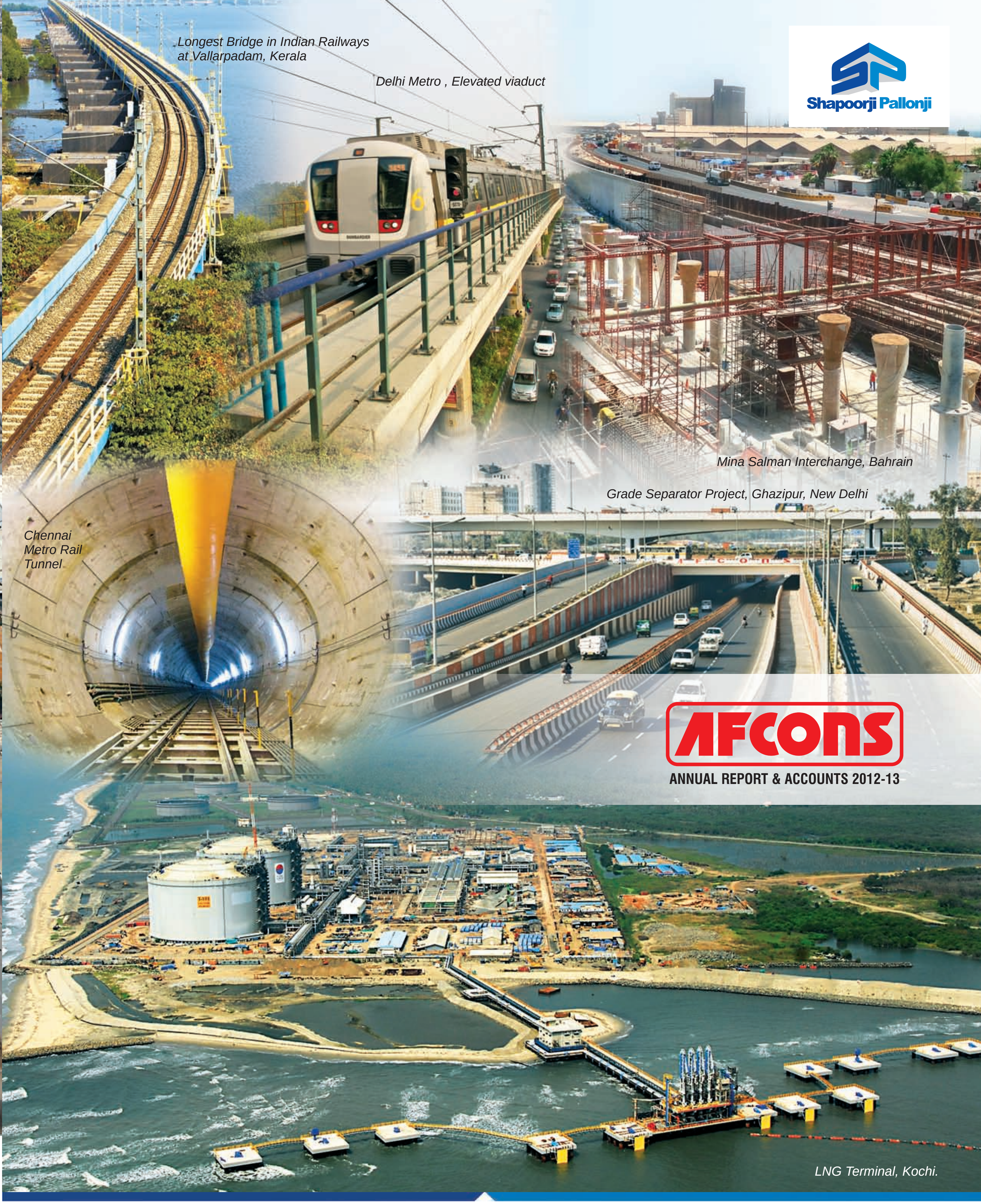
Shapoorji Pallonji



AFCONS

ANNUAL REPORT & ACCOUNTS 2012-13

Mission

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

Infrastructure Excellence Award for 3-Level Grade Separator Project, Ghazipur, New Delhi

Most Admired Companies 2012 award by Construction World

AFCONS

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

M/s. Deloitte Haskins & Sells (Mumbai), Chartered Accountants
M/s. J.C. Bhatt & Associates, Chartered Accountants

REGISTERED OFFICE

"AFCONS HOUSE"
16, Shah Industrial Estate,
Veera Desai Road,
Azad Nagar P.O.
Andheri (West)
Mumbai- 400053

Thirty-Seventh Annual General Meeting on 26Th September, 2013 at 4.30 p.m. at "Afcons House", 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar P.O. Andheri (West), Mumbai- 400053.

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-Seventh Annual Report together with the Audited statement of accounts for the year ended 31st March, 2013.

1. CONSOLIDATED FINANCIAL RESULTS

(₹ in crores)

Particulars	31st March, 2013	31st March, 2012
Total Income	3,079.69	2,550.78
Profit / (Loss) before Tax	151.46	150.56
Provision for Taxation	(60.45)	(60.86)
Excess / (short) provision for tax in respect of earlier years	1.10	(1.56)
Profit/(Loss) after Tax (before Minority Interest)	92.12	88.14
Minority Interest	2.30	6.39
Profit / (Loss) for the year	94.42	94.53
Balance brought forward from previous years	392.44	298.02
Profits available for Appropriation	486.86	392.55
Less: Appropriation		
(i) Interim Dividend on Equity Shares	14.40	--
(ii) Proposed Dividend on Preference Shares	0.04	0.04
(iii) Tax on Dividend	2.34	--
(iv) Interim distribution of profit to a Joint Venture Partner	--	0.07
(v) Transferred to General Reserve	3.48	--
(vi) Transferred to Debenture Redemption Reserve	6.25	--
	26.51	0.11
Balance Carried Forward to Balance Sheet	**460.35**	**392.44**

2. OPERATIONS

Your Company has achieved total income of ₹ 3,079.69 crores for the year compared to the previous year's ₹ 2,550.78 crores showing an increase of 20.74%.The EBIDTA for the year was ₹ 348.98 crores compared to ₹ 279.72 crores in the previous year resulting in increase by 24.76%. The Consolidated Profit before Tax for the year was ₹ 151.46 crores compared to ₹ 150.56 crores in the previous year resulting in a marginal increase of 0.60%.The Consolidated Profit after Tax for the year was ₹ 92.12 crores compared to ₹ 88.14 crores in the previous year resulting in increase by 4.51%. Our Order book as on 31st March, 2013 was ₹ 7,474.27 crores.

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

i. Design and construction of container berth (625 m length) at Hazira for Hazira Port Private Limited.

ii. Civil and erection works forming part of DSO phase of iron ore mining at Liberia for Arcelor Mittal Liberia Limited.

iii. ICP–R Process Platform for MHS Redevelopment Phase II- executed in Joint Venture with PT. Gunanusa Utama Fabricators, Indonesia for Oil & Natural Gas Corporation Limited.

iv. Design and Construction of Flyover at Nagpur for Maharashtra Airport Development Company Limited.

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

i. Design Package CC-15: Part Design and Construction of elevated viaduct from Ch. Km. 26.739 to Km.34.344 including entry exit line to depot, elevated ramp at Kalkaji & special spans and Construction of six elevated stations of Phase-III of Delhi MRTS of Delhi Metro Rail Corporation Ltd. of approx. value of ₹ 371 crores.

ii. Western Range DSO Iron Ore Project, Liberia, Package – 166580 – C106A (Bundled) Bulk Earthworks, Concrete and Civil Works at Port of Arcelor Mittal Liberia Limited of approx. value of ₹ 282 crores.

iii. Design Package CC-29: Part Design and Construction of elevated viaduct and Ramp length 2654.44 m and Construction of two elevated stations of Phase-III of Delhi MRTS of Delhi Metro Rail Corporation Ltd. of ₹ 138 crores.

iv. Port of Pipavav Construction work of New Port Infrastructure Contract II – Civil Works of Gujarat Pipavav Port Ltd. of ₹ 279 crores.

v. Fuel Quay Repair Works at Buchanan Port, Liberia of Arcelor Mittal Liberia Limited of ₹ 29 crores.

vi. Construction of Elevated Road over Barapulla Nallah starting from Sarai Kale Khan to Aurobindo Marg near INA Market, New Delhi-Phase-II of PWD Ltd., Delhi of ₹ 355 crores.

vii. Earthworks and Civil's – Concentrator at western Liberia of Arcelor Mittal Liberia Limited of ₹ 37 crores.

viii. HRD Process Platform Project of ONGC in Consortium with Technip K T India and TH Heavy Engineering BHD of Malaysia. The Company's share in the Consortium is approx. ₹ 1,179 crores.

3. CREDIT RATING

During the year, CRISIL has assigned us Long Term Rating to "AA/Negative" which reflects high safety and short term rating of "A1+" which reflects highest safety.

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

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

4. DIVIDEND

The Company has declared an interim dividend to the equity shareholders @ 20% (i.e. ₹ 2/- per equity share of ₹ 10/- each) on the paid up capital of ₹ 71,97,02,380/- aggregating to total outflow of ₹ 16.72 crores (including dividend distribution tax of ₹ 2.33 crores). Your Directors recommend the said interim dividend as final dividend.

The Directors recommend, for approval of members, dividend of 0.01% on Convertible Preference Shares of the Company. The dividend, if declared, would involve an outflow of ₹ 0.04 crores including dividend tax.

5. SUBSIDIARIES

i) During the year, the Company has incorporated a subsidiary in Qatar in the name of Afcons Overseas Construction LLC.

ii) The Company is in the process of winding-up its step down subsidiary i.e. Afcons Madagascar Overseas SARL, set up in Madagascar.

iii) Your Directors at its meeting held on 26th June 2013, has considered and approved in principle a Scheme of Amalgamation which provides for the merger of Afcons Infrastructure International Ltd. ("AIIL"), a company incorporated in Mauritius, a wholly owned subsidiary of the Company with itself. The said Scheme of Amalgamation is, inter alia, subject to the necessary approvals under the Laws of India and Mauritius.

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

v) 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 December, 2012 / 31st March, 2013 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.

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

6. 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.

7. 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.

8. DIRECTORS

Mr.J.J.Parakh, Mr.B.D.Narang and Mr.R.M.Premkumar, Directors of the Company, who retire by rotation at the ensuing Annual General Meeting, do not seek reappointment. The Company thank them for their valuable contribution rendered during their tenure of service.

9. 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, 2013 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 assets 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.

10. 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 detailed below:

- SP Jammu Udhampur Highway Pvt. Ltd. has issued an appreciation letter to AFCONS Infrastructure Ltd (Udhampur - 2616) for successfully achieving "7 Million Man hours" without any Lost Time Accident (LTA)
- Tecnimont ICB Pvt. Ltd has issued an appreciation certificate to OPAL Project for successfully achieving "5 Million safe Man Hours" without any Lost Time Accident (LTA).
- Royal Haskoning has issued an appreciation letter to Aqaba, Jordan site for successfully achieving "4 million Man hours" without any Lost Time Accident (LTA).
- Delhi Metro Rail Corporation Ltd (DMRC) has awarded an appreciation certificate for successfully achieving "2 Million Safe Man hours".
- ArcelorMittal has issued an appreciation letter to Liberia, Buchanan Project for successfully achieving "1 Million Man hours" without any Lost Time Accident (LTA).
- RVNL, Kolkata Project Implementation Unit has issued an appreciation letter to for achieving "1 Million Safe Man-Hours."

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

11. AWARDS AND RECOGNITIONS

During the year, the Company received "CNBC TV 18-Infrastructure Excellence Awards 2012" for the "Main Awards Category-Highways & Flyovers" for the "3-Level Grade Separator Project" at Ghazipur, New Delhi.

Your Company has been listed among the "Top Ten Most Admired Company" for the Seventh year in succession by the Construction World.

12. AUDITORS

M/s.Deloitte Haskins & Sells (Mumbai), Chartered Accountants (ICAI registration no.117366W), the present Joint Statutory Auditors of the Company do not seek reappointment at the conclusion of their present term at the ensuing Annual General Meeting.

A special notice under section 225(1) read with section 190 of the Companies Act, 1956 has been received from a member of the Company, seeking the appointment of M/s.Deloitte Haskins & Sells(Baroda), Chartered Accountants (ICAI registration no.117364W) in place of M/s. Deloitte Haskins & Sells(Mumbai), Chartered Accountants (ICAI registration no.117366W) as Joint Statutory Auditors of the Company along with the retiring Auditor M/s.J.C.Bhatt & Associates, Chartered Accountant (ICAI registration no.130923W).

M/s. Deloitte Haskins & Sells, (Baroda), Chartered Accountants (ICAI registration no.117364W) and M/s.J.C.Bhatt & Associates, Chartered Accountants (ICAI registration no.130923W) have confirmed that they are eligible for appointment in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

The Board of Directors therefore proposes the appointment of M/s.Deloitte Haskins & Sells (Baroda) Chartered Accountants, (ICAI registration no.117364W) and M/s. J.C.Bhatt & Associates, Chartered Accountants (ICAI registration no.130923W) as Joint Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of the next annual General Meeting on the terms and conditions to be mutually agreed upon between the Board of Directors of the Company and the Auditors.

13. AUDITORS REPORTS

The Auditor's Report to the shareholders on the Accounts of the Company for the financial year ended 31st March, 2013 does not contain any qualifications.

14. FIXED DEPOSIT

Your Company did not invite or accept deposits from the public during the year under review. As on 31st March, 2013, 12 deposits pertaining to previous years aggregating to ₹ 1,57,000/- remained unclaimed.

15. 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 2005-2006 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.

16. 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.

17. 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 continuing its effort to convert all sites from fossil power to grid power thereby minimising the carbon foot print. This has been implemented to all sites as per feasibility. The total conversion of fossil power of 11 MVA by Grid power of 9 MVA considering all the sites the reduction GHG (Green House Gas) emission by 19000 tons.

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORBTION:

1. Automation of Samrat Jack-up through PLC and SCADA View at Dahej Site completed.
2. Web publishing and online monitoring of Gen. Set 1000 KVA Electrical parameters and HSD consumption for TBM for the Chennai site successfully completed.
3. Upgradation and standardization of CP 30 Batching plant software as well as PLC and panel View / SCADA is completed by 50%. Rest will be completed during 2013-14.

C. FUTURE ACTION PLAN:

1. Web publishing and online monitoring of Batching Plant productivity report.
2. Upgradation and standardization of software as well as PLC, Panel View/ SCADA of M1 and CP 30 batching plant.
3. Syncronisation of 250 KVA Caterpillar Generator Sets.

D. FOREIGN EXCHANGE EARNING AND OUTGO. (Standalone)

(₹ in crores)

	Current year	**Previous year**
Earnings	521.40	879.71
Outgo	730.40	1089.83

18. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 26th June, 2013

S.P.MISTRY
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GLOBAL ECONOMY

The trends in the global economy which were witnessed over the last couple of years continued in the year 2012-13 as well, with economies across the world gradually showing signs of improvement but the pace of improvement is still slow. The decline in developed economies has now been restricted, but concerns have emerged from perceived slowdown in Chinese growth. Given the high levels of demand that have been generated from China for commodities like coal and iron ore, the result has been downturn in commodity cycle as well. The same is visible through “go-slow” approach of various leading mining companies in Africa and other geographies. Oil & gas economies in Middle East are doing well, and even other economies such as UAE have started showing signs of recovery through increased activity in infrastructure and real estate sectors.

OVERVIEW OF THE INDIAN ECONOMY

The Indian economy also showed signs of slow down. Delays in policy decisions, tight monetary conditions, decreased pace of investment have been cited as the key reasons for current economic situation. As per the Advance estimates from the Central Statistical Organisation (CSO), Government of India (GOI) suggest that real GDP growth reduced further from 6.2% in 2011-12 to 5% in 2012-13. These levels of growth are far below the 8%-9% annual growth rates envisaged originally in the GOI’s long term planning programmes.

The slowdown in 2012-13 was witnessed in all the major sectors of the economy. The agriculture sector grew by 1.9% in 2012-13 compared to 3.6% in 2011-12. The service sector grew by 6% in 2012-13 as against growth of 7% in previous year. The Construction sector grew by 4.3% in 2012-13 as against 5.6% in the previous fiscal.

The structure of economic growth is also not very encouraging for the immediate future. Incremental Gross Fixed Capital Formation (GFCF), which gives an indication of the creation of growth promoting assets in an economy, has also reduced from high levels of 14% in 2010-11 to 4.4% in 2011-12 and further down to a mere 2.5% in 2012-13. In light of this economic slowdown, it is natural to witness reduction in construction activities.

The resilience of the Indian economy is being tested, but we hope the economy to bounce back in the short to medium term. With general elections coming up some of the policy decisions may get delayed, but at the same time, public investment in key projects such as NHAI, Railways may pick up.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Construction industry is an integral part of the Indian economy. It is the second largest employers of labour force in the country after agriculture. It also has extensive linkage with the other sectors of the economy. It plays an important role in the development of a country’s infrastructure, which is one of the key engines of the economic growth. Government policies and budgets have therefore been progressively geared to promote infrastructure development.

The Twelfth Plan period (2012-2017) envisages the doubling of investment in infrastructure from about ₹ 20 lakh crore to about ₹ 40 lakh crore (USD 1 trillion at 2006-2007 prices). The share of private investment is expected to rise from about ₹ 7 lakh crore to ₹ 22.5 lakh crore. However, given the current investment climate and private sector participation in the country this is unlikely to be achieved.

Over the long term, the share of investment in infrastructure, as percentage of GDP is expected to witness a steady increase, growing from 7.8% in 2011-2012 to 9% in 2016-2017 (an average of 8.26% during Twelfth Plan). This planned investment, if realised, can lead the country’s growth to a higher trajectory.

In reality, the pace of infrastructure development has slowed down considerably over the last couple of years barring exceptions. While the Government had laid-out plans, implementation mechanism is not well-oiled. Key initiatives such as port development, NHAI, etc have been riddled due to policy related issues in implementation. In addition to uncertain policy climate and delays in key projects, finance has also emerged as a key challenge for private investment in the sector. Infrastructure developers are now looking at exit from projects due to reasons such as non availability of land, lower than estimated performance and also due to their own financial standings.

In our opinion the first wave of Public Private Partnership (PPP) has passed, and the stakeholders involved i.e. Government, Bank and Developers have gained a deeper understanding of the success factors and risks involves in PPP. We expect that over the next couple of years, the PPP framework will get streamlined further with policy measures on exit clauses, improved risk sharing mechanisms etc. Action towards the same has already been initiated with loans for road assets being considered as secured. Other such actions will go a long way in ensuring a favourable climate for PPP in India.

BUSINESS OVERVIEW

During the year, the Company has bagged orders of approx ₹ 2,663 crores. The sectors of key businesses to the Company faced increased level of competitive intensity due to lower number of jobs and increase in competition. The order book position of the Company as on 31st March, 2013 was ₹ 7,474 crores. There is an increase in the value already accrued upto now to the tune of about ₹ 1,000 crores on account of escalation which is not accounted in the above. While our quality of orders is good and the order size is about 2.5 times of our turnover, we still need to increase the order book size.

During last 5 years, the Company has executed projects in Abu Dhabi, Dubai, Qatar, Mauritius, Madagascar, Oman, Yemen, Algeria and Liberia. Currently, the Company is executing projects in Jordan, Liberia and Bahrain. During the year ended 31st March, 2013, the Company achieved 16.6% of its turnover from overseas market. After 3 years successive run of more than 30% turnover coming from overseas markets, this is a fall. This has primarily happened on account of slowdown in commodity cycle and relevant investment in Africa and general cautious approach in Middle East market in the award of new jobs. We expect this situation to improve in the next couple of years.

The growth of the Company has been well diversified across different segments and geographies on the desired line and focus. All the segments are well balanced and there is no over dependence on any one sector or geography and we remain present in all segments with a reasonable significant participation. Metro constitutes a major sector. However it is balanced between underground and elevated sub segments.

CONSOLIDATED FINANCIAL PERFORMANCE

Your Company has achieved total income of ₹ 3,079.69 crores for the year compared to the previous year's ₹ 2,550.78 crores showing an increase of 20.74%. The EBIDTA for the year was ₹ 348.98 crores compared to ₹ 279.72 crores in the previous year resulting in increase by 24.76%. The Consolidated Profit before Tax for the year was ₹ 151.46 crores compared to ₹ 150.56 crores in the previous year resulting in a marginal increase of 0.60%. The Consolidated Profit after Tax for the year was ₹ 92.12 crores compared to ₹ 88.14 crores in the previous year resulting in increase by 4.51%. Our Order book as on 31st March 2013 was ₹ 7,474.27 crores.

OPPORTUNITIES

Over the last decade India has developed as an economy primarily driven by internal consumption. Middle class has been on the rise, and with favourable demographics of 50% of population being below the age of 25 and more than 65% below the age of 35 the middle class will continue to fuel the economy. Another trend that has emerged over the last decade is increasing urbanisation. With an ever increasing number of jobs being created in manufacturing and service, the towns and cities are burgeoning. Towards fulfilling the economic potential bridging the infrastructure deficit will be imperative across all segments including roads, railways, urban infrastructure, ports, power etc., over the next decade.

However, the current environment due to policy uncertainties, long process of clearances and funding related concerns have led to slowdown in the economy and infrastructure segment specifically which we believe would be short term in nature.

Road

Roads is the primary mode of transportation in India today, as they carry almost 90% of the country's passenger traffic and about 65% of its freight. A master plan for 18,637 kilometres of expressways, with new alignments for both passenger and freight movements in high traffic density corridors is being taken up by Ministry of Roads,Transport and Highway (MORTH). This is in addition to initiatives taken up under the National Highway Development Programme.

In the Twelfth Five year plan 13000 Km of roads are expected to be added to the national highway network, while 32,750 Km of roads are expected to be widened to four or more lanes. This would entail an expected investment of more than ₹ 3,23,000 crores.

In terms of implementation from the highs of 2011-12 when 6700 Km of road projects were awarded, there has been a sharp drop in 2012-13. In the context of strong performance in 2011-12, the target for award by NHAI was enhanced to 9500 Km of PPP and 2500 Km of EPC projects. But given the implementation issues such as land acquisition, forest and environmental clearances, even some of the projects awarded in 2011-12 could not get off the ground. Also given the aggressive quotes and stretched financials, some of the projects could not achieve financial closures even after one year of award. Due to the aforementioned reasons, the target was reduced to 4400 Km, but at the end of the year the achievement was ~1150 Km only.

Given the pivotal role played by road infrastructure in India, the government will definitely push for increased pace of implementation, but with the varied challenges being faced in roads development programs including financial constraints being faced by developers and external issues such as land acquisition increasing the project risks, it may take some time to reach the levels of 2011-12. We believe that competitive intensity will reduce and the developers will be selective in bidding in PPP projects, however, in EPC projects, there can be a mad scramble.

Railways

Indian Railways are one of the largest railways network in the world carrying 22 million passengers every day and carrying 923 million tonnes of freight a year. The Annual Plans of 2013-14 lays down planned investment of ₹ 63,363 crores for 2013-14, including ₹ 600 crores from PPP route. The plan also targets setting up 500 km new lines, 750 km doubling, 450 km gauge conversion during the year 2013-14. As proposed in the approach papers of the Twelfth Five year Plan, the Annual plan of 2013-14 have formalised setting up of an Independent Rail Tariff Authority. This will pave way for adjustment and rationalisation of tariffs by Railway and thereby improve financials and enable modernization and upgradation of facilities.The Indian Railways plans to bring in new technologies and augment the existing infrastructure through High Speed Corridors, Dedicated Freight corridors etc. However, at a Project implementation stage, we need to watch their performance.

MRTS / Urban Infrastructure

Economic growth has led to rapid urbanisation in India leading to cities and towns being stretched to the limit. In the Twelfth Five year Plan, the Planning Commission has projected an investment of ₹ 124,158 crores for the MRTS. Of the total investment, ₹ 39,700 crores will be invested by Central Government, ₹ 31,901 crores by State Government and ₹ 52,557 crores will come from the private sector. In the recent years the sector has grown at a rapid pace with Delhi and Bengaluru Metros running successful and Mumbai, Hyderabad, Chennai, Jaipur and Kochi Metros expected to commence operations soon. Also proposals for MRTS for Pune, Chandigarh, Ahmedabad, Kanpur, Ludhiana, Bhopal, Indore and Faridabad are being chalked out. The Government on its part has been encouraging private sector participation in major urban transport projects.

We expect the segment to remain strong and be a continuous source of opportunities for years to come. However, profitable growth in this sector would be a challenge.

Ports

During the Eleventh Plan period, the capacity increment of Major Ports was not as per expectation, but to some extent it was balanced by the growth in Minor ports which increased by 300+ MMTPA. But in the first year of twelfth plan (2012-13), as per data from Ministry of Shipping, 32 projects were awarded resulting in capacity addition of 136.75 MTPA and involving an investment of ₹ 6,765 crores.

The "Maritime Agenda 2020" envisages increasing the port capacity in India to 3200 MMTPA by 2020, from 1000 MMTPA in 2010. Towards this two new Major Ports, one at Sagar Island in West Bengal and another in Andhra Pradesh have been proposed to be developed. These two new Ports will add a capacity of 100 MMTPA.

For the year 2013-14, 30 port development projects have been targeted, adding capacity of 290 MMTPA at an estimated investment of ₹ 24,633 crores.

The market is looking at increased private participation for growth. Large projects (> ₹ 500 crores) are moving to PPP, and civil construction projects with major ports are now typically in the range of less than ₹ 100 crores. Even for the projects proposed during the year 2013-14, larger ticket projects will be through PPP route. Hence in such a situation it is imperative for the government to extend the necessary support to PPP model for successful growth of port segment.

Power

In the Twelfth five year plan a target of 62 GW of capacity addition has been defined, which would require an investment of ₹ 638,600 crores in power generation. The sector is currently facing myriad challenges from availability of coal for thermal power to land and environmental clearances for hydro and nuclear segments.

Recent power outages in North Grid have brought the issues of power availability and transmission to the fore. As evident from the discussion above, the sector is definitely at the forefront of infrastructure development and key policy decisions regarding coal availability would provide the necessary catalyst to put the sector of the fast track.

Overseas Market

Global events in the last few years have had global and local economic impacts. With the unemployment and dissatisfaction driven revolutions in Middle East, the local oil & gas driven economies have announced major infrastructure development plans towards enhancing the opportunities for locals. Hence high potential is visible in economies like Saudi Arabia, Kuwait etc. In Qatar with the FIFA World Cup coming up in 2022, increased level of investment in infrastructure is expected.

With perceived slowdown in commodity cycle and perception of reduced demand from China, it is expected that mining related capital investments will be muted over the next two to three years. Though this may reduce the immediate opportunities available in Africa in the short term, but would not impact the attractiveness of the Africa infrastructure market, which would still be required to be developed to exploit some of the largest sources of mineral deposits. With discoveries of potentially large reserves of gas in east Africa, the future looks promising.

Economies in South East Asia have been able to sustain GDP growth rates of ~6%. Given the availability of natural resources like coal and Oil & Gas in countries like Vietnam, Myanmar and Indonesia the potential is visible, and with the improving political climate sustained pipeline of opportunities will be available over the medium term.

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

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:

- Slowdown in global commodity cycle leading to decreased investment in mining related infrastructure, which will get exacerbated in case of further slowdown in China’s growth.
- Slower than expected recovery of developed economies from recession
- Increased competitive intensity for the limited global opportunities

B. Domestic Events:

Despite the Construction Industry in India witnessing higher 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:

- There is a possibility of capital moving out of India due to negative perceptions on the domestic front.
- Change in government policies, priorities and its budgetary allocation for infrastructure development.
- Delays in clearances leading to execution delays, thus further stretching the financial position of Infrastructure EPC firms.
- 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.

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 revival of growth in the advanced countries is expected to be slow and uncertain at least in the near future, despite the measures being taken on monetary and fiscal fronts. Indian economy has been adversely affected by the sharp global economic slowdown and its GDP growth is likely to be around 6% during the current year. Given the global economic and domestic environment, it remains to be seen how government decisions and policy initiatives put India to a fast track road to recovery.

Your Company has followed a path of diversification as a key component of its growth, and since middle of last decade has been identifying new geographies and segments for entry. Your Company has achieved initial success in the new segments such as Oil & Gas and Hydro & Underground and would looks towards consolidating its position in these areas.

Middle East & Africa are two key geographies which your Company has been focussing as driver for overseas expansion. Going forward, we target to increase the revenue contribution from overseas to 40%.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company is maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The internal control system is managed through continuous internal audit by outside professionals who conduct audits of Project sites of the Company throughout the year to test the adequacy of the internal systems and suggest continual improvements. All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit reports and managements responses/replies thereon. The minutes of Audit Committee are reviewed by the Board for its suggestions/recommendations to further improve the internal control systems.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

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

The Company's HR Policy focuses on:

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

The Company has taken many initiatives towards effective training and development for the employees at various levels. Some of the innovative initiatives includes Anugam-HR Induction program initiated through E-Learning platform, launching of web based knowledge management portals i.e. AFCONIANS and AFCONS GNOSIS, Classroom @ site and Classroom @ HO program as knowledge sharing platform, Whole Wellness Program, focused training sessions and workshops to continuously improve the skill sets of the employees. It is heartening to note that the Company has set new benchmark of training in the industry, in the globe. The Company has achieved 4.5 mandays per employee in training in 2012-13 as against 4 mandays per employee as the existing global benchmark.

For the seventh year in succession, Construction World has rated us among the "Top Ten Most Admired Company".

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, 2013 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 Non Executive Director and the Board consists of 5 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 2012-13, Four Board Meetings were held on the following dates 15th June, 2012, 22nd August, 2012, 17th December, 2012 and 14th March, 2013. The notice for the Board Meeting and the detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take an informed decision at the Meetings.

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

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

Name of the Director	Category	Total no. of Board Meetings during the year 2012-2013		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 28.09.2012
		Held	Attended	Member	Chairman	Member	
Mr. S.P. Mistry	Chairman	4	4	10	N.A	N.A	Yes
Mr. N.J.Jhaveri	Independent Director	4	3	7	1	2	Yes
Mr. N.D.Khurody	Independent Director	4	2	1	N.A	N.A	No
Mr. J.J.Parakh	Non-Executive Director	4	4	3	N.A	2	No
Mr. B.D.Narang	Independent Director	4	3	8	N.A	N.A	No
Mr. R.M.Premkumar	Independent Director	4	4	5	2	1	No
Mr. P.N.Kapadia	Independent Director	4	3	3	N.A	NA	Yes
Mr. U.N. Khanna #	Non-Executive Director	4	2	2	N.A	N.A	Yes
Mr. K.Subrahmanian	Managing Director	4	3	1	N.A	NA	Yes
Mr. S.Paramasivan	Dy. Managing Director	4	4	N.A	NA	NA	Yes

Note:

Mr. U.N. Khanna is appointed as Director in casual vacancy w.e.f. 22nd August, 2012 due to resignation of Mr. A.H. Divanji.

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

22nd August, 2012, 17th December, 2012 and 14th March, 2013.

d. As on 31st March, 2013 Composition of Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. N.J.Jhaveri	Independent Director	Chairman	3	3
Mr. N.D.Khurody	Independent Director	Member	3	2
Mr. P.N. Kapadia	Independent Director	Member	3	2
Mr. J.J. Parakh	Non-Executive Director	Member	3	3
Mr. B.D. Narang #	Independent Director	Member	3	2

Mr. B.D. Narang is appointed as Member of Audit Committee w.e.f. 15th June, 2012.

IV. REMUNERATION COMMITTEE

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

b. During the year under review no meeting was held.

c. The Composition of remuneration committee was as under:

Name of the Director	Category	Position
Mr. N.J. Jhaveri	Independent Director	Chairman
Mr. N.D. Khurody	Independent Director	Member
Mr. P.N. Kapadia	Independent Director	Member

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 Whole time Directors and the Managing Director of the Company.

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 2012-13:

I. **Executive Directors:**

(in ₹)

Name of Director	Basic Salary	PF/SA	Perquisites	Total Remuneration
Mr. K. Subrahmanian	30,00,000	8,10,000	1,16,89,992	1,54,99,992
Mr. S. Paramasivan	24,00,000	6,48,000	89,52,000	1,20,00,000
	54,00,000	**14,58,000**	**2,06,41,992**	**2,74,99,992**

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

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

II. **Non-Executive Directors:**

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

Name of the Director	Sitting Fees (₹)	Shareholding in the Company	
		No. of Shares	% holding
Mr. S.P. Mistry	40,000	-	
Mr. J.J.Parakh	1,10,000	6,619	0.009
Mr. N.J. Jhaveri	60,000	17,749	0.025
Mr. P.N. Kapadia	1,00,000	-	-
Mr. N.D.Khurody	40,000	-	-
Mr. B.D.Narang	50,000	-	-
Mr. R.M.Premkumar	40,000	-	-
Mr. U.N.Khanna	20,000		
Total	**4,60,000**	**24,368**	**0.034**

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 allot equity shares to the employees exercising the ESOP options granted under the ESOP Scheme 2006 of the Company.
- to approve transfer of the Equity and Preference Shares of the Company and further delegate such powers to the Registrar for the Transfer of Shares of the Company.
- to allot Debentures to the Investor.
- to approve/record Transfer, Dematerialisation / Rematerialisation of Debentures, issue of duplicate Debenture Certificates, issue of new Debenture certificates on split / Consolidation.
- to look into matters pertaining to the shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, redress complaints of Debentureholder pertaining to the issue including non-receipt of interests, etc.
- to decide on all other matters related to Debentures.
- to investigate into any matter in relation to areas specified above or referred to it by the Board of Directors and for this purpose will have full access to information contained in the records of the Company.

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

22nd August, 2012, 17th December, 2012, 4th January, 2013, 12th February, 2013, 15th March, 2013.

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	Position	No. of Meetings	
			Held	Attended
Mr. P.N.Kapadia	Independent Director	Chairman	5	5
Mr. J.J.Parakh	Non-Executive Director	Member	5	4
Mr. S.Paramasivan	Dy. Managing Director	Member	5	5

e. Name and Designation of the Compliance Officer

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

f. Status of Investor's Complaints

During the financial year all the letters / complaints received by the Registrar and Share Transfer Agent have been redressed and there were no complaints pending with the Company/Registrar and Share Transfer Agent. All the valid share transfers requests received during the year were duly attended to and processed in time. There was no valid request pending for share transfer as on 31st March, 2013.

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. During the year under review no meeting was held.

iii The Composition of Committee of Directors is as under:

Name of the Director	Category	Position
Mr. N.J. Jhaveri	Independent Director	Chairman
Mr. S.P. Mistry	Non-Executive Director	Member
Mr. N.D. Khurody	Independent Director	Member
Mr. J.J. Parakh	Non-Executive Director	Member
Mr. K. Subrahmanian	Managing Director	Member
Mr. S. Paramasivan	Dy. Managing Director	Member

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 FCPs convertible into Equity Shares.

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 refevant 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	Position
Mr. P.N.Kapadia	Independent Director	Chairman
Mr. J.J.Parakh	Non-Executive Director	Member
Mr. K.Subrahmanian	Managing Director	Member
Mr. S.Paramasivan	Dy. Managing Director	Member

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	Position
Mr. N.J.Jhaveri	Independent Director	Chairman
Mr. P.N.Kapadia	Independent Director	Member
Mr. K.Subrahmanian	Managing Director	Member

VII. GENERAL BODY MEETINGS

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

For Financial Year ended	Location	Date of AGM	Time
31.03.2012	registered office of the Company	28.09.2012	4.30 p.m
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.

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

Date of EGM	Location	Time
10. 01. 2013	registered Office of the Company	4.30 p.m.

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

36th AGM dated 28.09.2012	Consent of the Company to make / give loan(s) / advances / deposits to any other body corporate / make Investments in excess of the limits under section 372A, to direct / indirect subsidiary company of the Company set up / likely to be set up in Qatar.
35th AGM dated 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 dated 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.

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

EGM dated 10.01.2013	a) To vary the terms and conditions of 25,00,00,000 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares having face value of INR 10/- each aggregating to INR.250,00,00,000 of the Company held by Goswami Infratech Private Limited. b) Alteration of Articles of Association. c) Payment of minimum remuneration to Mr.K.Subrahmanian, Managing Director. d) Payment of minimum remuneration to Mr.S.Paramasivan, Dy. Managing Director.

e. 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 2012-13 that may have potential conflict with the interests of the Company at large. The details 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. Annual General Meeting

Date	: 26th September, 2013
Time	: 4.30 pm
Venue	: Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Mumbai 400 053.

b. Financial Year	: 1st April to 31st March
c. Date of Book Closure	: 20th September, 2013 to 26th September, 2013 (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, 2013.

Sr. No.	Category	No. of Shares	% of total
1	**Promoter's holding**		
	Indian Promoters -Body Corporate	6,99,33,983	97.17
	Sub total (1)	**6,99,33,983**	**97.17**
2	**Non Promoters Holding**		
	Companies / Body Corporate	50,000	0.07
	Employees Trust	11,91,370	1.66
	Directors & their Relatives	1,48,935	0.21
	Employees / Retired Employees / General Public	6,45,950	0.89
	Subtotal (2)	**20,36,255**	**2.83**
	Total (1+2)	**7,19,70,238**	**100.00**

XII. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2013

Number of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 to 100	74	13.1673	5,991	0.0084
101 to 500	313	55.6939	83,942	0.1164
501 to 1000	38	6.7616	30,004	0.0417
1001 to 2000	32	5.6939	49,097	0.0683
2001 to 3000	12	2.1353	29,974	0.0417
3001 to 4000	10	1.7794	35,313	0.0491
4001 to 5000	10	1.7794	45,685	0.0635
5001 to 10000	33	5.8718	2,37,594	0.3301
10001 & above	40	7.1174	7,14,52,638	99.2808
Total	**562**	**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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFCONS INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Afcons Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

R. Laxminarayan
Partner
Membership No.33023

Mumbai,
Dated: June 26, 2013

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

J. C. Bhatt
Partner
Membership No.10977

Mumbai,
Dated: June 26, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

{Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts for the year ended 31st March, 2013 of Afcons Infrastructure Limited ("the Company")}

(i) Having regard to the nature of the Company's business, clauses (xiii) and (xiv) of the Order 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 explanations 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 for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses 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. Attention is invited to note no. 31 regarding reliance placed on the legal opinion obtained by management in the matter of non-applicability of Section 58A and the Companies Acceptance of Deposits Rules, 1975 to Unsecured Unlisted Redeemable Non-Convertible Debentures issued by the Company to a bank on a private placement basis and its subsequent transfer to a Mutual Fund by the Bank.. 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 made and 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, 2013 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, 2013 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 (₹ in lacs)	Amount Paid / Adjusted (₹ In lacs)	Net Balance (₹ in lacs)
Andhra Pradesh General Sales Tax Act 1957	Sales Tax	Sales Tax appellate Tribunal, Hyderabad	1995-96, 1996-97, 1997-98	16.39	-	16.39
Andhra Pradesh General Sales Tax Act 1957	Sales Tax	Appellate Dy. Commissioner of Commercial taxes, Hyderabad	1997-98	0.75	0.56	0.19
Delhi Value Added Tax Act, 2004	Sales Tax	Addl. Commissioner (Appeals)	2007-08, 2008-09	39.51	10.81	28.69
Madhya Pradesh General Sales Tax Act 1958	Sales Tax	Dy. Commissioner	1985-86	15.09	5.18	9.91
Madhya Pradesh General Sales Tax Act 1958	Sales Tax	Addl. Commissioner	1987-88, 1988-89, 1989-90	15.48	2.00	13.48
Orissa Sales Tax Act, 1947	Sales Tax	Appellate Tribunal of Sales Tax, Cuttack	1998-99	206.74	183.96	22.78
Orissa Sales Tax Act, 1947	Sales Tax	Addn. Commissioner of Sales Tax, Cuttack	1998-99	194.75	151.63	43.12
Orissa Sales Tax Act, 1947	Sales Tax	High Court, Orissa	1999-00	184.07	153.44	30.63
Orissa Sales Tax Act, 1947	Sales Tax	Addn. Commissioner of Sales Tax, 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, Kolkata	1987-88, 1988-89	11.24	5.32	5.92
West Bengal Sales Tax Act, 1954	Sales Tax	Dy. Commissioner of Commercial Taxes, Durgapur	1994-95, 1996-97	32.42	21.39	11.03
The Jammu And Kashmir General Sales Tax Act, 1962	Sales Tax	Dy. Commissioner (Appeals), Commercial Taxes, Jammu	2011-12	141.26	-	141.26
Chapter V, Finance Act,1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai	2007-08	2.86	-	2.86
Chapter V, Finance Act,1994	Service Tax	CESTAT, West Zonal Branch, Mumbai	2006-07, 2007-08, 2008-09, 2009-10, 2010-11	4,251.04	-	4,251.04
Chapter V, Finance Act,1994	Service Tax	CESTAT, West Zonal Branch, Mumbai	2006-07, 2007-08	207.71	-	207.71
Chapter V, Finance Act,1994	Service Tax	CESTAT, West Zonal Branch, Mumbai	2007-08, 2008-09, 2009-10, 2010-11	4,929.43	-	4,929.43
Chapter V, Finance Act,1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai	2006-07, 2007-08, 2008-09	18.72	-	18.72
Chapter V, Finance Act,1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai	2009-10	44.51	-	44.51

(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) According to the information and explanations given to us, during the period covered by our audit report, the Company has issued Unsecured Unlisted Redeemable Non-Convertible Debentures. Hence, the requirement of reporting on creation of security in respect of these debentures 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

Mumbai,
Dated: June 26, 2013

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

J. C. Bhatt
Partner
Membership No.10977

Mumbai,
Dated: June 26, 2013

AFCONS INFRASTRUCTURE LIMITED

Balance Sheet as at 31st March, 2013

	Particulars	Note No.	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	**3**	**42,197.02**	42,197.02
	(b) Reserves and surplus	**4**	**35,898.21**	32,989.46
			78,095.23	75,186.48
2	**Non-current liabilities**			
	(a) Long-term borrowings	**5**	**49,744.99**	26,369.85
	(b) Deferred tax liabilities (net)	**6**	**9,228.27**	7,626.97
	(c) Other long-term liabilities	**7**	**11,858.57**	5,501.88
	(d) Long-term provisions	**8**	**915.16**	689.18
			71,746.99	40,187.88
3	**Current liabilities**			
	(a) Short-term borrowings	**9**	**57,842.41**	41,557.71
	(b) Trade payables	**10**	**42,101.58**	42,459.07
	(c) Other current liabilities	**11**	**49,362.59**	55,549.44
	(d) Short-term provisions	**12**	**1,447.94**	312.29
			150,754.52	139,878.51
	TOTAL		**300,596.74**	255,252.87
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	**13.A**	**90,986.84**	54,173.52
	(ii) Intangible assets	**13.B**	**350.37**	480.05
	(iii) Capital work-in-progress	**13.C**	**14,805.91**	31,497.24
			106,143.12	86,150.81
	(b) Non-current investments	**14**	**406.88**	391.98
	(c) Long-term loans and advances	**15**	**9,085.81**	11,379.27
	(d) Other non-current assets	**16**	**26,728.02**	32,134.59
			142,363.83	130,056.65
2	**Current assets**			
	(a) Inventories	**17**	**73,721.37**	51,241.13
	(b) Trade receivables	**18**	**49,097.74**	36,666.29
	(c) Cash and cash equivalents	**19**	**1,621.38**	3,584.55
	(d) Short-term loans and advances	**20**	**31,409.92**	33,532.30
	(e) Other current assets	**21**	**2,382.50**	171.95
			158,232.91	125,196.22
	TOTAL		**300,596.74**	255,252.87
	See accompanying notes 1 to 47 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

R. LAXMINARAYAN
Partner

For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS

J.C.BHATT
Partner

S.P.MISTRY
Chairman

K.SUBRAHMANIAN
Managing Director

S.PARAMASIVAN
Deputy Managing Director

J.J.PARAKH
Director

N.D.KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 26th June, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

	Particulars	Note No.	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
1	**Revenue from operations**	22	**188,986.87**	155,348.24
2	**Other income**	23	**5,932.95**	9,411.65
3	**Total revenue (1+2)**		**194,919.82**	164,759.89
4	**Expenses**			
	(a) Cost of construction	24	**116,366.19**	100,851.47
	(b) Cost of traded Goods	25	**193.18**	794.99
	(c) Employee benefits expense	26	**32,629.14**	21,287.18
	(d) Finance costs	27	**13,296.23**	11,342.51
	(e) Depreciation and amortisation expense	13.D	**6,746.58**	3,789.21
	(f) Other expenses	28	**19,988.46**	15,546.63
	Total expenses		**189,219.78**	153,611.99
5	**Profit before tax (3 - 4)**		**5,700.04**	11,147.90
6	**Tax expense:**			
	(a) Current Tax (including foreign tax ₹ 1,291.01 Lacs) (Previous Year ₹ 3,135.61 Lacs)		**1,401.68**	3,145.40
	(b) (Less): MAT credit		**(1,145.46)**	(1,323.04)
	(c) Deferred tax		**1,601.30**	1,866.55
	(d) (Less): Tax credit relating to prior years (including MAT ₹ 684.64 Lacs) (Previous Year ₹ 485.15 Lacs)		**(799.64)**	(1,128.15)
			1,057.88	2,560.76
7	**Profit for the year from continuing operations (5 - 6)**		**4,642.16**	8,587.14
8	**Earnings per share (Face value of ₹ 10/- each):**	41		
	(a) Basic		**6.44**	11.94
	(b) Diluted		**1.39**	2.55
	See accompanying notes 1 to 47 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**	**J.J.PARAKH** **Director**
Place: Mumbai **Date:** 26th June, 2013		**N.D.KHURODY** **Director**	**P.R.RAJENDRAN** **Company Secretary**

AFCONS INFRASTRUCTURE LIMITED

Cash Flow Statement for the Year Ended 31st March, 2013

Particulars	March'2013 ₹ in Lacs	March'2012 ₹ in Lacs
A.Cash flow from operating activities		
Profit before tax	**5,700.04**	11,147.90
adjustments for :		
Depreciation	**6,746.58**	3,789.21
Profit on sale of fixed assets (net)	**(36.84)**	(114.13)
Dividend income	**-**	(0.02)
Interest income	**(4,630.71)**	(6,341.91)
Interest expense	**12,182.93**	10,233.27
Bad/irrecoverable Debtors /Unbilled Revenue /Advances w/off	**0.34**	1,788.76
Share of Loss in a firm in which the Company is a partner	**0.14**	0.22
Excess Provision for expenses of earlier years written back	**(268.75)**	(1,176.37)
Investment Written off	**-**	0.55
Provision for Projected Losses written back	**-**	(204.45)
Operating profit before working capital changes	**19,693.73**	19,123.03
(Increase)/Decrease in Inventories	**(22,480.24)**	(14,234.56)
(Increase)/Decrease in Trade receivables	**(12,431.79)**	(12,623.51)
(Increase)/Decrease in Loans and Advances and Other Assets	**6,986.01**	6,124.52
Increase/(Decrease) in Trade, Other payables and Provisions	**3,813.82**	31,404.33
Cash from Operations	**(4,418.47)**	29,793.81
Direct taxes - paid	**(757.69)**	(4,978.31)
Net Cash (used in) / from operating activities	**(5,176.16)**	24,815.50
B. Cash flow from investing activities		
Purchase of fixed assets	**(24,164.93)**	(49,253.26)
Sale of fixed assets	**255.61**	334.82
Purchase of Investments	**(14.90)**	(95.77)
Loss in a firm in which the Company is a partner	**(0.14)**	(0.22)
Dividend received	**-**	0.02
Interest received	**4,606.76**	6,341.91
Net Cash used in investing activities	**(19,317.60)**	(42,672.50)
Cash flow from financing activities		
Proceeds from issue of Equity Shares	**-**	22.22
Proceeds from long-term borrowings	**39,625.31**	23,613.50
Repayment of long-term borrowings	**(19,580.41)**	(6,233.35)
Proceeds from /repayment of short term borrowings - net	**16,284.70**	(1,678.23)
Interest paid	**(12,182.93)**	(9,880.62)
Interim Dividend paid (including tax)	**(1,676.97)**	(4.07)
Net Cash from financing activities	**22,469.70**	5,839.45
Net increase in cash and cash equivalents	**(2,024.06)**	(12,017.55)
Cash and cash equivalents at the beginning of the Year	**3,221.74**	15,239.29
Cash and cash equivalents at the end of the Year	**1,197.68**	3,221.74
Reconciliation of cash and cash equivalents		
As per Balance sheet - Note 19	**1,621.38**	3,584.55
Less : Fixed Deposits on Lien	**(423.70)**	(362.81)
As per Cash flow statement	**1,197.68**	3,221.74

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 Standards) Rules, 2006.
2. Cash and Cash equivalents includes unrealised Profit / (Loss) of ₹ 281.20 Lacs (Previous year ₹ 192.90 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

J.C.BHATT
Partner

Place: Mumbai
Date: 26th June, 2013

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman

K.SUBRAHMANIAN
Managing Director

S.PARAMASIVAN
Deputy Managing Director

J.J.PARAKH
Director

N.D.KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Notes forming part of the financial statements for the year ended 31st March, 2013

Note	Particulars
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 the Generally Accepted Accounting Principles (GAAP) 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. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Leasehold improvements have been capitalized and are written off over the primary lease term not exceeding five years.
2.5	**Intangible Fixed Assets**
	Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 – "Intangible Assets".
2.6	**Depreciation & 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 except in case of Tunnel Boring Machines, which are amortised on the basis of the length of the tunnel bored over the life of the construction project for which it is used. 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 Statement of 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 a long term investment, the carrying amount is reduced to recognize the decline. Investment in shares of subsidiaries registered outside India, are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.

Notes forming part of the financial statements for the year ended 31st March, 2013

Note	Particulars
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.
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**
	i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
	ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.
	iii) Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.
	iv) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as Foreign currency monetary item translation difference account net of the tax effect thereon, where applicable.
2.12	**Revenue recognition on contracts**
	a. Contract revenue and expenses are recognized, when outcome can be estimated reliably, on the basis of percentage of completion method. Percentage of completion is determined based on the nature of contracts, either in proportion of contract costs incurred upto the reporting date to the estimated total cost or on the basis of physical proportion of the contract work completed as considered appropriate.
	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 Life Insurance Corporation of India. Provision for superannuation is made on the basis of premium payable in respect of the aforesaid policy.
	iii) Provident fund Contribution as required under the statute/ rules is made to the Government Provident Fund.
	iv) Compensated absences The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the period in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

Notes forming part of the financial statements for the year ended 31st March, 2013

Note	Particulars
	v) Other Benefits The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders the service.
	vi) Actuarial gains and losses The actuarial gains and losses are recognised immediately in the statement of Profit and Loss.
2.16	**Borrowing costs**
	Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.
2.17	**Segment Reporting**
	The following accounting policies have been followed for segment reporting:
	i. Segment Revenue includes income directly identifiable with / allocable to the segment.
	ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Results. The expenses which relate to the Group as a whole and not allocable to segments are included under Unallocable expenses.
	iii. Segment assets and liabilities include those directly identifiable with the respective segments.
2.18	**Leases**
	Assets leased out under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term. Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to Statement of Profit & Loss on straight line basis over the lease term.
2.19	**Doubtful debts and advances**
	Provision is made in the accounts for debts and advances which in the opinion of the management are considered doubtful of recovery.
2.20	**Taxation**
	Income taxes are accounted for in accordance with Accounting Standard (AS) 22- “Accounting for taxes on income”, 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 recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates.
2.22	**Provisions, Contingent Liabilities and Contingent Assets**
	Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

Notes forming part of the financial statements for the year ended 31st March, 2013

3. Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares	**₹ in Lacs**	Number of shares	₹ in Lacs
(a) Authorised				
Equity shares of ₹ 10 each	**350,000,000**	**35,000.00**	350,000,000	35,000.00
Preference shares of ₹ 10 each	**650,000,000**	**65,000.00**	650,000,000	65,000.00
Total	**1,000,000,000**	**100,000.00**	1,000,000,000	100,000.00
(b) Issued, Subscribed and Fully Paid up				
Equity shares of ₹ 10 each (Refer Note 1 below)	**71,970,238**	**7,197.02**	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each (Refer Note 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 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**	421,970,238	42,197.02

Notes:

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 provisions of the Companies Act, 1956.

(c) Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

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(a) below.

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

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

(a) The Preference Shares shall be automatically and mandatorily converted into equity shares on the Eleventh year from the Issue date i.e. on 13th January, 2019 ("Mandatory Conversion Date"). The mandatory conversion date of the 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares has been revised from 13th January, 2013 (5th year from the date of issue) to 13th January, 2019 (11th year from the date of issue) in terms of the consent letter obtained from the preference shareholder and the special resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 10th January, 2013.

(b) On Mandatory Conversion Date, the Preference Shares shall be converted into such number of equity shares of the Company constituting 74% of all the outstanding equity share capital of the Company calculated on a fully diluted basis.

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

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

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

Notes forming part of the financial statements for the year ended 31st March, 2013

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, 2013		As at 31st March, 2012	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	**71,970,238**	**7,197.02**	71,839,468	7,183.94
Add : Shares issued during the year under ESOP	**-**	**-**	130,770	13.08
Equity shares outstanding at the end of the year	**71,970,238**	**7,197.02**	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares at the beginning of the year	**100,000,000**	**10,000.00**	100,000,000	10,000.00
Preference shares outstanding at the end of the year	**100,000,000**	**10,000.00**	100,000,000	10,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year	**250,000,000**	**25,000.00**	250,000,000	25,000.00
Preference shares outstanding at the end of the year	**250,000,000**	**25,000.00**	250,000,000	25,000.00

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	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	**48,885,554**	**-**	48,720,883	-
Subsidiaries of the holding company:				
Floreat Investments Ltd. (FIL)	**13,015,929**	**100,000,000**	13,015,929	100,000,000
Renaissance Commerce Pvt. Ltd.	**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, 2013		As at 31st March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Co Ltd.	**48,885,554**	**67.92**	48,720,883	67.70
Floreat Investments Ltd.	**13,015,929**	**18.09**	13,015,929	18.09
Renaissance Commerce Pvt. Ltd.	**4,016,250**	**5.58**	4,016,250	5.58
Hermes Commerce Ltd.	**4,016,250**	**5.58**	4,016,250	5.58
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares				
Floreat Investments Ltd.	**100,000,000**	**100.00**	100,000,000	100.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares				
Goswami Infratech Private Ltd.	**250,000,000**	**100.00**	-	-
India Infrastructure AIL (Mauritius)	**-**	**-**	250,000,000	100.00

Notes forming part of the financial statements for the year ended 31st March, 2013

4. Reserves and Surplus

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Capital reserve		
Opening balance	**19.13**	19.13
Closing balance	**19.13**	19.13
(b) Capital redemption reserve		
Opening balance	**12.50**	12.50
Closing balance	**12.50**	12.50
(c) Securities premium account		
Opening balance	**1,028.00**	1,018.85
Add : Premium on shares issued during the year	**-**	9.15
Closing balance	**1,028.00**	1,028.00
(d) Revaluation reserve		
Opening balance	**99.46**	161.70
Less: Utilised for set off against depreciation	**(56.44)**	(62.24)
Closing balance	**43.02**	99.46
(e) Contingencies reserve		
Opening balance	**800.00**	800.00
Closing balance	**800.00**	800.00
(f) Debenture redemption reserve		
Opening balance	**-**	-
Add : Transferred from surplus in Statement of Profit and Loss	**625.00**	-
Closing balance	**625.00**	-
(g) General reserve		
Opening balance	**5,552.16**	5,552.16
Add : Transferred from surplus in Statement of Profit and Loss	**348.16**	-
Closing balance	**5,900.32**	5,552.16
(h) Surplus in Statement of Profit and Loss		
Opening balance	**25,478.21**	16,895.14
Add: Profit for the year	**4,642.16**	8,587.14
Less: Appropriations		
Interim Dividend on Equity Shares (₹ 2.00 per share (Previous Year ₹ Nil))	**1,439.40**	-
Proposed Dividend on Preference Shares (₹ 0.001 per share)	**3.50**	3.50
Tax on Dividend	**234.07**	0.57
Transferred to General reserve	**348.16**	-
Transferred to Debenture redemption reserve	**625.00**	-
Closing balance	**27,470.24**	25,478.21
Total	**35,898.21**	32,989.46

5. Long-term borrowings

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Debentures (Unsecured) (Refer Note 5A)	**10,000.00**	-
(b) Working Capital loans (Refer Note (i) of 5B)		
From banks		
Secured	**10,000.00**	-
Unsecured	**-**	7,500.00
(c) Equipment Loan (Secured) (Refer Note (ii) of 5B)		
From banks		
Rupee Loan	**7,143.67**	4,015.28
Foreign Currency Loan	**18,637.00**	10,174.00
(d) Other loans and advances (Refer Note (iii) of 5B)		
Foreign Currency Loan (Secured)		
Buyers Credit from Banks	**3,964.32**	4,680.57
Total	**49,744.99**	26,369.85

Notes forming part of the financial statements for the year ended 31st March, 2013

5. Long-term borrowings (Contd)

Notes:

(A) The Unsecured Unlisted Redeemable Non-Convertible Debentures (NCDs) have been issued on a private placement basis. The NCDs carry interest @ 10.45% per annum payable quarterly and are redeemable in full at the end of 5 years from the date of issue i.e. 12th February, 2018. The NCDs carry a Put option to the holders and a Call option to the Company to get the NCDs redeemed at any time after 3 1/2 years from the date of allotment i.e. 12th February, 2013, by giving a 30 days notice to the other party.

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

Particulars	Terms of repayment and security	As at 31st March, 2013		As at 31st March, 2012	
		Secured	Unsecured	Secured	Unsecured
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(i) Working Capital loans from banks					
Axis Bank Ltd. (Refer Note (i) below)	Refer Note (ii) below	**10,000.00**	-	-	-
Bank of India (Refer Note (i) below)		**-**	-	-	7,500.00
Total - Term Loan		**10,000.00**	-	-	7,500.00
(ii) Equipment Loan from banks					
Rupee Loan:					
Indian Overseas Bank	Refer Note (iii) below	**4,661.08**	-	693.97	-
Oriental Bank of Commerce (Refer Note (i) below)		**2,482.59**	-	3,321.31	-
Foreign Currency Loan (ECB):					
DBS Bank Ltd.		**10,540.00**	-	10,174.00	-
HSBC Bank		**8,097.00**	-	-	-
Total - Equipment Loan		**25,780.67**	-	14,189.28	-
(iii) Other Loans and Advances from banks - Buyer's Credit Foreign Currency Loans					
State Bank of India (Refer Note (i) below)	Refer Note (iv) below	**1,488.77**	-	3,902.26	-
HSBC Bank		**2,475.55**	-	778.31	-
Total - Other loans and advances		**3,964.32**	-	4,680.57	-
Total Long-term Borrowings from Banks		**39,744.99**	-	18,869.85	7,500.00

Notes:

(i) Secured by hypothecation of the Land and Buildings situated in Andheri, Mumbai, Plant & Machineries including spares, tools and accessories and the whole of the current assets including book debts, stock of raw materials, goods in process, semi and finished goods and also including proportionate share of current assets in any Joint Venture, both present and future.

(ii) Working Capital loans from Banks carry interest @ Base rate + 0.90% per annum. The repayment schedule of the loans are as follows.

Bank Name	**Loan Amount**	**Repayment in 2014-15**	**Repayment in 2015-16**
	(₹ in Lacs)	**(₹ in Lacs)**	**(₹ in Lacs)**
Axis Bank Ltd.	10,000.00	-	1 installment of ₹ 10,000.00

Previous Year

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

Notes forming part of the financial statements for the year ended 31st March, 2013

5. Long-term borrowings (Contd)

(iii) Secured by first charge by way of hypothecation of the equipments financed. The Rupee loans carry interest ranging from Base rate+0.50% to Base rate+0.75% per annum and Foreign currency loans carry interest ranging from Libor + 2.35% to Libor + 2.70% per annum. The repayment schedule of the loans are as follows.

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)	Repayment in 2016-17 (₹ in Lacs)
Rupee Loan:				
Indian Overseas Bank	**4,661.08**	2 installments of ₹ 1250.00 each	Installments of ₹ 1250.00 and ₹ 911.08	-
Oriental Bank of Commerce	**2,482.59**	2 installments of ₹ 625.00 each	Installments of ₹ 625.00 and ₹ 607.59	-
Foreign Currency Loan:				
DBS Bank Ltd.	**10,540.00**	3 installments of ₹ 1054.00 each	4 installments of ₹ 1054.00 each	3 installments of ₹ 1054.00 each
HSBC Bank	**8,097.00**	1 installment of ₹1619.40	2 installments of ₹1619.40 each	2 installments of ₹1619.40 each

Previous Year

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	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

(iv) The Loans carry interest ranging from Libor+135bps to Libor+200bps per annum.

State Bank of India loan is secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis with other banks. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and residual charge on unencumbered plant and machinery of the company 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 financed by the loan.

The repayment schedule of the loans are as follows:

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)
State Bank of India	**1,488.77**	Installments of ₹ 261.00 and ₹ 410.42	Installments of ₹185.96, ₹ 269.21, ₹ 92.97, ₹ 269.21
HSBC Bank - Buyer Credit	**2,475.55**	Installments of ₹ 1666.95 and ₹ 808.60	-

Previous Year

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	Installments of ₹ 727.95, ₹ 755.42 and ₹ 1,763.88	Installments of ₹254.62 and ₹ 400.39
HSBC Bank	778.31	-	1 installment of ₹ 778.31

Notes forming part of the financial statements for the year ended 31st March, 2013

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ 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	**(5,545.97)**	(4,258.05)
Arbitration Awards	**(6,654.70)**	(5,277.56)
Tax effect of items constituting deferred tax liability	**(12,200.67)**	(9,535.61)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	**352.60**	232.89
Provision for doubtful debts / advances	**814.77**	814.79
Others (includes carry forward losses,etc.)	**1,805.03**	860.96
Tax effect of items constituting deferred tax assets	**2,972.40**	1,908.64
Net deferred tax liability **Total**	**(9,228.27)**	(7,626.97)

7. Other long-term liabilities

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Trade Payables - Retention monies	**4,811.72**	3,544.81
(b) Others:		
(i) Advances from customers	**6,857.12**	1,713.66
(ii) Statutory remittances (VAT, Service Tax, etc.)	**189.73**	243.41
Total	**11,858.57**	5,501.88

8. Long-term provisions

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Provision for employee benefits:		
Provision for compensated absences	**602.38**	406.40
(b) Provision - For contingencies (in respect of contracts under dispute)	**312.78**	282.78
Total	**915.16**	689.18

9. Short-term borrowings

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Working Capital Demand Loans		
From banks		
Secured (Refer note below)	**18,000.00**	23,000.00
Unsecured	**5,600.00**	2,500.00
	23,600.00	25,500.00
(b) Short term Loans from Bank		
Foreign Currency Loan:		
Buyers Credit (Secured) (Refer note below)	**1,769.22**	1,601.84
Packing Credit Finance (Unsecured)	**2,714.00**	2,543.50
Overdraft (Unsecured)	**2,996.82**	-
	7,480.04	4,145.34
(c) Cash Credit Facility from Banks (Secured) (Refer Note below)	**6,231.75**	6,826.43
(d) Commercial Papers (Unsecured)		
From Banks		
Face Value	**2,500.00**	5,000.00
Less: Discount not written-off	**31.91**	4.06
	2,468.09	4,995.94
From Other parties		
Face Value	**18,500.00**	-
Less: Discount not written-off	**527.47**	-
	17,972.53	-
(Maximum amount outstanding during the year ₹ 28,936.30 Lacs) (Previous Year ₹ 18,320.31 Lacs)		
(e) Loans Repayable on demand (Unsecured) From Related Parties (Refer Note 40)	**90.00**	90.00
Total	**57,842.41**	41,557.71

Notes forming part of the financial statements for the year ended 31st March, 2013

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, 2013**	As at 31st March, 2012
		₹ in Lacs	₹ in Lacs
Working Capital Demand Loans (WCDL)			
From banks:			
State Bank of India	Refer Note below	**18,000.00**	15,000.00
ING Vysya Bank		**-**	5,000.00
IDBI Bank Ltd		**-**	3,000.00
		18,000.00	23,000.00
Short Term Loans from Bank			
Foreign Currency Loan:			
Buyers Credit (Secured)	Refer Note below	**1,769.22**	1,601.84
Cash Credit Facility	Refer Note below	**6,231.75**	6,826.43

Note: Secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and residual charge on unencumbered plant and machinery of the company on a pari-passu basis. The WCDL from State Bank of India and Cash credit facility is further secured by the Company's proportionate share of Current Assets in all the Joint Ventures both present and future. Working Capital Demand Loans from banks carry interest ranging from 10.05% per annum to 10.25% per annum. Cash Credit Facility from Banks carry interest ranging from 10.50% per annum to 13.45% per annum. Buyers Credit from banks carry interest ranging from Libor+0.95% per annum to Libor+1.40% per annum.

10. Trade payables

Particulars	**As at 31st March, 2013**	As at 31st March, 2012
	₹ in Lacs	₹ in Lacs
Acceptances	**1,329.85**	668.05
Other than Acceptances		
(i) Total outstanding dues to micro,medium and small enterprises (Refer Note 30)	**105.74**	107.69
(ii) Total outstanding dues other than to micro, medium and small enterprises	**40,665.99**	41,683.33
Total	**42,101.58**	42,459.07

Notes forming part of the financial statements for the year ended 31st March, 2013

11. Other current liabilities

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Current maturities of long-term debt (Refer Note (i) below)	**12,599.31**	15,929.55
(b) Interest accrued but not due on borrowings	**323.45**	93.24
(c) Interest accrued and due on borrowings	**92.58**	-
(d) Income received in advance (against sale of scrap)	**67.34**	115.61
(e) Unclaimed / unpaid dividends (Refer Note (ii) below)	**32.08**	-
(f) Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below)	**2.30**	5.08
(g) Advance from Related Parties (Refer Note 40)		
From Joint Ventures	**2,702.38**	20,410.99
(h) Other payables		
(i) Statutory remittances (VAT, Service Tax, etc.)	**3,693.27**	4,293.71
(ii) Interest accrued on advance from customers	**53.46**	361.89
(iii) Trade / security deposits received	**89.02**	12.80
(iv) Advances from customers	**29,707.30**	14,326.47
(v) Others	**0.10**	0.10
Total	**49,362.59**	55,549.44

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Working Capital Loans from Banks (Unsecured)	**5,000.00**	12,500.00
(b) Equipment Loans from Banks (Secured)	**4,134.38**	3,429.55
(c) Foreign Currency Loans (Secured)	**3,464.93**	-
Total	**12,599.31**	15,929.55

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

12. Short-term provisions

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**102.11**	40.60
(ii) Provision for gratuity (Refer Note 38)	**382.11**	267.12
	484.22	307.72
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 714.58 Lacs) (As at 31st March, 2012 ₹ 138.90 lacs)	**959.65**	0.50
(ii) Proposed dividend on Preference shares	**3.50**	3.50
(iii) Tax on proposed dividend on Preference shares	**0.57**	0.57
	963.72	4.57
Total	**1,447.94**	312.29

Notes forming part of the financial statements for the year ended 31st March, 2013

13. Fixed assets

A. Tangible assets

Current Year

Particulars	Gross block				Depreciation / Amortisation				Net Block
	Balance as at 1st April, 2012	Additions	Disposals	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2013	Balance as at 31st March, 2013
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land									
Freehold	1.58	-	-	**1.58**	-	-	-	**-**	**1.58**
Leasehold	16.58	-	-	**16.58**	0.64	0.16	-	**0.80**	**15.78**
(b) Buildings	1,853.54	-	-	**1,853.54**	1,291.33	61.75	-	**1,353.08**	**500.46**
(c) Plant and Equipment	69,413.48	31,896.34	(957.96)	**100,351.86**	20,856.35	5,704.51	(788.20)	**25,772.66**	**74,579.20**
(d) Furniture and Fixtures	718.11	523.52	(31.93)	**1,209.70**	132.86	53.93	(3.87)	**182.92**	**1,026.78**
(e) Vehicles	554.11	171.64	(20.25)	**705.50**	81.96	51.10	(5.13)	**127.93**	**577.57**
(f) Office equipments	1,853.53	220.29	(12.37)	**2,061.45**	694.03	160.93	(9.53)	**845.43**	**1,216.02**
(g) Leasehold improvements	279.22	-	-	**279.22**	279.22	-	-	**279.22**	**-**
(h) Floating Equipments	5,070.02	10,893.64	(31.91)	**15,931.75**	2,295.75	638.43	(28.92)	**2,905.26**	**13,026.49**
(i) Laboratory Equipments	85.45	-	-	**85.45**	39.96	2.53	-	**42.49**	**42.96**
Total	**79,845.62**	**43,705.43**	**(1,054.42)**	**122,496.63**	**25,672.10**	**6,673.34**	**(835.65)**	**31,509.79**	**90,986.84**

Previous Year

Particulars	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	Eliminated on disposal of assets	Balance as at 31st March, 2012	Balance as at 31st March, 2012
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land									
Freehold	1.58	-	-	1.58	-	-	-	-	1.58
Leasehold	16.58	-	-	16.58	0.48	0.16	-	0.64	15.94
(b) Buildings	1,853.54	-	-	1,853.54	1,229.58	61.75	-	1,291.33	562.21
(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
(d) Furniture and Fixtures	299.66	435.24	(16.79)	718.11	87.87	45.87	(0.88)	132.86	585.25
(e) Vehicles	333.09	287.20	(66.18)	554.11	69.32	30.90	(18.26)	81.96	472.15
(f) Office equipments	1,641.27	227.42	(15.16)	1,853.53	550.39	147.89	(4.25)	694.03	1,159.50
(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
(i) Laboratory Equipments	85.45	-	-	85.45	39.96	-	-	39.96	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

Notes forming part of the financial statements for the year ended 31st March, 2013

13. Fixed assets (contd.)

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 ₹ 9,636.05 Lacs (previous year ₹ 7,547.49 Lacs) and WDV ₹ 8,355.21 Lacs (previous year ₹ 6,753.89 Lacs) hypothecated in favor of Chennai Metro Rail Ltd.on behalf of Transtonnelstroy Afcons Joint Venture.

(4) The balance amount of Foreign exchange fluctuation, capitalised as a part of cost of Plant & Equipment, remaining to be amortised is ₹ 309.39 Lacs (Previous year ₹.Nil) .

(5) Additions to Plant & Machineries during the year include an amount of ₹ 477.30 Lacs (Previous Year ₹ 23.68 Lacs) on account of interest attributable to the cost of identifiable qualifying assets.

B. Intangible assets

Current Year

	Particulars	Gross block (At cost)				Depreciation / Amortisation				Net Block
		Balance as at 1st April, 2012	Additions	Disposals	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2013	Balance as at 31st March, 2013
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	Computer software - Acquired	671.96	-	-	**671.96**	191.91	129.68	-	**321.59**	**350.37**

Previous Year

	Particulars	Gross block (At cost)				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	Eliminated on disposal of assets	Balance as at 31st March, 2012	Balance as at 31st March, 2012
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	Computer software - Acquired	172.73	499.23	-	671.96	70.13	121.78	-	191.91	480.05

C. Capital Work in Progress - Plant and equipments under installation ₹ 14,805.91 lacs (Previous year ₹ 31,497.24 lacs)

D. Depreciation and amortisation:

Particulars	**For the year ended 31st March, 2013**	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Depreciation and amortisation for the year on tangible assets as per (a) above	**6,673.34**	3,729.67
Depreciation and amortisation for the year on intangible assets as per (b) above	**129.68**	121.78
	6,803.02	3,851.45
Less: Utilised from revaluation reserve	**56.44**	62.24
Depreciation and amortisation as per Statement of Profit and Loss	**6,746.58**	3,789.21

Notes forming part of the financial statements for the year ended 31st March, 2013

14. Non-current investments

Particulars	Face Value	As at 31st March, 2013 Quantity	As at 31st March, 2013 Amount ₹ in Lacs	As at 31st March, 2012 Quantity	As at 31st March, 2012 Amount ₹ in Lacs
A. Trade (Fully paid, at cost):					
(a) Investment in equity instruments (Unquoted) :					
(i) of subsidiaries					
Hazarat & Co. Ltd.	₹ 10	202,610	**20.26**	202,610	20.26
Afcons Offshore & Marine Services Pvt. Ltd.	₹ 10	100,000	**25.50**	100,000	25.50
Afcons Corrosion Protection Pvt. Ltd.	₹ 10	80,000	**6.40**	80,000	6.40
Afcons 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**	49	95.67
Afcons Overseas Construction LLC, Qatar.*	QAR 1000	98	**14.90**	-	-
(ii) of associates					
Afcons (Mideast) Constructions & Investments Pvt. Ltd.#	₹ 100	1	**-**	1	-
			192.89		177.99
* Subsidiary on the basis of control on the composition of the Board of Directors.					
# denotes value less than rupees one thousand.					
(b) Investment in partnership firms :					
Afcons Pauling Joint Venture (Refer note (iv) below)			**174.00**		174.00
			174.00		174.00
Total - Trade (A)			**366.89**		351.99
B. Other investments (Fully paid, at cost):					
(a) Investment in equity instruments (Quoted)					
Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	**29.34**	40,072	29.34
Hindustan Construction Co. Ltd.	₹ 1	2,000	**0.03**	2,000	0.03
Simplex Infrastructures Ltd.	₹ 2	500	**0.04**	500	0.04
ITD Cementation India Ltd.	₹ 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**	1,000	0.10
(c) Investment in mutual funds (Unquoted):					
SBI Infrastructure Fund	₹ 10	50,000	**5.00**	50,000	5.00
UTI Infrastructure Fund - Growth Plan	₹ 10	12,731	**5.00**	12,731	5.00
			10.00		10.00
Total - Other investments (B)			**39.99**		39.99
Total (A+B)			**406.88**		391.98
Notes:					
(i) Aggregate amount of quoted investments			**29.89**		29.89
(ii) Aggregate market value of quoted investments			**22.06**		46.58
(iii) Aggregate amount of unquoted investments			**376.99**		362.09

(iv) Other details relating to investment in partnership firms

Name of the firm	As at 31st March, 2013 Names of partners in the firm	As at 31st March, 2013 Total capital (₹ in Lacs)	As at 31st March, 2013 Share of each partner in the profits of the firm	As at 31st March, 2012 Names of partners in the firm	As at 31st March, 2012 Total capital (₹ in Lacs)	As at 31st March, 2012 Share of each partner in the profits of the firm
Afcons Pauling Joint Venture	Afcons Infrastructure Limited	174.00	95.00%	Afcons Infrastructure Limited	174.00	95.00%
	Pauling Plc	-	5.00%	Pauling Plc	-	5.00%

Notes forming part of the financial statements for the year ended 31st March, 2013

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Capital advances	**32.64**	2,881.81
(b) Security deposits		
Unsecured, considered good	**433.47**	566.58
Doubtful	**37.92**	37.92
	471.39	604.50
Less: Provision for doubtful deposits	**37.92**	37.92
	433.47	566.58
(c) Prepaid expenses	**184.24**	249.73
(d) Advance income tax (net of provisions ₹ 3,256.24 Lacs) (As at 31st March, 2012 ₹ 2,645.33 Lacs)	**2,886.08**	2,455.92
(e) MAT credit entitlement	**3,707.38**	1,877.28
(f) Balances with government authorities		
(i) VAT credit receivable	**1,821.07**	3,342.19
(ii) Other Deposits	**20.93**	5.76
	1,842.00	3,347.95
Total	**9,085.81**	11,379.27

16. Other non-current assets

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Long-term trade receivables - Under arbitration and Retention monies		
Unsecured, considered good	**6,237.40**	7,666.24
Doubtful	**2,134.55**	2,134.55
	8,371.95	9,800.79
Less: Provision for doubtful trade receivables	**2,134.55**	2,134.55
	6,237.40	7,666.24
(b) Construction Work-in-Progress - Under arbitration		
Unsecured, considered good	**20,558.38**	24,468.35
Doubtful	**234.56**	234.56
	20,792.94	24,702.91
Less: Advances received	**67.76**	-
Less: Provision for doubtful Construction Work-in-Progress	**234.56**	234.56
	20,490.62	24,468.35
(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	**26,728.02**	32,134.59

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

Notes forming part of the financial statements for the year ended 31st March, 2013

17. Inventories

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Construction Materials - at lower of cost and net realisable value		
Steel	**6,698.15**	4,832.64
Cement	**646.78**	303.35
Aggregate	**1,679.80**	1,798.38
Bitumen	**67.08**	34.06
Shuttering Material	**3,575.62**	2,595.52
Sand	**121.70**	114.95
Other Construction Material	**2,998.98**	1,393.47
	15,788.11	11,072.37
(b) Stores and spares - at lower of cost and net realisable value	**5,575.25**	5,327.48
(c) Construction Work-in-Progress		
At estimated realisable value	**62,768.84**	45,018.81
Less: Advances received	**10,410.83**	10,177.53
	52,358.01	34,841.28
Total	**73,721.37**	51,241.13

18. Trade receivables

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	**27,472.78**	10,435.88
Other Trade receivables		
Unsecured, considered good	**21,624.96**	26,230.41
Total	**49,097.74**	36,666.29

19. Cash and Cash Equivalents

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Cash on hand	**55.61**	43.85
(b) Balances with banks		
(i) In current accounts	**1,123.76**	3,174.49
(ii) In deposit accounts (Refer Note (ii) below)	**18.31**	3.40
(iii) In earmarked accounts		
- Unpaid dividend accounts	**32.08**	-
- Balances held as margin money or security against borrowings, guarantees and Other commitments	**7.39**	6.92
- Other earmarked accounts (Refer Note (i) below)	**384.23**	355.89
Total	**1,621.38**	3,584.55
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	**1,197.68**	3,221.74

Notes:

(i) Includes deposits ₹ 323.45 Lacs (Previous Year ₹ 335.11 Lacs) over which Banks and Clients have lien and ₹ 60.78 Lacs (Previous year ₹ 20.78 Lacs) placed as Earnest Money Deposit with various authorities.

(ii) Includes deposits amounting to ₹ 3.95 lacs (As at 31st March, 2012 ₹ 3.40 Lacs) and margin monies amounting to ₹ 7.39 Lacs (As at 31st March, 2012 ₹ 6.92 Lacs) which have an original maturity of more than 12 months.

Notes forming part of the financial statements for the year ended 31st March, 2013

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Loans and advances to related parties (Refer Note 40)		
To Subsidiaries	**1,238.95**	118.06
To Joint Ventures	**17,706.87**	22,194.51
To Partnership Firm	**698.92**	699.07
	19,644.74	23,011.64
(b) Security deposits	**196.69**	257.43
(c) Loans and advances to employees	**175.46**	123.93
(d) Prepaid expenses	**1,006.02**	905.41
(e) Balances with government authorities		
(i) VAT credit receivable	**1,234.50**	668.04
(ii) Service Tax credit receivable	**160.56**	11.58
(iii) Other Deposits	**0.90**	0.90
	1,395.96	680.52
(f) Others - Advance to vendors and others	**8,991.05**	8,553.37
Total	**31,409.92**	33,532.30

21. Other current assets

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Accruals		
(i) Interest accrued on bank deposits	**56.90**	32.95
(b) Others		
(i) Insurance claims	**18.97**	16.93
(ii) Duty Credit receivable	**2,306.63**	122.07
Total	**2,382.50**	171.95

22. Revenue from operations

	Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
(a)	**Sale of products (Refer Note (i) below)**	**215.23**	888.87
(b)	**Sale of services (Refer Note (ii) below)**	**183,139.91**	149,021.23
(c)	**Other operating revenues (Refer Note (iii) below)**	**5,631.73**	5,438.14
	Total	**188,986.87**	155,348.24

Note	Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
(i)	**Sale of products comprises:**		
	Construction Materials	**215.23**	888.87
	Total - Sale of products	**215.23**	888.87
(ii)	**Sale of services comprises:**		
	Construction Revenue	**184,266.66**	150,760.90
	Less : Value added tax	**1,126.75**	1,739.67
	Total - Sale of services	**183,139.91**	149,021.23
(iii)	**Other operating revenues comprises:**		
	Project Management Fees	**56.84**	1,329.02
	Sale of scrap	**528.35**	800.79
	Duty Scrip credit availed	**3,152.59**	2,349.02
	Equipment Hire Charges	**20.22**	216.08
	Service Charges	**1.92**	50.23
	Distribution of Profits from a Joint Venture	**1,871.81**	693.00
	Total - Other operating revenues	**5,631.73**	5,438.14

Notes forming part of the financial statements for the year ended 31st March, 2013

23. Other income

	Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
(a)	**Interest income (Refer Note (i) below)**	**4,630.71**	6,341.91
(b)	**Dividend income:**		
	From non trade,non current investments	**-**	0.02
(c)	**Other non operating income (Refer Note (ii) below)**	**1,302.24**	3,069.72
	Total	**5,932.95**	9,411.65

Note	Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
(i)	**Interest income comprises:**		
	Interest from banks deposits	**43.27**	118.99
	Interest on loans and advances	**573.46**	950.43
	Interest on Arbitration awards	**3,872.15**	5,258.92
	Interest income from non current investments	**0.87**	1.65
	Interest on income tax refund	**140.96**	11.92
	Total - Interest income	**4,630.71**	6,341.91
(ii)	**Other non operating income comprises:**		
	Profit on sale of fixed assets	**36.84**	114.13
	Liabilities / provisions no longer required written back	**268.75**	1,176.37
	Insurance Claim received	**241.58**	245.91
	Net Gain on foreign currency transactions and translation	**-**	797.65
	Provision for Projected Loss written back	**-**	204.45
	Miscellaneous income	**755.07**	531.21
	Total - Other non-operating income	**1,302.24**	3,069.72

24. Cost of construction

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Cost of Construction Materials consumed	**46,601.74**	19,856.24
Other Construction Expenses:		
Consumption of stores and spare parts	**12,095.93**	8,374.20
Subcontracting expenses	**40,286.33**	60,914.22
Site Installation	**1,041.45**	1,170.07
Technical Consultancy	**3,601.02**	2,788.95
Power and fuel	**8,597.97**	3,915.26
Freight and forwarding	**4,141.75**	4,301.55
	116,366.19	101,320.49
Less: Recovery of Expenses (Refer Note 46)	**-**	(469.02)
Total	**116,366.19**	100,851.47

25. Cost of traded goods

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Construction Materials	**193.18**	794.99
Total	**193.18**	794.99

26. Employee benefits expense

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Salaries and wages	**29,259.14**	18,873.22
Contributions to provident and other funds (Refer Note 38)	**2,068.42**	1,271.36
Staff welfare expenses	**1,301.58**	1,516.72
	32,629.14	21,661.30
Less: Recovery of Expenses (Refer Note 46)	**-**	(374.12)
Total	**32,629.14**	21,287.18

Notes forming part of the financial statements for the year ended 31st March, 2013

27. Finance costs

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
(a) Interest expense on:		
(i) Borrowings and Advances	**12,177.52**	10,233.24
(ii) Delayed / deferred payment of income tax	**5.41**	0.03
(b) Other borrowing costs:		
(i) Bank Guarantee Commission including Bank Charges	**767.27**	690.47
(ii) L/c charges & Processing Fees	**346.03**	492.92
	13,296.23	11,416.66
Less: Recovery of Expenses (Refer Note 46)	**-**	(74.15)
Total	**13,296.23**	11,342.51

28. Other expenses

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Water and Electricity	**430.06**	203.16
Rent (Refer Note 41)	**1,912.54**	1,156.64
Repairs and maintenance - Buildings	**0.08**	0.31
Repairs and maintenance - Machinery	**429.83**	303.23
Repairs and maintenance - Others	**486.83**	773.79
Insurance	**3,232.83**	1,309.91
Rates and taxes	**2,128.28**	1,381.32
Communication	**377.56**	342.82
Travelling and conveyance	**3,312.76**	2,780.71
Security Charges	**1,146.83**	574.39
Donations and contributions	**28.14**	59.53
Legal and professional	**3,869.78**	3,461.33
Payments to auditors	**60.33**	55.63
Provision for bad trade and other receivables	**-**	1,624.91
Duty Scrip / Advances written off	**0.34**	163.85
Net loss on foreign currency transactions and translation (Net)	**254.90**	-
Directors Fees	**4.60**	6.10
Share of Loss from partnership firm	**0.14**	0.22
Expenses of jobs completed in earlier year	**30.00**	30.08
Hedging expenses	**532.38**	-
Miscellaneous expenses	**1,750.25**	1,320.19
	19,988.46	15,548.12
Less: Recovery of Expenses (Refer Note 46)	**-**	(1.49)
Total	**19,988.46**	15,546.63

Note

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Payments to the auditors comprises *		
As auditors - statutory audit	**30.00**	25.50
For taxation matters	**6.50**	6.50
For other services	**16.50**	18.00
Reimbursement of expenses	**0.78**	-
For Service tax	**6.55**	5.63
Total	**60.33**	55.63

* excludes payment of ₹ 58.66 Lacs (Previous Year ₹ 41.12 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.

Notes forming part of the financial statements for the year ended 31st March, 2013

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

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
		₹ in Lacs	₹ in Lacs
(i)	**Contingent liabilities**		
(a)	Claims against the Company not acknowledged as debts		
	i) Differences with sub-contractors in regard to rates and quantity of materials.	**6,012.95**	171.90
	ii) Labour and other matters. The above claims are pending before various courts. The Company is confident that the cases will be successfully contested.	**-**	1.00
(b)	Guarantees		
	i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures and counter guaranteed by the Company.	**135,126.17**	141,543.60
	ii) Corporate Guarantees given on behalf of Subsidiaries and Joint Ventures.	**85,736.18**	80,324.20
(c)	Sales Tax and Entry Tax		
	Represents demands raised by Sales Tax Authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on AS7 Turnover and c) Interest and Penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	**1,370.21**	1,947.27
(d)	Service Tax		
	Represents demand confirmed by the Asst. Commissioner of Service Tax for a) disallowance of Cenvat Credit, since abatement claimed by the Company and b) disallowance of general exemption of Railway for construction of Metro Railways & private Transport terminal etc. The Company has appealed against the said order with Commissioner of Service Tax Mumbai and is confident that the cases will be successfully contested. The company has received the stay order for some case from the CESTAT.	**9,454.26**	229.27
Note:- In respect of items mentioned under Paragraphs (a), (c), and (d) above, till the matters are finally decided, the financial effect cannot be ascertained.			
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**335.06**	4,113.88

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

Particulars	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lacs	₹ in Lacs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	104.40	106.68
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.35	1.05
(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	1.35	1.05
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Note:- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Notes forming part of the financial statements for the year ended 31st March, 2013

31. During the year, the company has issued 1000 Unsecured Unlisted Redeemable Non-Convertible Debentures (NCDs) amounting to ₹ 10,000.00 Lacs to a bank on a private placement basis. The said Bank subsequently transferred the NCDs in favor of a Mutual Fund. The company has obtained and placed reliance on a legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956 read together with the Companies Acceptance of Deposits Rules, 1975 are not attracted to the NCDs, as aforesaid, originally issued on a private placement basis to a Bank and its subsequent transfer to a Mutual Fund as mentioned above in accordance with the provisions of section 111A of the Companies Act, 1956.

32. Details on derivative instruments and unhedged foreign currency exposures

(A) Details of derivative instruments

The company has entered into the following derivative instruments:

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

The following are the Forward Exchange Contracts entered into by the company as on 31st March,2013 (PreviousYear Nil)

Currency	Amount	Buy/Sell	Cross Currency
US Dollar	35,000,000	Buy	Rupees

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

No. of contracts	2
Notional Principal	35,000,000

(B) Details of unhedged foreign currency exposures

Borrowings taken in foreign currency as at the balance sheet date not covered by forward contracts are USD 10,944,132.60 and EURO 4,683,521.67 equivalent to ₹ 5,940.48 Lacs and ₹ 3,257.99 Lacs respectively (as on 31st March,2012 USD 32,913,427.60 equivalent to ₹ 16,743.06 Lacs and Euro 3,325,600 equivalent to ₹ 2,256.85 lacs). The above amounts do not include packing credit finance and overdraft facilities drawn by overseas branches from banks in local currencies which are to be repaid out of proceeds from project billing in the said local currencies and accordingly no foreign exchange exposure is anticipated on such borrowings.

Receivables and Payables in foreign currency as at the balance sheet date not covered by forward contracts are ₹ 20,990.83 Lacs (as at 31st March 2012 ₹ 20,943.91 Lacs) and ₹ 25,568.36 Lacs (as at 31st March 2012 ₹ 23,759.52 Lacs) respectively as given below.

Receivable 2012-13			Receivable 2011-12		
Foreign currency		₹ in Lacs	Foreign currency		₹in Lacs
QR	-	-	QR	50,831.77	7.11
OMR	456,787.66	645.69	OMR	862,627.41	1,142.76
MAUR	18,042,098.36	326.13	MAUR	32,000,172.70	583.68
UAED	13,643,068.39	2,016.74	UAED	35,743,157.21	4,950.07
JOD	2,884,610.51	2,215.43	JOD	6,238,734.59	4,493.32
USD	14,449,942.14	7,843.43	USD	9,910,466.33	5,041.46
EURO	239,766.41	166.79	EURO	1,613,451.95	1,094.93
BHD	5,366,575.65	7,776.23	BHD	2,552,038.65	3,465.62
KWD	206.50	0.39	KWD	525.00	0.96
	-	-	JPY	26,740,665.71	163.92
	-	-	SDG	201.87	0.08
Total		20,990.83			20,943.91

Payable 2012-13			Payable 2011-12		
Foreign currency		₹ in Lacs	Foreign currency		₹ in Lacs
QR	596,794.50	89.04	QR	247,074.60	34.54
OMR	8,885.28	12.56	OMR	81,433.47	107.88
MAUR	19,731,873.76	356.67	MAUR	25,127,319.08	458.32
UAED	2,328,147.37	344.15	UAED	979,365.49	135.64
JOD	9,559,978.38	7,353.20	JOD	16,731,708.76	12,050.69
USD	20,235,499.39	10,983.83	USD	14,747,788.07	7,502.20
EURO	427,080.05	297.09	EURO	1,070,379.05	726.39
BHD	4,208,037.52	6,097.50	BHD	2,016,562.69	2,738.45
KWD	5,212.75	9.91	KWD	171.24	0.31
GBP	16,901.30	13.94	GBP	6,271.93	5.10
JPY	1,089,959.23	6.28	-	-	-
SGD	1,231.37	0.54	-	-	-
CHF	6,373.50	3.65	-	-	-
Total		25,568.36			23,759.52

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, CHF- Swiss France, EURO - European Currency, BHD - Bahraini Dinar, KWD - Kuwaiti Dinar

Notes forming part of the financial statements for the year ended 31st March, 2013

33. Value of imports calculated on CIF basis

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Components	**984.26**	2,611.77
Capital goods	**25,559.36**	34,204.58
Total	**26,543.62**	36,816.35

34. Expenditure in foreign currency

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Construction materials consumed	**13,353.62**	10,512.86
Sub – Contract and Hire Charges	**16,849.43**	48,116.09
Technical consultancy fees	**1,378.72**	1,584.18
Professional Fees	**2,606.19**	1,858.13
Rent	**604.04**	402.85
Salaries, Wages & Bonus	**4,132.05**	3,879.95
Interest	**83.90**	-
Tax	**1,291.01**	351.97
Freight & Transportation	**2,650.71**	1,892.44
Travelling Expenses	**620.85**	671.00
Staff Welfare Expenses	**625.33**	710.84
Insurance	**231.92**	317.59
Clearing Charges for imported spares	**472.79**	229.70
Bank Guarantee Commission	**401.17**	354.75
Repairs and Maintenance	**11.47**	187.97
Others	**1,183.62**	1,095.93
Total	**46,496.82**	72,166.25

35. Earnings in foreign currency

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Value of work executed	**50,014.75**	87,101.23
Sale of Scrap	**81.19**	40.83
Insurance Claim Received	**18.52**	22.81
Interest and Other Income	**145.45**	612.61
Equipment Hire Charges	**6.14**	144.12
Service Charges	**1.92**	49.63
Share of Profit in JV	**1,871.81**	-
Total	**52,139.78**	87,971.23

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

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Construction materials consumed	**16.84**	317.05
Stores and spares consumed	**165.87**	143.77
Repairs	**64.54**	83.54
Others	**7.12**	84.07
Total	**254.37**	628.43

Notes forming part of the financial statements for the year ended 31st March, 2013

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

Particulars	**For the year ended 31st March, 2013**	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Details of contract revenue and costs		
a) Contract Revenue	**192,097.67**	152,519.12
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	**366,550.48**	294,622.94
(ii) Recognized profits (less recognized losses)	**85,838.14**	68,344.05
(iii) Advances Received	**35,765.49**	25,622.14
(iv) Retention Money	**7,229.86**	3,071.72
c) Gross amount due from customers for contract work	**56,437.30**	40,743.61
d) Gross amount due to customers for contract work	**8,775.59**	-

38. 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 2012
Discount Rate	**8.25%**	8.50%
Rate of Return on Plan Assets	**8.70%**	8.60%
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 2012
Liability at the Beginning of the current year	**1,231.33**	1,044.40
Interest Cost	**104.66**	86.16
Current Service Cost	**114.81**	90.96
Past Service Cost	**-**	-
Benefit Paid	**(224.97)**	(77.55)
Actuarial Loss/ (Gain) on obligations	**162.32**	87.36
Liability at the end of the current year	**1,388.16**	1,231.33

C. Fair Value of the Plan Asset	**Current Year**	31st March 2012
Fair Value of Plan Asset at the beginning of the year	**964.21**	835.94
Expected Return on Plan Asset	**82.92**	66.88
Contributions	**178.09**	124.38
Benefit paid	**(224.97)**	(77.55)
Actuarial Gain/ (Loss) on Plan Assets	**5.79**	14.57
Fair value of Plan Assets at the end of the year	**1,006.05**	964.21
Total Actuarial Loss to be Recognized	**(156.53)**	(72.79)

D. Actual Return on Plan Assets:	**Current Year**	31st March 2012
Expected Return on Plan Assets	**82.92**	66.88
Actuarial Gain/ (Loss) on Plan Assets	**5.79**	14.57
Actual Return on Plan Assets	**88.71**	81.45

E. Amount Recognized in the Balance Sheet:	**Current Year**	31st March 2012
Liability at the end of the year	**1,388.16**	1,231.33
Fair Value of Plan Assets at the end of the year	**1,006.05**	964.21
Unrecognized Past Service Cost	**-**	-
Amount recognized in the Balance Sheet	**(382.11)**	(267.12)

Notes forming part of the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

F. Expense Recognized in the Profit and Loss Account:	Current Year	31st March 2012
Current Service Cost	**114.81**	90.96
Interest Cost	**104.66**	86.16
Expected Return on Plan Assets	**(82.92)**	(66.88)
Past Service Cost	**-**	-
Net Actuarial Gain / Loss to be recognized	**156.53**	72.79
Expense recognized in the Profit and Loss Account under staff expenses	**293.08**	183.03

G. Reconciliation of the Liability recognized in the Balance Sheet:	Current Year	31st March 2012
Opening Net Liability	**267.12**	208.47
Expense recognized	**293.08**	183.03
Employers Contribution	**(178.09)**	(124.38)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**382.11**	267.12

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 2012
Mortality Table	**LIC (1994-1996) Ultimate**	LIC (1994-1996) Ultimate
Discount Rate	**8.25%**	8.50%
Salary Escalation	**4.50%**	4.50%
Withdrawal Rate	**2.00%**	2.00%

Experience adjustments

	2012-2013	2011-2012	2010- 2011	2009-2010	2008-2009
Gratuity					
Present value of DBO	1,388.16	1,231.33	1,044.40	889.99	800.38
Fair value of plan assets	1,006.05	964.22	835.94	643.10	581.22
Funded status [Surplus / (Deficit)]	(382.11)	(267.12)	(208.46)	(246.89)	(219.16)
Experience gain / (loss) adjustments on plan liabilities	(140.29)	(107.95)	(108.35)	(44.48)	Refer note (iii) below
Experience gain / (loss) adjustments on plan assets	5.79	14.57	13.40	2.78	(0.98)

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 ₹ 1,967.20 Lacs (Year ended 31st March, 2012 ₹ 1,251.87 Lacs) for Provident Fund contributions and ₹ 559.99 Lacs (Year ended 31st March, 2012 ₹ 475.00 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes :

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) As the details of experience adjustments on account of Plan Liability for the year ended 31st March 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 ₹ 397.43 Lacs (Previous year ₹ 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.

39. 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	**136,954.22**	**52,032.65**	**188,986.87**
	(67,570.21)	(87,778.03)	(155,348.24)
Carrying amount of asset	**272,888.49**	**20,707.91**	**293,596.40**
(Excluding Taxes on Income and Investment)	(231,671.40)	(18,856.29)	(250,527.69)
Additons to Fixed Assets	**26,150.75**	**307.12**	**26,457.87**
	(47,201.94)	(759.15)	(47,961.09)

Figures in parenthesis are those of previous year.

40. Related party disclosures

Details of related parties:

(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
Afcons Offshore and Marine Services Private Limited
Afcons Construction Mideast LLC
Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL
Afcons Overseas Construction LLC, (w.e.f. 3rd September, 2012)
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
SP Jammu Udhampur Highway Pvt. Ltd
Forvol International Service Ltd

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

Partnership firm in which the Company is a partner

Afcons Pauling Joint Venture

Jointly Controlled Entities

Strabag AG Afcons Joint Venture
Saipem Afcons Joint Venture

Key Management Personnel

Mr. C.P.Mistry - Chairman (Upto 23rd March, 2012)
Mr. S. P. Mistry – Chairman
Mr. K. Subrahmanian – Managing Director
Mr. S. Paramasivan – Dy. Managing Director

(b) Details of transactions with related parties for the period 01/04/2012 to 31/03/2013

(₹ 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 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12
Managerial Remuneration paid																
K.Subrahmanian													155.00	175.00	155.00	175.00
S.Paramasivan													120.00	131.25	120.00	131.25
Sitting Fees paid																
C.P.Mistry													-	0.80	-	0.80
S.P.Mistry													0.40	-	0.40	-
Dividend on Preference Shares																
Floreat Investments Limited					1.00	1.00									1.00	1.00
Service Charges Received																
Afcons Corrosion Protection Private Limited			-	0.60											-	0.60
Saipem-Afcons Joint Venture									-	51.32					-	51.32
Afcons Infrastructure International Limited			-	23.43											-	23.43
Strabag-AG Afcons Joint Venture									543.70	380.89					543.70	380.89
Interest Income																
Afcons Construction Mideast, LLC			40.58	135.31											40.58	135.31
Afcons Overseas Construction LLC, Qatar			0.23	-											0.23	-
Distribution of Profit in Joint Venture																
Transtonnelstroy-Afcons Joint Venture			-	693.00											-	693.00
Saipem-Afcons Joint Venture									1,871.81	-					1,871.81	-
Rent & Other Income																
Afcons Gunanusa Joint Venture			-	73.13											-	73.13
Saipem-Afcons Joint Venture									-	122.89					-	122.89
Sale of Spares/Materials																
Transtonnelstroy-Afcons Joint Venture			162.21	601.71											162.21	601.71
Dahej Standby Jetty Project Undertaking (DJPU)			58.63	313.26											58.63	313.26

(b) Details of transactions with related parties for the period 01/04/2012 to 31/03/2013

(₹ 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 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12
Advance Given / (Received back)																
Afcons Construction Mideast, LLC			1,104.97	(2,636.91)								-			1,104.97	(2,636.91)
Afcons Corrosion Protection Private Limited			(0.03)	-											(0.03)	-
Afcons (Mideast) Constructions and Investments Private Limited											(0.06)	-			(0.06)	-
Afcons Infrastructure International Limited			(1.52)	-											(1.52)	-
Transtonnelstroy-Afcons Joint Venture			19,562.99	(7,399.28)											19,562.99	(7,399.28)
Afcons Gunanusa Joint Venture			(6,449.70)	12,492.31											(6,449.70)	12,492.31
Dahej Standby Jetty Project Undertaking (DJPU)			48.49	(2,198.91)											48.49	(2,198.91)
Subcontract Income																
Dahej Standby Jetty Project Undertaking (DJPU)			4,417.71	2,458.70											4,417.71	2,458.70
Transtonnelstroy-Afcons Joint Venture			11,589.74	-											11,589.74	-
SP Jammu Udhampur Highway Pvt. Ltd					65,407.75	-									65,407.75	-
Hire Income																
Shapoorji Pallonji & Company Limited	-	6.88													-	6.88
Saipem-Afcons Joint Venture									-	44.17					-	44.17
Project Management Consultancy Service Income																
Afcons Gunanusa Joint Venture			-	505.91											-	505.91
Saipem-Afcons Joint Venture									56.84	442.22					56.84	442.22
Profit /(Loss) of share in partnership firm																
Afcons Pauling Joint Venture							(0.14)	(0.22)							(0.14)	(0.22)
Service Charges paid																
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.			102.77	-											102.77	-
Rent Expense																
Hazarat & Company Private Limited			1.20	1.20											1.20	1.20
Expenses incurred by /(on behalf of) Afcons																
Afcons Corrosion Protection Private Limited			-	0.03											-	0.03
Afcons Offshore & Marine Services Private Limited			-	0.95											-	0.95
Afcons Construction Mideast, LLC			(38.42)	(82.75)											(38.42)	(82.75)
Afcons (Mideast) Constructions and Investments Private Limited											-	0.06			-	0.06
Transtonnelstroy-Afcons Joint Venture			278.92	2,298.99											278.92	2,298.99
Dahej Standby Jetty Project Undertaking (DJPU)			45.64	4,356.48											45.64	4,356.48
Strabag-AG Afcons Joint Venture									254.16	161.05					254.16	161.05
Afcons Gunanusa Joint Venture			539.09	392.14											539.09	392.14
Interest expense																
Afcons (Mideast) Constructions and Investments Private Limited											9.00	5.85			9.00	5.85
Transtonnelstroy-Afcons Joint Venture			211.74	1,574.59											211.74	1,574.59
Dahej Standby Jetty Project Undertaking (DJPU)			55.84	465.95											55.84	465.95

(b) Details of transactions with related parties for the period 01/04/2012 to 31/03/2013 (₹ 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 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12
Travelling Expense																
Forvol International Service Ltd					780.07	569.96									780.07	569.96
Purchase of Assets / Material																
Afcons Construction Mideast, LLC			-	62.53											-	62.53
Dahej Standby Jetty Project Undertaking (DJPU)			85.75	29.21											85.75	29.21
Transtonnelstroy-Afcons Joint Venture			108.45	-											108.45	-
Guarantees Given for/ (Released)																
Afcons Corrosion Protection Private Limited			4.75	13.31											4.75	13.31
Afcons Gunanusa Joint Venture			(9,176.66)	20,512.81											(9,176.66)	20,512.81
Strabag-AG Afcons Joint Venture									-	(306.15)					-	(306.15)
Saipem-Afcons Joint Venture									(4,887.68)	-					(4,887.68)	-
Transtonnelstroy-Afcons Joint Venture			802.89	2,358.21											802.89	2,358.21
Outstanding amount of guarantee given/ (taken)																
Afcons Corrosion Protection Private Limited			32.01	27.26											32.01	27.26
Afcons Construction Mideast, LLC			85,736.18	80,324.20											85,736.18	80,324.20
Afcons Gunanusa Joint Venture			31,580.22	39,160.83											31,580.22	39,160.83
Strabag-AG Afcons Joint Venture									21,155.04	21,405.32					21,155.04	21,405.32
Transtonnelstroy-Afcons Joint Venture			63,287.34	61,284.45											63,287.34	61,284.45
Saipem-Afcons Joint Venture									-	4,887.68					-	4,887.68
Dahej Standby Jetty Project Undertaking (DJPU)			8,451.90	10,901.61											8,451.90	10,901.61
Outstanding Amount Loans Dr/ (Cr)																
Shapoorji Pallonji & Company Limited	5.91	5.91													5.91	5.91
Afcons Corrosion Protection Private Limited			-	0.03											-	0.03
Afcons Offshore & Marine Services Private Limited			0.95	0.95											0.95	0.95
Afcons Infrastructure International Limited			-	1.52											-	1.52
Afcons Construction Mideast, LLC			1,222.63	115.50											1,222.63	115.50
Afcons Gunanusa Joint Venture			14,528.23	20,438.73											14,528.23	20,438.73
Strabag-AG Afcons Joint Venture									901.90	1,554.79					901.90	1,554.79
Afcons (Mideast) Constructions and Investments Private Limited											(90.00)	(89.94)			(90.00)	(89.94)
Dahej Standby Jetty Project Undertaking (DJPU)			(2,702.38)	(2,719.13)											(2,702.38)	(2,719.13)
Transtonnelstroy-Afcons Joint Venture			2,013.24	(17,691.86)											2,013.24	(17,691.86)
Saipem-Afcons Joint Venture									263.50	200.99					263.50	200.99
Afcons Pauling Joint Venture							1,461.50	1,461.65							1,461.50	1,461.65
Afcons Overseas Construction LLC, Qatar			15.17	-											15.17	-
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.			0.20	-											0.20	-
SP Jammu Udhampur Highway Pvt. Ltd					1,690.01	-									1,690.01	-
Forvol International Service Ltd					119.54	51.36									119.54	51.36
Outstanding Amount - Debtors																
Afcons Construction Mideast, LLC			1,804.64	4,864.91											1,804.64	4,864.91
Dahej Standby Jetty Project Undertaking (DJPU)			1,173.98	-											1,173.98	-
Transtonnelstroy-Afcons Joint Venture			5,604.37	-											5,604.37	-

Note: (1) There are no provisions for doubtful debts or amounts written off or written back during the year for debts due from/ to related parties.
(2) Refer Note 5B(i) regarding the creation of security on all the current assets of the company.

Notes forming part of the financial statements for the year ended 31st March, 2013

41. Details of leasing arrangements

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
As Lessor		
(i) The company has let out one of the premises and equipments 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
(iii) The lease income of equipments recognised in the Statement of Profit and Loss under 'Other Operating Revenues' in Note 22	**20.22**	216.08
As Lessee		
(i) The company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally 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 for residential and other properties in the Statement of Profit and Loss under 'Rent' in Note 28	**1,912.54**	1,156.64
(iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting expenses' in Note 24	**8,770.14**	2,103.90

42. Earnings per share (EPS)

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

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Profit after tax	**4,642.16**	8,587.14
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	**4,638.09**	8,583.07
Weighted average number of shares outstanding during the year	**Numbers**	Numbers
For basic EPS	**71,970,238**	71,869,956
For diluted EPS (refer note below)	**333,162,510**	336,521,970
Earnings per share	**₹**	₹
Basic	**6.44**	11.94
Diluted	**1.39**	2.55
Nominal value per share in Rupees	**₹ 10.00**	₹ 10.00
Note :		
Weighted average number of shares outstanding during the year- for Diluted EPS:	**Numbers**	Numbers
Weighted average number of shares outstanding during the year – for calculating basic EPS (numbers)	**71,970,238**	71,869,956
Add: Potential equity shares that could arise on conversion of 0.01%.Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each {Refer Note 3(3b)}.	**246,540,258**	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
Total	**333,162,510**	336,521,970

Notes forming part of the financial statements for the year ended 31st March, 2013

43. 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 31st March, 2013					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Saipem Afcons Joint Venture , Oman (unaudited)	50%	**233.77** (2,238.60)	**233.77** (2,238.60)	**50.86** (6,986.75)	**82.47** (4,791.03)	**-** (-)	**-** (-)
Strabag AG Afcons Joint Venture, India (audited)	40%	**12,245.42** (15,111.40)	**12,245.42** (15,111.40)	**7,908.22** (6,760.28)	**7,636.54** (5,799.91)	**-** (-)	**-** (-)

Note: Figures in brackets relate to the previous year

44. Disclosures on Employee share based payments:

Employee Stock Option Plan.

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

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

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

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

	Current year	As at 31st March 2012
Particulars	**Quantity**	Quantity
Authorised to be Granted	**1,785,000**	1,785,000
Granted and Outstanding at the beginning of the year	Nil	130,770
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	130,770
Lapsed during the year	Nil	Nil
Granted and outstanding at the end of the year	Nil	Nil
Fair value of the ESOP on the date of Grant	**₹ 9.41**	**₹ 9.41**

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

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

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

45. During the year the Company has filed a revised return of income for the financial year ended 31st March, 2011 in terms of the provision of Income Tax Act, 1961, considering that the management fees of ₹ 2729.53 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 ₹ 721.30 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.

46. 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.

47. 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**	**J.J.PARAKH** **Director**
N.D.KHURODY **Director**	**P.R.RAJENDRAN** **Company Secretary**

Place: Mumbai
Date: 26th June, 2013

AFCONS INFRASTRUCTURE LIMITED

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

	REVENUE ACCOUNTS				CAPITAL ACCOUNTS						EARNINGS & PAYOUT		
YEAR	TOTAL INCOME	DEPRECIATION	PROFIT/ (LOSS) BEFORE TAXES & RESERVES	TAX	SHARE CAPITAL	RESERVES (EXCLUDING REVALUATION RESERVE)	BORROWINGS	GROSS BLOCK	CUMULATIVE DEPRECIATION	NET BLOCK	EARNINGS PER EQUITY SHARE OF ₹ 10	DIVIDEND PER EQUITY SHARE OF ₹ 10	DIVIDEND PAY OUT PER EQUITY SHARE OF ₹ 10
2003-04	45,631	1,099	281	159	7,140	5,642	20,555	19,874	10,133	9,741	0.39	-	-
2004-05	55,391	1,318	342	140	12,140	5,845	27,975	21,954	11,522	10,432	0.64	-	-
2005-06	68,629	1,491	1,490	917	17,153	4,610	34,838	26,490	14,811	11,679	1.85	-	-
2006-07	107,411	1,808	2,516	1,128	17,153	6,065	57,144	36,785	16,661	20,124	2.15	-	-
2007-08	174,944	2,400	6,647	2,244	42,152	9,841	51,644	48,512	18,445	30,067	6.16	-	-
2008-09	208,867	2,962	7,508	2,573	42,140	14,772	69,051	58,925	20,789	38,136	6.91	-	-
2009-10	151,028	3,221	5,598	1,962	42,170	18,424	53,876	59,238	22,116	37,122	5.08	-	-
2010-11	114,106	3,243	8,885	3,016	42,184	24,297	68,039	64,740	22,951	41,789	8.18	-	-
2011-12	164,760	3,789	11,148	2,561	42,197	32,890	83,741	80,518	25,864	54,654	11.94	-	-
2012-13	194,920	6,747	5,700	1,058	42,197	35,855	120,187	123,169	31,831	91,337	6.44	2.00	2.00

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **AFCONS INFRASTRUCTURE LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion

The consolidated financial statements include the unaudited financial statements of 7 subsidiaries and 1 jointly controlled entity (Previous year ended 31st March, 2012: 5 subsidiaries and 1 jointly controlled entity), whose financial statements reflect total assets (net) of ₹ 33,806.34 lacs as at 31st March, 2013 (As at 31st March, 2012: ₹ 21,289.50 lacs), total revenue of ₹ 6,417.05 lacs (Previous year ended 31st March, 2012: ₹ 6,110.19 lacs) and net cash flows amounting to ₹ 2,279.26 lacs (Previous year ended 31st March, 2012: ₹ 328.86 lacs) for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and the jointly controlled entity, is based solely on such unaudited financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entity and an associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(b) 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

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not jointly audit the financial statements of 5 subsidiaries and a jointly controlled entity, whose financial statements reflect total assets (net) of ₹ 21,951.28 lacs as at 31st March, 2013, total revenues of ₹ 37,528.34 lacs and net cash flows amounting to ₹ (3,378.31) lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 0.008 lacs for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by either of us in our individual capacity or by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, the jointly controlled entity and the associate is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

R. Laxminarayan
Partner
Membership No. 33023

Mumbai,
Date: June 26, 2013

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

J. C. Bhatt
Partner
Membership No. 10977

Mumbai,
Date: June 26, 2013

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

Consolidated Balance Sheet as at 31st March, 2013

	Particulars	Note No.	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	**42,197.02**	42,197.02
	(b) Reserves and surplus	4	**56,522.43**	48,210.38
			98,719.45	90,407.40
2	**Minority Interest (net)**		**(313.36)**	(102.42)
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	**49,744.99**	26,369.85
	(b) Deferred tax liabilities (net)	6.A	**9,239.54**	7,660.82
	(c) Other long-term liabilities	7	**31,409.51**	26,377.34
	(d) Long-term provisions	8	**920.23**	692.78
			91,314.27	61,100.79
4	**Current liabilities**			
	(a) Short-term borrowings	9	**57,896.29**	41,557.71
	(b) Trade payables	10	**68,202.71**	72,497.98
	(c) Other current liabilities	11	**51,834.84**	49,798.01
	(d) Short-term provisions	12	**3,758.05**	629.24
			181,691.89	164,482.94
	TOTAL		**371,412.25**	315,888.71
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	13.A	**99,252.96**	59,235.56
	(ii) Intangible assets	13.B	**370.37**	500.05
	(iii) Capital work-in-progress	13.C	**14,805.91**	33,894.05
			114,429.24	93,629.66
	(b) Goodwill on Consolidation		**13.90**	13.90
	(c) Non-current investments	14	**40.10**	40.10
	(d) Deferred tax asset (net)	6.B	**-**	16.06
	(e) Long-term loans and advances	15	**14,893.38**	19,891.75
	(f) Other non-current assets	16	**28,224.80**	32,134.59
			157,601.42	145,726.06
2	**Current assets**			
	(a) Inventories	17	**131,686.21**	86,989.37
	(b) Trade receivables	18	**48,795.58**	51,280.02
	(c) Cash and cash equivalents	19	**14,454.69**	17,512.21
	(d) Short-term loans and advances	20	**14,515.23**	13,856.67
	(e) Other current assets	21	**4,359.12**	524.38
			213,810.83	170,162.65
	TOTAL		**371,412.25**	315,888.71
	See accompanying notes 1 to 42 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

J.J.PARAKH
Director

N.D.KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 26th June, 2013

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2013

	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
			₹ in Lacs	₹ in Lacs
1	**Revenue from operations**	22	**301,750.33**	246,426.71
2	**Other income**	23	**6,218.28**	8,651.42
3	**Total revenue (1+2)**		**307,968.61**	255,078.13
4	**Expenses**			
	(a) Cost of construction	24	**201,175.62**	170,595.18
	(b) Employee benefits expense	25	**40,558.72**	30,612.87
	(c) Finance costs	26	**14,057.52**	10,544.17
	(d) Depreciation and amortisation expense	13.D	**7,515.46**	4,245.95
	(e) Other expenses	27	**29,514.89**	24,023.49
	Total expenses		**292,822.21**	240,021.66
5	**Profit before tax (3 - 4)**		**15,146.40**	15,056.47
6	**Tax expense:**			
	(a) Tax expense for current year		**5,597.02**	5,533.86
	(b) (Less): MAT credit		**(1,146.85)**	(1,324.65)
	(c) Deferred tax		**1,594.79**	1,876.82
	(d) Tax (credit) / expense relating to prior year (net)		**(110.33)**	156.04
			5,934.63	6,242.07
7	**Profit for the year from continuing operations before Minority interest (5 - 6)**		**9,211.77**	8,814.40
8	**Minority Interest**		**230.17**	638.79
9	**Profit / (Loss) for the year (7+8)**		**9,441.94**	9,453.19
10	**Earnings per share (face value of ₹ 10/- each):**	30		
	(a) Basic		**13.11**	13.15
	(b) Diluted		**2.83**	2.81
	See accompanying notes 1 to 42 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

J.J.PARAKH
Director

N.D.KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 26th June, 2013

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

Consolidated Cash Flow Statement for the year ended 31st March, 2013

Particulars	March'2013 ₹ in Lacs	March'2012 ₹ in Lacs
Cash flow from operating activities		
Profit before tax	**15,146.40**	15,056.47
Adjustments for :		
Depreciation	**7,515.46**	4,245.95
(Profit) / Loss on sale of fixed assets (net)	**(36.84)**	(114.13)
Dividend income	**-**	(0.02)
Interest income	**(5,084.76)**	(6,591.51)
Interest expense	**14,057.52**	10,692.47
Bad/irrecoverable Debtors /Unbilled Revenue /Advances w/off	**0.34**	1,624.91
Excess Provision for expenses of earlier years written back	**(563.47)**	(1,176.41)
Investment Written off	**-**	0.55
Provision for Projected Losses written back	**-**	(204.45)
Operating profit before working capital changes	**31,034.65**	23,533.83
(Increase)/Decrease in Inventories	**(44,696.84)**	(20,170.15)
(Increase)/Decrease in Trade receivables	**2,484.10**	(5,373.59)
(Increase)/Decrease in Loans and Advances and Other Assets	**1,367.54**	14,244.55
Increase/(Decrease) in Trade, Other payables and Provisions	**7,308.74**	7,753.31
Cash from Operations	**(2,501.81)**	19,987.95
Direct taxes - paid	**(1,250.44)**	(8,338.94)
Net Cash (used in) / from operating activities	**(3,752.25)**	11,649.01
Cash flow from investing activities		
Purchase of fixed assets	**(25,737.64)**	(52,683.89)
Sale of fixed assets	**252.17**	1,142.94
Purchase of Investments	**-**	(95.77)
Dividend received	**-**	0.02
Interim distribution of profit to JV partner	**-**	(7.00)
Interest received	**4,954.74**	6,591.51
Net Cash flow (used in) investing activities	**(20,530.73)**	(45,052.19)
Cash flow from financing activities		
Share Capital Pending Allotment	**-**	22.22
Proceeds from long-term borrowings	**39,625.31**	23,613.50
Repayment of long-term borrowings	**(19,580.41)**	(6,233.35)
Proceeds from /repayment of short term borrowings - net	**16,338.58**	(1,678.23)
Interest paid	**(14,287.73)**	(10,339.82)
Interim Dividend paid (including tax)	**(1,676.97)**	(4.07)
Net Cash flow from financing activities	**20,418.78**	5,380.25
Net (decrease) in cash and cash equivalents	**(3,864.20)**	(28,022.93)
Cash and cash equivalents at the beginning of the Year	**17,149.40**	44,964.35
Add: Cash received on acquisition of subsidiary	**21.24**	220.21
Less : Exchange difference on translation of Foreign currency of Cash and Cash equivalents.	**(2.02)**	(12.23)
Cash and cash equivalents at the end of the Year	**13,304.42**	17,149.40
Reconciliation of cash and cash equivalents		
As per Balance sheet - Note 19	**14,454.69**	17,512.21
Less : Fixed Deposits on Lien	**(1,150.27)**	(362.81)
As per Cash flow statement	**13,304.42**	17,149.40

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 Standards) Rules, 2006
2. Cash and Cash equivalents includes unrealised Profit/(Loss) of ₹ 281.20 Lacs (Previous year ₹ 192.90 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

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

J.J.PARAKH
Director

N.D.KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 26th June, 2013

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

Note	Particulars
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 Ltd.	India	100%
Afcons Corrosion Protection Pvt. Ltd.	India	100%
Afcons Offshore and Marine Services Pvt. Ltd.	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 Overseas Construction LLC* (w.e.f. 03/09/2012)	Qatar	49%
Afcons Infrastructure International Ltd.	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.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

Note	Particulars
1.4	The associate of the Group which is included in the consolidation and the Group's holdings therein is as under:

Name of the Associate	Country of Incorporation	Percentage Holding-Share
Afcons (Mideast) Constructions and Investments Private Limited *	India	Less than 1%

* It is accounted based on significant influence by the Company on the composition of Board of Directors.

1.5 The list of the joint ventures of the group that are included in the consolidation and the Group's holding therein are as under:

Name of the Joint Ventures	Percentage Holding – Share
Strabag AG Afcons Joint Venture, India	40%
Saipem Afcons Joint Venture, Oman	50%

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 generally accepted accounting principles (GAAP) 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. The Company has adopted the provisions of para 46 / 46A of AS 11. The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Leasehold improvements have been capitalized and are written off over the primary lease term not exceeding five years.

2.5 **Intangible Fixed Assets**

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 – "Intangible Assets".

2.6 **Depreciation**

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 except in case of Tunnel Boring Machines, which are amortised on the basis of the length of the tunnel bored over the life of the construction project for which it is used.

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.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

Note	Particulars
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.
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** (i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. (ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. (iii) Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised. (iv) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.
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.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

Note	Particulars
	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 recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates.
2.23	**Accounting for joint ventures** Accounting for joint ventures has been done as follows :- **Type of Joint Venture : Jointly Controlled Entity** **Accounting treatment :** Interests in jointly controlled entities comprise of the share of the Group’s interest in a company in which the Group has acquired joint control over its economic activities by contractual agreement. Interests in jointly controlled entities are included in the consolidated financial statements of the Group from the point in time at which the joint control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the joint control ceases. Interests in joint ventures are aggregated in the consolidated financial statements by using the proportionate consolidation method, which means that the Group’s share in book values of like items of assets, liabilities, income and expenses are aggregated after eliminating the intra-Group balances and transactions to the extent of the proportionate share of the Group in the joint venture.
2.24	**Provisions, Contingent Liabilities and Contingent Assets** Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

3. Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares	**₹ in Lacs**	Number of shares	₹ in Lacs
(a) Authorised				
Equity shares of ₹ 10 each	**350,000,000**	**35,000.00**	350,000,000	35,000.00
Preference shares of ₹ 10 each	**650,000,000**	**65,000.00**	650,000,000	65,000.00
Total	**1,000,000,000**	**100,000.00**	1,000,000,000	100,000.00
(b) Issued, Subscribed and Fully Paid up				
Equity shares of ₹ 10 each (Refer Note 1 below)	**71,970,238**	**7,197.02**	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each (Refer Note 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 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**	421,970,238	42,197.02

Notes:

1. Rights, preferences and restrictions attached to Equity Shares:

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

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

(c) Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

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(a) below.

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

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

(a) The Preference Shares shall be automatically and mandatorily converted into equity shares on the Eleventh year from the Issue date i.e. on 13th January, 2019 (“Mandatory Conversion Date”). The mandatory conversion date of the 0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares has been revised from 13th January, 2013 (5th year from the date of issue) to 13th January, 2019 (11th year from the date of issue) in terms of the consent letter obtained from the preference shareholder and the special resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 10th January, 2013.

(b) On Mandatory Conversion Date, the Preference Shares shall be converted into such number of equity shares of the Company constituting 74% of all the outstanding equity share capital of the Company calculated on a fully diluted basis.

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

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

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

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

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, 2013		As at 31st March, 2012	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	**71,970,238**	**7,197.02**	71,839,468	7,183.94
Add : Shares issued during the year under ESOP	**-**	**-**	130,770	13.08
Equity shares outstanding at the end of the year	**71,970,238**	**7,197.02**	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares at the beginning of the year	**100,000,000**	**10,000.00**	100,000,000	10,000.00
Preference shares outstanding at the end of the year	**100,000,000**	**10,000.00**	100,000,000	10,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year	**250,000,000**	**25,000.00**	250,000,000	25,000.00
Preference shares outstanding at the end of the year	**250,000,000**	**25,000.00**	250,000,000	25,000.00

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	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	**48,885,554**	**-**	48,720,883	-
Subsidiaries of the holding company:				
Floreat Investments Ltd. (FIL)	**13,015,929**	**100,000,000**	13,015,929	100,000,000
Renaissance Commerce Pvt. Ltd.	**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, 2013		As at 31st March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Co Ltd.	**48,885,554**	**67.92**	48,720,883	67.70
Floreat Investments Ltd.	**13,015,929**	**18.09**	13,015,929	18.09
Renaissance Commerce Pvt. Ltd.	**4,016,250**	**5.58**	4,016,250	5.58
Hermes Commerce Ltd.	**4,016,250**	**5.58**	4,016,250	5.58
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares				
Floreat Investments Ltd.	**100,000,000**	**100.00**	100,000,000	100.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares				
Goswami Infratech Private Ltd.	**250,000,000**	**100.00**	-	-
India Infrastructure AIL (Mauritius)	**-**	**-**	250,000,000	100.00

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

4. Reserves and Surplus

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Capital reserve		
Opening balance	**83.78**	83.78
Closing balance	**83.78**	83.78
(b) Capital redemption reserve		
Opening balance	**12.50**	12.50
Closing balance	**12.50**	12.50
(c) Securities premium account		
Opening balance	**1,028.00**	1,018.85
Add : Premium on shares issued during the year	**-**	9.15
Closing balance	**1,028.00**	1,028.00
(d) Revaluation reserve		
Opening balance	**99.46**	161.70
Less: Utilised for set off against depreciation	**(56.44)**	(62.24)
Closing balance	**43.02**	99.46
(e) Contingencies reserve		
Opening balance	**800.00**	800.00
Closing balance	**800.00**	800.00
(f) Debenture redemption reserve		
Opening balance	**-**	-
Add : Transferred from surplus in Statement of Profit & Loss	**625.00**	-
Closing balance	**625.00**	-
(g) General reserve		
Opening balance	**5,557.09**	5,557.09
Add : Transferred from surplus in Statement of Profit & Loss	**348.16**	-
Closing balance	**5,905.25**	5,557.09
(h) Foreign currency translation reserve		
Opening balance	**1,386.01**	79.12
Add / (Less): Effect of foreign exchange rate variations during the year	**603.52**	1,306.89
Closing balance	**1,989.53**	1,386.01
(i) Surplus in Statement of Profit and Loss		
Opening balance	**39,243.54**	29,801.42
Add: Profit for the year	**9,441.94**	9,453.19
Less: Appropriations		
Interim Dividend on Equity Shares (₹ 2.00 per share (Previous Year ₹ Nil))	**1,439.40**	-
Proposed Dividend on Preference Shares (₹ 0.001 per share)	**3.50**	3.50
Tax on dividend	**234.07**	0.57
Interim distribution of profit to a Joint Venture partner	**-**	7.00
Transferred to General reserve	**348.16**	-
Transferred to Debenture redemption reserve	**625.00**	-
Closing balance	**46,035.35**	39,243.54
Total	**56,522.43**	48,210.38

5. Long-term borrowings

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Debentures (Unsecured) (Refer Note 5A)	**10,000.00**	-
(b) Working Capital loans (Refer Note (i) of 5B)		
From banks		
Secured	**10,000.00**	-
Unsecured	**-**	7,500.00
(c) Equipment Loan (Secured) (Refer Note (ii) of 5B)		
From banks :		
Rupee Loan	**7,143.67**	4,015.28
Foreign Currency Loan	**18,637.00**	10,174.00
(d) Other loans and advances (Refer Note (iii) of 5B)		
Foreign Currency Loan (Secured)		
Buyers Credit from Banks	**3,964.32**	4,680.57
Total	**49,744.99**	26,369.85

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

5. Long-term borrowings (Contd)

Notes:

(A) The Unsecured Unlisted Redeemable Non-Convertible Debentures (NCDs) have been issued on a private placement basis. The NCDs carry interest @ 10.45% per annum payable quarterly and are redeemable in full at the end of 5 years from the date of issue i.e. 12th February, 2018. The NCDs carry a Put option to the holders and a Call option to the Company to get the NCDs redeemed at any time after 3 1/2 years from the date of allotment i.e. 12th February, 2013, by giving a 30 days notice to the other party.

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

Particulars	Terms of repayment and security	As at 31st March, 2013		As at 31st March, 2012	
		Secured	Unsecured	Secured	Unsecured
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(i) Working Capital loans from banks					
Axis Bank Ltd. (Refer Note (i) below)	Refer Note (ii) below	**10,000.00**	**-**	-	-
Bank of India (Refer Note (i) below)		**-**	**-**	-	7,500.00
Total - Term Loan		**10,000.00**	**-**	-	7,500.00
(ii) Equipment Loan from banks					
Rupee Loan:					
Indian Overseas Bank	Refer Note (iii) below	**4,661.08**	**-**	693.97	-
Oriental Bank of Commerce (Refer Note (i) below)		**2,482.59**	**-**	3,321.31	-
Foreign Currency Loan (ECB):					
DBS Bank Ltd.		**10,540.00**	**-**	10,174.00	-
HSBC Bank		**8,097.00**	**-**	-	-
Total - Equipment Loan		**25,780.67**	**-**	14,189.28	-
(iii) Other Loans and Advances from banks - Buyer's Credit Foreign Currency Loans					
State Bank of India (Refer Note (i) below)	Refer Note (iv) below	**1,488.77**	**-**	3,902.26	-
HSBC Bank		**2,475.55**	**-**	778.31	-
Total - Other loans and advances		**3,964.32**	**-**	4,680.57	-
Total Long-term Borrowings from Banks		**39,744.99**	**-**	18,869.85	7,500.00

Notes:

(i) Secured by hypothecation of the Land and Buildings situated in Andheri, Mumbai, Plant & Machineries including spares, tools and accessories and the whole of the current assets including book debts, stock of raw materials, goods in process, semi and finished goods and also including proportionate share of current assets in any Joint Venture, both present and future.

(ii) Working Capital loans from Banks carry interest @ Base rate + 0.90% per annum. The repayment schedule of the loans are as follows.

Bank Name	**Loan Amount**	**Repayment in 2014-15**	**Repayment in 2015-16**
	(₹ in Lacs)	**(₹ in Lacs)**	**(₹ in Lacs)**
Axis Bank Ltd.	**10,000.00**	**-**	1 installment of ₹ 10,000.00

Previous Year

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

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

5. Long-term borrowings (Contd)

(iii) Secured by first charge by way of hypothecation of the equipments financed. The Rupee loans carry interest ranging from Base rate+0.50% to Base rate+0.75% per annum and Foreign currency loans carry interest ranging from Libor + 2.35% to Libor + 2.70% per annum. The repayment schedule of the loans are as follows.

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15 (₹ in Lacs)	Repayment in 2015-16 (₹ in Lacs)	Repayment in 2016-17 (₹ in Lacs)
Rupee Loan:				
Indian Overseas Bank	**4,661.08**	2 installments of ₹ 1250.00 each	Installments of ₹ 1250.00 and ₹ 911.08	-
Oriental Bank of Commerce	**2,482.59**	2 installments of ₹ 625.00 each	Installments of ₹ 625.00 and ₹ 607.59	-
Foreign Currency Loan:				
DBS Bank Ltd	**10,540.00**	3 installments of ₹1054.00 each	4 installments of ₹ 1054.00 each	3 installments of ₹1054.00 each
HSBC Bank	**8,097.00**	1 installment of ₹ 1619.40	2 installments of ₹ 1619.40 each	2 installments of ₹ 1619.40 each

Previous Year

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	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

(iv) The Loans carry interest ranging from Libor+135bps to Libor+200bps per annum.

State Bank of India loan is secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis with other banks. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and residual charge on unencumbered plant and machinery of the company 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 financed by the loan.

The repayment schedule of the loans are as follows:

Bank Name	**Loan Amount (₹ in Lacs)**	**Repayment in 2014-15 (₹ in Lacs)**	**Repayment in 2015-16 (₹ in Lacs)**
State Bank of India	**1,488.77**	Installments of ₹ 261.00 and ₹ 410.42	Installments of ₹ 185.96, ₹ 269.21, ₹ 92.97 , ₹ 269.21
HSBC Bank - Buyer Credit	**2,475.55**	Installments of ₹ 1666.95 and ₹ 808.60	-

Previous Year

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	Installments of ₹ 727.95, ₹ 755.42 and ₹ 1,763.88	Installments of ₹ 254.62 and ₹ 400.39
HSBC Bank	778.31	-	1 installment of ₹ 778.31

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
Deferred tax (liability)		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**(5,557.24)**	(4,291.90)
Arbitration Awards	**(6,654.70)**	(5,277.56)
Tax effect of items constituting deferred tax liability	**(12,211.94)**	(9,569.46)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	**352.60**	232.89
Provision for doubtful debts / advances	**814.77**	814.79
Others	**1,805.03**	860.96
Tax effect of items constituting deferred tax assets	**2,972.40**	1,908.64
Net deferred tax liability	**(9,239.54)**	(7,660.82)

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ 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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Trade Payables - Retention monies	**5,814.56**	3,545.10
(b) Others:		
(i) Advances from customers	**25,405.22**	22,588.83
(ii) Statutory remittances (VAT, Service Tax,etc.)	**189.73**	243.41
Total	**31,409.51**	26,377.34

8. Long-term provisions

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**602.38**	406.40
(ii) Provision for gratuity (Refer Note 33)	**5.07**	3.60
(b) Provision - For contingencies (in respect of contracts under dispute)	**312.78**	282.78
Total	**920.23**	692.78

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

9. Short-term borrowings

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Working Capital Demand Loans		
From banks		
Secured (Refer Note below)	**18,000.00**	23,000.00
Unsecured	**5,600.00**	2,500.00
	23,600.00	25,500.00
(b) Short term Loans from Bank		
Foreign Currency Loan:		
Buyers Credit (Secured) (Refer Note below)	**1,769.22**	1,601.84
Packing Credit Finance (Unsecured)	**2,714.00**	2,543.50
Overdraft (Unsecured)	**2,996.82**	-
	7,480.04	4,145.34
(c) Cash Credit Facility from Banks (Secured) (Refer Note below)	**6,285.63**	6,826.43
(d) Commercial Papers (Unsecured)		
From Banks		
Face Value	**2,500.00**	5,000.00
Less: Discount not written-off	**31.91**	4.06
	2,468.09	4,995.94
From Other parties		
Face Value	**18,500.00**	-
Less: Discount not written-off	**527.47**	-
	17,972.53	-
(Maximum amount outstanding during the year ₹ 28,936.30 Lacs) (Previous Year ₹ 18,320.31 Lacs)		
(e) Loans Repayable on demand (Unsecured)		
From Related Parties (Refer Note 35)	**90.00**	90.00
Total	**57,896.29**	41,557.71

Note:

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

Particulars	Terms of repayment and security	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
Working Capital Demand Loans (WCDL)			
From banks:			
State Bank of India	Refer Below	**18,000.00**	15,000.00
ING Vysya Bank		**-**	5,000.00
IDBI Bank Ltd		**-**	3,000.00
Total - from banks		**18,000.00**	23,000.00
Short Term Loans from Bank			
Foreign Currency Loan			
Buyers Credit (Secured)	Refer Below	**1,769.22**	1,601.84
Cash Credit Facility	Refer Below	**6,285.63**	6,826.43

Note: Secured by a first charge on the immovable properties of the Company situated in Andheri, Mumbai on a pari-passu basis. It is further secured by hypothecation of the Company's stocks of construction materials, stores, work in progress, book debts and residual charge on unencumbered plant and machinery of the company on a pari-passu basis. The WCDL from State Bank of India and Cash credit facility is further secured by the Company's proportionate share of Current Assets in all the Joint Ventures, both present and future. Working Capital Demand Loans from banks carry interest ranging from 10.05% per annum to 10.25% per annum. Cash Credit Facility from Banks carry interest ranging from 10.50% per annum to 13.45% per annum. Buyers Credit from banks carry interest ranging from Libor+0.95% per annum to Libor+1.40% per annum.

10. Trade payables

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
Acceptances	**2,799.28**	4,679.27
Other than Acceptances	**65,403.43**	67,818.71
Total	**68,202.71**	72,497.98

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

11. Other current liabilities

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Current maturities of long-term debt (Refer note (i) below)	**12,599.31**	15,929.55
(b) Interest accrued but not due on borrowings	**323.45**	93.24
(c) Interest accrued and due on borrowings	**92.58**	-
(d) Income received in advance (against sale of scrap)	**67.34**	115.61
(e) Unclaimed / unpaid dividends (Refer Note (ii) below)	**32.08**	-
(f) Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below)	**2.30**	5.08
(g) Other payables		
(i) Statutory remittances (VAT, Service Tax, etc.)	**4,092.79**	4,628.26
(ii) Interest accrued on advance from customers	**53.46**	361.89
(iii) Trade / security deposits received	**90.02**	14.30
(iv) Advances from customers	**33,411.05**	26,616.11
(v) Advances from Others	**982.30**	2,026.87
(vi) Others	**88.16**	7.10
Total	**51,834.84**	49,798.01

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

(a) Working Capital Loans from Banks	**5,000.00**	12,500.00
(b) Equipment Loans from Banks (Secured)	**4,134.38**	3,429.55
(c) Foreign Currency Loans (Secured)	**3,464.93**	-
Total	**12,599.31**	15,929.55

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

12. Short-term provisions

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**152.40**	83.81
(ii) Provision for gratuity (Refer Note 33)	**382.30**	267.25
	534.70	351.06
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 4,887.30 Lacs) (As at 31st March, 2012 ₹ 1,523.57 Lacs)	**3,219.28**	274.11
(ii) Provision for proposed preference dividend	**3.50**	3.50
(iii)Provision for tax on proposed dividends on Preference shares	**0.57**	0.57
	3,223.35	278.18
Total	**3,758.05**	629.24

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

13. Fixed assets

A. Tangible assets

Current Year

Particulars	Gross block				Depreciation / Amortisation					Net Block
	Balance as at 1st April, 2012	Additions	Disposals	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Depreciation/ amortisation expense for the year	Adjustments	Eliminated on disposal of assets	Balance as at 31st March, 2013	Balance as at 31st March, 2013
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land										
Freehold	1.58	-	-	**1.58**	-	-	-	-	**-**	**1.58**
Leasehold	16.58	-	-	**16.58**	0.64	0.16	-	-	**0.80**	**15.78**
(b) Buildings	1,857.54	-	-	**1,857.54**	1,291.33	61.75	-	-	**1,353.08**	**504.46**
(c) Plant and Equipment	73,730.69	35,603.15	(962.39)	**108,371.45**	21,309.74	6,325.81	-	(792.62)	**26,842.93**	**81,528.52**
(d) Furniture and Fixtures	1,173.35	688.72	(31.93)	**1,830.14**	234.75	94.99	(13.04)	(3.87)	**312.83**	**1,517.31**
(e) Vehicles	1,091.59	171.64	(25.77)	**1,237.46**	181.76	101.73	-	(5.13)	**278.36**	**959.10**
(f) Office equipment	2,332.17	314.56	(20.72)	**2,626.01**	794.69	213.00	-	(13.81)	**993.88**	**1,632.13**
(g) Leasehold improvements	279.22	-	-	**279.22**	279.22	-	-	-	**279.22**	**-**
(h) Floating Equipments	5,070.02	10,893.64	(31.91)	**15,931.75**	2,295.76	638.43	-	(28.92)	**2,905.27**	**13,026.48**
(i) Laboratory Equipments	147.74	3.24	-	**150.98**	77.03	6.35	-	-	**83.38**	**67.60**
Total	**85,700.48**	**47,674.95**	**(1,072.72)**	**132,302.71**	**26,464.92**	**7,442.22**	**(13.04)**	**(844.35)**	**33,049.75**	**99,252.96**

Previous Year

Particulars	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
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land										
Freehold	1.58	-	-	1.58	-	-	-	-	-	1.58
Leasehold	16.58	-	-	16.58	0.48	0.16	-	-	0.64	15.94
(b) Buildings	1,857.54	-	-	1,857.54	1,229.58	61.75	-	-	1,291.33	566.21
(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
(d) Furniture and Fixtures	582.30	715.48	(124.43)	1,173.35	229.37	95.87	-	(90.49)	234.75	938.60
(e) Vehicles	758.82	436.29	(103.52)	1,091.59	135.15	77.69	-	(31.08)	181.76	909.83
(f) Office equipment	2,002.53	431.48	(101.84)	2,332.17	633.06	210.57	3.25	(52.19)	794.69	1,537.48
(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
(i) Laboratory Equipments	144.81	2.93	-	147.74	73.19	3.84	-	-	77.03	70.71
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

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) The balance amount of Foreign exchange fluctuation, capitalised as a part of cost of Plant & Equipment, remaining to be amortised is ₹ 309.39 Lacs (Previous year ₹ Nil) .

(4) Additions to Plant & Machineries during the year include an amount of ₹ 477.30 Lacs (Previous Year ₹ 23.68 Lacs) on account of interest attributable to the cost of identifiable qualifying assets.

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

13. Fixed assets (Contd)

B. Tangible assets

Current Year

Particulars	Gross block				Depreciation / Amortisation				Net Block
	Balance as at 1st April, 2012	Additions	Disposals	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2013	Balance as at 31st March, 2013
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Computer software - Acquired	671.97	-	-	**671.97**	191.92	129.68	-	**321.60**	**350.37**
(b) Goodwill - Acquired	20.00	-	-	**20.00**	-	-	-	**-**	**20.00**
Total	**691.97**	**-**	**-**	**691.97**	**191.92**	**129.68**	**-**	**321.60**	**370.37**

Previous Year

Particulars	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	Eliminated on disposal of assets	Balance as at 31st March, 2012	Balance as at 31st March, 2012
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Computer software - Acquired	172.74	499.23	-	671.97	70.14	121.78	-	191.92	480.05
(b) Goodwill - Acquired	20.00	-	-	20.00	-	-	-	-	20.00
Total	192.74	499.23	-	691.97	70.14	121.78	-	191.92	500.05

C. **Capital Work in Progress - Plant and equipments under installation ₹ 14,805.91 lacs** (Previous year ₹ 33,894.05 lacs)

D. **Depreciation and amortisation:**

Particulars	**For the year ended 31st March, 2013**	For the year ended 31st March, 2012
	₹ in Lacs	₹ in Lacs
Depreciation and amortisation for the year on tangible assets as per (a) above	**7,442.22**	4,186.41
Depreciation and amortisation for the year on intangible assets as per (b) above	**129.68**	121.78
	7,571.90	4,308.19
Less: Utilised from revaluation reserve	**56.44**	62.24
Depreciation and amortisation as per Statement of Profit and Loss	**7,515.46**	4,245.95

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

14. Non-current investments

Particulars	Face Value	As at 31st March, 2013		As at 31st March, 2012	
		Quantity	Amount ₹ in Lacs	Quantity	Amount ₹ in Lacs
A. Trade (Fully paid, at cost):					
(a) Investment in equity instruments (Unquoted) :					
(i) of associates					
Afcons (Mideast) Constructions & Investments Pvt. Ltd.	₹ 100	1	**0.11**	1	0.11
Total - Trade (A)			**0.11**		0.11
B. Other investments (Fully paid, at cost):					
(a) Investment in equity instruments (Quoted)					
Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	**29.34**	40,072	29.34
Hindustan Construction Co. Ltd.	₹ 1	1,000	**0.03**	1,000	0.03
Simplex Infrastructures Ltd.	₹ 2	500	**0.04**	500	0.04
ITD Cementation India Ltd.	₹ 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**	1,000	0.10
(c) Investment in mutual funds (Unquoted):					
SBI Infrastructure Fund	₹ 10	50,000	**5.00**	50,000	5.00
UTI Infrastructure Fund - Growth Plan	₹ 10	12,731	**5.00**	12,731	5.00
			10.00		10.00
Total - Other investments (B)			**39.99**		39.99
Total (A+B)			**40.10**		40.10
Notes:					
Aggregate amount of quoted investments			**29.89**		29.89
Aggregate market value of quoted investments			**22.06**		46.58
Aggregate amount of unquoted investments			**376.99**		362.65

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Capital advances	**32.64**	2,881.81
(b) Security deposits		
Unsecured, considered good	**1,222.89**	1,383.97
Doubtful	**37.92**	37.92
	1,260.81	1,421.89
Less: Provision for doubtful deposits	**37.92**	37.92
	1,222.89	1,383.97
(c) Prepaid expenses	**344.00**	589.97
(d) Advance income tax (net of provisions ₹ 5,336.10 Lacs) (As at 31st March 2012 ₹ 5,143.91 Lacs)	**3,735.29**	5,710.33
(e) MAT credit entitlement	**3,710.63**	1,879.82
(f) Balances with government authorities		
(i) VAT credit receivable	**2,939.30**	4,468.23
(ii) Service Tax credit receivable	**2,725.15**	2,670.25
(iii) Other Deposits	**183.48**	307.37
	5,847.93	7,445.85
Total	**14,893.38**	19,891.75

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

16. Other non-current assets

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Long-term trade receivables - Under arbitration and Retention monies		
Unsecured, considered good	**7,734.18**	7,666.24
Doubtful	**2,134.55**	2,134.55
	9,868.73	9,800.79
Less: Provision for doubtful trade receivables	**2,134.55**	2,134.55
	7,734.18	7,666.24
(b) Construction Work-in-Progress - Under arbitration		
Unsecured, considered good	**20,558.38**	24,468.35
Doubtful	**234.56**	234.56
	20,792.94	24,702.91
Less: Advances received	**67.76**	-
Less: Provision for doubtful Construction Work-in-Progress	**234.56**	234.56
	20,490.62	24,468.35
(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	**28,224.80**	32,134.59

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

17. Inventories

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Construction Materials - at lower of cost and net realisable value		
Steel	**12,453.05**	12,399.35
Cement	**714.08**	356.10
Aggregate	**1,945.79**	1,965.68
Bitumen	**67.08**	34.17
Shuttering Material	**3,999.98**	2,996.91
Sand	**123.03**	155.44
Other Construction Material	**5,820.06**	3,577.64
	25,123.07	21,485.29
(b) Stores and spares - at lower of cost and net realisable value	**9,269.14**	7,769.37
	9,269.14	7,769.37
(c) Construction Work-in-Progress		
At estimated realisable value	**122,460.87**	85,312.48
Less: Advances received	**25,166.87**	27,577.77
	97,294.00	57,734.71
Total	**131,686.21**	86,989.37

18. Trade receivables

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	**31,075.65**	19,819.28
Other Trade receivables		
Unsecured, considered good	**17,719.93**	31,460.74
Total	**48,795.58**	51,280.02

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

19. Cash and cash equivalents

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Cash on hand	**64.82**	57.18
(b) Balances with banks		
(i) In current accounts	**3,523.84**	5,941.82
(ii) In EEFC accounts	**-**	32.57
(iii) In deposit accounts (Refer Note (ii) below)	**9,715.76**	11,117.83
(iv) In earmarked accounts		
- Unpaid dividend accounts	**32.08**	-
- Balances held as margin money or security against borrowings, guarantees and Other commitments	**51.74**	6.92
- Other earmarked accounts (Refer Note (i) below)	**1,066.45**	355.89
Total	**14,454.69**	17,512.21
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	**13,304.42**	17,149.40

Notes:

(i) Includes deposits ₹ 997.46 Lacs (Previous Year ₹ 335.11 Lacs) over which Banks and Clients have lien and ₹ 68.99 Lacs (Previous year ₹ 20.78 Lacs) placed as Earnest Money Deposit and pledge with various authorities.

(ii) Includes deposits amounting to ₹ 3.95 lacs (As at 31st March, 2012 ₹ 3.40 Lacs) and margin monies amounting to ₹ 51.74 Lacs (As at 31st March, 2012 ₹ 6.92 Lacs) which have an original maturity of more than 12 months.

20. Short-term loans and advances

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Loans and advances to related parties (Refer Note 35)		
To Joint Ventures	**744.34**	1,033.36
(b) Security deposits	**344.60**	408.26
(c) Loans and advances to employees	**209.00**	172.68
(d) Prepaid expenses	**1,675.92**	1,811.73
(e) Balances with government authorities		
(i) VAT credit receivable	**1,367.50**	746.84
(ii) Service Tax credit receivable	**160.56**	11.58
(iii) Other Deposits	**0.90**	0.90
	1,528.96	759.32
(f) Others - Advance to vendors and others	**10,012.41**	9,671.32
Total	**14,515.23**	13,856.67

21. Other current assets

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ in Lacs
(a) Accruals		
(i) Interest accrued on deposits	**213.41**	83.39
(b) Others		
(i) Insurance claims	**18.97**	16.93
(ii) Deemed export receivable	**1,820.11**	301.99
(iii) Duty Credit receivable	**2,306.63**	122.07
Total	**4,359.12**	524.38

Notes forming part of the consolidated financial statements for the year ended 31st March,2013

22. Revenue from operations

	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹ in Lacs	₹ in Lacs
(a)	**Sale of products (Refer Note (i) below)**	**389.05**	14.93
(b)	**Sale of services (Refer Note (ii) below)**	**294,568.10**	242,298.07
(c)	**Other operating revenues (Refer Note (iii) below)**	**6,793.18**	4,113.71
	Total	**301,750.33**	246,426.71

Note	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹ in Lacs	₹ in Lacs
(i)	**Sale of products comprises:**		
	Construction Materials	**389.05**	14.93
	Total - Sale of products	**389.05**	14.93
(ii)	**Sale of services comprises :**		
	Construction Revenue	**298,310.02**	245,596.15
	Less : Value added tax	**3,741.92**	3,298.08
	Total - Sale of services	**294,568.10**	242,298.07
(iii)	**Other operating revenues comprise:**		
	Project Management Fees	**28.42**	-
	Sale of scrap	**1,491.21**	1,520.63
	Duty Scrip credit availed	**3,152.59**	2,349.02
	Equipment hire charges	**20.22**	193.99
	Service Charges	**1.92**	23.97
	Deemed Export Benefit	**2,062.92**	26.10
	Others	**35.90**	-
	Total - Other operating revenues	**6,793.18**	4,113.71

23. Other income

	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹ in Lacs	₹ in Lacs
(a)	**Interest income (Refer Note (i) below)**	**5,084.76**	6,591.51
(b)	**Dividend income:**		
	From non trade,non current investments	**-**	0.02
(c)	**Other non operating income (Refer Note (ii) below)**	**1,133.52**	2,059.89
	Total	**6,218.28**	8,651.42

Note	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹ in Lacs	₹ in Lacs
(i)	**Interest income comprises:**		
	Interest from banks deposits	**341.34**	502.60
	Interest on loans and advances	**532.65**	815.12
	Interest on Arbitration awards	**3,872.15**	5,258.92
	Interest income from long term investments	**0.87**	1.65
	Interest on income tax refund	**337.59**	12.60
	Other interest	**0.16**	0.62
	Total - Interest income	**5,084.76**	6,591.51
(ii)	**Other non operating income comprises:**		
	Profit on sale of fixed assets	**36.84**	-
	Liabilities / provisions no longer required written back	**563.47**	1,176.41
	Insurance Claim received	**241.58**	245.91
	Provision for Projected Loss written back	**-**	204.45
	Miscellaneous income	**291.63**	433.12
	Total - Other non-operating income	**1,133.52**	2,059.89

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

24. Cost of construction

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Cost of Construction Materials consumed	**91,896.26**	46,330.83
Other Construction Expenses:		
Consumption of stores and spare parts	**21,716.49**	13,908.31
Subcontracting expenses	**59,899.32**	86,027.45
Site Installation	**1,483.06**	3,557.94
Technical Consultancy	**7,924.70**	9,578.06
Power and fuel	**12,771.51**	6,129.55
Freight and forwarding	**5,484.28**	5,532.06
	109,279.36	124,733.37
Less: Recovery of Expenses (Refer Note 41)	**-**	(469.02)
Total	**201,175.62**	170,595.18

25. Employee benefits expense

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Salaries and wages	**36,365.75**	26,973.76
Contributions to provident and other funds	**2,270.73**	1,541.18
Staff welfare expenses	**1,922.24**	2,472.05
	40,558.72	30,986.99
Less: Recovery of Expenses (Refer Note 41)	**-**	(374.12)
Total	**40,558.72**	30,612.87

26. Finance costs

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
(a) Interest expense on:		
(i) Borrowings and Advances	**12,120.42**	8,365.72
(ii) Delayed / deferred payment of income tax	**152.12**	303.43
(b) Other borrowing costs:		
(i) Bank Guarantee Commission including Bank Charges	**1,433.95**	1,451.80
(ii) L/c charges & Processing Fees	**351.03**	497.37
	14,057.52	10,618.32
Less: Recovery of Expenses (Refer Note 41)	**-**	(74.15)
Total	**14,057.52**	10,544.17

27. Other expenses

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Water and Electricity	**586.64**	331.92
Rent (Refer Note 36)	**3,697.86**	2,599.96
Repairs and maintenance - Buildings	**0.82**	2.64
Repairs and maintenance - Machinery	**559.49**	326.65
Repairs and maintenance - Others	**783.52**	1,049.40
Insurance	**4,734.87**	2,496.69
Rates and taxes	**2,985.98**	2,229.90
Communication	**549.13**	548.17
Travelling and conveyance	**4,899.59**	4,515.73
Security Charges	**1,806.54**	979.67
Donations and contributions	**29.36**	63.20
Legal and professional	**5,695.36**	5,511.04
Payments to auditors	**72.69**	68.41
Provision for bad trade and other receivables	**-**	1,624.91
Duty Scrip / Advances written off	**0.34**	163.85
Net loss on foreign currency transactions and translation (Net)	**373.77**	53.98
Directors Fees	**4.60**	6.10
Loss on sale of fixed assets	**-**	111.72
Expenses of jobs completed in earlier year	**30.00**	30.08
Hedging Expenses	**532.38**	-
Miscellaneous expenses	**2,171.95**	1,310.96
	29,514.89	24,024.98
Less: Recovery of Expenses (Refer Note 41)	**-**	(1.49)
Total	**29,514.89**	24,023.49

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

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

Particulars	As at 31st March, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ 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.	**6,012.95**	171.90
ii) Labour and other matters.	**-**	1.00
The above claims are pending before various courts. The Company is confident that the cases will be successfully contested.		
(b) Claims against the Joint Venture not acknowledged as debts		
i) Differences with sub-contractors in regard to scope of work.	**7,526.88**	7,054.02
The above claim is not accepted by the Joint Venture and is contested by the Subcontractor. The Management is confident that the claim will be successfully contested.		
(c) Guarantees		
i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures and counter guaranteed by the Company.	**135,126.17**	141,543.60
ii) Corporate Guarantees given on behalf of Subsidiaries and Joint Ventures.	**85,736.18**	80,324.20
(d) Sales Tax and Entry Tax		
Represents demands raised by Sales Tax Authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on AS7 Turnover and c) Interest and Penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	**1,377.41**	1,954.47
(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.	**496.31**	211.33
(f) Service Tax		
Represents demand confirmed by the Asst. Commissioner of Service Tax for a) disallowance of Cenvat Credit, since abatement claimed by the Company and b) disallowance of general exemption of Railway for construction of Metro Railways & private Transport terninal etc. The Company has appealed against the said order with Commissioner of Service Tax Mumbai and is confident that the cases will be successfully contested. The company has received the stay order for some case from the CESTAT.	**9,454.26**	229.27
Note:- In respect of items mentioned under Paragraphs (a), (b), (d), (e) and (f) above, till the matters are finally decided, the financial effect cannot be ascertained.		
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**373.96**	4,355.08

29. During the year, the company has issued 1000 Unsecured Unlisted Redeemable Non-Convertible Debentures (NCDs) amounting to ₹ 10,000.00 Lacs to a bank on a private placement basis. The said Bank subsequently transferred the NCDs in favor of a Mutual Fund. The company has obtained and placed reliance on a legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956 read together with the Companies Acceptance of Deposits Rules, 1975 are not attracted to the NCDs, as aforesaid, originally issued on a private placement basis to a Bank and its subsequent transfer to a Mutual Fund as mentioned above in accordance with the provisions of section 111A of the Companies Act, 1956.

30. Details on derivative instruments and unhedged foreign currency exposures

(A) Details of derivative instruments

The company has entered into the following derivative instruments:

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

The following are the Forward Exchange Contracts entered into by the company as on 31st March,2013 (Previous Year ₹ Nil).

Currency	Amount	Buy/Sell	Cross Currency
Euro	0	Buy	US Dollar
US Dollar	35,000,000	Buy	Rupees

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

No. of contracts	2
Notional Principal	35,000,000

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

(B) Details of unhedged foreign currency exposures

Borrowings taken in foreign currency as at the balance sheet date not covered by forward contracts are USD 10,944,132.60 and EURO 4,683,521.67 equivalent to ₹ 5,940.48 Lacs and ₹ 3,257.99 Lacs respectively (as on 31st March,2012 USD 32,913,427.60 equivalent to ₹ 16,743.06 Lacs and Euro 3,325,600 equivalent to ₹ 2,256.85 lacs).

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

Payables and Receivables in foreign currency as at the balance sheet date not covered by forward contracts are ₹ 29,284.93 Lacs (as at 31st March, 2012 ₹ 30,234.54 Lacs) and ₹ 21,578.37 Lacs (as at 31st March, 2012 ₹ 24,184.62 Lacs) respectively.

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

Particulars	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lacs	₹ in Lacs
Construction materials consumed	**16.84**	317.05
Stores and spares consumed	**165.87**	143.77
Repairs	**64.54**	83.54
Others	**7.12**	84.07
Total	**254.37**	628.43

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

Particulars	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lacs	₹ in Lacs
Details of contract revenue and costs		
a) Contract Revenue	**298,310.02**	247,354.37
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	**718,442.02**	591,766.75
(ii) Recognized profits (less recognized losses)	**96,908.68**	74,610.37
(iii) Advances Received	**60,456.64**	61,688.36
(iv) Retention Money	**11,313.84**	5,035.29
c) Gross amount due from customers for contract work	**112,930.86**	79,749.23
d) Gross amount due to customers for contract work	**5,870.99**	4,930.39

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

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

a) Gratuity (Funded)

A. Assumptions	Current Year	31st March, 2012
Discount Rate	**8.50%**	8.50%
Rate of Return on Plan Assets	**8.70%**	8.60%
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, 2012
Liability at the Beginning of the current year	**1235.05**	1047.71
Interest Cost	**104.98**	86.43
Current Service Cost	**115.21**	91.36
Past Service Cost	**-**	-
Benefit Paid	**(224.97)**	(77.55)
Actuarial Loss/ (Gain) on obligations	**163.13**	87.10
Liability at the end of the current year	**1,393.40**	1,235.05

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

(₹ in Lacs)

C. Fair Value of the Plan Asset	Current Year	31st March 2012
Fair Value of Plan Asset at the beginning of the year	**964.20**	835.94
Expected Return on Plan Asset	**82.92**	66.88
Contributions	**178.09**	124.38
Benefit paid	**(224.97)**	(77.55)
Actuarial Gain/ (Loss) on Plan Assets	**5.79**	14.57
Fair value of Plan Assets at the end of the year	**1006.03**	964.20
Total Actuarial Loss to be Recognized	**(157.34)**	(72.53)

D. Actual Return on Plan Assets:	Current Year	31st March 2012
Expected Return on Plan Assets	**82.92**	66.88
Actuarial Gain/ (Loss) on Plan Assets	**5.79**	14.57
Actual Return on Plan Assets	**88.71**	81.45

E. Amount Recognized in the Balance Sheet:	Current Year	31st March 2012
Liability at the end of the year	**1393.40**	1235.05
Fair Value of Plan Assets at the end of the year	**1006.03**	964.20
Unrecognized Past Service Cost	**-**	-
Amount recognized in the Balance Sheet	**(387.37)**	(270.85)

F. Expense Recognized in the Profit and Loss Account:	Current Year	31st March 2012
Current Service Cost	**115.21**	91.36
Interest Cost	**104.98**	86.43
Expected Return on Plan Assets	**(82.92)**	(66.88)
Past Service Cost	**-**	-
Net Actuarial Gain / Loss to be recognized	**157.34**	72.53
Expense recognized in the Profit and Loss Account under staff expenses	**294.61**	183.44

G. Reconciliation of the Liability recognized in the Balance Sheet:	Current Year	31st March 2012
Opening Net Liability	**270.85**	211.79
Expense recognized	**294.61**	183.44
Employers Contribution	**(178.09)**	(124.38)
Amount recognized in the Balance Sheet under "Provision for Gratuity"	**387.37**	270.85

H. Major category of plan assets as percentage of total plan assets:	Current Year	31st March, 2012
	(%)	(%)
Insured Managed funds	**100**	100

(b) Compensated Absences (Non funded) :

Actuarial Assumptions	Current Year	31st March, 2012
Mortality Table	**LIC (1994-1996) Ultimate**	LIC (1994-1996) Ultimate
Discount Rate	**8.25%**	8.50%
Salary Escalation	**4.50%**	4.50%
Withdrawal Rate	**2.00%**	2.00%

Experience adjustments

	2012-13	2011- 12	2010-11	2009-10	2008-09
Gratuity					
Present value of DBO	**1393.40**	1235.05	1047.71	892.43	802.57
Fair value of plan assets	**1006.03**	964.20	835.94	643.10	581.22
Funded status [Surplus / (Deficit)]	**(387.37)**	(270.85)	(211.78)	(249.33)	(221.35)
Experience gain / (loss) adjustments on plan liabilities	**(140.29)**	(107.95)	(108.35)	(44.48)	Refer note (iii) below
Experience gain / (loss) adjustments on plan assets	**5.79**	14.57	13.40	2.78	(0.98)

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

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, 2012 ₹ 1,251.87 Lacs) for Provident Fund contributions and ₹ 475.00 Lacs (Year ended 31st March, 2012 ₹ 475.00 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) As the details of experience adjustments on account of Plan Liability for the year ended 31st March 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 ₹ 397.43 Lacs (Previous year ₹ 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.

34. Segment information :

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

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

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

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

(i) Revenue from customers within India - Local projects

(ii) Revenue from customers outside India - Foreign projects

Secondary : Geographical (Location of customers)

(₹ in Lacs)

Particulars	Local Projects	Foreign Projects	Total
Income from operation	**251,642.99**	**50,107.34**	**301,750.33**
	(153,170.62)	(93,256.09)	(246,426.71)
Carrying amount of asset	**329,657.01**	**34,255.32**	**363,912.33**
	(273,318.32)	(34,910.18)	(308,228.50)
Additons to Fixed Assets	**28,279.69**	**307.12**	**28,586.81**
	(50,632.42)	(759.30)	(51,391.72)

Figures in parenthesis are those of previous year.

35. 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

SP Jammu Udhampur Highway Private Limited

Forvol International Services Limited

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

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. S. P. Mistry – Chairman

Mr. K. Subrahmanian – Managing Director

Mr. S. Paramasivan – Dy. Managing Directors

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

35. Related Party Disclosure (Contd.)

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

(₹ In Lacs)

Nature of Transaction	Holding Company(s)		Fellow subsidiary(s)		Joint Venture(s)		Associate Company		Key Management Personnel		Total	
	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12	CY	PY 11-12
Managerial Remuneration paid												
K.Subrahmanian									155.00	175.00	155.00	175.00
S.Paramasivan									120.00	131.25	120.00	131.25
Sitting Fees paid												
C.P.Mistry									-	0.80	-	0.80
S.P.Mistry									0.40	-	0.40	-
Dividend on Preference Shares												
Floreat Investments Limited			1.00	1.00							1.00	1.00
Service Charges Received												
Saipem-Afcons Joint Venture					-	25.66					-	25.66
Strabag-AG Afcons Joint Venture					217.48	152.36					217.48	152.36
Rent & Other Income												
Saipem-Afcons Joint Venture					-	61.45					-	61.45
Subcontract Income												
SP Jammu Udhampur Highway Pvt. Ltd.			65,407.75	-							65,407.75	-
Hire Income												
Shapoorji Pallonji & Company Limited	-	6.88									-	6.88
Saipem-Afcons Joint Venture					-	22.09					-	22.09
Project Management Consultancy Service Income												
Saipem-Afcons Joint Venture					28.42	221.11					28.42	221.11
Interest expense												
Afcons (Mideast) Constructions and Investments Private Limited							9.00	5.85			9.00	5.85
Travelling Expense												
Forvol International Service Ltd			780.07	569.96							780.07	569.96
Guarantees Given for/ (Released)												
Strabag-AG Afcons Joint Venture					-	(306.15)					-	(306.15)
Saipem-Afcons Joint Venture					(4,887.68)	-					(4,887.68)	-
Outstanding amount of guarantee given/ (taken)												
Strabag-AG Afcons Joint Venture					21,155.04	21,405.32					21,155.04	21,405.32
Saipem-Afcons Joint Venture					-	4,887.68					-	4,887.68
Outstanding Amount Loans Dr/ (Cr)												
Shapoorji Pallonji & Company Limited	5.91	5.91									5.91	5.91
Strabag-AG Afcons Joint Venture					901.90	1,554.79					901.90	1,554.79
Afcons (Mideast) Constructions and Investments Private Limited							(90.00)	(89.94)			(90.00)	(89.94)
Saipem-Afcons Joint Venture					263.50	200.99					263.50	200.99
SP Jammu Udhampur Highway Pvt. Ltd			1,690.01	-							1,690.01	-
Forvol International Service Ltd			119.54	51.36							119.54	51.36

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

36. Details of Leasing Arrangements

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
As Lessor		
(i) The company has let out one of the premises and equipments under operating lease. The lease is cancelable 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	**20.22**	193.99
As Lessee		
(i) The company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally 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 for residential and other properties in the Statement of Profit and Loss under 'Rent' in Note 28	**3,700.83**	2,599.96
(iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting Expenses' in Note 24.	**14,336.14**	9,868.67

37. Earnings per share (EPS)

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

Particulars	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
Profit after tax and minority interest	**9,441.94**	9,453.19
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	**9,437.87**	9,449.12
Weighted average number of shares outstanding during the year	**Numbers**	Numbers
For basic EPS	**71,970,238**	71,869,956
For diluted EPS (refer note below)	**333,162,510**	336,521,970
Earnings per share	₹	₹
Basic	**13.11**	13.15
Diluted	**2.83**	2.81
Nominal value per share in Rupees	**₹ 10.00**	₹ 10.00
Note		
Weighted average number of shares outstanding during the year- for Diluted EPS:	**Numbers**	Numbers
Weighted average number of shares outstanding during the year – for calculating basic EPS (numbers)	**71,970,238**	71,869,956
Add: Potential equity shares that could arise on conversion of 0.01%.Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each {Refer Note 3(3b)}	**246,540,258**	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
	333,162,510	336,521,970

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

38. Disclosures on Employee share based payments

Employee Stock Option Plan.

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

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

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

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

	Current year	As at 31st March 2012
Particulars	**Quantity**	Quantity
Authorised to be Granted	**1,785,000**	1,785,000
Granted and Outstanding at the beginning of the year	**Nil**	130,770
Granted during the year	**Nil**	Nil
Forfeited during the year	**Nil**	Nil
Exercised during the year	**Nil**	130,770
Lapsed during the year	**Nil**	Nil
Granted and outstanding at the end of the year	**Nil**	Nil
Fair value of the ESOP on the date of Grant	**₹ 9.41**	₹ 9.41

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

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

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

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

(i) Expected Life of the Options:

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

Year 1 from the date of Grant - 20% of the Options Granted;
Year 2 from the date of Grant - 25% of the Options Granted;
Year 3 from the date of Grant - 25% of the Options Granted;
Year 4 from the date of Grant - 30% of the Options Granted

(ii) Risk free interest rate:

This rate has been assumed at 8%.

(iii) Share price:

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

(iv) Volatility:

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

(v) Expected dividend yield: Nil

Notes forming part of the consolidated financial statements for the year ended 31st March, 2013

39. 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, 2013
Afcons (Mideast) Constructions and Investments Private Limited	- (-)	- (-)	0.11 (0.11)	0.11 (0.11)

Figures in parenthesis are those of the previous year.

40. 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 Private Limited	76.45 (72.22)

Figures in parenthesis are those of the previous year.

41. 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.

42. 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

J.J. PARAKH
Director

N.D. KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai
Date: 26th June, 2013

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

Financial Details of Subsidiary Companies for the year ended 31st March 2013

(₹ in Lacs)

Sr. No	Name of the Subsidiary Company	The Financial Year Ending on	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 Limited	31st March 2013	-	20.26	(0.11)	20.73	20.73	-	-	-	1.20	(0.34)	-	(0.34)	-
2	Afcons Corrosion Protection Private Limited	31st March 2013	-	8.00	153.09	193.62	193.62	-	-	-	342.78	53.19	(17.40)	35.79	
3	Afcons Offshore and Marine Services Pvt. Limited	31st March 2013	-	10.00	82.58	101.47	101.47	-	-	-	8.18	7.28	-	7.28	-
4	Afcons Construction Mideast LLC Dubai, UAE	31st Dec 2012	14.9751	44.93	664.96	6,808.07	6,808.07	-	-	-	47.68	(1,351.44)	-	(1,351.44)	-
5	Afcons Infrastructure International Ltd. (AIIL) Mauritius	31st Dec 2012	54.99	15.31	9,841.22	9,888.38	9,888.38	-	-	-	1,229.54	1,219.57	(27.42)	1,192.15	-
6	Afcons Madagascar Overseas SARL (100 % subsidairy of AIIL), Madagascar	31st Dec 2012	0.0244	0.49	75.21	79.93	79.93	-	-	-	1.19	(2.98)	-	(2.98)	-
7	Afcons Gulf International Projects Services FZE (100 % subsidairy of AIIL) Fujairah	31st Dec 2012	14.9751	149.75	1,153.89	1,365.36	1,365.36	-	-	-	-	(24.90)	-	(24.90)	-
8	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL*	31st Dec 2012	195.9031	235.08	(7.13)	242.32	242.32	-	-	-	82.74	(7.13)	-	(7.13)	-
9	Afcons Overseas Construction LLC**	31st March 2013	14.9203	29.84	(25.36)	22.63	22.63	-	-	-	-	(25.36)	-	(25.36)	-

Notes :

* Accounts are prepared for the period September 2011 to December 2012.

** New Company formed on 03.09.2012.

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, 2012 / 31st March, 2013.

AFCONS INFRASTRUCTURE LIMITED

PROXY FORM

Registered Office: “Afcons House”, 16, Shah Industrial Estate, Veera Desai Road, Andheri (West),

Mumbai - 400 053, Tel.: 67191000, Fax: 26730047.

Attendance Slip

Full Name of the *Shareholder/Proxy : _________________Folio No. OR Client/DP ID No. : ____________________No. of Shares held :

I hereby record my presence at the Thirty-Seventh Annual General Meeting of the Company to be held at Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Andheri (West), Mumbai- 400 053 on 26th September, 2013 at 4.30 p.m.

SIGNATURE OF THE *SHAREHOLDER/PROXY

PROXY FORM AFCONS INFRASTRUCTURE LIMITED

Registered Office: “Afcons House”, 16, Shah Industrial Estate, Veera Desai Road, Andheri (West),

Mumbai- 400 053, Tel.: 67191000, Fax: 26730047 / 26731031.

I/We____

of____in the district of____being a

Member/Members of Afcons Infrastructure Limited, hereby appoint____

of____in the district of____ (or failing him)

of____in the district of____as

my/our Proxy to vote for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company, to be held on 26th September, 2013 at 4.30 p.m. and at any adjournment thereof.

Signed this________________ day of___________________2013.

Reference Folio

Folio NO.

DPID no.	CLID no.

Affix 1 Rupee Revenue Stamp

Name of the Member

Name of the Proxy

* Strike out whichever is not applicable.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

NOTE :

The Proxy duly completed must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the Meeting.

A Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference of the meeting.

NOTES

Ruwais Jetty

EPC New Phosphate rock terminal at Aqaba, Jordan.

Mina Salman Interchange, Bahrain

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