Afcons Gunanusa Joint Venture			39,160.83	18,811.62											39,160.83	18,811.62
Strabag-AG Afcons Joint Venture									21,405.32	23,388.56					21,405.32	23,388.56
Transtonnelstroy - Afcons Joint Venture			61,284.45	58,926.24											61,284.45	58,926.24
Saipem -Afcons Joint Venture									4,887.68	12,638.06					4,887.68	12,638.06
Dahej Standby Jetty Project Undertaking (DJPU)			10,901.61	10,697.02											10,901.61	10,697.02
Outstanding Amount Dr/ (Cr)																
Shapoorji Pallonji & Company Ltd.	5.91	197.14													5.91	197.14
Afcons Corrosion Protection Pvt. Ltd.			0.03	-											0.03	-
Afcons Offshore & Marine Services Pvt.Ltd.			0.95	-											0.95	-
Afcons Infrastructure International Ltd.			1.52	29.46											1.52	29.46
Afcons Construction Mideast,LLC			4,980.41	11,079.53											4,980.41	11,079.53
Afcons Gunanusa Joint Venture			20,438.73	6,979.48											20,438.73	6,979.48
Strabag-AG Afcons Joint Venture									1,554.79	1,012.85					1,554.79	1,012.85
Afcons (Mideast) Constructions and Investments Pvt.Ltd.											(89.94)	(90.00)			(89.94)	(90.00)
Dahej Standby Jetty Project Undertaking			(2,719.13)	(4,741.40)											(2,719.13)	(4,741.40)
Transtonnelstroy - Afcons Joint Venture			(17,691.86)	(12,469.15)											(17,691.86)	(12,469.15)
Saipem -Afcons Joint Venture									200.99	5,179.03					200.99	5,179.03
Afcons Pauling Joint Venture							1,461.65	1,461.87							1,461.65	1,461.87

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.

40. Details of leasing arrangements

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
As Lessor		
(i) The company has let out one of the premises under operating lease. The lease is cancelable and is renewable by mutual consent on mutually agreeable terms.		
(ii) The lease income of the premises recognised in the Statement of Profit and Loss under 'Miscellaneous Income' in Note 23	**73.13**	135.00
(iii) The lease income of equipments recognised in the Statement of Profit and Loss under Operating Revenve's in Note 22	**216.08**	1,997.83
As Lessee		
(i) The company has taken various offices, residential and godown premises under operating lease or leave and licence agreements. These are generally cancelable 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 in the Statement of Profit and Loss under 'Rent' in Note 28	**1,136.85**	1,303.98
(iii) Lease payments for equipments are recognised in the statement of Profit and Loss under 'Subcontracting' in Note 24	**2,103.90**	2,066.11

41. 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 :

	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
Profit after tax	**8,587.14**	5,868.22
Less: Dividend on 0.01% Convertible Non Cumulative Non Participatory Preference shares (including dividend tax)	**4.07**	4.07
Profit for the year attributable to equity shareholders	**8,583.07**	5,864.15
Weighted average number of shares outstanding during the year	**Numbers**	Numbers
For basic EPS	**71,869,956**	71,721,291
For diluted EPS (refer note below)	**336,521,970**	336,373,305
Earnings per share	**₹ in Lacs**	₹ in Lacs
Basic	**11.94**	8.18
Diluted	**2.55**	1.74
Nominal value per share	**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)	**71,869,956**	71,721,291
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 below)	**250,000,000**	250,000,000
Add: Potential equity shares that could arise on conversion of 0.01% Non-cumulative, Non-Participatory Convertible Preference shares at ₹ 68.25 (converted into Non-cumulative	**14,652,014**	14,652,014
	336,521,970	336,373,305

Note:

For the purpose of calculating Diluted Earnings per share above preference shares are treated as convertible into equity shares at par

42. Interest in joint ventures :

The Company has interests in the following jointly controlled entities:

(₹ in Lacs)

Name of companies and country of incorporation	% of Shareholding	Amount of interest based on accounts for the year ended 31 March, 2012					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Saipem Afcons Joint Venture , Oman (unaudited)	50%	**2,238.60** (9,608.28)	**2,238.60** (9,608.28)	**6,986.75** (39,413.16)	**4,791.03** (39,629.16)	**(-)** (-)	**(-)** (-)
Strabag AG Afcons Joint Venture, India (audited)	40%	**15,111.40** (18,069.16)	**15,111.40** (18,069.16)	**6,760.28** (6,374.17)	**5,799.91** (6,132.54)	**(-)** (-)	**(-)** (-)

Note: Figures in brackets relate to the previous year

43. 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	721,150.00

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

	Current year	As at 31st March 2011
Particulars	**Quantity**	Quantity
Authorised to be Granted	**1,785,000**	1,785,000
Granted and Outstanding at the beginning of the year	**130,770**	303460
Granted during the year	**Nil**	Nil
Forfeited during the year	**Nil**	Nil
Exercised during the year	**1,30,770**	138,954
Lapsed during the year	**Nil**	33,736
Granted and outstanding at the end of the year	**Nil**	130,770
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 Charted Accountants of India.

Had the company followed fair value method for accounting the stock option, compensation expenses would have been higher by NIL (Previous year ₹ 12.31 Lacs). Consequently profit after tax would have been lower by like amount and Basic Earning per share would have been lower by NIL (Previous year ₹ 0.02) per share and Diluted Earnings per share would have been lower by NIL (Previous year ₹ 0.0049) per share.

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

44. During the year the Company has filed a revised return of income for the financial year ended 31st March, 2010 in terms of the provision of Income Tax Act, 1961, considering that the management fees of ₹ 3,141.00 Lacs received from a Joint Venture where the Company is a Joint Venture partner, are not chargable to Tax in the hands of the Company and are considered as disallowable expenditure in the hands of the Joint Venture under the provisions of the Income Tax Act. This revision has resulted in an excess provision for Income Tax of ₹ 1,128.15 Lacs in the books of the Company, which has been disclosed as write back of Tax expense relating to prior year in the statement of Profit and Loss.

45. Recovery of Expenses in Note 24, Note 26, Note 27, and Note 28 are amounts recovered from group/other companies towards the value of cost apportioned of the Company's employees and facilities in accordance with the agreements on allocation of expenses with the companies.

46. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 22nd August, 2012

AFCONS INFRASTRUCTURE LIMITED

FINANCIAL HIGHLIGHTS

₹ in Lacs

REVENUE ACCOUNTS					CAPITAL ACCOUNTS						EARNINGS & PAYOUT
YEAR	TOTAL INCOME	DEPRECIATION	(LOSS)/ PROFIT BEFORE TAXES & RESERVES	TAX	SHARE CAPITAL	RESERVES (EXCLUDING REVALUATION RESERVE)	BORROWINGS	GROSS BLOCK	CUM - DEPRECIA TION	NET BLOCK	EARNINGS PER EQUITY SHARE OF ₹ 10
2002-03	44087	881	258	115	5140	5520	14908	17513	9087	8426	(0.95)
2003-04	45631	1099	281	159	7140	5642	20555	19874	10133	9741	0.39
2004-05	55391	1318	342	140	12140	5845	27975	21954	11522	10432	0.64
2005-06	68629	1491	1490	917	17153	4610	34838	26490	14811	11679	1.85
2006-07	107411	1808	2516	1128	17153	6065	57144	36785	16661	20124	2.15
2007-08	174944	2400	6647	2244	42152	9841	51644	48512	18445	30067	6.16
2008-09	208867	2962	7508	2573	42140	14772	69051	58925	20789	38136	6.91
2009-10	151028	3221	5598	1962	42170	18424	53876	59238	22116	37122	5.08
2010-11	114106	3243	8885	3016	42184	24297	68039	64740	22951	41789	8.18
2011-12	164760	3789	11148	2561	42197	32890	83741	80518	25864	54654	11.94

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF AFCONS INFRASTRUCTURE LIMITED

1. We have audited the attached Consolidated Balance Sheet of AFCONS INFRASTRUCTURE LIMITED ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not jointly audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of ₹ 46,652.13 Lacs, as at 31st March, 2012, total revenues of ₹ 41,591.25 Lacs and net cash out flows amounting to ₹ 16,108.18 Lacs for the year ended on that date as considered in the Consolidated Financial Statements. 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 and our opinion in so far as it relates to the amounts included in respect of those subsidiaries and joint ventures is based solely on the reports of the respective auditors.

4. In the case of subsidiaries viz. Afcons Madagascar Overseas SARL, Afcons Construction Mideast LLC, Afcons Infrastructure International Limited, Afcons Gulf Financial Services FZE and Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL, and a Joint Venture viz. Saipem Afcons Joint Venture, our opinion is based on the unaudited separate financial statements prepared by the subsidiaries and the joint venture and included in the consolidated financial statements. The unaudited Financial Statements of these subsidiaries and the joint venture reflect total Assets of ₹ 21,289.50 Lacs as at 31st March, 2012, total revenues of ₹ 6,110.19 Lacs and total cash flows of ₹ 328.86 Lacs for the year ended on that date as considered in the Consolidated Financial Statements.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

6. *Subject to the foregoing paragraph 4,* based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its subsidiaries, joint ventures and associates, as referred in paragraph 3 above, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
   (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

R. Laxminarayan
Partner
Membership No.33023

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

J. C. Bhatt
Partner
Membership No.10977

Place : Mumbai
Dated : 22nd August, 2012

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

Consolidated Balance Sheet as at 31st March, 2012

		Note No.	As at 31st March,2012 ₹ in Lacs	As at 31st March,201 ₹ in Lacs
A.	**EQUITY AND LIABILITIES**			
1.	**Shareholders' funds**			
	(a) Share capital	3	42,197.02	42,183.95
	(b) Reserves and surplus	4	48,210.38	37,514.46
			90,407.40	79,698.41
2.	**Minority Interest (net)**		(102.42)	424.06
3.	**Non-current liabilities**			
	(a) Long-term borrowings	5	26,369.85	18,685.88
	(b) Deferred tax liabilities (net)	6A	7,660.82	5,767.94
	(c) Other long-term liabilities	7	26,377.34	28,985.79
	(d) Long-term provisions	8	692.78	578.20
			61,100.79	54,017.81
4.	**Current liabilities**			
	(a) Short-term borrowings	9	41,441.59	43,119.82
	(b) Trade payables	10	72,497.98	67,196.87
	(c) Other current liabilities	11	49,914.13	36,155.82
	(d) Short-term provisions	12	629.24	664.73
			164,482.94	147,137.24
	TOTAL		315,888.71	281,277.52
B.	**ASSETS**			
1.	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	13A	59,235.56	45,934.03
	(ii) Intangible assets	13B	500.05	122.60
	(iii) Capital work-in-progress		33,894.05	1,518.31
			93,629.66	47,574.94
	(b) Goodwill on Consolidation		13.90	13.90
	(c) Non-current investments	14	40.10	40.55
	(d) Deferred tax asset (net)	6B	16.06	-
	(e) Long-term loans and advances	15	19,929.67	9,287.43
	(f) Other non-current assets	16	32,134.59	41,031.60
			145,763.98	97,948.42
2.	**Current assets**			
	(a) Inventories	17	86,989.37	66,819.22
	(b) Trade receivables	18	51,280.02	47,531.34
	(c) Cash and cash equivalents	19	17,512.21	45,729.93
	(d) Short-term loans and advances	20	13,818.75	19,379.62
	(e) Other current assets	21	524.38	3,868.99
			170,124.73	183,329.10
	TOTAL		315,888.71	281,277.52

See accompanying notes 1 to 41 forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

R. LAXMINARAYAN
Partner

For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS

J.C.BHATT
Partner

For and on Behalf of the Board of Directors

K.SUBRAHMANIAN
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 22nd August, 2012

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

		Note No.	For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
1.	**Revenue from operations**	22	**246,426.71**	283,303.52
2.	**Other income**	23	**8,765.55**	6,244.44
3.	**Total revenue (1 + 2)**		**255,192.26**	289,547.96
4.	**Expenses**			
	(a) Cost of construction	24	**170,595.18**	213,189.77
	(b) Employee benefits expense	25	**30,612.87**	26,322.47
	(c) Finance costs	26	**10,544.17**	7,579.23
	(d) Depreciation and amortisation expense	13D	**4,245.95**	3,900.77
	(e) Other expenses	27	**24,137.62**	23,420.55
	Total expenses		**240,135.79**	274,412.79
5.	**Profit before tax (3 - 4)**		**15,056.47**	15,135.17
6.	**Tax expense:**			
	(a) Tax expense for current year		**5,533.86**	1,883.35
	(b) (Less): MAT credit		**(1,324.65)**	(0.92)
	(c) Deferred tax		**1,876.82**	1,324.37
	(d) Tax expense relating to prior years (net)		**156.04**	31.59
			6,242.07	3,238.39
7.	**Profit for the year from continuing operations before Minority interest (5-6)**		**8,814.40**	11,896.78
8.	**Minority Interest**		**638.79**	(18.15)
9.	**Profit / (Loss) for the year (7 + 8)**		**9,453.19**	11,878.63
10.	**Earnings per share (of ₹ 10/- each):**	36		
	(a) Basic		**13.15**	16.56
	(b) Diluted		**2.81**	3.53

See accompanying notes 1 to 41 forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

R. LAXMINARAYAN
Partner

For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS

J.C.BHATT
Partner

For and on Behalf of the Board of Directors

K.SUBRAHMANIAN
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 22nd August, 2012

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, 2012

	March'2012 ₹ in Lacs	March'2011 ₹ in Lacs
A. Cash flow from operating activities		
Profit before tax	**15,056.47**	15,135.17
Adjustments for :		
Depreciation	**4,245.95**	3,900.77
Loss on sale of fixed assets (net)	**(114.13)**	18.88
Dividend income	**(0.02)**	(0.22)
Interest income	**(6,591.51)**	(2,586.10)
Interest expense	**10,692.47**	7,609.23
Bad/irrecoverable Debtors /Unbilled Revenue /Advances w/off	**1,624.91**	1,685.53
Provision for doubtful debts no longer required written back	-	(1,575.00)
Excess Provision for expenses of earlier years written back	**(1,176.41)**	(668.85)
Investment Written off	**0.55**	-
Provision for Projected Losses written back	**(204.45)**	(211.19)
Operating profit before working capital changes	**23,533.83**	23,308.22
(Increase)/Decrease in Inventories	**(20,170.15)**	(17,041.53)
(Increase)/Decrease in Trade receivables	**(5,373.59)**	1,788.64
(Increase)/Decrease in Loans and Advances and Other Assets	**12,952.38**	(9,486.12)
Increase/(Decrease) in Trade, Other payables and Provisions	**7,753.31**	39,676.58
Cash from Operations	**18,695.78**	38,245.79
Direct taxes paid	**(8,338.94)**	(3,682.79)
Net cash from operating activities	**10,356.84**	34,563.00
B. Cash flow from investing activities		
Purchase of fixed assets	**(51,391.72)**	(13,711.69)
Sale of fixed assets	**1,142.94**	213.98
Purchase of Investments	**(95.77)**	-
Dividend received	**0.02**	-
Interim distribution of profit to JV partner	**(7.00)**	-
Interest received	**6,591.51**	366.90
Net cash used in investing activities	**(43,760.02)**	(13,130.81)
C. Cash flow from financing activities		
Proceeds from issue of Equity Shares	**22.22**	23.63
Proceeds from long-term borrowings	**23,613.50**	12,482.88
Repayment of long-term borrowings	**(6,233.35)**	(14,268.92)
Proceeds from /repayment of short term borrowings - net	**(1,678.23)**	15,231.70
Interest paid	**(10,339.82)**	(7,553.25)
Dividend paid(including tax)	**(4.07)**	(4.07)
Net cash from/(used in) financing activities	**5,380.25**	5,911.97
Net increase in cash and cash equivalents	**(28,022.93)**	27,344.16
Cash and cash equivalents at the beginning of the Year	**44,964.35**	17,620.19
Add: Cash received on acquisition of subsidiary	**220.21**	-
Less : Exchange difference on translation of Foreign currency of Cash and Cash equivalents.	**(12.23)**	-
Cash and cash equivalents at the end of the Year	**17,149.40**	44,964.35
Reconciliation of cash and cash equivalents		
As per Balance sheet - Note 19	**17,512.21**	45,729.93
Less : Fixed Deposits on Lien	**(362.81)**	(765.58)
As per Cash flow statement	**17,149.40**	44,964.35

Notes

1. 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 Standard) Rules, 2006
2. Cash and Cash equivalents includes unrealised Profit/(Loss) of ₹ 192.90 Lacs (Previous year ₹ 7.30 Lacs) on account of translation of foreign currency bank balances.
3. 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

K.SUBRAHMANIAN
Managing Director

S.PARAMASIVAN
Deputy Managing Director

R. LAXMINARAYAN
Partner

J.C.BHATT
Partner

P.R.RAJENDRAN
Company Secretary

Place: Mumbai

Date: 22nd August, 2012

Notes forming part of the consolidated financial statements for the year ended on 31st March, 2012

1 Significant accounting policies

1.1 Principles of Consolidation:

The Consolidated Financial Statements relate to Afcons Infrastructure Limited (the “Company”), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute the “Group”) which have been prepared in accordance with the Accounting Standards on Consolidated Financial Statements (AS) 21 and Financial Reporting of Interests in Joint Ventures (AS) 27 prescribed under section 211(3C) of the Companies Act, 1956. Further the Consolidated Financial Statements include investments in associates accounted for using equity method in accordance with the Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS) 23 prescribed under section 211 (3C) of the Companies Act, 1956. 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 211(3C) and other requirements of the Companies Act, 1956 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:

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* (w.e.f 11/09/2011)	Kuwait	49%
Afcons Construction Mideast LLC*	U.A.E	49%
Afcons Infrastructure International Limited	Mauritius	100%
Afcons Madagascar Overseas SARL #	Madagascar	100%
Afcons Gulf International Projects Services FZE #	U.A.E.	100%
Afcons Pauling Joint Venture	India	95%
Afcons Gunanusa Joint Venture (a Jointly Controlled Entity)	India	80%
Transtonnelstroy Afcons Joint Venture (a Jointly Controlled Entity)	India	99%
Dahej Standby Jetty Project Undertaking (a Jointly Controlled Entity)	India	100%

* It is accounted based on control exercised by the Company on the composition of Board of Directors.

Step down subsidiaries of Afcons Infrastructure International Limited.

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%

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 applicable accounting principles in India, the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 as amended from time to time.

2.2 **Use of Estimates**

The preparation of financial statements in conformity with 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, 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(2)) and impairment loss, if any.

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**

Depreciation on fixed assets (including revalued assets) is provided on the straight-line basis in accordance with the provisions of the Companies Act, 1956, at the rates and in the manner specified in schedule XIV to the Act.

Capital spares consumed are capitalized and amortized over a period of four years.

The difference between depreciation on revalued cost and original cost has been withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss.

Cost of the Intangible Assets viz computer software is amortized over a period of five years.

2.7 **Impairment**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Profit & Loss in the year in which an asset is identified as impaired. The impaired loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

2.8 **Investments**

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.

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.

2.9 **Inventories**

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.

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. Site Mobilisation Advance is stated at cost.

2.10 **Retention monies**

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.

2.11 **Foreign currency transactions**

Transactions in foreign currency, including in respect of branch operations integral in nature, are recorded at the average rates of exchange in force for the period. At the year end, monetary items, including those of branch operations integral in nature, denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted for in the relevant year as income or expense.

2.12 **Revenue recognition on contracts**

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.

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

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.

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 unanimously in favor of the Company, the claims awarded, are accounted in the year the Awards are received. The interest granted on such claims is recognised as per terms of the Awards.

e) Revenue is recognised only when no significant uncertainties exist regarding its measurement and collectability.

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**

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:

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”, notified under the Companies (Accounting Standards) Rules, 2006. 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 the provisions of the Income Tax Act, 1961.

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.

2.22 **Interest Income**

Interest income is accounted on accrual basis.

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.

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Shares	**₹ in Lacs**	Number of Shares	₹ in Lacs
3. SHARE CAPITAL				
(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 1 below)	**71,970,238**	**7,197.02**	71,839,468	7,183.95
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each (Refer Note 2 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 (“Subscriber Preference Shares”) of ₹ 10 each. (Refer Note 3 below)	**250,000,000**	**25,000.00**	250,000,000	25,000.00
TOTAL	**421,970,238**	**42,197.02**	421,839,468	42,183.95

3.1 Rights, preferences and restrictions attached to Equity Shares:

(a) Rights to receive dividend as may be approved by the Board / Annual General Meeting.

(b) The Equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provision of the Companies Act, 1956.

(c) Every member of the company holding equity shares has 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.

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

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

(b) The Preference Shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹ 10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the Preference Shares mentioned in note 3.3 (b) below.

(c) Every member of the Company holding preference shares has a right to vote in the General Meeting of the Company on resolution placed before the Company which directly affects the rights attached to his preference shares.

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

(a) The Subscriber Preference Shares shall be entitled to non-cumulative preferential dividend at a fixed rate of 0.01% per annum to be paid in priority to the holders of any other class of shares.

(b) The Subscriber Preference Shares shall be fully automatically and mandatorily converted in to equity shares on the Mandatory Conversion date (i.e. 13th January, 2013 being the 5th year from the date of issue viz. 14th January, 2008) at a value to be determined at the time of Conversion.

(c) The Subscriber Preference Shares shall rank senior to all types of shares issued or to be issued by the Company.

(d) The Company to obtain prior consent of the holder of Subscriber Preference Shares (either at meeting or by way of a consent letter) before (i) issue of further Preference Shares of the same or any other class; (ii) issue of Ordinary Shares which will result in a change of control; (iii) issue of securities entitling holders to acquire any shares of and / or voting rights in the Company; (iv) amendment of Memorandum of Association and Article of Association of the Company; (v) variation of rights of Subscriber Preference Shares.

Notes forming part of the consolidated financial statements for the year ended on 31st March, 2012

3. SHARE CAPITAL (Contd.)

3.4 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	**71,839,468**	**7,183.94**	71,700,514	7,170.05
Add : Shares issued during the year under ESOP	**130,770**	**13.08**	138,954	13.90
Equity shares outstanding at the end of the year	**71,970,238**	**7,197.02**	71,839,468	7,183.95
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

3.5 Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares
	Number of shares			
Shapoorji Pallonji and Company Limited, the holding company	**48,720,883**	**-**	48,165,838	-
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	-

3.6 Details of shares held by each shareholder holding more than 5% of shares of the Company:

Class of shares / Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Co. Ltd.	**48,720,883**	**67.70%**	48,165,838	67.05%
Floreat Investments Limited	**13,015,929**	**18.09%**	13,015,929	18.12%
Renaissance Commerce Pvt. Ltd.	**4,016,250**	**5.58%**	4,016,250	5.59%
Hermes Commerce Ltd.	**4,016,250**	**5.58%**	4,016,250	5.59%
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				
India Infrastructure AIL (Mauritius)	**250,000,000**	**100.00%**	250,000,000	100.00%

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
4. Reserves and surplus		
(a) Capital reserve		
Opening balance	**83.78**	43.93
Add: Additions during the year	-	39.85
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	**1,018.85**	1,009.12
Add : Premium on shares issued during the year	**9.15**	9.73
Closing balance	**1,028.00**	1,018.85
(d) Revaluation reserve		
Opening balance	**161.70**	239.10
Less: Utilised for set off against depreciation	**(62.24)**	(77.40)
Closing balance	**99.46**	161.70
(e) Contingencies reserve		
Opening balance	**800.00**	800.00
Closing balance	**800.00**	800.00
(f) General reserve		
Opening balance	**5,557.09**	5,557.09
Closing balance	**5,557.09**	5,557.09
(g) Foreign currency translation reserve		
Opening balance	**79.12**	144.22
Add / (Less): Effect of foreign exchange rate variations during the year	**1,306.89**	(65.10)
Closing balance	**1,386.01**	79.12
(h) Surplus in Statement of Profit and Loss		
Opening balance	**29,801.42**	17,926.86
Add: Profit for the year	**9,453.19**	11,878.63
Less: Appropriations		
Proposed Dividend on Preference Shares (₹ 0.001 per share)	**3.50**	3.50
Tax on dividend	**0.57**	0.57
Interim distribution of profit to a Joint Venture partner	**7.00**	-
Closing balance	**39,243.54**	29,801.42
Total	**48,210.38**	37,514.46

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
5. Long-term borrowings		
(a) Working Capital loans (Unsecured)		
From banks	**7,500.00**	15,000.00
(b) Equipment Loan (Secured)		
From banks :		
Rupee Loan	**4,015.28**	2,375.77
Foreign Currency Loan	**10,174.00**	-
(c) Other loans and advances		
Foreign Currency Loan (Secured)		
From banks	**4,680.57**	1,310.11
Total	**26,369.85**	18,685.88

Notes forming part of the consolidated financial statements for the year ended on 31st March, 2012

5. Long-term borrowings (Contd.)

Notes:

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

Particulars	Terms of repayment and security	As at 31st March,2012 Secured ₹ in Lacs	As at 31st March,2012 Unsecured ₹ in Lacs	As at 31st March,2011 Secured ₹ in Lacs	As at 31st March,2011 Unsecured ₹ in Lacs
Working Capital loans from banks					
Oriental Bank of Commerce					5,000.00
Allahabad Bank	Refer Note (i)	**-**	**-**	**-**	5,000.00
Bank of India	below	**-**	**7,500.00**	-	5,000.00
Total - Term Loan		**-**	**7,500.00**	**-**	15,000.00
Equipment Loan from banks					
Rupee Loan:					
Indian Overseas Bank	Refer Note (ii)	**693.97**	**-**	830.40	-
Oriental Bank of Commerce	below	**3,321.31**	**-**	1,545.37	-
Foreign Currency Loan:					
DBS Bank Ltd		**10,174.00**	**-**	-	-
Total - Equipment Loan		**14,189.28**	**-**	2,375.77	**-**
Other Loans and Advances from banks - Buyer's Credit Foreign Currency Loans					
State Bank of India	Refer Note (iii)	**3,902.26**	**-**	1,310.11	-
HSBC Bank	below	**778.31**	**-**	-	-
Total - Other loans and advances		**4,680.57**	**-**	1,310.11	-
Total Long-term Borrowings		**18,869.85**	**7,500.00**	3,685.88	15,000.00

Notes:

(i) Unsecured Working Capital loans from Banks carry interest ranging from 10% per annaum to 11% per annum payable monthly. The repayment schedule of the loans are as follows.

Bank Name	**Loan Amount (₹ in Lacs)**	**Repayment in 2013-14 (₹ in Lacs)**	Repayment in 2014-15 (₹ in Lacs)
Bank of India	**7,500.00**	**2 installments of ₹ 2500.00 each**	1 installment of ₹ 2500.00
Previous Year			
Bank Name	**Loan Amount (₹ in Lacs)**	**Repayment in 2012-13 (₹ in Lacs)**	**Repayment in 2013-14 (₹ in Lacs)**
Oriental Bank of Commerce	**5,000.00**	**1 installment of ₹ 5000.00**	
Allahabad Bank	**5,000.00**	**1 installment of ₹ 5000.00**	
Bank of India	**5,000.00**	**1 installment of ₹ 2500.00**	1 installment of ₹ 2500.00

5. Long-term borrowings (Contd.)

ii.) Secured by first charge by way of hypothecation of the equipments financed. The Rupee loans carry interest ranging from 11% per annum to 12% per annum and Foreign currency loan carry interest @ Libor + 2.35%. The repayment schedule of the loans are as follows.

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)	Repayment in 2016-17 (₹ in Lacs)
Rupee Loan: Indian Overseas Bank	**693.97**	2 installments of ₹ 99.14 each	2 installments of ₹ 99.14 each	2 installments of ₹ 99.14 each	1 installment of ₹ 99.13
Oriental Bank of Commerce	**384.38**	2 installments of ₹ 312.50 and ₹ 71.88	-	-	-
Oriental Bank of Commerce	**2,936.93**	2 installments of ₹ 625.00 each	2 installments of ₹ 625.00 each	1 installment of ₹ 436.93	-
Foreign Currency Loan: DBS Bank Ltd	**10,174.00**	-	3 installments of ₹ 1,017.40 each	4 installments of ₹ 1,017.40 each	3 installments of ₹ 1,017.40 each

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2012-13 (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)
Rupee Loan: Indian Overseas Bank	**830.40**	4 installments of ₹ 185.00 each and 1 installment of ₹ 90.40	-	-	-
Oriental Bank of Commerce	**1,545.37**	2 installments of ₹ 625.00 each	1 installments of ₹ 295.37	-	-

(iii) The Loans carry interest @ Libor + 2.00%.
State Bank of India loan is secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai and Nagpur on a pari-passu basis with other banks. It is further secured by hypothecation of the Company's stocks of construction materials, stores and work in progress, and all other movable properties, plant and machinery and book debts on a pari-passu basis and also by goods covered under Letters of Credit.
HSBC Bank loan is secured by first charge by way of hypothecation of equipment finance.

The repayment schedule of the loans are as follows:

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)
State Bank of India	**3,902.26**	3 installments of ₹ 727.95 ₹ 755.42 ₹ 1,763.88	2 installments of ₹ 254.62 and ₹ 400.39
HSBC Bank	**778.31**	-	1 installment of ₹ 778.31

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2013-14 (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)
State Bank of India	**1,310.11**	2 installments of ₹ 636.99 and ₹ 673.12	-

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

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
Deferred tax (liability)		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**(4,291.90)**	(3,436.86)
Arbitration Awards	**(5,277.56)**	(2,886.27)
Tax effect of items constituting deferred tax liability	**(9,569.46)**	(6,323.13)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	**232.89**	69.25
Provision for doubtful debts / advances	**814.79**	294.33
Others	**860.96**	191.61
Tax effect of items constituting deferred tax assets	**1,908.64**	555.19
Net deferred tax liability	**(7,660.82)**	(5,767.94)

6.B Major components of deferred tax assets are as under:

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
Deferred tax asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**(0.97)**	-
Tax effect of items constituting deferred tax liability	**(0.97)**	-
Tax effect of items constituting deferred tax assets		
Others	**17.03**	-
Tax effect of items constituting deferred tax assets	**17.03**	-
Net deferred tax asset	**16.06**	-

7. Other long-term liabilities

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Trade Payables - Retention monies	**3,545.10**	1,434.67
(b) Others:		
(i) Advances from customers	**22,588.83**	27,507.20
(ii) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax,etc.)	**243.41**	43.92
Total	**26,377.34**	28,985.79

8. Long-term provisions

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**406.40**	322.18
(ii) Provision for gratuity (Refer Note 32)	**3.60**	3.32
(b) Provision - For contingencies (in respect of contracts under dispute)	**282.78**	252.70
Total	**692.78**	578.20

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
9. Short-term borrowings			
(a) Working Capital Demand Loans			
From banks			
Secured (Refer Note below)		**23,000.00**	26,000.00
Unsecured		**2,500.00**	-
		25,500.00	26,000.00
(b) Short term Loans from Bank			
Rupee Loan:			
Unsecured		-	5,000.00
Foreign Currency Loan:			
Buyers Credit (Secured)		**1,601.84**	-
Packing Credit Finance (Unsecured)		**2,543.50**	-
		4,145.34	5,000.00
(c) Cash Credit Facility from Banks (Secured) (Refer Note below)		**6,826.43**	470.33
(d) Commercial Papers (Unsecured)			
From Banks			
Face Value		**5,000.00**	5,000.00
Less: Discount not written-off		**120.18**	341.46
		4,879.82	4,658.54
From Other parties			
Face Value		**-**	7,500.00
Less: Discount not written-off		**-**	599.05
		-	6,900.95
(e) Loans Repayable on demand (Unsecured)			
From Related Parties (Refer Note 34)		**90.00**	90.00
	Total	**41,441.59**	43,119.82

Notes:

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

	Terms of repayment and security	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
Working Capital Demand Loans			
From banks:			
State Bank of India	Refer Below	**15,000.00**	18,000.00
Oriental Bank of Commerce		**5,000.00**	-
IDBI Bank		**3,000.00**	-
ING Vysya Bank		**-**	4,500.00
Axis Bank		**-**	3,500.00
Total - from banks		**23,000.00**	26,000.00
Short Term Loans from Bank			
Foreign Currency Loan			
Buyers Credit (Secured)	Refer Below	**1,601.84**	-
Cash Credit Facility	Refer Below	**6,826.43**	470.33

Note: Secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai and Nagpur on a pari-passu basis. It is further secured by hypothecation of the Company's stocks of construction materials, stores and work in progress, and all other movable properties, plant and machinery and book debts on a pari-passu basis. Working Capital Demand Loans from banks carry interest ranging from 11.10% per annum to 11.25% per annum. Buyers Credit loans carry interest @ Libor +2.00% and Cash Credit Facility from Banks carry interest ranging from 11.50% per annum to 13.45% per annum.

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
10. Trade payables			
Acceptances		**4,679.27**	11,914.78
Other than Acceptances		**67,818.71**	55,282.09
	Total	**72,497.98**	67,196.87

11. Other current liabilities

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Current maturities of long-term debt (Refer Note (i) below)	**15,929.55**	6,233.37
(b)	Interest accrued but not due on borrowings	**209.36**	562.01
(c)	Income received in advance (Unearned revenue)	**115.61**	12.75
(d)	Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below)	**5.08**	6.50
(e)	Other payables		
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**4,628.26**	3,446.83
	(ii) Interest accrued on advance from customers	**361.89**	78.79
	(iii) Trade / security deposits received	**14.30**	6.87
	(iv) Advances from customers	**26,616.11**	21,934.00
	(v) Advances from Others	**2,026.87**	3,841.95
	(vi) Others	**7.10**	32.75
	Total	**49,914.13**	36,155.82

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

(a) Working capital loans		
From banks (Unsecured)	**12,500.00**	2,500.00
(b) Equipment Loan (Secured)	**3,429.55**	3,733.37
Total	**15,929.55**	6,233.37

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

12. Short-term provisions

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**83.81**	82.41
(ii) Provision for gratuity (Refer Note 32)	**267.25**	208.47
	351.06	290.88
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 1,523.57 Lacs (As at 31st March, 2011 ₹ 2,605.95 Lacs)	**274.11**	165.33
(ii) Provision for estimated losses on onerous contracts	**-**	204.45
(iii) Provision for proposed preference dividend	**3.50**	3.50
(iv) Provision for tax on proposed dividends	**0.57**	0.57
	278.18	373.85
Total	**629.24**	664.73

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

Notes forming part of the consolidated finan cial statements for the year ended on 31st March, 2012

13. FIXED ASSETS

₹ in Lacs

A	TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		Balance As at 1st April, 2011	Additions	Disposals	Balance As at 31st March, 2012	Balance As at 1st April, 2011	Depreciation/ amortisation expense for the year	Adjustments	Eliminated on disposal of assets	Balance As at 31st March, 2012	Balance As at 31st March, 2012	Balance As at 31st March, 2011
	(a) Land											
	Freehold	1.58	-	-	**1.58**	-	-	-	-	**-**	**1.58**	1.58
	Leasehold	16.58	-	-	**16.58**	0.48	0.16	-	-	**0.64**	**15.94**	16.10
	(b) Buildings	1,857.54	-	-	**1,857.54**	1,229.58	61.75	-	-	**1,291.33**	**566.21**	627.96
	(c) Plant and Equipment	59,042.08	16,837.35	(2,148.74)	**73,730.69**	19,296.73	3,314.45	-	(1,301.44)	**21,309.74**	**52,420.95**	39,745.35
	(d) Furniture and Fixtures	582.30	715.48	(124.43)	**1,173.35**	229.37	95.81	-	(90.49)	**234.75**	**938.60**	352.93
	(e) Vehicles	758.82	436.29	(103.52)	**1,091.59**	135.15	77.69	-	(31.08)	**181.76**	**909.83**	623.67
	(f) Office Equipments	2,002.53	431.48	(101.84)	**2,332.17**	633.06	210.57	3.25	(52.19)	**794.69**	**1,537.48**	1,369.47
	(g) Leasehold improvements	279.22	-	-	**279.22**	279.22	-	-	-	**279.22**	**-**	-
	(h) Floating Equipments	5,031.24	93.22	(54.44)	**5,070.02**	1,905.89	422.08	-	(32.21)	**2,295.76**	**2,774.26**	3,125.35
	(i) Laboratory Equipments	144.81	2.93	-	**147.74**	73.19	3.84	-	-	**77.03**	**70.71**	71.62
	Total	**69,716.70**	**18,516.75**	**(2,532.97)**	**85,700.48**	**23,782.67**	**4,186.41**	**3.25**	**(1,507.41)**	**26,464.92**	**59,235.56**	**45,934.03**
	Previous Year	60,226.93	12,284.03	(2,794.26)	69,716.70	22,394.12	3,938.28	(44.45)	(2,505.28)	23,782.67	45,934.03	

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

13. FIXED ASSETS (Contd.)

₹ in Lacs

B.	Intangible assets	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		Balance As at 1st April, 2011	Additions	Disposals	Balance As at 31st March, 2012	Balance As at 1st April, 2011	Depreciation/ amortisation expense for the year	Adjustments	Eliminated on disposal of assets	Balance As at 31st March, 2012	Balance As at 31st March, 2012	Balance As at 31st March, 2011
	(a) Computer software - Acquired	172.74	499.23	-	**671.97**	70.14	121.78	-	-	**191.92**	**480.05**	102.60
	(b) Goodwill - Acquired	20.00	-	-	**20.00**	-	-	-	-	-	**20.00**	20.00
	Total	**192.74**	**499.23**	**-**	**691.97**	**70.14**	**121.78**	**-**	**-**	**191.92**	**500.05**	**122.60**
	Previous year	192.21	3.53	(3.00)	**192.74**	40.52	39.89	(10.27)	-	**70.14**	**122.60**	-

C. **Capital Work in Progress -** Plant and equipments under installation ₹ 33,894.05 Lacs (Previous year ₹ 1,518.31 Lacs)

D. **Depreciation and amortisation**

Particulars	**For the year ended 31st March,2012 ₹ in Lacs**	For the year ended 31st March,2011 ₹ in Lacs
Depreciation and amortisation for the year on tangible assets as per (a) above	**4,186.41**	3,938.28
Depreciation and amortisation for the year on intangible assets as per (b) above	**121.78**	39.89
	4,308.19	3,978.17
Less: Utilised from revaluation reserve	**62.24**	77.40
Depreciation and amortisation as per statement of Profit and Loss	**4,245.95**	3,900.77

	Face Value	As at 31st March,2012 Quantity	As at 31st March,2012 Amount ₹ in Lacs	As at 31st March,2011 Quantity	As at 31st March,2011 Amount ₹ in Lacs
14. Non-current investments					
A. Trade (Fully paid, at cost):					
(a) Investment in equity instruments (Unquoted) :					
(i) of associates					
Afcons (Mideast) Constructions & Investments Pvt. Ltd.	₹ 10	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.	₹ 1	100	**0.42**	100	0.42
Gammon India Ltd.	₹ 2	250	**0.06**	250	0.06
			29.89		29.89
(b) Investment in equity instruments (Unquoted)					
Simar Port Private Ltd.	₹ 10	1,000	**0.10**	-	-
(c) Investment in government securities	-		**-**		0.55
(d) 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)			**39.99**		40.44
Total (A+B)			**40.10**		40.55
Notes:					
(i) Aggregate amount of quoted investments			**29.89**		29.89
(ii) Aggregate market value of quoted investments			**46.58**		83.33
(iii) Aggregate amount of unquoted investments			**362.65**		266.87

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
15. Long-term loans and advances (Unsecured, considered good unless otherwise specified)		
(a) Capital advances	**2,881.81**	1,589.64
(b) Security deposits		
Unsecured, considered good	**1,421.89**	513.91
Doubtful	**37.92**	37.92
	1,459.81	551.83
Less: Provision for doubtful deposits	**37.92**	37.92
	1,421.89	513.91
(c) Prepaid expenses	**589.97**	532.79
(d) Advance income tax(net of provisions ₹ 5,143.91 Lacs (As at 31st March, 2011 ₹ 2,447.14 Lacs)	**5,710.33**	3,437.67
(e) MAT credit entitlement	**1,879.82**	70.01
(f) Balances with government authorities		
(i) VAT credit receivable	**4,468.23**	2,757.77
(ii) Service Tax credit receivable	**2,670.25**	378.51
(ii) Other Deposits	**307.37**	7.13
	7,445.85	3,143.41
Total	**19,929.67**	9,287.43

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
16. Other non-current assets		
(a) Long-term trade receivables - Under arbitration and Retention monies		
Unsecured, considered good	**7,666.24**	13,343.25
Doubtful	**2,134.55**	509.65
	9,800.79	13,852.90
Less: Provision for doubtful trade receivables	**2,134.55**	509.65
	7,666.24	13,343.25
(b) Construction work-in-progress - Under arbitration		
Unsecured, considered good	**24,468.35**	28,201.73
Doubtful	**234.56**	234.56
	24,702.91	28,436.29
Less: Advances received	**-**	513.38
Less: Provision for doubtful trade receivables	**234.56**	234.56
	24,468.35	27,688.35
(c) Other Loans and Advances (Doubtful)	**103.81**	103.81
Less: Provision for other doubtful loans and advances	**103.81**	103.81
	-	-
(d) Other Bank Balances *	**17.51**	17.51
Less : Provision	**17.51**	17.51
	-	-
Total	**32,134.59**	41,031.60

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

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
17. Inventories		
(a) Construction Materials - at lower of cost and net realisable value		
Steel	**12,399.35**	3,705.46
Cement	**356.10**	221.30
Aggregate	**1,965.68**	516.38
Bitumen	**34.17**	-
Shuttering Material	**2,996.91**	2,798.41
Sand	**155.44**	206.73
Other Construction Material	**3,577.64**	1,105.00
	21,485.29	8,553.28
(b) Stores and spares - at lower of cost and net realisable value	**7,769.37**	4,961.05
	7,769.37	4,961.05
(c) Construction Work-in-Progress		
At estimated realisable value	**85,312.48**	62,842.93
Less: Advances received	**27,577.77**	9,538.04
	57,734.71	53,304.89
Total	**86,989.37**	66,819.22

	As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
18. Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	**19,819.28**	21,854.19
Other Trade receivables		
Unsecured, considered good	**31,460.74**	25,677.15
Total	**51,280.02**	47,531.34

19. Cash and cash equivalents

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Cash on hand	**57.18**	75.67
(b)	Balances with banks		
	(i) In current accounts	**5,941.82**	13,330.29
	(ii) In EEFC accounts	**32.57**	11,417.34
	(iii) In deposit accounts (Refer Note (ii) below)	**11,117.83**	20,141.05
	(iv) In earmarked accounts		
	- Balances held as margin money or security against borrowings, guarantees and Other commitments (Refer Note (ii) below)	**6.92**	131.43
	- Other earmarked accounts (Refer Note (i) below)	**355.89**	634.15
	Total	**17,512.21**	45,729.93
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	**17,149.40**	44,964.35

Notes:

(i) Includes deposits ₹ 335.11 Lacs (Previous Year ₹ 335.11 Lacs) over which Banks and Clients have lien and ₹ 20.78 Lacs (Previous year ₹ 299.04 Lacs) placed as Earnest Money Deposit with various authorities.

(ii) Includes deposits amounting to ₹ 3.40 Lacs (As at 31st March, 2011 ₹ 3.40 Lacs) and margin monies amounting to ₹ 6.92 Lacs (As at 31st March, 2011 ₹ 6.92 Lacs) which have an original maturity of more than 12 months.

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

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Loans and advances to related parties (Refer Note 39)		
	To Joint Ventures	**1,033.36**	2,675.89
(b)	Security deposits	**370.34**	476.43
(c)	Loans and advances to employees	**126.48**	96.42
(d)	Prepaid expenses	**1,811.73**	1,701.59
(e)	Balances with government authorities		
	(i) CENVAT credit receivable	-	55.00
	(ii) VAT credit receivable	**746.84**	2,221.79
	(iii) Service Tax credit receivable	**11.58**	60.41
	(iv) Other Deposits	**0.90**	0.90
		759.32	2,338.10
(f)	Others - Advance to vendors and others	**9,717.52**	12,091.19
	Total	**13,818.75**	19,379.62

21. Other current assets

		As at 31st March,2012 ₹ in Lacs	As at 31st March,2011 ₹ in Lacs
(a)	Accruals		
	(i) Interest accrued on bank deposits	**83.39**	208.65
(b)	Others		
	(i) Insurance claims	**16.93**	50.51
	(ii) Deemed export receivable	**301.99**	-
	(iii) Duty Credit receivable	**122.07**	3,609.83
	Total	**524.38**	3,868.99

Notes forming part of the consolidated financial statements for the year ended on 31st March, 2012

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
22. Revenue from operations			
(a) Sale of products (Refer Note (i) below)		**14.93**	2.81
(b) Sale of services (Refer Note (ii) below)		**242,298.07**	276,097.37
(c) Other operating revenues (Refer Note (iii) below)		**4,113.71**	7,203.34
	Total	**246,426.71**	283,303.52

Note:		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
(i) Sale of products comprises:			
Construction Materials		**14.93**	2.81
	Total - Sale of products	**14.93**	2.81
(ii) Sale of services comprises:			
Construction Revenue		**247,354.37**	280,069.95
Less : Value added tax		**5,056.30**	3,972.58
	Total - Sale of services	**242,298.07**	276,097.37
(iii) Other operating revenues comprise:			
Project Management Fees		**-**	1,370.47
Sale of scrap		**1,520.63**	870.72
Duty Scrip credit availed		**2,375.12**	3,426.26
Equipment Hire Charges		**193.99**	1,186.49
Service Charges		**23.97**	349.40
	Total - Other operating revenues	**4,113.71**	7,203.34

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
23. Other Income			
(a) Interest income (Refer Note (i) below)		**6,591.51**	2,747.02
(b) Dividend income:			
From non trade,non current investments		**0.02**	0.22
(c) Other non-operating income (Refer Note (ii) below)		**2,174.02**	3,497.20
	Total	**8,765.55**	6,244.44

Note:		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
(i) Interest income comprises:			
Interest from banks deposits		**502.60**	376.64
Interest on loans and advances		**815.12**	85.47
Interest on Arbitration awards		**5,258.92**	2,062.61
Interest income from long term investments		**1.65**	1.74
Interest on income tax refund		**12.60**	160.93
Other Interest		**0.62**	59.63
	Total - Interest income	**6,591.51**	2,747.02
(ii) Other non-operating income comprises:			
Profit on sale of fixed assets		**114.13**	-
Liabilities / provisions no longer required written back		**1,176.41**	2,261.40
Insurance Claim received		**245.91**	630.16
Provision for Projected Loss written back		**204.45**	211.19
Miscellaneous income		**433.12**	394.45
	Total - Other non-operating income	**2,174.02**	3,497.20

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
24. Cost of construction			
Cost of Construction Materials consumed		**46,330.83**	100,546.52
Other Construction Expenses:			
Consumption of stores and spare parts		**13,908.31**	3,481.43
Subcontracting		**86,027.45**	80,058.41
Site Installation		**3,557.94**	4,026.40
Technical Consultancy		**9,578.06**	12,576.67
Power and fuel		**6,129.55**	4,137.67
Freight and forwarding		**5,532.06**	8,877.83
		124,733.37	113.158.41
Less: Recovery of Expenses (Refer Note 40)		**(469.02)**	(515.16)
	Total	**170,595.18**	213,189.77

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
25. Employee benefits expense			
Salaries and wages		**26,973.76**	24,983.00
Contributions to provident and other funds		**1,541.18**	1,114.12
Staff welfare expenses		**2,472.05**	2,141.37
		30,986.99	28,238.49
Less: Recovery of Expenses (Refer Note 40)		**(374.12)**	(1,916.02)
	Total	**30,612.87**	26,322.47

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
26. Finance costs			
(a) Interest expense on :			
(i) Borrowings		**7,823.60**	5,548.88
(ii) Advance from Clients		**283.11**	218.68
(iii) Interest on delayed / deferred payment of income tax		**303.43**	0.03
(iv) Others		**259.01**	349.58
(b) Other borrowing costs :			
(i) Bank Guarantee Commission including Bank Charges		**1,451.80**	1,381.68
(ii) L/c charges & Processing Fees		**497.37**	184.68
		10,618.32	**7,683.53**
Less: Recovery of Expenses (Refer Note 40)		**(74.15)**	(104.30)
	Total	**10,544.17**	7,579.23

		For the year ended 31st March,2012 ₹ in Lacs	For the year ended 31st March,2011 ₹ in Lacs
27. Other expenses			
Water and Electricity		**331.92**	292.00
Rent (Refer Note 35)		**2,580.17**	2,098.57
Repairs and maintenance - Buildings		**2.64**	3.18
Repairs and maintenance - Machinery		**326.65**	226.00
Repairs and maintenance - Others		**1,162.76**	1,182.55
Insurance		**2,496.69**	2,170.41
Rates and taxes		**2,229.90**	3,158.97
Communication		**548.17**	562.49
Travelling and conveyance		**4,515.73**	4,273.92
Security Charges		**979.67**	586.12
Donations and contributions		**63.20**	26.35
Legal and professional		**5,511.04**	6,267.08
Payments to auditors		**68.41**	59.56
Provision for bad trade and other receivables		**1,624.91**	1,685.53
Duty Scrip / Advances written off		**163.85**	-
Net loss on foreign currency transactions and translation		**53.98**	42.99
Directors Fees		**6.10**	6.90
Loss on sale of fixed assets		**225.85**	18.88
Expenses of jobs completed in earlier year		**30.08**	30.00
Miscellaneous expenses		**1,217.39**	2,953.61
		24,139.11	25,645.11
Less: Recovery of Expenses (Refer Note 40)		**(1.49)**	(2,224.56)
	Total	**24,137.62**	23,420.55

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

Particulars	As at 31st March, 2012 ₹ in Lacs	As at 31st March, 2011 ₹ 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. ii) Labour and other matters. The above claims are pending before various courts. The Company is confident that the cases will be successfully contested.	**171.90** **1.00**	420.33 1.00
(b) Claims against the Joint Venture not acknowledged as debts i) Differences with sub-contractors in regard to scope of work. The above claims is not accepted by the Joint Venture and is contested by the subcontractor. The Management is confident that the claim will be successfully contested.	**7,054.02**	-
(c) Guarantees i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures. ii) Corporate Guarantees given on behalf of Subsidiaries and Joint Ventures.	**141,543.60** **80,324.20**	130,634.98 71,599.84
(d) Sales Tax and Entry Tax Represents demands raised by Sales Tax Authorities in matters of disallowance of labour and service charges, consumables etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	**1,954.47**	1,931.75
(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.	**211.33**	211.33
(f) Service Tax Represents demand confirmed by the Asst. Commissioner of Service Tax for disallowance of Cenvat Credit, since abatement claimed by the Company. The Company has appealed against the said order with Commissioner of Service Tax Mumbai and is confident that Cenvat Credit will be allowed as it is project specific and abatement has not been availed on the same, by the Company.	**229.27**	2.84
(g) Income Tax Represents notices u/s 201(1) and 201(1A) received from Income Tax Dept in respect of Non compliance of TDS. Company has filed Appeals before the Appellate Authority & management is confident that the outcome of the appeals will be decided in company's favor and the demand raised will be set aside.	**-**	913.58
Note:- In respect of items mentioned under Paragraphs (a), (c), (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	**4,113.88**	4,295.36

29. Derivative Instruments :

Secured Loans taken in foreign currency as at the balance sheet date not covered by forward contracts are USD 32,913,427.60 and EURO 3,325,600 equivalent to ₹ **16,743.06 Lacs** and ₹ **2,256.85 Lacs** respectively (as on 31st March,2011 USD 2,916,000 equivalent to ₹ 1,310.11 Lacs.)

Payables and Receivables in foreign currency as at the balance sheet date not covered by forward contracts are ₹ **30,234.54 Lacs** (as at 31st March, 2011 ₹ 46,327.16 Lacs) and ₹ **24,184.62 Lacs** (as at 31st March, 2011 ₹ 24,964.61 Lacs) respectively.

30. 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 31st March, 2012 ₹ in Lacs	As at 31st March, 2011 ₹ in Lacs
Construction materials consumed	**317.05**	300.41
Stores and spares consumed	**143.77**	86.37
Repairs	**83.54**	176.35
Others	**84.07**	31.60
Total	**628.43**	594.73

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

Particulars	**As at 31st March, 2012 ₹ in Lacs**	As at 31st March, 2011 ₹ in Lacs
Details of contract revenue and costs		
a) Contract Revenue	**247,354.37**	280,069.95
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	**591,766.75**	490,946.63
(ii) Recognized profits (less recognized losses)	**74,610.37**	70,952.68
(iii) Advances Received	**61,688.36**	51,137.43
(iv) Retention Money	**5,035.29**	6,480.05
c) Gross amount due from customers for contract work	**79,749.23**	40,175.01
d) Gross amount due to customers for contract work	**4,930.39**	19,864.51

32. 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. Assumptions	**Current Year**	31st March, 2011
Discount Rate	**8.50%**	8.25%
Rate of Return on Plan Assets	**8.60%**	8.00%
Salary Escalation	**4.50%**	4.50%
Mortality Table	**LIC (1994-96)Ultimate**	LIC (1994-96)Ultimate

(₹. in Lacs)

B. Changes in the Defined Benefit Obligation	**Current Year**	31st March, 2011
Liability at the Beginning of the current year	**1047.71**	892.43
Interest Cost	**86.43**	73.62
Current Service Cost	**91.36**	92.58
Past Service Cost	**-**	-
Benefit Paid	**(77.55)**	(119.57)
Actuarial Loss/ (Gain) on obligations	**87.10**	108.65
Liability at the end of the current year	**1,235.05**	1,047.71

C. Fair Value of the Plan Asset	**Current Year**	31st March, 2011
Fair Value of Plan Asset at the beginning of the year	**835.94**	643.10
Expected Return on Plan Asset	**66.88**	51.45
Contributions	**124.38**	247.56
Benefit paid	**(77.55)**	(119.57)
Actuarial Gain/ (Loss) on Plan Assets	**14.57**	13.40
Fair value of Plan Assets at the end of the year	**964.20**	835.94
Total Actuarial Loss to be Recognized	**(72.53)**	(95.25)

D. Actual Return on Plan Assets:	**Current Year**	31st March, 2011
Expected Return on Plan Assets	**66.88**	51.45
Actuarial Gain/ (Loss) on Plan Assets	**14.57**	13.40
Actual Return on Plan Assets	**81.45**	64.85

₹ in Lacs

E. Amount Recognized in the Balance Sheet:	Current Year	31st March, 2011
Liability at the end of the year	**1235.05**	1047.71
Fair Value of Plan Assets at the end of the year	**964.20**	835.94
Unrecognized Past Service Cost	**-**	-
Amount recognized in the Balance Sheet	**(270.85)**	(211.78)

F. Expense Recognized in the Profit and Loss Account:	Current Year	31st March, 2011
Current Service Cost	**91.36**	92.58
Interest Cost	**86.43**	73.62
Expected Return on Plan Assets	**(66.88)**	(51.44)
Past Service Cost	**-**	-
Net Actuarial Gain / Loss to be recognized	**72.53**	95.25
Expense recognized in the Profit and Loss Account under staff expenses	**183.44**	210.01

G. Reconciliation of the Liability recognized in the Balance Sheet:	Current Year	31st March, 2011
Opening Net Liability	**211.78**	249.33
Expense recognized	**183.44**	210.01
Employers Contribution	**(124.38)**	(247.56)
Amount recognized in the Balance Sheet under "Provision for Gratuity"	**270.85**	211.78

H. Major category of plan assets as percentage of total plan assets:	Current Year	31st March, 2011
Insured Managed funds	**100%**	100%

(b) Compensated Absences (Non funded) :

Actuarial Assumptions	Current Year	31st March, 2011
Mortality Table	**LIC (1994-1996) Ultimate**	LIC (1994-1996) Ultimate
Discount Rate	**8.50%**	8.25%
Salary Escalation	**4.50%**	4.50%
Withdrawal Rate	**2.00%**	2.00%

Experience adjustments

A. Assumptions	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Present value of DBO	**1235.05**	1047.71	892.43	802.57	630.26
Fair value of plan assets	**964.20**	835.94	643.10	581.22	491.61
Funded status [Surplus / (Deficit)]	**(270.85)**	(211.78)	(249.33)	(221.35)	(138.65)
Experience gain / (loss) adjustments on plan liabilities	**(107.95)**	(108.35)	(44.48)	*	*
Experience gain / (loss) adjustments on plan assets	**14.57**	13.40	2.78	(0.98)	(2.52)

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 ₹ **1,251.87 Lacs** (Year ended 31st March, 2011 ₹ 489.05 Lacs) for Provident Fund contributions and ₹ **475.00 Lacs** (Year ended 31st March, 2011 ₹ 349.29 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.

Note :

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 factor such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

iii) The details of experience adjustments on account of Plan Liability and Plan Asset as required by Para 120 (n) (ii) of AS-15 is ₹ 107.95 Lacs (loss) and ₹ 14.57 Lacs (gain) respectively. However, as the details of experience adjustments on account of Plan Liability for the year ended 31st March 2008 and 2009 are not readily available in valuation report and hence not furnished.

iv) Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 348.53 Lacs.

v) 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.

33. 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	**153,170.62** (198,688.22)	**93,256.09** (84,615.30)	**246,426.71** (283,303.52)
Carrying amount of asset	**273,318.32** (208,030.31)	**34,910.18** (56,130.87)	**308,228.50** (264,161.18)
Additons to Fixed Assets	**50,632.42** (12,327.46)	**759.30** (1,384.23)	**51,391.72** (13,711.69)

Figures in parenthesis are those of previous year.

34. Related Party Disclosure

Details of related parties:

(a) Related Party where Control exists

Ultimate Holding Company

Shapoorji Pallonji & Company Limited

Fellow Subsidiary(s)

Floreat Investments Limited

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

Jointly Controlled Entity

Strabag AG Afcons Joint Venture

Saipem Afcons Joint Venture

Key Management Personnel

Mr. C.P. Mistry – Chairman (upto 23rd March, 2012)

Mr. K. Subrahmanian – Managing Director

Mr. S. Paramasivan – Executive Director (Finance & Commercial) (upto 31st March 2012)

34. Related Party Disclosure (Contd.)

(b) Details of transactions with related parties during the year

₹ in Lacs

	Ultimate Holding Company	Joint Venture(s)	Associate Company	Key Management Personnel	Fellow Subsidairy	Total
Managerial Remuneration paid	**-**	**-**	**-**	**306.25**	-	**306.25**
	(-)	(-)	(-)	(257.82)	(-)	(257.82)
Sitting Fees	**-**	**-**	**-**	**0.80**	-	**0.80**
	(-)	(-)	(-)	(0.70)	(-)	(0.70)
Dividend on Preference Shares	**-**	**-**	**-**	**-**	**1.00**	**1.00**
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Service charges	**-**	**178.02**	**-**	**-**	**-**	**178.02**
	(-)	(697.02)	(-)	(-)	(-)	(697.02)
Rent & Other Income	**-**	**61.45**	**-**	**-**	**-**	**61.45**
	(-)	(434.64)	(-)	(-)	(-)	(434.64)
Utilisation of Duty Credit Scrip	**-**	**-**	**-**	**-**	**-**	**-**
	(28.34)	(-)	(-)	(-)	(-)	(28.34)
Sale of Spares/ Materials	**-**	**-**	**-**	**-**	**-**	
	(76.81)	(-)	(-)	(-)	(-)	(76.81)
Hire Income	**6.88**	**22.09**	**-**	**-**	**-**	**28.97**
	(323.85)	(811.33)	(-)	(-)	(-)	(1,135.18)
Project Management Consultancy Service	**-**	**221.11**	**-**	**-**	**-**	**221.11**
	(-)	(849.15)	(-)	(-)	(-)	(849.15)
Interest paid on loan	**-**	**-**	**5.85**	**-**	**-**	**5.85**
	(-)	(-)	(5.85)	(-)	(-)	(5.85)
Guarantees Given for/ (Released)	**-**	**(306.15)**	**-**	**-**	**-**	**(306.15)**
	(-)	(8,108.47)	(-)	(-)	(-)	(8,108.47)
Outstanding amount of guarantee given/ (taken)	**-**	**26,293.00**	**-**	**-**	**-**	**26,293.00**
	(-)	(36,026.62)	(-)	(-)	-	(36,026.62)
Outstanding amount Dr/ (Cr)	**5.91**	**722.41**	**(89.94)**	**-**	**-**	**638.38**
	(197.14)	(2,994.65)	(-90.00)	(-)	(-)	(3101.79)

Figures in parenthesis are those of the year ended 31st March, 2011.

35. Details of Leasing Arrangements

Particulars	**For the year ended 31st March, 2012 (₹ in Lacs)**	For the year ended 31st March, 2011 (₹ in Lacs)
As Lessor (i) The company has let out one of the premises 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	**94.04**	1,186.49
As Lessee (i) The company has taken various offices, residential and godown premises under operating lease or leave and licence agreements. These are generally cancelable 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 in the Statement of Profit and Loss under 'Rent' in Note 27. (iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting' in Note 24.	**2,580.17** **9,868.67**	2,098.57 12,461.30

36. 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 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
Profit after tax and minority interest	**9,453.19**	11,878.63
Less: Dividend on 0.01% Convertible Non Cumulative Non Participatory Preference shares (including dividend tax)	**4.07**	4.07
Profit for the year attributable to equity shareholders	**9,449.12**	11,874.56
Weighted average number of shares outstanding during the year	**Numbers**	Numbers
For basic EPS	**71,869,956**	71,721,291
For diluted EPS (refer note below)	**336,521,970**	336,373,305
Earnings per share	**₹ in Lacs**	₹ in Lacs
Basic	**13.15**	16.56
Diluted	**2.81**	3.53
Nominal value per share	**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)	**71,869,956**	71,721,291
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 below)	**250,000,000**	250,000,000
Add: Potential equity shares that could arise on conversion of 0.01% Non-cumulative, Non-Participatory Convertible Preference shares at ₹ 68.25.	**14,652,014**	14,652,014
	336,521,970	336,373,305
Note: For the purpose of calculating Diluted Earnings per share above preference shares are treated as convertible into equity shares at par		

37. 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	721,150.00

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

	Current Year	As at 31st March, 2011
Particulars	**Quantity**	Quantity
Authorised to be Granted	**1,785,000**	1,785,000
Granted and Outstanding at the beginning of the year	**1,30,770**	303,460
Granted during the year	**Nil**	Nil
Forfeited during the year	**Nil**	Nil
Exercised during the year	**1,30,770**	138,954
Lapsed during the year	**Nil**	33,736
Granted and outstanding at the end of the year	**Nil**	130,770
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 Charted Accountants of India.

Had the company followed fair value method for accounting the stock option, compensation expenses would have been higher by **NIL** (Previous year ₹ 12.31 Lacs). Consequently profit after tax would have been lower by like amount and Basic Earning per share would have been lower by **NIL** (Previous year ₹ 0.02) per share and Diluted Earnings per share would have been lower by **NIL** (Previous year ₹ 0.0049) per share.

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

38. 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 31st March, 2011
Afcons (Mideast) Constructions and Investments Private Limited	- (-)	- (-)	0.11 (0.11)	0.11 (0.11)

Figures in parenthesis are those of the previous year.

39. 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 :

₹ in Lacs

Name of the Subsidiary	Gross Value of Fixed Assets
Afcons Corrosion Protection Pvt. Ltd (Formerly SSS Electricals (India) Private Ltd).	**72.22** (67.58)

Figures in parenthesis are those of the previous year.

40. Recovery of Expenses in Note 24, Note 25, Note 26, and Note 27 are amounts recovered from other entities towards the value of cost apportioned of the Company's employees and facilities in accordance with the agreements on allocation of expenses with the companies.

41. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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

K. Subrahmanian
Managing Director

S. Paramasivan
Deputy Managing Director

P. R. Rajendran
Company Secretary

Place: Mumbai
Dated: 22nd August, 2012

Financial Details of Subsidiary Companies for the year ended 31st March 2012

₹ in Lacs

Sr. No	Name of the Subsidiary Company & Country of Incorporation	Financial Year ending	Rate of Exchange	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investments (except in case of investment in subsidiaries)			Turnover (Incl. Other Income)	Profit/ (Loss) before Tax	Provision for Current & Deferred Tax	Profit/ (Loss) after Tax	Proposed Dividend
								Shares	Mutual Funds	Total of Investments					
1	Hazarat & Company Private Ltd. India	31st March 2012	-	20.26	0.23	20.69	20.69	-	-	-	1.20	0.09	(0.03)	0.06	-
2	Afcons Corrosion Protection Private Ltd. (formerly SSS Electricals (India) Pvt. Ltd.), India	31st March 2012	-	8.00	117.30	161.15	161.15	-	-	-	199.82	10.20	(6.84)	3.36	-
3	Afcons Offshore and Marine Services Pvt. Ltd, India	31st March 2012	-	10.00	75.30	94.62	94.62	-	-	-	9.18	8.46	-	8.46	-
4	Afcons Construction Mideast LLC Dubai, UAE	31st December 2011	14.8115	44.43	1,222.99	15,004.53	15,004.53	-	-	-	4,743.70	975.30	-	975.30	-
5	Afcons Infrastructure International Ltd. (AIIL), Mauritius	31st December 2011	54.4026	15.14	8,556.69	8,577.72	8,577.72	-	-	-	854.02	167.34	(8.44)	158.91	-
6	Afcons Madagascar Overseas SARL (100 % subsidairy of AIIL), Madagascar	31st December 2011	0.0244	0.49	78.19	85.07	85.07	-	-	-	11.96	(16.76)	-	(16.76)	-
7	Afcons Gulf International Projects Services FZE (100 % subsidairy of AIIL), Fujairah	31st December 2011	14.8115	148.12	1,165.91	1,357.52	1,357.52	-	-	-	1,185.96	1,162.69	-	1,162.69	-
8	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL, Kuwait**	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** New Company formed on 12th September, 2011 and the accounts have not been prepared.

Note : 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, 2011.

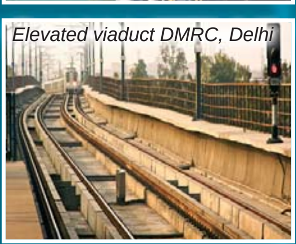
LNG Tanks, Kochi

Grade Separator at Ghazipur, Delhi

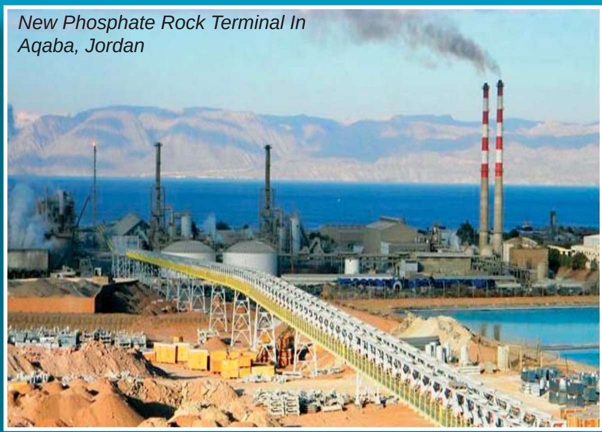
Longest (4.6 Km) railway bridge at Kochi

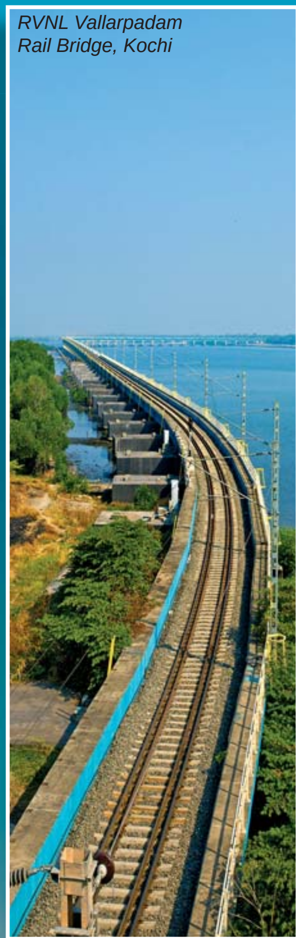

A1 Berth for Reliance


LNG Tanks, Kochi


Elevated viaduct DMRC, Delhi


Iron Ore Mining Project, Liberia


New Phosphate Rock Terminal In Aqaba, Jordan


RVNL Vallarpadam Rail Bridge, Kochi


Grade Separator at Mukharba Chowk, Delhi


Rohtang Pass, Manali

AFCONS INFRASTRUCTURE LIMITED
A Shapoorji Pallonji Group Company

"Afcons House"
16, Shah Industrial Estate, Veera Desai Road, Azad Nagar P. O., Andheri (West), Mumbai - 400 053