

Mission

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

BOARD OF DIRECTORS

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

BANKERS

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

AUDIT COMMITTEE MEMBERS

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

COMPANY SECRETARY

P. R. Rajendran

AUDITORS

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

REGISTERED OFFICE

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

Thirty-Eighth Annual General Meeting
 on 30th September, 2014 at 4.30 p.m.
 at “Afcons House”, 16, Shah Industrial
 Estate, Veera Desai Road, Azad Nagar
 P.O. Andheri (West), Mumbai- 400 053.

REGISTRARS & SHARE TRANSFER AGENT

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

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AFCONS INFRASTRUCTURE LIMITED

BOARDS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Thirty-Eighth Annual Report together with the Audited statement of accounts for the year ended 31st March, 2014.

1. CONSOLIDATED FINANCIAL RESULTS

(₹ in crores)

Particulars	31 st March 2014	31 st March 2013
Total Income	3,673.63	3,079.69
Profit/(Loss) before Tax	94.87	151.46
Provision for Taxation	(44.69)	(60.45)
Excess/(short) provision for tax in respect of earlier years	(1.00)	1.11
Profit/(Loss) after Tax (before Minority Interest)	49.18	92.12
Minority Interest	(2.21)	2.30
Profit/ (Loss) for the year	46.97	94.42
Balance brought forward from previous years	460.35	392.44
Add: Adjustments on account of Amalgamation	30.61	-
Profit available for Appropriation	537.93	486.86
Less: Appropriation		
(i) Interim Dividend on Equity	14.40	14.40
(ii) Proposed Dividend on Preference Shares	0.04	0.04
(iii) Tax on Dividend	2.45	2.34
(iv) Transferred to General Reserve	6.69	3.48
(v) Transferred to Debenture Redemption Reserve	6.25	6.25
	29.83	26.51
Balance Carried Forward to Balance Sheet	508.10	460.35

2. OPERATIONS

Your Company has achieved total income of ₹ 3,673.63 crores for the year compared to the previous year's ₹ 3,079.69 crores showing an increase of 19.29%. The EBITDA for the year was ₹ 408.88 crores compared to ₹ 349.63 crores in the previous year resulting in increase by 16.95%. The Consolidated Profit before Tax for the year was ₹ 94.87 crores compared to ₹ 151.46 crores in the previous year resulting in a decrease of 37.36%. The Consolidated Profit after Tax for the year was ₹ 49.18 crores compared to ₹ 92.12 crores in the previous year resulting in decrease by 46.61%. Our Order book as on 31st March, 2014 was ₹ 7851 crores as compared to previous year order book of ₹ 7,474.27 Crores.

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

- Civil, Structural and Finishing works for service corridor in Middle Circle of Connaught Place, New Delhi for New Delhi Municipal Corporation.
- Complete construction works for expansion of vaporization plant of Shell Hazira LNG Terminal, Hazira, Gujarat for Saipem India Projects Limited.
- Engineering, Procurement, construction and commission maritime facilities for Kochi LNG Terminal for Petronet LNG Limited.
- Fuel Quay Repair Works at Buchanan Port, Liberia for Arcellor Mittal Liberia Limited.
- Balance works for construction of New Sone Bridge No. 531 over river Sone between Sone Nagar & Dehri at Sone for East Central Railway.
- Marine facilities at standby jetty at Dahej, Gujarat in Joint Venture with Pt.Gunanusa Uthama Fabricators, Indonesia for Petronet LNG Limited .

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

- Western range DSO iron ore project, Liberia of Arcellor Mittal Liberia Limited.
 - Earthworks, Site services, Piling & concrete Tokadah, Liberia of ₹ 527 crores.
 - Structural, Mechanical, Pilling & Plate works at port of ₹ 160 crores.
- Sulphur handling facility (Revamp & new) Project, Kuwait for Daelim Industrial Co., Ltd. of ₹ 618 crores.
- Construction of 2nd bhairab bridge along with approach rail lines with all other related works in Bangladesh for Bangladesh Railways in Joint Venture with Ircon International Limited. The Company's share in Joint Venture is ₹ 180 crores.
- Civil and Structural works for Marine Tank Farm at Jamnagar for Reliance Industries Limited on cost plus basis of ₹ 100 crores.
- Construction of BG single line tunnel (T-74 R) on Katra - Laole section of udhampur - Srinagar baramulla rail link project for Ircon International Limited of ₹ 450 crores.
- Construction and Modification work for onshore terminal at Kakinada for Reliance Industries Limited of ₹ 127 crores.
- Construction of Structural Mechanical Piping Plate Work Concentrator at Liberia site for Arcelor Mittal Liberia Ltd. of ₹ 696 crores.
- Construction of 2 Nos of LNG Storage Tanks at Dahej for IHI Corporation of ₹ 220 Crores.

3. CREDIT RATING

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 ₹ approx ₹ 2.45 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. SHARE CAPITAL

During the year under review, the Company has allotted 10,00,00,000 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares of ₹ 10/- each at par, aggregating to ₹ 100 crores to Shapoorji Pallonji and Company Limited.

6. SUBSIDIARIES

The following were the changes in the Subsidiaries of the Company, during the year:

- i) The Bombay High Court has vide its order dated 7th March, 2014 approved the Scheme of Amalgamation, of Afcons Infrastructure International Limited, a wholly owned subsidiary, incorporated in Mauritius, with the Company pursuant to section 391-394 of the Companies Act, 1956. Pursuant to the said order of the Bombay High Court, the name of Afcons Infrastructure International Limited, has been struck off from the records of Corporate and Business Registration Department, Registrar of Companies Mauritius and Financial Service Commission, Mauritius.
- ii) The Company has incorporated a step down subsidiary in Mauritius in the name of Afcons Mauritius Infrastructure Limited which was wholly own subsidiary of Afcons Infrastructure International Limited. Pursuant to the aforesaid Amalgamation of Afcons Infrastructure International Limited with the Company, Afcons Mauritius Infrastructure Limited became wholly owned subsidiary of the Company.
- iii) The Company has incorporated a subsidiary in Singapore in the name of Afcons Overseas Singapore Pte. Ltd.
- iv) Afcons Madagascar Overseas SARL, a step down subsidiary of the Company was wound up during the year.

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

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

7. CORPORATE GOVERNANCE

Your Company, being a value driven organization, believes in coherent and self-regulatory approach in the conduct of its business to achieve the highest levels of good corporate governance practices. Therefore the Company in the interest of the Stakeholders voluntarily complies with the requirements of Corporate Governance. A Report on Corporate Governance is attached separately to this Annual Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

9. DIRECTORS

Mr.J.J.Parakh and Mr.R.M.Premkumar were appointed as an Additional Directors of the Company with effect from 18th December, 2013. As per section 160 of the Companies Act, 2013, the said Directors hold office upto this Annual General Meeting.

Mr.Umesh Khanna was appointed as a Director in casual vacancy, caused by the resignation of Mr.A.H.Divanji, with effect from 22nd August, 2012. He holds office up to the date of this Annual General Meeting, being the date on which Mr.A.H.Divanji would have retired by rotation.

Mr.S.Paramasivan, Deputy Managing Director and Mr.N.D.Khurody Independent Director of the Company retires by rotation at this Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

The Company has received separate notices from member of the Company in writing along with a deposit of ₹ 100,000/- each in terms of section 160 of the Companies Act, 2013 signifying its intention to propose the candidature of Mr.J.J.Parakh, Mr.Umesh Khanna, Mr.N.D.Khurody and Mr.R.M.Premkumar as Directors of the Company.

In accordance with the provisions of Section 149, 152 of the Companies Act, 2013 and the General Circular No. 14/2014 dated 9th June, 2014 issued by Ministry of Corporate Affairs, the Board of Directors proposes the appointment of Mr.N.D.Khurody and Mr.R.M.Premkumar as Independent Directors of the Company, not liable to retire by rotation, to hold office for 3 (three) consecutive years for a term upto the conclusion of the Forty-First Annual General Meeting of the Company to be held in the calendar year 2017.

10. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors Responsibility Statement, it is hereby confirmed that:

- i. in preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation relating to any material departures from the same;
- ii. the Directors have selected such accounting policies, applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit or loss of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the annual accounts on a going concern basis.

AFCONS INFRASTRUCTURE LIMITED

11. QUALITY, HEALTH, SAFETY & ENVIRONMENT

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

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

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

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

1. Bahrain, Ministry of Labor awarded Shield/Trophy of Excellence in recognition of outstanding efforts in the field of occupational safety and safety of environment.
2. Konkan Railway Corporation Ltd. has issued a Safety performance certificate for successfully achieving "16.5 Million Safe Man hours without any accident".
3. TECNIMONT has issued an Appreciation certificate, Opal Site, Dahej for successfully achieving "10 Million Safe Man Hours without Loss Time Injury (LTI)".
4. SP Jammu Udhampur Highway Pvt. Ltd. has issued an Appreciation Letter for successfully achieving "3 Million Safe Man hours without any Lost Time Accident (LTA)".
5. Arcelor Mittal Liberia Limited has issued an Appreciation Certificate and letter for achieving "2 Million Safe Man Hours without LTI".
6. Kolkata Metro Rail Corporation Ltd. has issued an Appreciation certificate for successfully achieving "1 Million Safe Man hours worked without reportable incidents"
7. Delhi Metro Rail Corporation Ltd (DMRC) has awarded an Appreciation Certificate for successfully achieving "2 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.

12. AWARDS AND RECOGNITIONS

During the year, the Company received the following awards :

- i. Third Fastest Growing Construction Company Award from Construction World (under large category).
- ii. EPC World Award 2013 for Outstanding Company in Railway Projects, EPC category.
- iii. CBR Award 2014 for Four Laning of Jammu Udhampur Highway Project.
- iv. Most Admired Companies Award, for the 7th year in succession, from Construction World.

13. AUDITORS

M/s.Deloitte Haskins & Sells, Chartered Accountants (ICAI registration no.117364W) and M/s.J.C.Bhatt & Associates, Chartered Accountants (ICAI registration no.130923W) have confirmed that they are eligible for appointment in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

The Board of Directors therefore proposes the appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants, (ICAI registration no.117364W) and M/s.J.C.Bhatt & Associates, Chartered Accountants (ICAI registration no.130923W) as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company

14. AUDITOR'S REPORTS

The Auditor's Report to the shareholders on the Accounts of the Company for the financial year ended 31st March, 2014 does not contain any qualifications.

15. FIXED DEPOSIT

Your Company did not invite or accept deposits from the public during the year under review. As on 31st March, 2014, 6 deposits pertaining to previous years aggregating to ₹ 90,000/- remained unclaimed.

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

Pursuant to the provisions of section 205C of the Companies Act 1956, fixed deposits accepted for the year 2006-2007 and interest thereon which remained unclaimed, inspite of reminders to the fixed deposit holders by the Company, have been transferred during the years, on their due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

17. PARTICULARS OF EMPLOYEES

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

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

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

A. CONSERVATION OF ENERGY

The Company is continuing its effort to convert all sites from fossil power to grid power there by minimising the carbon foot print. This has been implemented to all sites as per feasibility. The total conversion of fossil power of 15 MVA by Grid power of 5.8 MVA considering all the sites. The reduction GHG (Green House Gas) emission by 21000 tons.

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

1. Synchronization of 250 KVA Caterpillar Gen Sets.
2. Replacement of Halogen Light Fittings with HPSV/HPMV Light fitting and save energy upto 60% by using 400 W HPSV/ MH light fittings instead of 1000 W halogen light fittings.
3. Automated water sprinkler system for Automatic Curing system at PWD Barapulla Project site.

C. FUTURE ACTION PLAN

1. Commissioning of Package substation at Afcons House (Combined unit consisting of Dry type transformer, LV Breaker and HV RMU Unit).
2. Web publishing and online monitoring of Batching Plant productivity report.

D. FOREIGN EXCHANGE EARNING AND OUTGO. (Standalone)

	(₹ in crores)	
	Current year	Previous year
Earnings	792.40	521.40
Outgo	934.66	730.40

19. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 24th June, 2014

S.P.MISTRY
CHAIRMAN

AFCONS INFRASTRUCTURE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GLOBAL ECONOMY

The Financial Health of the global economy has started showing sign of recovery. But it is not completely out of the woods yet. Developed economies are slowly coming out of recession, but areas of opportunity in markets where we operate appear limited, primarily due to heightened competitive intensity. In Middle East, opportunities are limited to countries like KSA and Qatar. Africa is still a funding dependent market with commodity related infrastructure development yet to hit the ground. The Fiscal health of the global economies which depleted post 2008 financial crisis needs a gradual tightening of fiscal policy and structural reform.

Globally the year 2014 will be the year of elections. Including India two other BRICS countries i.e. Brazil (October) and South Africa (April) have general elections this year. All these economies have seen sustained periods of relatively slowed growth compared to pre 2009 years. Hence the results of elections would have significant impact on how global growth pans out in emerging countries. In addition to these other countries such as Indonesia and Turkey among others are also going to election this year.

Though Global Economic growth remain subdued during fiscal 2014 it is expected to pick up speed as the year progresses and is projected to expand by 2.8% this year (As per World Bank Report).

OVERVIEW OF THE INDIAN ECONOMY

The Indian Economy bottomed out last year. Global financial turmoil caused capital outflows and stress on exchange rate, but strong-enough policy measures stabilized the Indian Rupee, strengthened reserves and brought down the excessive current account deficit. Weaknesses are still there in form of continual inflation, high fiscal deficits, blockages to investment, & inefficiencies requiring structural reforms. Without a systematic resolution to all these, growth will modestly pick-up.

Last year produced one of the lowest level of investment in Infrastructure and other segments in India since the year 2000. The GDP growth rate (Q-on-Q) fell from 10.1% in 2011 to 4.4% in first quarter of this year. The reasons were two fold, one the overall slowdown in economy and the other was elections and the uncertainties surrounding the results.

With most stable government in last three decades raises growth prospects. The key challenges facing the new government include improving growth and containing inflation. We are still hindered by sustained level of inflation due to structural issues, supply side constraints and other issues. The sustained inflation has been one of the key reasons for keeping the Interest rate at 8% levels.

The new government has talked about improved governance and also shared plans on introducing time bound mechanisms for reforms, debottlenecking infrastructure projects, environmental clearances, Investor friendly business atmosphere & security etc. With a stronger government in centre, we expect that there would be focus on certain segments, thus bringing a direction in governance and also decision making and policy creation would be time bound. These measures if implemented in spirit and actions, would definitely result in recreating a positive environment for growth, leading to Indian economy achieving its potential.

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 crores 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 crores to ₹ 22.5 lakh crores. However, given the progress so far, the target is unlikely to be achieved. Having said that, even if the achievement is 60-70% it still represents substantial investments and opportunities.

A new Land Acquisition Bill known as Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill, 2013, was passed last year in the Parliament. It has started creating more problems and confusions than solving any of them. Cost of Land Acquisition is likely to increase by 3-3.5 times, even the process of acquiring land will get stretched by 4 – 5 years making industrial projects unviable.

In our opinion the first wave of PPP has passed, and the stakeholders involved i.e. Government, Bank and Developers have gained a deeper understanding of the success factors and risks involved 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 deferred premium, proposal for increasing Viability Gap Funding in certain sectors to 30-35% etc. Other such actions will go a long way in ensuring a favourable climate for PPP in India.

The new government has identified certain large scale infrastructure programs across segments. Though these programs have been discussed earlier as well, but with a stronger government at centre, the drive may be present to convert them into projects.

OPPORTUNITIES

The Indian economy has developed over the years through internal demand and investment in manufacturing and services. This coupled with favourable demographics of 50% of population being below the age of 25 and more than 65% below the age of 35, the burgeoning middle class will continue to fuel the economy. Driven by increased job opportunities in urban India, the increase in number and size of cities has fuelled urbanisation.

Thus India has the fundamentals in place for an infrastructure growth on multiple dimensions. Firstly to ensure efficient transport of goods, secondly to manage increased urbanisation and last but not the least to provide reliable connectivity to remote parts of the country.

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 had been a sharp drop in 2012-13 and the trend has continued. Given the low interest in most of the PPP bids, NHAI has moved increasingly towards EPC mode. In the year 2013-14 only 313 KM of PPP projects were awarded while ~800 Km of EPC jobs were awarded by NHAI. 20 PPP bids did not receive any response. The key reasons for the same have been lack of financial appetite of developers, delays in the clearances and approvals and lack of flexibility in making changes to standard documents (e.g. model concession agreements) among others.

Hence in EPC space there is an increased competitive intensity, while PPP project are yet to reach contract award phase. From a developer point of view the returns have fallen to sub 10% from highs of 20%+ earlier. Though PPP revival may occur within a year or two but EPC mode is expected to continue from now on.

Even though recent decisions such as approval of deferred premium for certain projects are creating a positive vibe, but key issues regarding land acquisition, environmental clearances etc are yet to be resolved. 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 pace of expansion of Indian Railways since independence has been gradual and has not been able to keep pace with the growth in roads. In the recent past there have been three key projects taken up namely Dedicated Freight Corridors, Connecting North East through Railway and connectivity of Kashmir valley through Railway. The pace of these projects has been slow due to the difficult terrain and other such challenges. Implementation of DFCC project has started with awards on both East and West legs.

The new government has proposed additional connectivity projects such as "Diamond Quadrilateral" and "Linkages to Coal mines" in Chattisgarh, Odisha and Jharkhand. These projects if implemented could provide the necessary push to make railways a viable competition to roads. But given the capital intensive nature of such projects, the conversion from proposal to projects may take some time.

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 crore 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 crore will come from the private sector. In the recent years the sector has grown at a rapid pace with Delhi, Bengaluru and Mumbai Metros running successfully and 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.

In addition to Metro, Monorail is also emerging as a key component of urban transport plans. With initial success of Mumbai Monorail, other cities such as Kozhikode, Thiruvananthapuram, Chennai etc have also started evaluating Monorail as a potential choice for MRTS.

Given the sustained opportunities in the segment, the competition has increased significantly over the last few years, leading to pressures on profitability in the segment.

Ports

During the Eleventh Plan period, the capacity increase in 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. In the year 2013-14 ~20 projects valued at ~ ₹ 19,000 Crores were approved by the ministry.

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.

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The trend over the last two years has been towards increased private participation either through captive ports or PPP mode. The market is looking at increased private participation for growth. Large projects (> ₹ 150 crores) are moving to PPP, and civil construction projects with major ports are now typically in the range of less than ₹ 100 crores. The same is expected to continue in near future. Given this scenario it is imperative for the government to provide support for success of PPP model through time bound clearance mechanisms etc, to ensure development of port segment in India.

Power

In the Twelfth five year plan a target of 62GW of capacity addition has been defined, which would require an investment of ₹ 6,38,600 crores in power generation. 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 shortfalls in various parts of country have reiterated the issues of power availability and transmission. 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.

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.

CIS countries have in the recent past attached substantial level of investments in infrastructure segments such as Roads and Railways. As the region lies at the crossroads of European and Asian trade routes and some countries have substantial resource base, we expect the investment to continue for the foreseeable future.

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

BUSINESS OVERVIEW

During the year, the Company has bagged orders of approx ₹ 3078 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, 2014 was ₹ 7851 crores. 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.

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, Bangladesh and Bahrain. During the year ended 31st March, 2014, the Company achieved approx 17% of its turnover from overseas market. This reflects an improvement vis-a-vis and shown company's determination and we expect this situation to improve further in the next couple of years.

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

CONSOLIDATED FINANCIAL PERFORMANCE

Your Company has achieved total income of ₹ 3673.63 crores for the year compared to the previous year's ₹ 3079.69 crores showing an increase of 19.29%. The EBITDA for the year was ₹ 408.88 crores compared to ₹ 349.63 crores in the previous year resulting in increase by 16.95%. The Consolidated Profit before Tax for the year was ₹ 94.87 crores compared to ₹ 151.46 crores in the previous year resulting in a decrease of 37.36%. The Consolidated Profit after Tax for the year was ₹ 49.18 crores compared to ₹ 92.12 crores in the previous year resulting in decrease by 46.61%. Our Order book as on 31st March 2014 was ₹ 7851 crores as compared to previous year order book of ₹ 7,474.27 Crores.

RISK AND CONCERNS

A. Global Events

India being 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:

- Low levels of clarity in certain policies e.g. Land Acquisition Bill, Decreasing level of interest in PPP etc.
- 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. Middle East & Africa are two key geographies which your Company has been focussing as driver for overseas expansion. Going forward, we target to increase our focus in Overseas market in multiple areas.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

HUMAN RESOURCES DEVELOPMENT

The Company HR Policy focuses on:

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

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

CAUTIONARY STATEMENT

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

AFCONS INFRASTRUCTURE LIMITED

REPORT ON CORPORATE GOVERNANCE

I. CORPORATE GOVERNANCE PHILOSOPHY

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

II. BOARD OF DIRECTORS

a. Composition

As on 31st March, 2014 the Board of Directors of the Company comprised of 9 Directors out of which 2 are Executive Directors and the remaining 7 are Non-Executive Directors. The Chairman of the Board is Non Executive Director and the Board consists of 4 Independent Directors. All the Directors possess the requisite qualification & experience in Industry, Management, Finance, Research, Law and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

b. Board Meetings and Attendance

During the year 2013-14, Four (4) Board Meetings were held on the following dates 26th June, 2013, 26th September, 2013, 18th December, 2013 and 12th March, 2014. 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 2013-2014		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 26.09.2013
		Held	Attended		Chairman	Member	
Mr.S.P. Mistry	Chairman	4	3	11	N.A	N.A	Yes
Mr.N.J.Jhaveri	Independent Director	4	1	6	2	2	Yes
Mr.N.D.Khurody	Independent Director	4	2	N.A	N.A	N.A	No
Mr.J.J.Parakh [^]	Non-Executive Director	4	1	3	N.A	2	No
Mr.B.D.Narang ^{\$}	Independent Director	4	1	N.A	N.A	N.A	No
Mr.R.M.Premkumar [@]	Independent Director	4	3	4	2	N.A	No
Mr.P.N.Kapadia	Independent Director	4	4	3	N.A	N.A	Yes
Mr.U.N. Khanna	Non-Executive Director	4	4	1	N.A	N.A	Yes
Mr.K.Subrahmanian	Vice Chariman & Managing Director	4	3	1	N.A	N.A	No
Mr.S.Paramasivan	Deputy Managing Director	4	4	N.A	N.A	N.A	Yes

Note:

[^] Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 26th September, 2013. He has been reappointed as Additional Director of the Company w.e.f.18th December, 2013.

^{\$} Mr. B.D.Narang ceased to be Director of the Company w.e.f. 26th September, 2013.

[@] Mr.R.M.Premkumar ceased to be Director of the Company w.e.f. 26th September, 2013. He has been reappointed as Additional Director of the Company w.e.f.18th December, 2013.

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 was constituted on 7th March, 2001 in accordance with the provisions of Section 292A of the Companies Act 1956.

b. Terms of Reference of Audit Committee

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

- Overseeing the Company's financial reporting process and the disclosure of financial information.
- Review with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors and fixing of audit fees.
- Review with management, external and internal auditors, the adequacy of internal controls.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.

- Approval or subsequent modification of transactions of the company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Monitoring the end use of funds raised through public offers and related matters.
 - Obtain professional advice from external sources and have full access to information contained in the records of the company.
 - To oversee the vigil mechanism.
 - In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
 - All other powers and duties as per Section 177 of the Companies Act 2013 and the Rules made thereunder and Clause 49 of the Listing Agreement.
- c. Three Meetings were held during the year on the following dates:
26th June, 2013, 26th September, 2013 and 18th December, 2013.
- d. As on 31st March, 2014 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	1
Mr.N.D.Khurody	Independent Director	Member	3	2
Mr.P.N. Kapadia	Independent Director	Member	3	3
Mr.J.J. Parakh **	Non-Executive Director	Member	3	1
Mr.B.D. Narang #	Independent Director	Member	3	1

** Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 26th September, 2013. He has been reappointed as Additional Director of the Company and also the member of Audit Committee w.e.f 18th December, 2013.

Mr. B.D. Narang ceased to be member of Audit Committee w.e.f. 26th September, 2013.

IV. NOMINATION AND REMUNERATION COMMITTEE

- a. The Remuneration Committee of the Company was constituted on 25th March, 2003. In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have renamed the Remuneration Committee as "Nomination and Remuneration Committee".
- b. Terms of Reference of the Nomination and Remuneration Committee, as amended by the Board of Directors of the Company at its meeting held on 24th June, 2014, are as under:
- To identify persons who are qualified to become directors and who may be appointed in senior management.
 - To recommend to the Board the appointment/ removal of the Directors or senior management personnel.
 - To carry out evaluation of every Director's performance.
 - To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
 - To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other senior employees.
 - All other powers and authorities as provided under the provisions of Schedule V and other applicable provision of the Companies Act, 2013 and the Rules made thereunder and any amendment thereof, if any, in granting the approval of remuneration to Whole Time Directors and the Managing Directors of the Company.
- c. During the year under review no meeting was held.
- d. As on 31st March, 2014 the Composition of 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

e. 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.

f. Details of Remuneration paid to Directors during the financial year 2013-14:

I. Executive Directors

(in ₹ p.a.)

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

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

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

II. Non-Executive Directors

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

Name of the Director	Sitting Fees (₹)	Equity Shareholding in the Company	
		No. of Shares	% holding
Mr.S.P. Mistry	60,000	-	-
Mr.J.J.Parakh	70,000	6,619	0.009
Mr.N.J. Jhaveri	40,000	17,749	0.025
Mr.P.N. Kapadia	1,90,000	-	-
Mr.N.D.Khurody	80,000	-	-
Mr.B.D.Narang ^{\$}	40,000	-	-
Mr.R.M.Premkumar	60,000	-	-
Mr.U.N.Khanna	80,000	-	-
Total	6,20,000	24,368	0.034

^{\$} Mr.B.D.Narang ceased to be Director of the Company w.e.f. 26th September, 2013.

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

V. Corporate Social Responsibility Committee

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

Name of the Director	Category	Position
Mr.K.Subrahmanian	Vice Chairman & Managing Director	Chairman
Mr.P.N.Kapadia	Independent Director	Member
Mr.Umesh Khanna	Non-Executive Director	Member

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

- The Shareholders / Investor's Grievances Cum Share Transfer Committee was constituted on 28th November 2006. The Board of Director at its meeting held on 24th September 2008 renamed the said Committee as Shareholders / Investor's Grievance Cum Share Transfer cum ESOP Share Allotment Committee. Thereafter the Committee was again renamed at the meeting of the Board of Directors held on 12th March, 2014 as Shareholder/Investors' Grievance cum Share Transfer cum Shares Allotment Committee ("**STC**").
- The broad terms of reference of STC is as under:
 - To allot equity shares to the employees exercising the ESOP options granted under the ESOP Scheme 2006 of the Company.
 - To issue and allot Equity Shares, Convertible Preference shares (fully/party/optionally convertible).
 - To exercise such powers and to do all such act, deed, matters and things in connection with the issue and allotment of the Equity Shares, Convertible Preference shares (fully/party/optionally convertible) as the Committee deems fit and proper.
 - To approve transfer of the Equity and Preference Shares of the Company and further delegate such powers to the Registrar for the Transfer of Shares of the Company.
 - To allot Debentures to the Investor.
 - To approve/record Transfer, Dematerialisation / Rematerialisation of Debentures, issue of duplicate Debenture Certificates, issue of new Debenture certificates on split / Consolidation.
 - To look into matters pertaining to the shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, redress complaints of Debentureholder pertaining to the issue including non-receipt of interests, etc.
 - To decide on all other matters related to Debentures.
 - To investigate into any matter in relation to areas specified above or referred to it by the Board of Directors and for this purpose will have full access to information contained in the records of the Company.
 - To determine the conversion price of the Convertible Preference shares (fully/party/optionally convertible).
 - To sub-delegate any of the said powers and authorities to any of the Committee members and/or to any other person as the Committee deems fit.
 - To pass any resolution by Circulation.
- Five meetings were held during the year on the following dates:
26th June, 2013, 10th September, 2013, 10th January, 2014, 13th March, 2014, 22nd March, 2014.

- d. As on 31st March, 2014 the Composition and attendance of members at the meetings of the Shareholders / Investor's Grievance Cum Share Transfer Cum Share Allotment Committee was as under:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.P.N.Kapadia	Independent Director	Chairman	5	5
Mr.J.J.Parakh #	Non-Executive Director	Member	5	3
Mr.S.Paramasivan	Deputy Managing Director	Member	5	5

Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 26th September, 2013. He has been reappointed as Additional Director of the Company and also the member of STC w.e.f. 18th December, 2013.

- 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 2014.

VII. OTHER COMMITTEES OF THE BOARD

A. COMMITTEE OF DIRECTORS

- 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.
- During the year under review no meeting was held.
- The Composition of Committee of Directors is as under:

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

Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 26th September, 2013. He has been reappointed as Additional Director of the Company w.e.f 18th December, 2013.

B. FCP COMMITTEE

- The Company with the object of raising fund through Private Placement by issuing Fully Convertible, Non-Cumulative, Non-Participatory Preference Shares ("FCPs") constituted a Committee of Directors named as "FCPs Committee" and delegated to such Committee the following powers:
 - To finalise all terms and conditions for subscription agreement, call option agreement and such other agreements incidental or ancillary to the Issue and allotment of Fully Convertible, Non-Cumulative, Non-Participatory Preference Shares ("FCPs") convertible into Equity Shares.
 - To convene Extraordinary General Meeting of the Company to obtain shareholders consent to amend the Articles of Association of the Company in relation to the issue of FCPs;
 - To make applications to such authorities as may be required and to accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
 - To accept application money, open bank account for receiving the application money from allottees and to issue them share certificates in accordance with the relevant rules;
 - To make application to authorities for dematerialisation of FCPs allotted to the allottees.
 - To authorize and approve the incurring of expenditure and payment of fees in connection with the issue and allotment of FCPs;
 - To do all such acts, deeds, matters and things and execute all such other documents as it may, in its absolute discretion, deem necessary or desirable for such purpose, and to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters Incidental thereto as it may, in its absolute discretion deem fit;
 - To engage services of professionals including merchant bankers, lawyers, Chartered Accountants and Valuers.
 - To exercise such powers and to do all such act, deed, matters and things in connection with the issue and allotment of FCPs as the FCPs Committee deems fit and proper.
 - To sub-delegate any of the said powers and authorities to any one of the Committee Members and/or to any other person as the FCPs Committee deems fit.
 - The FCPs Committee may pass any resolution by circulation.
- During the year under review, no meeting was held.

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iii. Composition of the Committee

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

Mr.J.J.Parakh ceased to be Director of the Company w.e.f. 26th September, 2013. He was reappointed as Additional Director and member of FCPs Committee w.e.f 18th December, 2013.

C. COMPENSATION (ESOP) COMMITTEE

- 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.
- During the year under review no meeting was held.
- Composition of the Committee

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

VIII. GENERAL BODY MEETINGS

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

For Financial Year ended	Location	Date of AGM	Time
31.03.2013	registered office of the Company	26.09.2013	4.30 p.m
31.03.2012	registered office of the Company	28.09.2012	4.30 p.m
31.03.2011	registered office of the Company	29.09.2011	4.30 p.m

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

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

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

37 th AGM dated 26.09.2013	No special resolution was passed at the 37 th AGM.
36 th AGM dated 28.09.2012	Consent of the Company to make/give loan(s) / guarantees/ advances / deposits and to make investments in excess of the limits under section 372A, to direct / indirect subsidiary of the Company set up / likely to be set up in Qatar.
35 th AGM dated.29.09.2011	Consent of the Company to give loan(s) / guarantees/ advances / deposits and to make investments, in excess of the limits under section 372A, to direct / indirect subsidiary of the Company set up / likely to be set up in Kuwait.

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

EGM dated 21.03.2014	<ol style="list-style-type: none"> Consent to issue 10,00,00,000 0.01%Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares having face value of ₹ 10/- each aggregating to ₹100,00,00,000/- to Shapoorji Pallonji and Company Limited. (i)Consent of the Company to make/give loan(s) / guarantees/ advances / deposits and to make investments in excess of the limits under section 372A, to direct / indirect subsidiary of the Company set up / likely to be set up in Singapore and Kazakhstan subject to an aggregate limit of ₹ 1,500 Crores and (ii) make investment in equity shares of Tata Consultancy Services Limited subject to the limit of ₹ 100 Crores.
EGM dated 10.01.2013	<ol style="list-style-type: none"> To vary the terms and conditions of 25,00,00,000 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares having face value of ₹ 10/- each aggregating to ₹ 250,00,00,000 of the Company held by Goswami Infratech Private Limited. Alteration of Articles of Association Payment of minimum remuneration to Mr.K.Subrahmanian, Managing Director. Payment of minimum remuneration to Mr.S.Paramasivan, Deputy Managing Director

- During the year Court convened meeting of the Equity Shareholders was held on 11.11.2013 at the registered office of the Company at 11.30 am to take approval to the Scheme of Amalgamation of Afcons Infrastructure International Limited, Mauritius with Afcons Infrastructure Limited and their respective Shareholders pursuant to Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956.
- During the year no resolution was passed through Postal Ballot.

IX. DISCLOSURES

- There were no materially significant related party transactions during the financial year 2013-14 that may have potential conflict with the interests of the Company at large. The detail of the related party transactions as per AS-18 are included in the notes to accounts forming part of the Annual Report.

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

X. 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.

XI. GENERAL SHAREHOLDERS INFORMATION

- a. Annual General Meeting
 Date : 30th September, 2014
 Time : 4.30 pm
 Venue : Afcons House, 16, Shah Industrial Estate,
 Veera Desai Road, Azad Nagar, P.O., Mumbai 400 053.
- b. Financial Year : 1st April to 31st March
- c. Date of Book Closure : 23rd September, 2014 to 30th September, 2014 (both days Inclusive)
- d. ISIN No. : INE101I01011
- e. Registrar & Share Transfer Agent : Cameo Corporate Services Limited
 Subramanian Building,
 1 Club House Road, Chennai-600002
 Tel. No.:044-28460390
 Fax No.:044-28460129
 Email id.: afcons@cameoindia.com
- f. CIN : U45200MH1976PLC019335
- g. Tel : +91 22 67191000
- h. Fax : +91 22 26730027 /1031 /0047
- i. Email id : rajendran@afcons.com
- j. website : www.afcons.com

XII. SHAREHOLDING PATTERN AS ON 31st MARCH, 2014.

Sr. No.	Category	No. of Shares	% of total
1	Promoter's holding		
	Indian Promoters -Bodies Corporate	6,99,48,611	97.19
	Sub total (1)	6,99,48,611	97.19
2	Non Promoters Holding		
	Companies / Bodies Corporate	50,000	0.07
	Employees Trust	11,91,370	1.65
	Directors & their Relatives	1,35,335	0.19
	Employees / Retired Employees / General Public	6,44,922	0.90
	Subtotal (2)	20,21,627	2.81
	Total (1+2)	7,19,70,238	100.00

XIII. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2014

Number of Shares '	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 to 100	73	13.2486	5891	0.0081
101 to 500	304	55.1728	81362	0.1135
501 to 1000	39	7.0780	31004	0.0430
1001 to 2000	32	5.8076	49097	0.0682
2001 to 3000	12	2.1778	29974	0.0416
3001 to 4000	10	1.8148	35313	0.0490
4001 to 5000	10	1.8148	46061	0.0640
5001 to 10000	31	5.6261	219766	0.3053
10001 & above	40	7.2595	71471770	99.3073
Total	551	100.0000	71970238	100.0000

XIV. Address for Correspondence:

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

AFCONS INFRASTRUCTURE LIMITED

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, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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, 2014;
- (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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No. 117364W)

R. Salivati

Partner
Membership No.34004

MUMBAI,
Dated: June 24, 2014

J. C. Bhatt & Associates

Chartered Accountants
(Registration No. 130923W)

J. C. Bhatt

Partner
Membership No.10977

MUMBAI,
Dated: June 24, 2014

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, 2014 of Afcons Infrastructure Limited ("the Company")}

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (xiii), (xiv) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (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) Some of 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 inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management 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 and during the course of our audit we have not observed any 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 (excluding loans reported under paragraph (iv) above) 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 statutory 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 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, 2014 on account of disputes, if any, are given below:

AFCONS INFRASTRUCTURE LIMITED

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, Cuttak	1998-99	206.74	183.96	22.78
Orissa Sales Tax Act, 1947	Sales Tax	Addn. Commissioner of Sales Tax, Cuttak	1998-99	194.75	151.63	43.12
Orissa Sales Tax Act, 1947	Sales Tax	High Court, Orissa	1999-00	184.07	153.44	30.63
Orissa Sales Tax Act, 1947	Sales Tax	Addn. Commissioner of Sales Tax, 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	West Bengal Commercial Tax Tribunal, Kolkatta	1987-88, 1988-89	11.24	5.32	5.92
West Bengal Sales Tax Act, 1954	Sales Tax	Dy. Commissioner of Commercial Taxes, Durgapur	1994-95, 1996-97	32.42	21.39	11.03
Chapter V, Finance Act, 1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals-IV), Mumbai	2007-08	2.86	-	2.86
Chapter V, Finance Act, 1994	Service Tax	CESTAT, West Zonal Branch, Mumbai	2006-07, 2007-08	207.71	-	207.71
Chapter V, Finance Act, 1994	Service Tax	CESTAT, West Zonal Branch, Mumbai	2007-08, 2008-09, 2009-10, 2010-11	5,295.15	-	5,295.15
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
Chapter V, Finance Act, 1994	Service Tax	CESTAT	2008-2010	339.11	-	339.11
Chapter V, Finance Act, 1994	Service Tax	CESTAT	2008-09	168.54	-	168.54
Chapter V, Finance Act, 1994	Service Tax	CESTAT	2008-09	139.53	-	139.53

- (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, financial institutions and debenture holders.
- (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 by the Company during the year 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 of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.
- (xvii) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which, in our opinion, is prima facie not prejudicial to the interest of the Company.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued secured 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) 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. 117364W)

R. Salivati

Partner
Membership No.34004

MUMBAI,

Dated: June 24, 2014

J. C. Bhatt & Associates

Chartered Accountants
(Registration No. 130923W)

J. C. Bhatt

Partner
Membership No.10977

MUMBAI,

Dated: June 24, 2014

AFCONS INFRASTRUCTURE LIMITED

Balance Sheet as at 31st March, 2014

Particulars		Note No.	As at 31 st March, 2014	As at 31 st March, 2013
			₹ in Lacs	₹ in Lacs
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	52,197.02	42,197.02
	(b) Reserves and surplus	4	52,154.66	35,898.21
			104,351.68	78,095.23
2	Non-current liabilities			
	(a) Long-term borrowings	5	55,298.13	49,744.99
	(b) Deferred tax liabilities (net)	6	11,490.04	9,228.27
	(c) Other long-term liabilities	7	9,952.86	11,858.57
	(d) Long-term provisions	8	859.28	915.16
			77,600.31	71,746.99
3	Current liabilities			
	(a) Short-term borrowings	9	62,337.99	60,544.79
	(b) Trade payables	10	76,443.95	42,101.58
	(c) Other current liabilities	11	38,109.65	46,660.21
	(d) Short-term provisions	12	2,167.77	1,447.94
			179,059.36	150,754.52
	TOTAL		361,011.35	300,596.74
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	13A	91,397.50	90,986.84
	(ii) Intangible assets	13B	317.03	350.37
	(iii) Capital work-in-progress	13C	10,460.09	14,805.91
			102,174.62	106,143.12
	(b) Non-current investments	14	9,884.17	406.88
	(c) Long-term loans and advances	15	12,122.00	9,085.81
	(d) Other non-current assets	16	28,436.31	26,737.64
			152,617.10	142,373.45
2	Current assets			
	(a) Inventories	17	106,273.22	73,721.37
	(b) Trade receivables	18	47,606.23	38,867.96
	(c) Cash and bank balances	19	1,006.01	1,611.76
	(d) Short-term loans and advances	20	40,867.94	31,409.92
	(e) Other current assets	21	12,640.85	12,612.28
			208,394.25	158,223.29
	TOTAL		361,011.35	300,596.74
See accompanying notes 1 to 48 forming part of the financial statements				

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS

S.P.MISTRY
Chairman

K.SUBRAHMANYAN
Vice Chairman &
Managing Director

R. SALIVATI
Partner

J.C.BHATT
Partner

S.PARAMASIVAN
Deputy Managing Director

P.N.KAPADIA
Director

Place : Mumbai
Date : 24th June, 2014

N.D.KHURDY
Director

P.R.RAJENDRAN
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2014

Particulars		Note No.	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
			₹ in Lacs	₹ in Lacs
1	Revenue from operations	22	272,674.46	188,986.87
2	Other income	23	7,337.41	5,932.95
3	Total revenue (1 + 2)		280,011.87	194,919.82
4	Expenses			
	(a) Cost of construction	24	177,040.32	116,366.19
	(b) Cost of traded Goods	25	824.30	193.18
	(c) Employee benefits expense	26	37,418.77	32,629.14
	(d) Finance costs	27	15,972.10	13,362.08
	(e) Depreciation and amortisation expense	13D	14,595.53	6,746.58
	(f) Other expenses	28	23,872.17	19,922.61
	Total expenses		269,723.19	189,219.78
5	Profit before tax (3 - 4)		10,288.68	5,700.04
6	Tax expense:			
	(a) Current Tax (including foreign tax ₹ 387.60 Lacs) (Previous year ₹ 256.22 Lacs)		2,467.76	1,401.68
	(b) MAT credit		(1,561.54)	(1,145.46)
	(c) Deferred tax		2,261.77	1,601.30
	(d) Tax expense / (credit) relating to prior years (including MAT ₹ 117.91 Lacs) (previous year ₹ 684.64 Lacs)		423.37	(799.64)
			3,591.36	1,057.88
7	Profit for the year from continuing operations (5 - 6)		6,697.32	4,642.16
8	Earnings per share (Face value of ₹ 10/- each):	42		
	(a) Basic		9.30	6.44
	(b) Diluted		1.97	1.39
See accompanying notes 1 to 48 forming part of the financial statements				

In terms of our report attached		For and on behalf of the Board of Directors	
For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS	For J.C. BHATT & ASSOCIATES CHARTERED ACCOUNTANTS	S.P.MISTRY Chairman	K.SUBRAHMANYAN Vice Chairman & Managing Director
R. SALIVATI Partner	J.C.BHATT Partner	S.PARAMASIVAN Deputy Managing Director	P.N.KAPADIA Director
Place : Mumbai Date : 24 th June, 2014		N.D.KHURODY Director	P.R.RAJENDRAN Company Secretary

AFCONS INFRASTRUCTURE LIMITED

Cash Flow Statement for the year ended 31st March, 2014

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Cash flow from operating activities		
Profit before tax	10,288.68	5,700.04
adjustments for :		
Depreciation	14,595.53	6,746.58
Loss / (profit) on sale of fixed assets (<i>net</i>)	134.47	(36.84)
Dividend income	(0.01)	-
Interest income	(4,704.76)	(4,630.71)
Interest expense	14,560.52	12,248.78
Profit distribution from Joint Venture	(5,770.00)	-
Bad/irrecoverable Debtors /Unbilled Revenue /Advances /Duty Scrip w/off	1,409.18	0.34
Provision for doubtful advances no longer required written back	(78.01)	-
Provision for doubtful debtors no longer required written back	(366.49)	-
Share of Loss in a firm in which the Company is a partner	0.07	0.14
Creditors / Excess Provision for expenses of earlier years written back	(533.51)	(268.75)
Provision for Projected Losses on contract	444.41	-
Operating profit before working capital changes	29,980.08	19,759.58
(Increase) in Inventories	(32,551.85)	(22,480.24)
(Increase) in Trade receivables	(8,738.27)	(12,431.79)
(Increase)/Decrease in Loans and Advances and Other Assets	(9,193.71)	6,544.00
Increase in Trade, Other payables and Provisions	20,964.33	21,522.43
Cash from Operations	460.58	12,913.98
Direct taxes - (paid) / refunded (including interest)	(2,439.70)	(757.69)
Net Cash flow (used in) operating activities	(1,979.12)	12,156.29
Cash flow from investing activities		
Purchase of fixed assets	(9,536.24)	(24,164.93)
Proceeds from sale of fixed assets	141.72	255.61
Purchase of Investments	(8,572.61)	(14.90)
Profit distribution from Joint Venture	5,770.00	-
Loss in a firm in which the Company is a partner	(0.07)	(0.14)
Dividend received	0.01	-
Investment in Other bank balance redeemed	294.28	423.70
Interest received	2,452.82	4,606.76
Net Cash flow (used in) investing activities	(9,450.09)	(18,893.90)
Cash flow from financing activities		
Proceeds from issue of Preference share	10,000.00	-
Proceeds from long-term borrowings	18,708.17	39,625.31
Repayment of long-term borrowings	(13,093.81)	(19,580.41)
Proceeds from / (repayment) of short term borrowings - net	1,477.56	(1,423.91)
Interest paid	(14,668.84)	(12,248.78)
Dividend paid on Equity Shares (including tax) (Interim)	(1,684.06)	(1,672.90)
Dividend paid on Preference Shares (including tax)	(4.07)	(4.07)
Net Cash from financing activities	734.95	4,695.24
Net (decrease) in cash and cash equivalents	(10,694.26)	(2,042.37)
Cash and cash equivalents at the beginning of the year	1,179.37	3,221.74
Add: Cash and cash equivalents acquired upon amalgamation (Ref Note 3 below)	10,382.79	-
Cash and cash equivalents at the end of the year	867.90	1,179.37

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalents includes unrealised Profit / (Loss) of ₹ 185.61 Lacs (Previous year ₹ 281.20 Lacs) on account of translation of foreign currency bank balances.
- Refer note no.46 for details of Assets, Liabilities and Reserve taken over on Amalgamation of Afcons Infrastructure International Ltd. with the Company.
- Figures relating to previous year have been recast where necessary to conform to figures of the current year.

In terms of our report attached

**For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS**

**R. SALIVATI
Partner**

**Place : Mumbai
Date : 24th June, 2014**

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

**J.C.BHATT
Partner**

For and on behalf of the Board of Directors

**S.P.MISTRY
Chairman**

**S.PARAMASIVAN
Deputy Managing Director**

**N.D.KHURODY
Director**

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

**P.N.KAPADIA
Director**

**P.R.RAJENDRAN
Company Secretary**

Notes forming part of the financial statements for the year ended 31st March, 2014

Note	Particulars
1	<p>Corporate information</p> <p>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.</p>
2	<p>Significant accounting policies</p>
2.1	<p>Basis of Accounting</p> <p>The Accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with the Generally Accepted Accounting Principles (GAAP) in India, the accounting standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.</p>
2.2	<p>Use of estimates</p> <p>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, classification of current / non current assets / liabilities, etc. Difference between actual results and estimates are recognised in the period in which the results are known / materialise.</p>
2.3	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
2.4	<p>Tangible Fixed Assets</p> <p>Tangible Fixed assets are stated at cost of acquisition/construction; inclusive of inward freight, duties, taxes, installation expenses and any expenses directly attributable to the assets to bring them to site and in working condition for its intended use; or book value and include amounts added on revaluation less accumulated depreciation (refer note 13(D)) and impairment loss, if any. The Company has adopted the provisions of para 46 / 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates", accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.</p> <p>Leasehold improvements have been capitalized and are written off over the primary lease term not exceeding five years.</p>
2.5	<p>Intangible Fixed Assets</p> <p>Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 – "Intangible Assets".</p>
2.6	<p>Depreciation & Amortisation</p> <p>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 and office building which is depreciated @ 3.34%.</p> <p>Capital spares consumed are capitalized and amortized over a period of four years.</p> <p>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.</p> <p>Cost of the Intangible Assets viz computer software is amortized over a period of five years.</p>
2.7	<p>Impairment</p> <p>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.</p>
2.8	<p>Investments</p> <p>Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, when there is a decline, other than temporary in the value of a long term investment, the carrying amount is reduced to recognize the decline.</p> <p>Investment in shares of subsidiaries registered outside India, are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.</p>

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Notes forming part of the financial statements for the year ended 31st March, 2014

Note	Particulars
2.9	Inventories
	<p>a) Construction materials, stores and spare parts are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average method. Cost of shuttering materials (included in construction materials), issued to jobs, is charged off equally over a period of four years.</p> <p>b) Construction Work in Progress : Work done remaining to be certified / billed is treated as Construction Work in Progress in the accounts. The same is valued at the realizable value.</p>
2.10	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
	<p>(i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(iii) Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.</p> <p>(iv) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items (net of mark to market gain / loss on related forward contracts / options) are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.</p>
2.12	Revenue recognition on contracts
	<p>a. Contract revenue and expenses are recognized, when outcome can be estimated reliably, on the basis of percentage of completion method. Percentage of completion is determined based on the nature of contracts, either in proportion of contract costs incurred upto the reporting date to the estimated total cost or on the basis of physical proportion of the contract work completed as considered appropriate.</p> <p>b. Contract revenue in case of 'Cost Plus' contracts is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.</p> <p>c. Variations (in contracts) and amounts in respect thereof are recognized only when it is probable that the customer(s) will approve them and amounts can be measured reliably.</p> <p>d. Claims and amounts in respect thereof are recognized only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be reliably measured. In the case of Arbitration Awards (the "Awards") which are granted unanimously in favor of the Company, the claims awarded, are accounted in the year the Awards are granted. The interest granted on such claims is recognised as per terms of the Awards.</p> <p>e. Revenue is recognised only when no significant uncertainties exist regarding its measurement and collectability.</p>
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
	<p>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.</p> <p>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.</p> <p>iii) Provident fund Contribution as required under the statute/ rules is made to the Government Provident Fund.</p> <p>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.</p>

Notes forming part of the financial statements for the year ended 31st March, 2014

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: <ul style="list-style-type: none"> i. Segment Revenue includes income directly identifiable with / allocable to the segment. ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Results. The expenses which relate to the Group as a whole and not allocable to segments are included under Unallocable expenses. iii. Segment assets and liabilities include those directly identifiable with the respective segments.
2.18	Leases Assets leased out under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term. Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to Statement of Profit & Loss on straight line basis over the lease term.
2.19	Doubtful debts and advances Provision is made in the accounts for debts and advances which in the opinion of the management are considered doubtful of recovery.
2.20	Taxation Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for taxes on income". Income tax comprises both current and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with 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. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.
2.21	Interest Income Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates.
2.22	Provisions, Contingent Liabilities and Contingent Assets Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.
2.23	Derivatives Interest rates are mark to market and net loss (if any) is charged to Statement of Profit and Loss.

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

3. Share Capital

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised				
Equity shares of ₹ 10 each.	350,000,000	35,000.00	350,000,000	35,000.00
Preference shares of ₹ 10 each.	650,000,000	65,000.00	650,000,000	65,000.00
Total	1,000,000,000	100,000.00	1,000,000,000	100,000.00
(b) Issued, Subscribed and Fully Paid up				
Equity shares of ₹ 10 each. (Refer Note (i) below)	71,970,238	7,197.02	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each. (Refer Note (ii) below)	100,000,000	10,000.00	100,000,000	10,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iii) below)	250,000,000	25,000.00	250,000,000	25,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iv) below)	100,000,000	10,000.00	-	-
Total	521,970,238	52,197.02	421,970,238	42,197.02

Notes:

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

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

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

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

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

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

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

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

Notes forming part of the financial statements for the year ended 31st March, 2014

3. Share Capital (Continued)

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

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	71,970,238	7,197.02	71,970,238	7,197.02
Equity shares outstanding at the end of the year	71,970,238	7,197.02	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
Preference shares outstanding at the end of the year	100,000,000	10,000.00	100,000,000	10,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year	250,000,000	25,000.00	250,000,000	25,000.00
Preference shares outstanding at the end of the year	250,000,000	25,000.00	250,000,000	25,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year	-	-	-	-
Add : Shares issued during the year	100,000,000	10,000.00	-	-
Preference shares outstanding at the end of the year	100,000,000	10,000.00	-	-

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

Particulars	As at 31 st March, 2014			As at 31 st March, 2013	
	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares	0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares
	Number of shares			Number of shares	
Shapoorji Pallonji & Co Ltd., the holding company	48,900,182	-	100,000,000	48,885,554	-
Subsidiaries of the holding company:					
Floreat Investments Limited (FIL)	13,015,929	100,000,000	-	13,015,929	100,000,000
Renaissance Commerce Pvt. Limited	4,016,250	-	-	4,016,250	-
Hermes Commerce Ltd.	4,016,250	-	-	4,016,250	-

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

Class of shares / Name of shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Co Ltd.	48,900,182	67.95	48,885,554	67.92
Floreat Investments Limited	13,015,929	18.09	13,015,929	18.09
Renaissance Commerce Pvt. Ltd.	4,016,250	5.58	4,016,250	5.58
Hermes Commerce Ltd.	4,016,250	5.58	4,016,250	5.58
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares				
Floreat Investments Limited	100,000,000	100.00	100,000,000	100.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares				
Goswami Infratech Private Ltd.	250,000,000	100.00	250,000,000	100.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares				
Shapoorji Pallonji & Co. Ltd.	100,000,000	100.00	-	-

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

4. Reserves and Surplus

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Capital reserve		
Opening balance	19.13	19.13
Closing balance	19.13	19.13
(b) Capital redemption reserve		
Opening balance	12.50	12.50
Closing balance	12.50	12.50
(c) Securities premium account		
Opening balance	1,028.00	1,028.00
Closing balance	1,028.00	1,028.00
(d) Revaluation reserve		
Opening balance	43.02	99.46
Less: Utilised for set off against depreciation	(43.02)	(56.44)
Closing balance	-	43.02
(e) Contingencies reserve		
Opening balance	800.00	800.00
Closing balance	800.00	800.00
(f) Debenture redemption reserve		
Opening balance	625.00	-
Add : Transferred from surplus in Statement of Profit and Loss	625.00	625.00
Closing balance	1,250.00	625.00
(g) General reserve		
Opening balance	5,900.32	5,552.16
Add : Transferred from surplus in Statement of Profit and Loss	669.73	348.16
Closing balance	6,570.05	5,900.32
(h) Surplus in Statement of Profit and Loss		
Opening balance	27,470.24	25,478.21
Add: Credit Balance in Profit and Loss account of Afcons Infrastructure International Ltd. taken over on Amalgamation (Refer Note 46)	11,290.31	-
Add: Profit for the year	6,697.32	4,642.16
Less : Appropriations:		
Interim Dividend on Equity Shares (₹ 2.00 per share) (Previous Year ₹ 2.00 per share)	1,439.40	1,439.40
Proposed Dividend on Preference Shares (₹ 0.001 per share) (Previous Year ₹ 0.001 per share)	3.53	3.50
Tax on Dividend	245.23	234.07
Transferred to General reserve	669.73	348.16
Transferred to Debenture redemption reserve	625.00	625.00
Closing balance	42,474.98	27,470.24
Total	52,154.66	35,898.21

5. Long-term borrowings

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Debentures (Unsecured) (Refer Note 5A)	10,000.00	10,000.00
(b) Working Capital loans (Refer Note (i) of 5B)		
From banks		
Secured	17,500.00	10,000.00
(c) Equipment Loan (Secured) (Refer Note (ii) of 5B)		
From banks		
Rupee Loan	6,755.01	7,143.67
Foreign Currency Loan	18,423.86	18,637.00
(d) Other loans and advances (Refer Note (iii) of 5B)		
Foreign Currency Loan (Secured)		
Buyers Credit from Banks	2,619.26	3,964.32
Total	55,298.13	49,744.99

Notes forming part of the financial statements for the year ended 31st March, 2014

5. Long-term borrowings (Continued)

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 31 st March, 2014		As at 31 st March, 2013	
		Secured ₹ in Lacs	Unsecured ₹ in Lacs	Secured ₹ in Lacs	Unsecured ₹ in Lacs
(i) Working Capital loans from banks	} Refer Note (ii) below				
Axis Bank Ltd. (Refer Note (i) below)		10,000.00	-	10,000.00	-
State Bank of India (Refer Note (i) below)		7,500.00	-	-	-
Total - Term Loan		17,500.00	-	10,000.00	-
(ii) Equipment Loan from banks	} Refer Note (iii) below				
Rupee Loan:					
Indian Overseas Bank		3,014.83	-	4,661.08	-
Oriental Bank of Commerce		1,240.18	-	2,482.59	-
State Bank of India		2,500.00	-	-	-
Foreign Currency Loan (ECB):					
DBS Bank Ltd.		8,388.10	-	10,540.00	-
HSBC Bank		7,189.80	-	8,097.00	-
Societe Generale		2,845.96	-	-	-
Total - Equipment Loan		25,178.87	-	25,780.67	-
(iii) Other Loans and Advances from banks - Buyer's Credit Foreign Currency Loans	} Refer Note (iv) below				
State Bank of India		2,619.26	-	1,488.77	-
HSBC Bank		-	-	2,475.55	-
Total - Other loans and advances		2,619.26	-	3,964.32	-
Total Long-term Borrowings from Banks		45,298.13	-	39,744.99	-

Notes:

- (i) Working Capital loan from Axis Bank is secured by subservient charge over current assets and Working Capital loan from State Bank of India is secured by second charge on Plant and Machinery.
- (ii) Working Capital loans from Banks carry interest ranging from Base rate + 0.70% to Base rate + 0.90% per annum. The repayment schedule of the loans are as follows.

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

Previous Year

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

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

5. Long-term borrowings (Continued)

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

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

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15	Repayment in 2015-16	Repayment in 2016-17	Repayment in 2017-18
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 & ₹ 607.59	-	-
Foreign Currency Loan:					
DBS Bank Ltd.	10,540.00	3 installments of ₹ 1,054.00 each	4 installments of ₹ 1,054.00 each	3 installments of ₹ 1,054.00 each	-
HSBC Bank	8,097.00	1 installment of ₹ 1,619.40	2 installments of ₹ 1,619.40 each	2 installments of ₹ 1,619.40 each	-

(iv) The Loans carry interest ranging from Libor + 95 bps to Euribor + 150 bps per annum. State Bank of India loan is secured by a first charge 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 pari passu charge on Plant and Machinery.

The repayment schedule of the loans are as follows:

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

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15	Repayment in 2015-16
State Bank of India	1,488.77	Installments of ₹ 261.00 & ₹ 410.42	Installments of ₹ 185.96, ₹ 269.21, ₹ 92.97 & ₹ 269.21
HSBC Bank	2,475.55	Installments of ₹ 1,666.95 & ₹ 808.60	-

Notes forming part of the financial statements for the year ended 31st March, 2014

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(5,403.64)	(5,545.97)
Arbitration Awards (including interest)	(7,125.89)	(6,654.70)
Tax effect of items constituting deferred tax liability	(12,529.53)	(12,200.67)
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	331.43	352.60
Provision for doubtful debts / advances	702.35	814.77
Others (includes carry forward losses, etc.)	5.71	1,805.03
Tax effect of items constituting deferred tax assets	1,039.49	2,972.40
Net deferred tax liability	Total (11,490.04)	(9,228.27)

7. Other long-term liabilities

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Trade Payables - Retention monies	3,576.37	4,811.72
(b) Others:		
(i) Advances from customers	6,345.61	6,857.12
(ii) Statutory remittances (VAT, Service Tax, etc.)	30.88	189.73
Total	9,952.86	11,858.57

8. Long-term provisions

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	503.82	602.38
(ii) Provision for gratuity (net) (Refer Note 38)	12.68	-
(b) Provision - For contingencies (Refer Note 47) (In relation to expense of job completed in earlier year under dispute)	342.78	312.78
Total	859.28	915.16

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

9. Short-term borrowings

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Working Capital Demand Loans		
From banks		
Secured (Refer note below)	-	18,000.00
Unsecured	-	5,600.00
	-	23,600.00
(b) Short term Loans from Bank		
Foreign Currency Loan:		
Buyers Credit (Secured) (Refer note below)	1,947.98	1,769.22
Packing Credit Finance (Unsecured)	5,990.90	2,714.00
Overdraft (Unsecured)	-	2,996.82
	7,938.88	7,480.04
(c) Cash Credit Facility from Banks (Secured) (Refer Note below)	16,197.16	6,231.75
(d) Commercial Papers (Unsecured)		
From Banks		
Face Value	10,000.00	2,500.00
Less: Discount not written-off	696.69	31.91
	9,303.31	2,468.09
From Other parties		
Face Value	30,000.00	18,500.00
Less: Discount not written-off	1,229.45	527.47
	28,770.55	17,972.53
(Maximum amount outstanding during the year ₹ 43,487.27 Lacs) (Previous Year ₹ 28,936.30 Lacs)		
(e) Loans Repayable on demand (Unsecured)		
From Related Parties (Refer Note 40)	90.00	90.00
(f) Loans and Advances from Related Parties (Refer Note 40)		
Unsecured	38.09	2,702.38
Total	62,337.99	60,544.79

Note:

Details of security for the secured short-term borrowings:

Particulars	Terms of repayment and security	As at 31 st March, 2014	As at 31 st March, 2013
		₹ in Lacs	₹ in Lacs
Working Capital Demand Loans (WC DL)			
From banks:			
State Bank of India	Refer Note below	-	18,000.00
Short Term Loans from Bank			
Foreign Currency Loan:			
Buyers Credit (Secured)			
State Bank of India	Refer Note below	1,947.98	1,769.22
Cash Credit Facility	Refer Note below	16,197.16	6,231.75

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. Cash credit facility is further secured by the Company's proportionate share of Current Assets in all the Joint Ventures both present and future. Cash Credit Facility from Banks carry interest ranging from 10.25% per annum to 13.65% per annum. Buyers Credit from banks carry interest @ Libor + 0.75 bps per annum. PCFC loan carry interest @ Libor + 0.88 bps per annum and Loan repayable on demand carry interest @ 10% per annum.

Notes forming part of the financial statements for the year ended 31st March, 2014

10. Trade payables

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Acceptances	3,035.11	1,329.85
Other than Acceptances:		
(i) Total outstanding dues to micro, medium and small enterprises (Refer Note 30)	84.09	105.74
(ii) Total outstanding dues other than to micro, medium and small enterprises	73,324.75	40,665.99
Total	76,443.95	42,101.58

11. Other current liabilities

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Current maturities of long-term debt (Refer Note (i) below)	16,081.45	12,599.31
(b) Interest accrued but not due on borrowings	307.71	323.45
(c) Interest accrued and due on borrowings	-	92.58
(d) Income received in advance (against sale of scrap)	10.67	67.34
(e) Unclaimed / unpaid dividends (Refer Note (ii) below)	34.39	32.08
(f) Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below)	1.24	2.30
(g) Other payables		
(i) Statutory remittances (VAT, Service Tax, etc.)	2,831.08	3,693.27
(ii) Interest accrued on advance from customers	51.60	53.46
(iii) Trade / security deposits received	67.33	89.02
(iv) Advances from customers	11,432.25	29,707.30
(v) Amount received on invocation of Bank Guarantees	7,291.83	-
(vi) Others	0.10	0.10
Total	38,109.65	46,660.21

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Working Capital Loans from Banks		
Secured	2,500.00	-
Unsecured	-	5,000.00
(b) Equipment Loans from Banks (Secured)	3,750.00	4,134.38
(c) Foreign Currency Loans (Secured)	9,831.45	3,464.93
Total	16,081.45	12,599.31

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

12. Short-term provisions

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	57.74	102.11
(ii) Provision for gratuity (net) (Refer Note 38)	400.84	382.11
	458.58	484.22
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 1,522.35 Lacs) (As at 31 st March, 2013 ₹ 714.58 Lacs)	1,260.65	959.65
(ii) Provision for projected loss on contract	444.41	-
(iii) Proposed dividend on Preference shares	3.53	3.50
(iv) Tax on proposed dividend on Preference shares	0.60	0.57
Total	2,167.77	1,447.94

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

13. Fixed assets

A. Tangible assets

Particulars	Gross block			Depreciation / Amortisation			Net Block	
	Balance as at 1 st April, 2013	Additions	Disposals	Balance as at 31 st March, 2014	Balance as at 1 st April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 st March, 2014
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land								
Freehold	1.58	-	-	1.58	-	-	-	1.58
Leasehold	16.58	-	-	16.58	0.80	0.16	-	15.62
(b) Buildings	1,853.54	-	-	1,853.54	1,353.08	61.75	-	438.71
(c) Plant and Equipment	100,351.86	14,158.64	(373.24)	114,137.26	25,772.66	12,911.46	(307.40)	75,760.54
(d) Furniture and Fixtures	1,209.70	392.42	(37.89)	1,564.23	182.92	94.20	(16.42)	1,303.53
(e) Vehicles	705.50	177.69	(26.03)	857.16	127.93	67.55	(11.92)	673.60
(f) Office equipments	2,061.45	129.10	(185.98)	2,004.57	845.43	171.20	(69.78)	1,057.72
(g) Leasehold improvements	279.22	-	-	279.22	279.22	-	-	-
(h) Floating Equipments	15,931.75	311.09	(288.38)	15,954.46	2,905.26	1,173.16	(229.81)	12,105.85
(i) Laboratory Equipments	85.45	-	-	85.45	42.49	2.61	-	40.35
Total	122,496.63	15,168.94	(911.52)	136,754.05	31,509.79	14,482.09	(635.33)	45,356.55

Previous Year

Particulars	Gross block			Depreciation / Amortisation			Net Block	
	Balance as at 1 st April, 2012	Additions	Disposals	Balance as at 31 st March, 2013	Balance as at 1 st April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 st March, 2013
	₹ 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	-	15.78
(b) Buildings	1,853.54	-	-	1,853.54	1,291.33	61.75	-	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)	74,579.20
(d) Furniture and Fixtures	718.11	523.52	(31.93)	1,209.70	132.86	53.93	(3.87)	1,026.78
(e) Vehicles	554.11	171.64	(20.25)	705.50	81.96	51.10	(5.13)	577.57
(f) Office equipments	1,853.53	220.29	(12.37)	2,061.45	694.03	160.93	(9.53)	1,216.02
(g) Leasehold improvements	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)	13,026.49
(i) Laboratory Equipments	85.45	-	-	85.45	39.96	2.53	-	42.96
Total	79,845.62	43,705.43	(1,054.42)	122,496.63	25,672.10	6,673.34	(835.65)	90,986.84

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

13. Fixed assets (Continued)

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 ₹ 9,636.05 Lacs) and WDV ₹ 7,899.38 Lacs (previous year ₹ 8,355.21 Lacs) hypothecated in favour of Chennai Metro Rail Ltd. on behalf of Transnoinelstroy Afcons Joint Venture.
- (4) Additions for the year includes foreign exchange capitalised during the year amounting to ₹ 940.83 Lacs (Previous Year ₹ 252.64 Lacs). The balance amount of Foreign exchange fluctuation, capitalised as a part of cost of Tangible Assets, remaining to be amortised is ₹ 1,186.35 Lacs (Previous year ₹ 228.05 Lacs) .
- (5) Additions to Plant & Equipments during the year include an amount of ₹ Nil (Previous Year ₹ 477.30 Lacs) on account of interest attributable to the cost of identifiable qualifying assets.

B. Intangible assets

Particulars	Gross block (At cost)			Amortisation			Net Block
	Balance as at 1 st April, 2013 ₹ in Lacs	Additions ₹ in Lacs	Disposals ₹ in Lacs	Balance as at 31 st April, 2014 ₹ in Lacs	Amortisation for the year ₹ in Lacs	Eliminated on disposal of assets ₹ in Lacs	Balance as at 31 st March, 2014 ₹ in Lacs
Computer software - Acquired	671.96	123.12	-	795.08	321.59	156.46	478.05
							317.03

Particulars	Gross block (At cost)			Amortisation			Net Block
	Balance as at 1 st April, 2012	Additions	Disposals	Balance as at 1 st April, 2012	Amortisation for the year	Eliminated on disposal of assets	Balance as at 31 st March, 2013
	₹ 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

C. Capital Work in Progress - Plant and equipments under installation ₹ 10,460.09 Lacs (Previous year ₹ 14,805.91 Lacs)

(Capital work in progress includes capitalised foreign exchange fluctuation ₹ 668.25 Lacs (Previous year ₹ 81.33 Lacs))

D. Depreciation and amortisation:

Particulars	For the year ended 31 st March, 2014 ₹ in Lacs	For the year ended 31 st March, 2013 ₹ in Lacs
Depreciation and amortisation for the year on tangible assets as per (A) above	14,482.09	6,673.34
Depreciation and amortisation for the year on intangible assets as per (B) above	156.46	129.68
	14,638.55	6,803.02
Less: Utilised from revaluation reserve	43.02	56.44
Depreciation and amortisation as per Statement of Profit and Loss	14,595.53	6,746.58

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

14. Non-current investments

Particulars	Face Value	As at 31 st March, 2014		As at 31 st March, 2013	
		Quantity	Amount ₹ in Lacs	Quantity	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. (Refer Note 46)	Euro 1	-	-	20,000	12.51
Afcons Construction Mideast LLC.*	AED 1000	147	17.65	147	17.65
Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL.*	KD 1200	49	95.67	49	95.67
Afcons Overseas Construction LLC, Qatar.*	QAR 1000	98	14.90	98	14.90
Afcons Mauritius Infrastructure Ltd.	Euro 1	1,100,000	917.19	-	-
(ii) of associates					
Afcons (Mideast) Constructions & Investments Pvt. Ltd.#	₹ 100	1	-	1	-
			1,097.57		192.89
* 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)			1,271.57		366.89
B. Other investments (Fully paid, at cost):					
(a) Investment in equity instruments (Quoted):					
Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	29.34	40,072	29.34
Hindustan Construction Co. Ltd.	₹ 1	2,000	0.03	2,000	0.03
Simplex Infrastructures Ltd.	₹ 2	500	0.04	500	0.04
ITD Cementation India Ltd.	₹ 10	100	0.42	100	0.42
Gammon India Ltd.	₹ 2	250	0.06	250	0.06
Tata Consultancy Services Ltd.	₹ 1	400,000	8,572.61	-	-
			8,602.50		29.89
(b) Investment in equity instruments (Unquoted)					
Simar Port Ltd.	₹ 10	1,000	0.10	1,000	0.10
(c) Investment in mutual funds (Unquoted):					
SBI Infrastructure Fund	₹ 10	50,000	5.00	50,000	5.00
UTI Infrastructure Fund - Growth Plan	₹ 10	12,731	5.00	12,731	5.00
			10.00		10.00
Total - Other investments (B)			8,612.60		39.99
Total (A+B)			9,884.17		406.88
Notes:					
(i) Aggregate amount of quoted investments			8,602.50		29.89
(ii) Aggregate market value of quoted investments			8,552.69		22.06
(iii) Aggregate amount of unquoted investments			1,281.67		376.99

(iv) Other details relating to investment in partnership firms

Name of the firm	As at 31 st March, 2014			As at 31 st March, 2013		
	Names of partners in the firm	Total capital (₹ in Lacs)	Share of each partner in the profits of the firm	Names of partners in the firm	Total capital (₹ in Lacs)	Share of each partner in the profits of the firm
Afcons Pauling Joint Venture	Afcons Infrastructure Limited	174.00	95.00%	Afcons Infrastructure Limited	174.00	95.00%
	Pauling Plc	-	5.00%	Pauling Plc	-	5.00%

Notes forming part of the financial statements for the year ended 31st March, 2014

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Capital advances	150.38	32.64
(b) Security deposits		
Unsecured, considered good	544.44	433.47
Doubtful	-	37.92
	544.44	471.39
Less: Provision for doubtful deposits	-	37.92
	544.44	433.47
(c) Prepaid expenses	541.98	184.24
(d) Advance income tax (net of provisions ₹ 1,469.84 Lacs) (As at 31 st March, 2013 ₹ 3,256.24 Lacs)	3,026.86	2,886.08
(e) MAT credit entitlement	5,081.92	3,707.38
(f) Balances with government authorities		
(i) VAT credit receivable	2,761.48	1,821.07
(ii) Other Deposits	14.94	20.93
	2,776.42	1,842.00
Total	12,122.00	9,085.81

16. Other non-current assets

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Long-term trade receivables - Under arbitration and Retention monies		
Unsecured, considered good	4,555.70	3,404.23
Doubtful	1,995.61	2,134.55
	6,551.31	5,538.78
Less: Provision for doubtful trade receivables	1,995.61	2,134.55
	4,555.70	3,404.23
(b) Construction Work-in-Progress - Under arbitration		
Unsecured, considered good	15,649.48	20,558.38
Doubtful	7.00	234.56
	15,656.48	20,792.94
Less: Advances received	2.55	67.76
Less: Provision for doubtful Construction Work-in-Progress	7.00	234.56
	15,646.93	20,490.62
(c) Interest on trade receivables as per arbitration awards	6,554.36	2,833.17
(d) Other Loans and Advances (Doubtful)	63.73	103.81
Less: Provision for other doubtful loans and advances	63.73	103.81
	-	-
(e) Other Bank Balances *	19.10	17.51
Less : Provision	19.10	17.51
	-	-
(f) Balances with banks - Other earmarked accounts @	-	9.62
(g) Receivable under foreign currency contracts	1,679.32	-
Total	28,436.31	26,737.64

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

@ Balance with banks-other earmarked accounts are deposits over which Banks and Clients have lien.

17. Inventories

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Construction Materials - at lower of cost and net realisable value		
Steel	9,279.08	6,698.15
Cement	900.78	646.78
Aggregate	956.32	1,679.80
Bitumen	71.08	67.08
Shuttering Material	3,707.82	3,575.62
Sand	173.45	121.70
Other Construction Material	2,803.66	2,998.98
	17,892.19	15,788.11
(b) Stores and spares - at lower of cost and net realisable value	6,933.33	5,575.25
	6,933.33	5,575.25
(c) Construction Work-in-Progress		
At estimated realisable value	107,348.58	62,768.84
Less: Advances received	25,900.88	10,410.83
	81,447.70	52,358.01
Total	106,273.22	73,721.37

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

18. Trade receivables

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	30,873.95	19,323.73
Other Trade receivables		
Unsecured, considered good	16,732.28	19,544.23
Total	47,606.23	38,867.96

19. Cash and bank balances

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
A. Cash and cash equivalents		
(a) Cash on hand	56.49	55.61
(b) Balances with banks		
(i) In current accounts	811.41	1,123.76
Total - cash and cash equivalents (A)	867.90	1,179.37
B. Other bank balances		
(a) In other deposit accounts		
- Original maturity more than 3 months	3.94	-
(b) In earmarked accounts		
- Unpaid dividend accounts	34.39	32.08
- Balances held as margin money or security against borrowings, guarantees and Other commitments	8.16	7.39
- Other earmarked accounts (Refer note (i) below)	91.62	392.92
Total - Other bank balances (B)	138.11	432.39
Total cash and bank balances (A+B)	1,006.01	1,611.76

Notes:

- (i) Balance with banks-other earmarked accounts Include deposits ₹ 44.28 Lacs (Previous Year ₹ 332.14 Lacs) over which Banks and Clients have lien and ₹ 47.34 Lacs (Previous year ₹ 60.78 Lacs) placed as Earnest Money Deposit with various authorities.

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Loans and advances to related parties (Refer Note 40)		
To Subsidiaries	2,573.82	1,238.95
To Joint Ventures	27,762.59	17,706.87
To Partnership Firm	698.86	698.92
	31,035.27	19,644.74
(b) Security deposits	186.09	196.69
(c) Loans and advances to employees	183.92	175.46
(d) Prepaid expenses	742.12	1,006.02
(e) Balances with government authorities		
(i) VAT credit receivable	1,311.40	1,234.50
(ii) Service Tax credit receivable	121.11	160.56
(iii) Other Deposits	1.40	0.90
	1,433.91	1,395.96
(f) Others - Advance to vendors and others	7,286.63	8,991.05
Total	40,867.94	31,409.92

Notes forming part of the financial statements for the year ended 31st March, 2014

21. Other current assets

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Accruals		
(i) Interest accrued on bank deposits	7.63	56.90
(b) Interest on trade receivable as per arbitration awards	8,708.40	10,229.78
(c) Receivable under foreign currency contracts	529.50	-
(d) Others		
(i) Insurance claims	592.98	18.97
(ii) Duty Credit receivable	2,342.40	2,306.63
(iii) Custom Duty receivable	459.94	-
Total	12,640.85	12,612.28

22. Revenue from operations

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Sale of products (Refer Note (i) below)	810.53	215.23
(b) Sale of services (Refer Note (ii) below)	262,557.38	183,139.91
(c) Other operating revenues (Refer Note (iii) below)	9,306.55	5,631.73
Total	272,674.46	188,986.87

Note	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(i)	Sale of products comprises:		
	Construction Materials	810.53	215.23
	Total - Sale of products	810.53	215.23
(ii)	Sale of services comprises:		
	Construction Revenue	265,246.80	184,266.66
	Less : Value added tax	2,689.42	1,126.75
	Total - Sale of services	262,557.38	183,139.91
(iii)	Other operating revenues comprises:		
	Project Management Fees	-	56.84
	Sale of scrap	923.39	528.35
	Duty Scrip credit	2,342.40	3,152.59
	Equipment Hire Charges	270.00	20.22
	Service Charges	0.76	1.92
	Distribution of Profits from Joint Ventures	5,770.00	1,871.81
	Total - Other operating revenues	9,306.55	5,631.73

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Notes forming part of the financial statements for the year ended 31st March, 2014

23. Other income

	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(a)	Interest income (Refer Note (i) below)	4,704.76	4,630.71
(b)	Dividend income:		
	From non trade, non current investments	0.01	-
(c)	Other non operating income (Refer Note (ii) below)	2,632.64	1,302.24
	Total	7,337.41	5,932.95

Note	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(i)	Interest income comprises:		
	Interest from banks deposits	23.76	43.27
	Interest on loans and advances	639.94	573.46
	Interest on Arbitration awards	3,938.69	3,872.15
	Interest income from non current investments	0.97	0.87
	Interest on income tax refund	101.40	140.96
	Total - Interest income	4,704.76	4,630.71
(ii)	Other non operating income comprises:		
	Profit on sale of fixed assets	-	36.84
	Provision for doubtful debtors no longer required written back	366.49	-
	Creditors / Excess provision written back	533.51	268.75
	Insurance Claim received	951.25	241.58
	Miscellaneous income	781.39	755.07
	Total - Other non-operating income	2,632.64	1,302.24

24. Cost of construction

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Cost of Construction Materials consumed (Including Bought out Items)	73,712.56	46,601.74
<u>Other Construction Expenses:</u>		
Consumption of stores and spare parts	13,752.70	12,095.93
Subcontracting expenses (Including lease payment for equipments hired) (Refer Note 41)	65,143.80	40,286.33
Site Installation	1,118.43	1,041.45
Technical Consultancy	4,297.80	3,601.02
Power and fuel	12,884.42	8,597.97
Freight and forwarding	6,130.61	4,141.75
	103,327.76	69,764.45
Total	177,040.32	116,366.19

25. Cost of traded goods

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Construction Materials	824.30	193.18
Total	824.30	193.18

26. Employee benefits expense

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Salaries and wages	33,007.22	29,259.14
Contributions to provident and other funds (Refer Note 38)	2,482.97	2,068.42
Staff welfare expenses	1,928.58	1,301.58
Total	37,418.77	32,629.14

Notes forming part of the financial statements for the year ended 31st March, 2014

27. Finance costs

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Interest expense on:		
(i) Borrowings and Advances	14,559.60	12,243.37
(ii) Delayed / deferred payment of income tax	0.92	5.41
(b) Other borrowing costs:		
(i) Bank Guarantee Commission including Bank Charges	963.81	767.27
(ii) L/c charges & Processing Fees	447.77	346.03
Total	15,972.10	13,362.08

28. Other expenses

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Water and Electricity	440.95	430.06
Rent (Refer Note 41)	2,396.89	1,912.54
Repairs and maintenance - Buildings	0.30	0.08
Repairs and maintenance - Machinery	727.72	429.83
Repairs and maintenance - Others	477.59	486.83
Insurance	2,114.35	3,232.83
Rates and taxes	2,899.42	2,128.28
Communication	437.91	377.56
Travelling and conveyance	3,980.44	3,312.76
Security Charges	1,747.66	1,146.83
Donations and contributions	59.06	28.14
Legal and professional	2,999.02	3,869.78
Payments to auditors (Refer Note below)	86.93	60.33
Duty Scrip Written off	906.76	-
Bad/Irrecoverable Debtors/Unbilled Revenue written off	414.44	-
Advances written off	87.98	0.34
Less: - Provision no longer required written back	78.01	-
	9.97	0.34
Net loss on foreign currency transactions and translation (Net)	525.77	254.90
Directors Fees	6.20	4.60
Provision for projected loss on contract	444.41	-
Loss on sale of fixed assets	134.47	-
Share of Loss from partnership firm	0.07	0.14
Expenses of jobs completed in earlier year	30.00	30.00
Hedging expenses	920.09	466.53
Miscellaneous expenses	2,111.75	1,750.25
Total	23,872.17	19,922.61

Note:

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
<u>Payments to the auditors comprises *</u>		
As auditors - statutory audit	39.50	30.00
For taxation matters	20.99	6.50
For other services	15.00	16.50
Reimbursement of expenses	0.37	0.78
For Service tax	11.07	6.55
Total	86.93	60.33

* excludes payment of ₹ 16.05 Lacs (Previous Year ₹ 58.66 Lacs) for taxation matters to an affiliated firm of one of the joint auditors covered by a networking arrangement which is registered with the institute of Chartered Accountants of India.

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Notes forming part of the financial statements for the year ended 31st March, 2014

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts Differences with sub-contractors in regard to rates and quantity of materials. The above claims are pending before various courts. The Company is confident that the cases will be successfully contested.	6,821.55	6,012.95
(b) Guarantees		
i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures and counter guaranteed by the Company.	115,185.91	135,126.17
ii) Corporate Guarantees given on behalf of Subsidiaries and Joint Ventures.	-	85,736.18
(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.	1,179.28	1,370.21
(d) Service Tax Represents demand confirmed by the CESTAT / Asst. Commissioner of Service Tax for a) disallowance of Cenvat Credit, since abatement claimed by the Company and b) disallowance of general exemption of private Transport terminals, (Previous year including ₹ 4,251.04 Lacs for Railways for construction of Metro Railways for which department has gone in further appeal) etc. The Company has appealed / in the process of appeal against the said order with Commissioner of Service Tax Mumbai / High Court and is confident that the cases will be successfully contested. The company has received the stay order for some case from the CESTAT.	6,219.27	9,454.26
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	1,387.04	335.06

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	82.37	104.40
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.72	1.35
(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	1.72	1.35
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

31. During the previous year, the company had issued 1000 Unsecured Unlisted Redeemable Non-Convertible Debentures (NCDs) amounting to Rs. 10,000.00 Lacs to a bank on a private placement basis. The said Bank subsequently transferred the NCDs in favour 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 / Options [being a derivative instrument], which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the Forward Exchange Contracts entered into by the company as on 31st March, 2014 (Previous Year USD 35,000,000, equivalent to ₹ 18,998.00 Lacs)

Currency	Amount	Buy/Sell	Cross Currency	₹ in Lacs
US Dollar	36,888,120	Buy	Rupees	22,101.52

Notes forming part of the financial statements for the year ended 31st March, 2014
(b) Interest Rate Swaps to hedge against fluctuations in interest rate changes:

No. of contracts:	2	
Notional Principal	US\$ 35,000,000	₹ 20,970.25 Lacs

(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 10,829,530.48 and EURO 5,128,617.00 equivalent to ₹ **6,488.51 Lacs** and ₹ **4,232.52 Lacs** respectively (as on 31st March, 2013 USD 10,944,132.60 equivalent to ₹ 5,940.48 Lacs and Euro 4,683,521.67 equivalent to ₹ 3,257.99 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 ₹ **38,238.06 Lacs** (as at 31st March 2013 ₹ 20,990.83 Lacs) and ₹ **74,742.76 Lacs** (as at 31st March 2013 ₹ 25,568.36 Lacs) respectively as given below.

Receivable 2013-14			Receivable 2012-13		
Foreign currency		₹ in Lacs	Foreign currency		₹ in Lacs
QR	277,420.65	45.65			
OMR	47,707.21	74.28	OMR	456,787.66	645.69
MAUR Ru	270,676.95	5.41	MAUR Ru	18,042,098.36	326.13
UAED	27,496,741.29	4,485.60	UAED	13,643,068.39	2,016.74
JOD	8,841,523.64	7,485.38	JOD	2,884,610.51	2,215.43
USD	29,672,624.91	17,778.36	USD	14,449,942.14	7,843.43
EURO	327,567.07	270.33	EURO	239,766.41	166.79
BHD	3,500,809.60	5,563.69	BHD	5,366,575.65	7,776.23
KWD	219,988.68	468.73	KWD	206.50	0.39
BDT	1,442,165.42	11.14			
JPY	353,116,493.00	2,049.49			
Total		38,238.06	Total		20,990.83

Payable 2013-14			Payable 2012-13		
Foreign currency		₹ in Lacs	Foreign currency		₹ in Lacs
QR	32,936.59	5.42	QR	596,794.50	89.04
OMR	6,964.02	10.85	OMR	8,885.28	12.56
MAUR Ru	436,251.25	8.71	MAUR Ru	19,731,873.76	356.67
UAED	632,252.59	103.14	UAED	2,328,147.37	344.15
JOD	14,045,009.99	11,890.73	JOD	9,559,978.38	7,353.20
USD	66,078,310.64	39,590.82	USD	20,235,499.39	10,983.83
EURO	9,154,354.32	7,554.86	EURO	427,080.05	297.09
BHD	2,443,683.44	3,883.64	BHD	4,208,037.52	6,097.50
KWD	2,705,353.07	5,764.27	KWD	5,212.75	9.91
GBP	51,935.30	51.85	GBP	16,901.30	13.94
JPY	1,005,038,883.90	5,833.25	JPY	1,089,959.23	6.28
CHF	18,004.34	12.20	CHF	6,373.50	3.65
BDT	1,253,987.83	9.69	SGD	1,231.37	0.54
IQD	6,666,660.19	3.43			
SAR	124,563.33	19.90			
Total		74,742.76	Total		25,568.36

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

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Notes forming part of the financial statements for the year ended 31st March, 2014

33. Value of imports calculated on CIF basis

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Components	1,984.35	984.26
Capital goods	4,005.59	25,559.36
Total	5,989.94	26,543.62

34. Expenditure in foreign currency (on accrual basis)

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Construction materials consumed	27,527.90	13,353.62
Sub – Contract and Hire Charges	36,719.83	16,849.43
Technical consultancy fees	2,485.16	1,378.72
Professional Fees	1,518.35	2,606.19
Rent	671.47	604.04
Salaries, Wages & Bonus	5,943.89	4,132.05
Interest	78.68	83.90
Tax	2,633.02	1,291.01
Freight & Transportation	4,239.22	2,650.71
Travelling Expenses	960.83	620.85
Staff Welfare Expenses	1,200.32	625.33
Insurance	365.30	231.92
Clearing Charges for imported spares	486.28	472.79
Bank Guarantee Commission	562.92	401.17
Repairs and Maintenance	37.03	11.47
Others	2,045.56	1,183.62
Total	87,475.76	46,496.82

35. Earnings in foreign currency (on accrual basis)

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Value of work executed	78,851.17	50,014.75
Sale of Scrap	201.64	81.19
Insurance Claim Received	0.31	18.52
Interest and Other Income	185.71	145.45
Equipment Hire Charges	-	6.14
Service Charges	0.76	1.92
Distribution of Profit from Joint Venture	-	1,871.81
Total	79,239.59	52,139.78

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

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Construction materials consumed	94.03	16.84
Stores and spares consumed	64.40	165.87
Repairs	119.13	64.54
Others	24.75	7.12
Total	302.31	254.37

Notes forming part of the financial statements for the year ended 31st March, 2014

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

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Details of contract revenue and costs		
a) Contract Revenue	262,557.38	183,139.91
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	604,497.49	366,550.48
(ii) Recognized profits (less recognized losses)	108,282.24	85,838.14
(iii) Advances Received	43,157.75	35,765.49
(iv) Retention Money	6,950.89	7,229.86
c) Gross amount due from customers for contract work in progress	106,241.29	56,437.30
d) Gross amount due to customers for contract work in progress	-	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	31 st March 2013
Discount Rate	9.31%	8.25%
Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation	4.50%	4.50%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

(₹ in Lacs)

B. Changes in the Benefit Obligation	Current Year	31 st March 2013
Liability at the Beginning of the current year	1388.16	1231.33
Interest Cost	114.52	104.66
Current Service Cost	128.07	114.81
Past Service Cost	-	-
Benefit Paid	(235.84)	(224.97)
Actuarial Loss/ (Gain) on obligations	6.84	162.32
Liability at the end of the current year	1,401.75	1,388.16

C. Fair Value of the Plan Asset	Current Year	31 st March 2013
Fair Value of Plan Asset at the beginning of the year	1,006.05	964.21
Expected Return on Plan Asset	87.53	82.92
Contributions	133.17	178.09
Benefit paid	(235.84)	(224.97)
Actuarial Gain/ (Loss) on Plan Assets	(2.68)	5.79
Fair value of Plan Assets at the end of the year	988.23	1,006.05
Total Actuarial Loss to be Recognized	(9.52)	(156.53)

D. Actual Return on Plan Assets:	Current Year	31 st March 2013
Expected Return on Plan Assets	87.53	82.92
Actuarial Gain/ (Loss) on Plan Assets	(2.68)	5.79
Actual Return on Plan Assets	84.85	88.71

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Notes forming part of the financial statements for the year ended 31st March, 2014

E. Amount Recognized in the Balance Sheet:	Current Year	31st March 2013
Liability at the end of the year	1,401.75	1,388.16
Fair Value of Plan Assets at the end of the year	988.23	1,006.05
Unrecognized Past Service Cost	-	-
Amount recognized in the Balance Sheet	(413.53)	(382.11)

F. Expense Recognized in the Profit and Loss Account:	Current Year	31st March 2013
Current Service Cost	128.07	114.81
Interest Cost	114.52	104.66
Expected Return on Plan Assets	(87.53)	(82.92)
Past Service Cost	-	-
Net Actuarial Gain / Loss to be recognized	9.52	156.53
Expense recognized in the Profit and Loss Account under staff expenses	164.58	293.08

G. Reconciliation of the Liability recognized in the Balance Sheet:	Current Year	31st March 2013
Opening Net Liability	382.11	267.12
Expense recognized	164.58	293.08
Employers Contribution	(133.17)	(178.09)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	413.52	382.11

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 2013
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-1996) Ultimate
Discount Rate	9.31%	8.25%
Salary Escalation	4.50%	4.50%
Withdrawal Rate	2.00%	2.00%

Experience adjustments

	2013-2014	2012-2013	2011-2012	2010- 2011	2009-2010
Gratuity					
Present value of DBO	1,401.75	1,388.16	1,231.33	1,044.40	889.99
Fair value of plan assets	988.23	1006.05	964.22	835.94	643.10
Funded status [Surplus / (Deficit)]	(413.53)	(382.11)	(267.12)	(208.46)	(246.89)
Experience gain / (loss) adjustments on plan liabilities	(108.39)	(140.29)	(107.95)	(108.35)	(44.48)
Experience gain / (loss) adjustments on plan assets	2.68	5.79	14.57	13.40	2.78

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 ₹ **1,647.82 Lacs** (Year ended 31st March, 2013 ₹ 1,172.25 Lacs) for Provident Fund contributions and ₹ **651.23 Lacs** (Year ended 31st March, 2013 ₹ 588.31 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes :

- Premium is paid to LIC under Group Gratuity Scheme of LIC.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.
- Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 400.85 Lacs (Previous year ₹ 397.43 Lacs).
- The expected return on plan assets is determined considering several applicable factors which includes mainly the composition of plan assets held, assessed risks of asset management and historical result of the return on plan asset.

Notes forming part of the financial statements for the year ended 31st March, 2014

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	220,371.16 (136,954.22)	52,303.30 (52,032.65)	272,674.46 (188,986.87)
Carrying amount of asset (Excluding Taxes on Income and Investment)	313,593.25 (272,888.49)	29,425.15 (20,707.91)	343,018.40 (293,596.40)
Additions to Fixed Assets	10,755.33 (26,150.75)	190.91 (307.12)	10,946.24 (26,457.87)

Figures in parenthesis are those of previous year.

40. Related party disclosures

(a) Details of related parties:

Related Party where Control exists

Holding Company

Shapoorji Pallonji & Company Limited

Subsidiaries of the Company

Hazarat & Company Private Limited
 Afcons Corrosion Protection Private Limited (formerly known as M/s. SSS Electricals (India) Pvt Ltd.)
 Afcons Offshore and Marine Services Private Limited
 Afcons Construction Mideast LLC
 Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL
 Afcons Overseas Construction LLC (w.e.f. 3rd September, 2012)
 Afcons Infrastructure International Ltd. (AAIL) (Subsidiary till 31st December, 2013; amalgamated w.e.f. 1st January, 2014)
 Afcons Madagascar Overseas SARL (Subsidiary of AAIL, Wound up w.e.f. 30th August, 2013)
 Afcons Gulf International Project Services FZE (Subsidiary of AAIL till 15th August, 2013; Subsidiary of AMIL w.e.f. 16th August, 2013)
 Afcons Gunanusa Joint Venture
 Transtonnelstroy Afcons Joint Venture
 Dahej Standby Jetty Project undertaking
 Afcons Mauritius Infrastructure Ltd. (AMIL) (w.e.f. 1st January, 2014)

Fellow Subsidiary(s)

Floreat Investments Limited
 SP Jammu Udhampur Highway Pvt. Ltd.
 Forvol International Service Ltd.
 Renaissance Commerce Pvt. Ltd.
 Hermes Commerce Ltd.

Associate of the Company

Afcons (Mideast) Constructions and Investments Private Limited

Partnership firm in which the Company is a partner

Afcons Pauling Joint Venture

Jointly Controlled Entities

Strabag AG Afcons Joint Venture
 Saipem Afcons Joint Venture
 Ircon Afcons Joint Venture (w.e.f. 29th November, 2013)

Key Management Personnel

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

AFCONS INFRASTRUCTURE LIMITED

(b) Details of transactions with related parties for the period 01/04/2013 to 31/03/2014

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 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13
Managerial Remuneration paid																
K.Subrahmanian													155.00	155.00	155.00	155.00
S.Paramasivan													120.00	120.00	120.00	120.00
Sitting Fees paid																
S.P.Mistry													0.60	0.40	0.60	0.40
Issue of Preference Shares																
Shapoorji Pallonji & Company Limited	10,000.00	-													10,000.00	-
Dividend on Preference Shares																
Floreat Investments Limited					1.00	1.00									1.00	1.00
Shapoorji Pallonji & Company Limited	0.03	-													0.03	-
Interim Dividend on Equity Shares																
Shapoorji Pallonji & Company Limited	978.00	977.62													978.00	977.62
Floreat Investments Limited					260.32	260.32									260.32	260.32
Hermes Commerce Limited					80.33	80.33									80.33	80.33
Renaissance Commerce Private Ltd.					80.33	80.33									80.33	80.33
K.Subrahmanian													1.16	1.16	1.16	1.16
S.Paramasivan													0.53	0.53	0.53	0.53
Overhead Charges Recovered																
Strabag-AG Afcons Joint Venture									477.07	543.70					477.07	543.70
Interest Income																
Afcons Construction Mideast LLC			167.70	40.58											167.70	40.58
Afcons Overseas Construction LLC, Qatar			6.32	0.23											6.32	0.23
Distribution of Profit from Joint Ventures																
Saipem-Afcons Joint Venture									-	1,871.81					-	1,871.81
Dahej Standby Jetty Project Undertaking (DJPU)			2,800.00	-											2,800.00	-
Transtonnelsroy-Afcons Joint Venture			2,970.00												2,970.00	-
Sale of Spares/Materials/Assets																
Transtonnelsroy-Afcons Joint Venture			815.55	162.21											815.55	162.21
Dahej Standby Jetty Project Undertaking (DJPU)			29.24	58.63											29.24	58.63
Afcons Construction Mideast LLC			10.51	-											10.51	-
Advance Given / (Received back)																
Afcons Construction Mideast LLC			772.56	1,104.97											772.56	1,104.97
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)
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.			160.60	-											160.60	-

AFCONS INFRASTRUCTURE LIMITED



(b) Details of transactions with related parties for the period 01/04/2013 to 31/03/2014

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 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13
Transtonnellostroy-Afcons Joint Venture			6,337.19	19,562.99											6,337.19	19,562.99
Afcons Gunanusa Joint Venture			931.50	(6,449.70)											931.50	(6,449.70)
Dahaj Standby Jetty Project Undertaking (DJPU)			4,481.16	48.49											4,481.16	48.49
Icon-Afcons Joint Venture									3.10	-					3.10	-
Afcons Offshore & Marine Services Private Limited			(0.95)	-											(0.95)	-
Afcons Overseas Construction LLC, Qatar			111.46	15.17											111.46	15.17
Saipem-Afcons Joint Venture									(210.14)	-					(210.14)	-
Subcontract Income																
Dahaj Standby Jetty Project Undertaking (DJPU)			3,791.05	4,417.71											3,791.05	4,417.71
Transtonnellostroy-Afcons Joint Venture			18,035.88	11,589.74											18,035.88	11,589.74
SP Jammu Udhampur Highway Pvt. Ltd.					63,774.42	65,407.75									63,774.42	65,407.75
Sale of Duty Credit scrip																
Shapoorji Pallonji & Company Limited	833.72	-													833.72	-
Project Management Consultancy Service Income																
Saipem-Afcons Joint Venture									56.84	-					-	56.84
Profit/(Loss) of share in partnership firm																
Afcons Pauling Joint Venture							(0.07)	(0.14)							(0.07)	(0.14)
Service Charges paid																
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL			198.89	102.77											198.89	102.77
Afcons Overseas Construction LLC, Qatar			90.76	-											90.76	-
Rent Expense																
Hazarat & Company Private Limited			1.20	1.20											1.20	1.20
Expenses incurred by/(on behalf of) Afcons																
Afcons Construction Mideast LLC			188.09	(38.42)											188.09	(38.42)
Transtonnellostroy-Afcons Joint Venture			66.31	278.92											66.31	278.92
Dahaj Standby Jetty Project Undertaking (DJPU)			41.78	45.64											41.78	45.64
Sirabag-AG Afcons Joint Venture									357.74	254.16					357.74	254.16
Afcons Gunanusa Joint Venture			88.01	539.09											88.01	539.09
Icon-Afcons Joint Venture									27.62	-					27.62	-
Afcons Overseas Construction LLC, Qatar			2.65	-											2.65	-
Interest Expense																
Afcons (Mideast) Constructions and Investments Private Limited											9.00	9.00			9.00	9.00
Transtonnellostroy-Afcons Joint Venture			-	211.74											-	211.74
Dahaj Standby Jetty Project Undertaking (DJPU)			-	55.84											-	55.84
Travelling Expense																
Forval International Service Ltd.					726.74	702.69									726.74	702.69

AFCONS INFRASTRUCTURE LIMITED

(b) Details of transactions with related parties for the period 01/04/2013 to 31/03/2014

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 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13
Purchase of Assets / Material																
Dahaj Standby Jetty Project Undertaking (DJPU)			244.56	85.75											244.56	85.75
Transonnelstroy-Afcons Joint Venture			356.53	108.45											356.53	108.45
Guarantees Given for/ (Released)																
Afcons Corrosion Protection Private Limited			3.06	4.75											3.06	4.75
Afcons Gunanusa Joint Venture			(2,443.30)	(9,176.66)											(2,443.30)	(9,176.66)
Strabag-AG Afcons Joint Venture									(952.43)	-					(952.43)	-
Saipem-Afcons Joint Venture										(4,887.68)						(4,887.68)
Transonnelstroy-Afcons Joint Venture			2,252.22	802.89					-						2,252.22	802.89
Dahaj Standby Jetty Project Undertaking (DJPU)			(1,936.13)	-											(1,936.13)	-
Outstanding Amount of Guarantee Given/ (Taken)																
Afcons Corrosion Protection Private Limited			35.07	32.01											35.07	32.01
Afcons Construction Mideast LLC			-	85,736.18											-	85,736.18
Afcons Gunanusa Joint Venture			24,088.01	31,580.22											24,088.01	31,580.22
Strabag-AG Afcons Joint Venture									20,345.17	21,155.04					20,345.17	21,155.04
Transonnelstroy-Afcons Joint Venture			61,775.00	63,287.34											61,775.00	63,287.34
Dahaj Standby Jetty Project Undertaking (DJPU)			6,623.12	8,451.90											6,623.12	8,451.90
Outstanding Amount Loans & Advances Dr/ (Cr)																
Afcons Offshore & Marine Services Private Limited			-	0.95											-	0.95
Afcons Construction Mideast LLC			2,528.50	1,222.63											2,528.50	1,222.63
Afcons Gunanusa Joint Venture			15,547.75	14,528.23											15,547.75	14,528.23
Strabag-AG Afcons Joint Venture									1,631.17	901.90					1,631.17	901.90
Afcons (Mideast) Constructions and Investments Private Limited											(90.00)	(90.00)			(90.00)	(90.00)
Dahaj Standby Jetty Project Undertaking (DJPU)			1,605.25	(2,702.38)											1,605.25	(2,702.38)
Transonnelstroy-Afcons Joint Venture			8,875.76	2,013.24											8,875.76	2,013.24
Saipem-Afcons Joint Venture									71.95	263.50					71.95	263.50
Afcons Pauling Joint Venture															698.86	698.92
Afcons Overseas Construction LLC, Qatar			45.32	15.17											45.32	15.17
Afcons Infrastructures Kuwait for Building Road & Marine Contracting WLL			(38.09)	0.20											(38.09)	0.20
SP Jammu Udhampur Highway Pvt. Ltd.															-	(8,890.68)
Icon-Afcons Joint Venture									30.72	-					30.72	-
Outstanding Amount - Debtors																
Afcons Construction Mideast LLC			1,923.04	1,804.64											1,923.04	1,804.64
Dahaj Standby Jetty Project Undertaking (DJPU)			218.13	1,173.98											218.13	1,173.98
Transonnelstroy-Afcons Joint Venture			12,796.54	5,604.37											12,796.54	5,604.37
Afcons Pauling Joint Venture									762.58	762.58					762.58	762.58
Shapoorji Pallonji & Company Limited	5.91	5.91													5.91	5.91
SP Jammu Udhampur Highway Pvt. Ltd.									-	1,690.01					-	1,690.01
Outstanding Amount - Creditors																
Fonvil International Service Ltd.					168.59	128.11									168.59	128.11

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.

Notes forming part of the financial statements for the year ended 31st March, 2014

41. Details of leasing arrangements

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
As Lessor		
(i) The company has let out one of the premises and equipments under operating lease. The lease is cancellable and is renewable by mutual consent on mutually agreeable terms.		
(ii) The lease income of equipments recognised in the Statement of Profit and Loss under 'Other Operating Revenues' in Note 22	270.00	20.22
As Lessee		
(i) The company has taken various offices, residential & godown premises, land and equipments under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and 3 years under leave and licence agreement and are renewable by mutual consent on mutually agreeable terms.		
(ii) Lease payments recognised for residential and other properties in the Statement of Profit and Loss under 'Rent' in Note 28	2,396.89	1,912.54
(iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting Expenses' in Note 24	6,499.85	8,770.14

42. Earnings per share (EPS)

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

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Profit after tax	6,697.32	4,642.16
Less: Dividend on 0.01% Convertible Non Cumulative Non Participatory Preference shares (including dividend tax)	4.13	4.07
Profit for the year attributable to equity shareholders	6,693.19	4,638.09
Weighted average number of shares outstanding during the year	Numbers	Numbers
For basic EPS	71,970,238	71,970,238
For diluted EPS (refer note below)	340,738,268	333,162,510
Earnings per share	₹	₹
Basic	9.30	6.44
Diluted	1.97	1.39
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	71,970,238	71,970,238
Add: Potential equity shares that could arise on conversion of 0.01%.Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each. {Refer Note 3(iii b)}	246,540,258	246,540,258
Add: Potential equity shares that could arise on conversion of 0.01% Non-cumulative, Non-Participatory Convertible Preference shares at ₹ 68.25. {Refer Note 3(ii b)}	14,652,014	14,652,014
Add: Potential equity shares that could arise on conversion of 0.01%.Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹ 10 each. {Refer Note 3 (iv b) (for arriving at potential equity shares maximum conversion price of ₹ 132/- per share is considered)}	7,575,758	-
Total	340,738,268	333,162,510

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2014

43. Interest in joint ventures :

The Company has interests in the following jointly controlled entities:

(₹ in Lacs)

Name of companies and country of incorporation	% holding Share	Amount of interest based on accounts for the year ended 31 st March, 2014					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Saipem Afcons Joint Venture , Oman (unaudited)	50% (50%)	58.06 (233.77)	58.06 (233.77)	- (50.86)	19.17 (82.47)	- (-)	- (-)
Strabag AG Afcons Joint Venture, India (audited)	40% (40%)	11,082.65 (12,245.42)	11,082.65 (12,245.42)	7,261.16 (7,908.22)	7,198.55 (7,636.54)	430.00 (305.00)	- (38.90)
Iron Afcons Joint Venture, India (audited)	47% (-)	2,250.66 (-)	2,250.66 (-)	121.91 (-)	221.53 (-)	- (-)	- (-)

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:

Particulars	Current year	As at 31 st March 2013
	Quantity	Quantity
Authorised to be Granted	1,785,000	1,785,000
Granted and Outstanding at the beginning of the year	Nil	Nil
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Lapsed during the year	Nil	Nil
Granted and outstanding at the end of the year	Nil	Nil
Fair value of the ESOP on the date of Grant	₹ 9.41	₹ 9.41

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

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

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

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

- (i) Expected Life of the Options:

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

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

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

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

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

- (ii) Risk free interest rate:

This rate has been assumed at 8%.

- (iii) Share price:

Share price of Rs. 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 financial statements for the year ended 31st March, 2014

45. During the previous year the Company had 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 ₹ 2,729.53 Lacs received from a Joint Venture where the Company is a Joint Venture partner, are not chargeable 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 during the previous year, which has been disclosed as write back of Tax expense relating to prior year in the statement of Profit and Loss.

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

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

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

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

47. Disclosure of movement in Provision for Contingencies

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Opening Provision	312.78	282.78
Add: For the year	30.00	30.00
Closing Provision	342.78	312.78

Provision for contingencies pertains to expenses of jobs completed in earlier year which are under dispute. No cash outflow of the above provisions are expected in the near future.

48. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman

K.SUBRAHMANYAN
Vice Chairman &
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.N.KAPADIA
Director

Place: Mumbai
Date: 24th June, 2014

N.D.KHURDY
Director

P.R.RAJENDRAN
Company Secretary

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
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
2013-14	280,012	14,596	10,289	3,591	52,197	52,155	133,718	137,549	45,835	91,715	9.30	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, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of 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 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 seven subsidiaries and one jointly controlled entities (Previous year ended 31st March, 2013: seven subsidiaries and a jointly controlled entity), whose financial statements reflect total assets (net) of ₹ 26,093.49 lacs as at 31st March, 2014 (As at 31st March, 2013: ₹ 33,806.34 lacs), total revenue of ₹ 7,428.97 lacs (Previous year ended 31st March 2013: ₹ 6,417.05 lacs) and net cash flows amounting to ₹ 1,336.05 lacs (Previous year ended 31st March 2013: ₹ 2,279.26 lacs) for the period ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, jointly controlled entities and associates, 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 possible effects of the matters described in the Basis for Qualified Opinion paragraph above, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates 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, 2014;
- (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 audit the financial statements of six subsidiaries and two joint venture, whose financial statements reflect total assets (net) of ₹ 21,429.37 lacs as at 31st March, 2014, total revenues of ₹ 24,341.60 lacs and net cash flows amounting to ₹ 2,034.58 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, 2014, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by either of us in our individual capacity or by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, 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
(Firm Registration No. 117364W)

R. Salivati

Partner
(Membership No. 34004)

MUMBAI, 24th June, 2014

For J. C. Bhatt & Associates

Chartered Accountants
(Firm Registration No. 130923W)

J.C. Bhatt

Partner
(Membership No. 10977)

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

Consolidated Balance Sheet as at 31st March, 2014

Particulars		Note No.	As at 31 st March, 2014	As at 31 st March, 2013
			₹ in Lacs	₹ in Lacs
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	52,197.02	42,197.02
	(b) Reserves and surplus	4	60,810.03	56,522.43
			113,007.05	98,719.45
2	Minority Interest (net)		(106.29)	(313.36)
3	Non-current liabilities			
	(a) Long-term borrowings	5	55,298.13	49,744.99
	(b) Deferred tax liabilities (net)	6	11,575.66	9,239.54
	(c) Other long-term liabilities	7	22,730.81	31,409.51
	(d) Long-term provisions	8	864.55	920.23
			90,469.15	91,314.27
4	Current liabilities			
	(a) Short-term borrowings	9	78,229.97	57,896.29
	(b) Trade payables	10	98,961.75	68,202.71
	(c) Other current liabilities	11	43,731.49	51,834.84
	(d) Short-term provisions	12	2,171.77	3,758.05
			223,094.98	181,691.89
	TOTAL		426,464.89	371,412.25
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	13A	99,168.54	99,252.96
	(ii) Intangible assets	13B	337.03	370.37
	(iii) Capital work-in-progress	13C	10,460.09	14,805.91
			109,965.66	114,429.24
	(b) Goodwill on Consolidation		13.90	13.90
	(c) Non-current investments	14	8,612.71	40.10
	(d) Long-term loans and advances	15	19,036.21	14,893.38
	(e) Other non-current assets	16	29,933.09	28,234.42
			167,561.57	157,611.04
2	Current assets			
	(a) Inventories	17	184,223.80	131,686.21
	(b) Trade receivables	18	43,042.30	38,565.80
	(c) Cash and bank balances	19	6,787.56	14,445.07
	(d) Short-term loans and advances	20	12,179.66	14,515.23
	(e) Other current assets	21	12,670.00	14,588.90
			258,903.32	213,801.21
	TOTAL		426,464.89	371,412.25
See accompanying notes 1 to 43 forming part of the financial statements				

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

For J.C. BHATT & ASSOCIATES
CHARTERED ACCOUNTANTS

S.P.MISTRY
Chairman

K.SUBRAHMANYAN
Vice Chairman &
Managing Director

R. SALIVATI
Partner

J.C.BHATT
Partner

S.PARAMASIVAN
Deputy Managing Director

P.N.KAPADIA
Director

Place: Mumbai
Date: 24th June, 2014

N.D.KHURDODY
Director

P.R.RAJENDRAN
Company Secretary

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



Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

	Particulars	Note No.	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
			₹ in Lacs	₹ in Lacs
1	Revenue from operations	22	359,349.61	301,750.33
2	Other income	23	8,012.99	6,218.28
3	Total revenue (1+2)		367,362.60	307,968.61
4	Expenses			
	(a) Cost of construction	24	246,905.75	201,175.62
	(b) Employee benefits expense	25	45,835.70	40,558.72
	(c) Finance costs	26	17,661.86	14,123.37
	(d) Depreciation and amortisation expense	13D	15,689.88	7,515.46
	(e) Other expenses	27	31,782.74	29,449.04
	Total expenses		357,875.93	292,822.21
5	Profit before tax (3-4)		9,486.67	15,146.40
6	Tax expense:			
	(a) Tax expense for current period		3,695.92	5,597.02
	(b) MAT credit		(1,563.00)	(1,146.85)
	(c) Deferred tax		2,336.12	1,594.79
	(d) Tax expense /(credit) relating to prior period (net)		100.14	(110.33)
			4,569.18	5,934.63
7	Profit after tax and before Minority interest (5-6)		4,917.49	9,211.77
8	Minority Interest		(221.41)	230.17
9	Profit for the year (7+8)		4,696.08	9,441.94
10	Earnings per share (face value of ₹ 10/- each):	37		
	(a) Basic		6.52	13.11
	(b) Diluted		1.38	2.83
	See accompanying notes 1 to 43 forming part of the financial statements			

In terms of our report attached

**For DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS**

**R. SALIVATI
Partner**

**Place: Mumbai
Date: 24th June, 2014**

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

**J.C.BHATT
Partner**

For and on behalf of the Board of Directors

**S.P.MISTRY
Chairman**

**S.PARAMASIVAN
Deputy Managing Director**

**N.D.KHURDY
Director**

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

**P.N.KAPADIA
Director**

**P.R.RAJENDRAN
Company Secretary**

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

Consolidated Cash Flow Statement for the year ended 31st March, 2014

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Cash flow from operating activities		
Profit before tax	9,486.67	15,146.40
Adjustments for :		
Depreciation	15,689.88	7,515.46
Loss / (profit) on sale of fixed assets (<i>net</i>)	134.43	(36.84)
Dividend income	(0.01)	-
Interest income	(4,658.07)	(5,084.76)
Interest expense	15,711.76	12,338.39
Bad/irrecoverable Debtors /Unbilled Revenue /Advances/ Duty Scrip w/off	1,413.57	0.34
Provision for doubtful debtors no longer required written back	(366.49)	-
Provision for doubtful advances no longer required written back	(78.01)	-
Creditors / Excess Provision for expenses of earlier years written back	(681.57)	(563.47)
Provision for Projected Losses on contract	444.41	-
Operating profit before working capital changes	37,096.57	29,315.52
(Increase) in Inventories	(52,537.59)	(44,696.84)
(Increase)/Decrease in Trade receivables	(4,476.50)	2,484.10
Decrease / (Increase) in Loans and Advances and Other Assets	5,643.29	(2,277.33)
Increase in Trade, Other payables and Provisions	11,153.22	7,308.74
Cash from Operations	(3,121.01)	(7,865.81)
Direct taxes - (paid) / refunds	(6,645.13)	(1,250.44)
Net Cash flow (used in) operating activities	(9,766.14)	(9,116.25)
Cash flow from investing activities		
Purchase of fixed assets	(10,140.61)	(25,737.64)
Proceeds from sale of fixed assets	142.14	252.17
Purchase of Investments	(8,572.61)	-
Dividend received	0.01	-
Investment in Other bank balance redeemed	1,934.88	1,150.27
Interest received	2,555.51	4,954.74
Net Cash flow (used in) investing activities	(14,080.68)	(19,380.46)
Cash flow from financing activities		
Proceeds from issue of Preference share	10,000.00	-
Proceeds from long-term borrowings	18,708.17	39,625.31
Repayment of long-term borrowings	(13,093.81)	(19,580.41)
Proceeds from /repayment of short term borrowings - net	20,018.04	16,338.58
Interest paid	(15,820.08)	(12,568.60)
Dividend paid on Equity Shares (including tax) (Interim)	(1,684.06)	(1,672.90)
Dividend paid on Preference Shares (including tax)	(4.07)	(4.07)
Net Cash flow from financing activities	18,124.19	22,137.91
Net (decrease) in cash and cash equivalents	(5,722.63)	(6,358.80)
Cash and cash equivalents at the beginning of the year	10,809.82	17,149.40
Add: Cash received on acquisition of subsidiary	-	21.24
Less : Exchange difference on translation of Foreign currency of Cash and Cash equivalents.	-	(2.02)
Cash and cash equivalents at the end of the year	5,087.19	10,809.82

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006
- Cash and Cash equivalents includes unrealised Profit/(Loss) of ₹ 185.61 Lacs (Previous year ₹ 281.20 Lacs) on account of translation of foreign currency bank balances.
- Figures relating to previous year have been recast where necessary to conform to figures of the current year

In terms of our report attached		For and on behalf of the Board of Directors	
For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS	For J.C. BHATT & ASSOCIATES CHARTERED ACCOUNTANTS	S.P.MISTRY Chairman	K.SUBRAHMANYAN Vice Chairman & Managing Director
R. SALIVATI Partner	J.C.BHATT Partner	S.PARAMASIVAN Deputy Managing Director	P.N.KAPADIA Director
Place: Mumbai Date: 24th June, 2014		N.D.KHURODY Director	P.R.RAJENDRAN Company Secretary

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



Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

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 ("The 1956 Act") (Which continue to be applicable in respect of Section 133 of The Companies Act, 2013 ("The 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. 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:																																													
	<table><tr><th>Name of Subsidiary</th><th>Country of Incorporation</th><th>Percentage Holding-Share</th></tr><tr><td>Hazarat and Company Private Limited.</td><td>India</td><td>100%</td></tr><tr><td>Afcons Corrosion Protection Pvt. Ltd. (Formerly SSS Electricals (India) Private Ltd.).</td><td>India</td><td>100%</td></tr><tr><td>Afcons Offshore and Marine Services Pvt. Limited.</td><td>India</td><td>100%</td></tr><tr><td>Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL*</td><td>Kuwait</td><td>49%</td></tr><tr><td>Afcons Construction Mideast LLC*</td><td>U.A.E</td><td>49%</td></tr><tr><td>Afcons Overseas Construction LLC* (wef 03/09/2012)</td><td>Qatar</td><td>49%</td></tr><tr><td>Afcons Infrastructure International Limited (AAIL) @</td><td>Mauritius</td><td>100%</td></tr><tr><td>Afcons Madagascar Overseas SARL %</td><td>Madagascar</td><td>100%</td></tr><tr><td>Afcons Gulf International Projects Services FZE #</td><td>U.A.E.</td><td>100%</td></tr><tr><td>Afcons Mauritius Infrastructure Limited (AMIL) (wef 01.01.2014)</td><td>Mauritius</td><td>100%</td></tr><tr><td>Afcons Pauling Joint Venture</td><td>India</td><td>95%</td></tr><tr><td>Afcons Gunanusa Joint Venture</td><td>India</td><td>80%</td></tr><tr><td>Transtunnelstroy Afcons Joint Venture</td><td>India</td><td>99%</td></tr><tr><td>Dahej Standby Jetty Project Undertaking</td><td>India</td><td>100%</td></tr></table>	Name of Subsidiary	Country of Incorporation	Percentage Holding-Share	Hazarat and Company Private Limited.	India	100%	Afcons Corrosion Protection Pvt. Ltd. (Formerly SSS Electricals (India) Private Ltd.).	India	100%	Afcons Offshore and Marine Services Pvt. Limited.	India	100%	Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL*	Kuwait	49%	Afcons Construction Mideast LLC*	U.A.E	49%	Afcons Overseas Construction LLC* (wef 03/09/2012)	Qatar	49%	Afcons Infrastructure International Limited (AAIL) @	Mauritius	100%	Afcons Madagascar Overseas SARL %	Madagascar	100%	Afcons Gulf International Projects Services FZE #	U.A.E.	100%	Afcons Mauritius Infrastructure Limited (AMIL) (wef 01.01.2014)	Mauritius	100%	Afcons Pauling Joint Venture	India	95%	Afcons Gunanusa Joint Venture	India	80%	Transtunnelstroy Afcons Joint Venture	India	99%	Dahej Standby Jetty Project Undertaking	India	100%
Name of Subsidiary	Country of Incorporation	Percentage Holding-Share																																												
Hazarat and Company Private Limited.	India	100%																																												
Afcons Corrosion Protection Pvt. Ltd. (Formerly SSS Electricals (India) Private Ltd.).	India	100%																																												
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Dahej Standby Jetty Project Undertaking	India	100%																																												
	* It is accounted based on control exercised by the Company on the composition of Board of Directors. # Step down subsidiary of AAIL till 15/08/2013; subsidiary of AMIL wef 16/08/2013. @ Merged with Afcons Infrastructure Limited wef 01/01/2014. % Afcons Madagasar Overseas SARL has been wound up wef 30/08/2013.																																													

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

Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

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) Construction 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%	
	Ircon Afcons Joint Venture, India (wef 29.11.2013)	47%	
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, classification of current/non current, assets/liabilities etc. Difference between actual results and estimates are recognised in the period in which the results are known / materialise.		
2.3	Cash flow statement		
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.		
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.		
2.4	Tangible Fixed Assets		
	Tangible Fixed assets are stated at cost of acquisition/construction; inclusive of inward freight, duties, taxes, installation expenses and any expenses directly attributable to the assets to bring them to site and in working condition for its intended use; or book value and include amounts added on revaluation less accumulated depreciation (refer note 13(D)) and impairment loss, if any. The Company has adopted the provisions of para 46 / 46A of AS -11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.		
	Leasehold improvements have been capitalized and are written off over the primary lease term not exceeding five years.		
2.5	Intangible Fixed Assets		
	Intangible assets are recognized as per the criteria specified in Accounting Standard (AS - 26) – “Intangible Assets”.		
2.6	Depreciation		
	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 and office building which is depreciated @ 3.34%.		
	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.		

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Note	Particulars
2.8	<p>Investments</p> <p>Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, when there is a decline, other than temporary in the value of the long term investment, the carrying amount is reduced to recognize the decline.</p> <p>Investment in shares of the subsidiaries registered outside India, are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.</p>
2.9	<p>Inventories</p> <p>a) Construction materials, stores and spare parts are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average method. Cost of shuttering materials (included in construction materials), issued to jobs, is charged off equally over a period of four years.</p> <p>b) Work done remaining to be certified / billed is treated as Construction Work in Progress in the accounts. The same is valued at the realizable value.</p>
2.10	<p>Retention monies</p> <p>Amounts retained by the clients until satisfactory completion of the contract(s) are recognised in the financial statements as receivables. Where such retention monies have been released by the clients against submission of bank guarantees, the amounts so released are adjusted against receivables from these clients.</p>
2.11	<p>Foreign currency transactions</p> <p>(i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.</p> <p>(iii) Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.</p> <p>(iv) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items (net of mark to market gain/loss on related forward contracts /options) are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.</p>
2.12	<p>Revenue recognition on contracts</p> <p>a) Contract revenue and expenses are recognized, when outcome can be estimated reliably, on the basis of percentage completion method. Percentage of completion is determined based on the nature of contracts, either in proportion of contract costs incurred upto the reporting date to the estimated total cost or on the basis of physical proportion of the contract work completed.</p> <p>b) Contract revenue in case of 'Cost Plus' contracts is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.</p> <p>c) Variations (in contracts) and amounts in respect thereof are recognized only when it is probable that the customer(s) will approve them and amounts can be measured reliably.</p> <p>d) Claims and amounts in respect thereof are recognized only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be reliably measured. In the case of Arbitration Awards (the "Awards") which are granted unanimously in favor of the Company, the claims awarded, are accounted in the year the Awards are granted. The interest granted on such claims is recognised as per terms of the Awards.</p> <p>e) Revenue is recognised only when no significant uncertainties exist regarding its measurement and collectability.</p>
2.13	<p>Export Benefits</p> <p>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.</p>
2.14	<p>Government grants /subsidies</p> <p>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.</p>
2.15	<p>Provision for Estimated Losses</p> <p>Estimated losses, if any, in respect of contracts in progress are provided for based upon current estimates of cost to completion.</p>
2.16	<p>Employee benefits</p> <p>i) Gratuity</p> <p>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.</p> <p>ii) Superannuation</p> <p>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.</p>

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Note	Particulars
	<p>iii) Provident fund Contribution as required under the statute/ rules is made to the Government Provident Fund.</p> <p>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.</p> <p>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.</p> <p>vi) Actuarial gains and losses The actuarial gains and losses are recognised immediately in the statement of Profit and Loss.</p>
2.17	<p>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.</p>
2.18	<p>Segment Reporting: The following accounting policies have been followed for segment reporting:</p> <p>i) Segment Revenue includes income directly identifiable with / allocable to the segment.</p> <p>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.</p> <p>iii) Segment assets and liabilities include those directly identifiable with the respective segments.</p>
2.19	<p>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.</p>
2.20	<p>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.</p>
2.21	<p>Taxation Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for taxes on income". Income tax comprises both current and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with 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. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.</p>
2.22	<p>Interest Income Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates.</p>
2.23	<p>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.</p>
2.24	<p>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.</p>
2.25	<p>Derivatives Interest rates are marked to market and net loss (if any) is charged to statement of Profit and Loss.</p>

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3. Share Capital

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised				
Equity shares of ₹ 10 each.	350,000,000	35,000.00	350,000,000	35,000.00
Preference shares of ₹ 10 each.	650,000,000	65,000.00	650,000,000	65,000.00
Total	1,000,000,000	100,000.00	1,000,000,000	100,000.00
(b) Issued, Subscribed and Fully Paid up				
Equity shares of ₹ 10 each. (Refer Note (i) below)	71,970,238	7,197.02	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares of ₹ 10 each. (Refer Note (ii) below)	100,000,000	10,000.00	100,000,000	10,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iii) below)	250,000,000	25,000.00	250,000,000	25,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative, Non Participatory Preference shares of ₹ 10 each. (Refer Note (iv) below)	100,000,000	10,000.00	-	-
Total	521,970,238	52,197.02	421,970,238	42,197.02

Notes:

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

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

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

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

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

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

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

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

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3. Share Capital (Continued)

(v). Reconciliation of the number of shares outstanding at the beginning and at the end of the year:				
Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	71,970,238	7,197.02	71,970,238	7,197.02
Equity shares outstanding at the end of the year	71,970,238	7,197.02	71,970,238	7,197.02
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
Preference shares outstanding at the end of the year	100,000,000	10,000.00	100,000,000	10,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year	250,000,000	25,000.00	250,000,000	25,000.00
Preference shares outstanding at the end of the year	250,000,000	25,000.00	250,000,000	25,000.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares at the beginning of the year	-	-	-	-
Add : Shares issued during the year	100,000,000	10,000.00	-	-
Preference shares outstanding at the end of the year	100,000,000	10,000.00	-	-

(vi). Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:					
Particulars	As at 31 st March, 2014			As at 31 st March, 2013	
	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares	0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares	Equity Shares	0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares
	Number of shares			Number of shares	
Shapoorji Pallonji & Co Ltd., the holding company	48,900,182	-	100,000,000	48,885,554	-
Subsidiaries of the holding company:					
Floreat Investments Limited (FIL)	13,015,929	100,000,000	-	13,015,929	100,000,000
Renaissance Commerce Pvt. Limited	4,016,250	-	-	4,016,250	-
Hermes Commerce Ltd.	4,016,250	-	-	4,016,250	-

(vii). Details of shares held by each shareholder holding more than 5% of shares of the Company:				
Class of shares / Name of shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Co Ltd.	48,900,182	67.95	48,885,554	67.92
Floreat Investments Limited	13,015,929	18.09	13,015,929	18.09
Renaissance Commerce Pvt. Ltd.	4,016,250	5.58	4,016,250	5.58
Hermes Commerce Ltd.	4,016,250	5.58	4,016,250	5.58
0.01% Non Cumulative and Non Profit Participatory Convertible Preference Shares				
Floreat Investments Limited	100,000,000	100.00	100,000,000	100.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares				
Goswami Infratech Private Ltd.	250,000,000	100.00	250,000,000	100.00
0.01% Fully and Compulsorily Convertible Non-Cumulative Non Participatory Preference shares				
Shapoorji Pallonji & Co. Ltd.	100,000,000	100.00	-	-

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

4. Reserves and Surplus

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Capital reserve		
Opening balance	83.78	83.78
Closing balance	83.78	83.78
(b) Capital redemption reserve		
Opening balance	12.50	12.50
Closing balance	12.50	12.50
(c) Securities premium account		
Opening balance	1,028.00	1,028.00
Closing balance	1,028.00	1,028.00
(d) Revaluation reserve		
Opening balance	43.02	99.46
Less: Utilised for set off against depreciation	(43.02)	(56.44)
Closing balance	-	43.02
(e) Contingencies reserve		
Opening balance	800.00	800.00
Closing balance	800.00	800.00
(f) Debenture redemption reserve		
Opening balance	625.00	-
Add : Transferred from surplus in Statement of Profit & Loss	625.00	625.00
Closing balance	1,250.00	625.00
(g) General reserve		
Opening balance	5,905.25	5,557.09
Add : Transferred from surplus in Statement of Profit & Loss	669.73	348.16
Closing balance	6,574.98	5,905.25
(h) Foreign currency translation reserve		
Opening balance	1,989.53	1,386.01
Add : Effect of foreign exchange rate variations during the year	1,322.70	603.52
Less: Adjustment on account of amalgamation	3,061.29	-
Closing balance	250.94	1,989.53
(i) Surplus in Statement of Profit and Loss		
Opening balance	46,035.35	39,243.54
Add: Profit for the year	4,696.08	9,441.94
Add: Adjustment on account of amalgamation	3,061.29	-
Less: Appropriations:		
Interim Dividend on Equity Shares (₹ 2.00 per share) (Previous Year ₹ 2.00 per share)	1,439.40	1,439.40
Proposed Dividend on Preference Shares (₹ 0.001 per share) (Previous Year ₹ 0.001 per share)	3.53	3.50
Tax on dividend	245.23	234.07
Transferred to General reserve	669.73	348.16
Transferred to Debenture redemption reserve	625.00	625.00
Closing balance	50,809.83	46,035.35
Total	60,810.03	56,522.43

5. Long-term borrowings

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Debentures (Unsecured) (Refer Note 5A)	10,000.00	10,000.00
(b) Working Capital loans (Refer Note (i) of 5B)		
From banks		
Secured	17,500.00	10,000.00
(c) Equipment Loan (Secured) (Refer Note (ii) of 5B)		
From banks :		
Rupee Loan	6,755.01	7,143.67
Foreign Currency Loan	18,423.86	18,637.00
(d) Other loans and advances (Refer Note (iii) of 5B)		
Foreign Currency Loan (Secured)		
Buyers Credit from Banks	2,619.26	3,964.32
Total	55,298.13	49,744.99

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5. Long-term borrowings (Continued)

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 31 st March, 2014		As at 31 st March, 2013	
		Secured	Unsecured	Secured	Unsecured
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(i) Working Capital loans from banks	Refer Note (ii) below				
Axis Bank Ltd. (Refer Note (i) below)		10,000.00	-	10,000.00	-
State Bank of India (Refer Note (i) below)		7,500.00	-	-	-
Total - Term Loan		17,500.00	-	10,000.00	-
(ii) Equipment Loan from banks	Refer Note (iii) below				
Rupee Loan:					
Indian Overseas Bank		3,014.83	-	4,661.08	-
Oriental Bank of Commerce		1,240.18	-	2,482.59	-
State Bank of India		2,500.00	-	-	-
Foreign Currency Loan (ECB):					
DBS Bank Ltd.		8,388.10	-	10,540.00	-
HSBC Bank		7,189.80	-	8,097.00	-
Societe Generale		2,845.96	-	-	-
Total - Equipment Loan		25,178.87	-	25,780.67	-
(iii) Other Loans and Advances from banks - Buyer's Credit Foreign Currency Loans	Refer Note (iv) below				
State Bank of India		2,619.26	-	1,488.77	-
HSBC Bank		-	-	2,475.55	-
Total - Other loans and advances		2,619.26	-	3,964.32	-
Total Long-term Borrowings from Banks		45,298.13	-	39,744.99	-

Notes:

- (i) Working Capital loan from Axis Bank is secured by subservient charge over current assets and Working Capital loan from State Bank of India is secured by second charge on Plant and Machinery.
- (ii) Working Capital loans from Banks carry interest ranging from Base rate + 0.70 % to Base rate + 0.90% per annum. The repayment schedule of the loans are as follows.

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

Previous Year

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

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5. Long-term borrowings (Continued)

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

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

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15	Repayment in 2015-16	Repayment in 2016-17	Repayment in 2017-18
Rupee Loan:					
Indian Overseas Bank	4,661.08	2 installments of ₹ 1250.00 each	Installments of ₹ 1250.00 & ₹ 911.08	-	-
Oriental Bank of Commerce	2,482.59	2 installments of ₹ 625.00 each	Installments of ₹ 625.00 & ₹ 607.59	-	-
Foreign Currency Loan:					
DBS Bank Ltd.	10,540.00	3 installments of ₹ 1,054.00 each	4 installments of ₹ 1,054.00 each	3 installments of ₹ 1,054.00 each	-
HSBC Bank	8,097.00	1 installment of ₹ 1,619.40	2 installments of ₹ 1,619.40 each	2 installments of ₹ 1,619.40 each	-

- (iv) The Loans carry interest ranging from Libor + 95 bps to Euribor + 150 bps per annum.
State Bank of India loan is secured by a first charge 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 pari passu charge on Plant and Machinery.
The repayment schedule of the loans are as follows:

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

Previous Year

Bank Name	Loan Amount (₹ in Lacs)	Repayment in 2014-15	Repayment in 2015-16
State Bank of India	1,488.77	Installments of ₹ 261.00 & ₹ 410.42	Installments of ₹ 185.96, ₹ 269.21, ₹ 92.97 & ₹ 269.21
HSBC Bank	2,475.55	Installments of ₹ 1,666.95 & ₹ 808.60	-

**CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES,
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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Deferred tax (liability)		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(5,489.33)	(5,557.24)
Arbitration Awards (including interest)	(7,125.89)	(6,654.70)
Tax effect of items constituting deferred tax liability	(12,615.22)	(12,211.94)
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	331.43	352.60
Provision for doubtful debts / advances	702.35	814.77
Others (includes carry forward losses, etc.)	5.78	1,805.03
Tax effect of items constituting deferred tax assets	1,039.56	2,972.40
Net deferred tax liability	(11,575.66)	(9,239.54)

7. Other long-term liabilities

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Trade Payables - Retention monies	5,396.23	5,814.56
(b) Others:		
(i) Advances from customers	17,303.70	25,405.22
(ii) Statutory remittances (VAT, Service Tax, etc.)	30.88	189.73
Total	22,730.81	31,409.51

8. Long-term provisions

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	503.82	602.38
(ii) Provision for gratuity (net) (Refer Note 33)	17.95	5.07
(b) Provision - For contingencies (Refer Note 41) (In relation to expense of job completed in earlier year under dispute)	342.78	312.78
Total	864.55	920.23

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

9. Short-term borrowings

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Working Capital Demand Loans		
From banks		
Secured (Refer Note below)	3,000.00	18,000.00
Unsecured	5,000.00	5,600.00
	8,000.00	23,600.00
(b) Short term Loans from Bank		
Foreign Currency Loan:		
Buyers Credit (Secured) (Refer Note below)	1,947.98	1,769.22
Packing Credit Finance (Unsecured)	5,990.90	2,714.00
Overdraft (Unsecured)	-	2,996.82
	7,938.88	7,480.04
(c) Cash Credit Facility from Banks (Secured) (Refer Note below)	24,127.23	6,285.63
(d) Commercial Papers (Unsecured)		
From Banks		
Face Value	10,000.00	2,500.00
Less: Discount not written-off	696.69	31.91
	9,303.31	2,468.09
From Other parties		
Face Value	30,000.00	18,500.00
Less: Discount not written-off	1,229.45	527.47
	28,770.55	17,972.53
(Maximum amount outstanding during the year ₹ 43,487.27 Lacs) (Previous Year ₹ 28,936.30 Lacs)		
(e) Loans Repayable on demand (Unsecured)		
From Related Parties (Refer Note 35)	90.00	90.00
Total	78,229.97	57,896.29

Note:

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

Particulars	Terms of repayment and security	As at 31 st March, 2014	As at 31 st March, 2013
		₹ in Lacs	₹ in Lacs
Working Capital Demand Loans (WCDL)			
From banks:			
State Bank of India	Refer Note below	-	18,000.00
IDBI Bank		3,000.00	-
Short Term Loans from Bank			
Foreign Currency Loan:			
Buyers Credit (Secured)	Refer Note below	1,947.98	1,769.22
State Bank of India			
Cash Credit Facility	Refer Note below	24,127.23	6,285.63

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. Cash credit facility is further secured by the Company's proportionate share of Current Assets in all the Joint Ventures both present and future. Cash Credit Facility from Banks carry interest ranging from 10.25% per annum to 13.65% per annum. Buyers Credit from banks carry interest @ Libor + 0.75 bps per annum. PCFC loan carry interest @ Libor + 0.88 bps per annum and Loan repayable on demand carry interest @ 10% per annum.

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

10. Trade payables

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Acceptances	4,464.84	2,799.28
Other than Acceptances	94,496.91	65,403.43
Total	98,961.75	68,202.71

11. Other current liabilities

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Current maturities of long-term debt (Refer Note (i) below)	16,081.45	12,599.31
(b) Interest accrued but not due on borrowings	307.71	323.45
(c) Interest accrued and due on borrowings	-	92.58
(d) Income received in advance (against sale of scrap)	10.67	67.34
(e) Unclaimed / unpaid dividends (Refer Note (ii) below)	34.39	32.08
(f) Unpaid matured deposits and interest accrued thereon (Refer Note (ii) below)	1.24	2.30
(g) Other payables		
(i) Statutory remittances (VAT, Service Tax, etc.)	3,149.22	4,092.79
(ii) Interest accrued on advance from customers	51.60	53.46
(iii) Trade / security deposits received	67.33	90.02
(iv) Advances from customers	15,527.33	33,411.05
(v) Advances from Others	1,208.62	982.30
(vi) Amount received on invocation of Bank Guarantees	7,291.83	-
(vii) Others	0.10	88.16
Total	43,731.49	51,834.84

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Working Capital Loans from Banks		
Secured	2,500.00	-
Unsecured	-	5,000.00
(b) Equipment Loans from Banks (Secured)	3,750.00	4,134.38
(c) Foreign Currency Loans (Secured)	9,831.45	3,464.93
Total	16,081.45	12,599.31

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

12. Short-term provisions

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	57.74	152.40
(ii) Provision for gratuity (net) (Refer Note 33)	401.06	382.30
	458.80	534.70
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 1,522.35 Lacs) (As at 31 st March, 2013 ₹ 4,887.30 Lacs)	1,264.43	3,219.28
(ii) Provision for projected loss on contract	444.41	-
(iii) Provision for proposed preference dividend	3.53	3.50
(iv) Provision for tax on proposed dividends on Preference shares	0.60	0.57
Total	1,712.97	3,223.35
	2,171.77	3,758.05

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

13. Fixed assets

A. Tangible assets

Particulars	Gross block			Depreciation / Amortisation			Net Block Balance as at 31 st March, 2014
	Balance as at 1 st April, 2013	Additions	Disposals	Balance as at 1 st April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land							
Freehold	1.58	-	-	-	-	-	1.58
Leasehold	16.58	-	-	0.80	0.16	-	15.62
(b) Buildings	1,857.54	-	-	1,353.08	61.75	-	442.71
(c) Plant and Equipment	108,371.45	14,698.48	(373.23)	26,842.93	13,862.50	(307.40)	82,301.20
(d) Furniture and Fixtures	1,830.14	402.86	(37.96)	312.83	128.71	(16.42)	1,759.94
(e) Vehicles	1,237.46	204.10	(26.03)	278.36	118.54	(11.92)	1,030.55
(f) Office equipment	2,626.01	156.72	(186.31)	993.88	225.49	(69.79)	1,449.57
(g) Leasehold improvements	279.22	-	-	279.22	-	-	-
(h) Floating Equipments	15,931.75	311.09	(288.38)	2,905.27	1,173.16	(229.81)	12,105.84
(i) Laboratory Equipments	150.98	0.06	-	83.38	6.13	-	61.53
Total	132,302.71	15,773.31	(911.91)	33,049.75	15,576.44	(635.34)	47,995.57

Previous Year

Particulars	Gross block			Depreciation / Amortisation			Net Block Balance as at 31 st March, 2013
	Balance as at 1 st April, 2012	Additions	Disposals	Balance as at 1 st April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Land							
Freehold	1.58	-	-	-	-	-	1.58
Leasehold	16.58	-	-	0.64	0.16	-	15.78
(b) Buildings	1,857.54	-	-	1,291.33	61.75	-	504.46
(c) Plant and Equipment	73,730.69	35,603.15	(962.39)	21,309.74	6,325.81	(792.62)	81,528.52
(d) Furniture and Fixtures	1,173.35	688.72	(31.93)	234.75	94.99	(3.87)	1,517.31
(e) Vehicles	1,091.59	171.64	(25.77)	181.76	101.73	(5.13)	959.10
(f) Office equipment	2,332.17	314.56	(20.72)	794.69	213.00	(13.81)	1,632.13
(g) Leasehold improvements	279.22	-	-	279.22	-	-	-
(h) Floating Equipments	5,070.02	10,893.64	(31.91)	2,295.76	638.43	(28.92)	13,026.48
(i) Laboratory Equipments	147.74	3.24	-	77.03	6.35	-	67.60
Total	85,700.48	47,674.95	(1,072.72)	26,484.92	7,442.22	(844.35)	99,252.96

Notes:

- Some of the Fixed assets viz., Plant & Equipment, (including certain items fully written off in previous years) Laboratory Equipment, Barges (Floating equipments), New & Old Workshop and Office Building as on 1st April, 1990 were revalued on the basis of the valuation made by the external valuers resulting in net increase of ₹ 4,551.21 lacs being surplus on revaluation.
- Revalued amounts substituted for Historical Cost as at 1st April, 1990 and included under Gross Block are as under :
 - Plant & Equipment ₹ 4,261.48 lacs
 - Laboratory Equipments ₹ 124.45 lacs
 - Workshop & Godown ₹ 466.02 lacs
 - Buildings ₹ 1,260.00 lacs
 - Barges (Floating Equipments) ₹ 899.78 lacs
- Costs for the year includes foreign exchange capitalised during the year amounting to ₹ 940.83 Lacs (Previous Year ₹ 252.64 Lacs). The balance amount of Foreign exchange fluctuation, capitalised as a part of cost of Tangible Assets, remaining to be amortised is ₹ 1,186.35 Lacs (Previous year ₹ 228.05 Lacs).
- Additions to Plant & Machineries during the year include and amount of ₹ Nil (Previous Year ₹ 477.30 Lacs) on account of interest attributable to the cost of identifiable qualifying assets.



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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

13. Fixed assets (continued)

B. Intangible assets

Particulars	Gross block			Amortisation			Net Block Balance as at 31 st March, 2014
	Balance as at 1 st April, 2013	Additions	Disposals	Balance as at 31 st March, 2014	Amortisation for the year	Eliminated on disposal of assets	Balance as at 31 st March, 2014
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Computer software - Acquired	671.97	123.12	-	795.09	156.46	-	478.06
(b) Goodwill - Acquired	20.00	-	-	20.00	-	-	20.00
Total	691.97	123.12	-	815.09	156.46	-	478.06
							337.03

Previous Year

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

C. Capital Work in Progress - Plant and equipments under installation ₹ 10,460.09 Lacs (Previous year ₹ 14,805.91 Lacs)
(Capital work in progress includes capitalised foreign exchange fluctuation ₹ 668.25 Lacs (Previous year ₹ 81.33 Lacs))

D. Depreciation and amortisation:

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Depreciation and amortisation for the year on tangible assets as per (A) above	15,576.44	7,442.22
Depreciation and amortisation for the year on intangible assets as per (B) above	156.46	129.68
Less: Utilised from revaluation reserve	15,732.90	7,571.90
Depreciation and amortisation as per Statement of Profit and Loss	43.02	56.44
	15,689.88	7,515.46

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

14. Non-current investments

Particulars	Face Value	As at 31 st March, 2014		As at 31 st March, 2013	
		Quantity	Amount	Quantity	Amount
			₹ in Lacs		₹ in Lacs
A. Trade (Fully paid, at cost):					
(a) Investment in equity instruments (Unquoted) :					
(i) of associates					
Afcons (Mideast) Constructions & Investments Pvt. Ltd.	₹ 100	1	0.11	1	0.11
Total - Trade (A)			0.11		0.11
B. Other investments (Fully paid, at cost):					
(a) Investment in equity instruments (Quoted)					
Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	29.34	40,072	29.34
Hindustan Construction Co. Ltd.	₹ 1	1,000	0.03	1,000	0.03
Simplex Infrastructures Ltd.	₹ 2	500	0.04	500	0.04
ITD Cementation India Ltd.	₹ 10	100	0.42	100	0.42
Gammon India Ltd.	₹ 2	250	0.06	250	0.06
Tata Consultancy Services Ltd.	₹ 1	400,000	8,572.61	-	-
			8,602.50		29.89
(b) Investment in equity instruments (Unquoted)					
Simar Port Ltd.	₹ 10	1,000	0.10	1,000	0.10
(c) Investment in mutual funds (Unquoted):					
SBI Infrastructure Fund	₹ 10	50,000	5.00	50,000	5.00
UTI Infrastructure Fund - Growth Plan	₹ 10	12,731	5.00	12,731	5.00
			10.00		10.00
Total - Other investments (B)			8,612.60		39.99
Total (A+B)			8,612.71		40.10
Notes:					
Aggregate amount of quoted investments			8,602.50		29.89
Aggregate market value of quoted investments			8,552.69		46.58
Aggregate amount of unquoted investments			10.21		10.21

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Capital advances	150.38	32.64
(b) Security deposits		
Unsecured, considered good	1,531.89	1,222.89
Doubtful	-	37.92
	1,531.89	1,260.81
Less: Provision for doubtful deposits	-	37.92
	1,531.89	1,222.89
(c) Prepaid expenses	549.72	344.00
(d) Advance income tax (net of provisions ₹ 8,172.23 Lacs) (As at 31 st March 2013 ₹ 5,336.10 Lacs)	4,917.67	3,735.29
(e) MAT credit entitlement	5,087.30	3,710.63
(f) Balances with government authorities		
(i) VAT credit receivable	3,867.59	2,939.30
(ii) Service Tax credit receivable	2,884.57	2,725.15
(iii) Other Deposits	47.09	183.48
	6,799.25	5,847.93
Total	19,036.21	14,893.38

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

16. Other non-current assets

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Long-term trade receivables - Under arbitration and Retention monies		
Unsecured, considered good	6,052.48	4,901.01
Doubtful	1,995.61	2,134.55
	8,048.09	7,035.56
Less: Provision for doubtful trade receivables	1,995.61	2,134.55
	6,052.48	4,901.01
(b) Construction Work-in-Progress - Under arbitration		
Unsecured, considered good	15,649.48	20,558.38
Doubtful	7.00	234.56
	15,656.48	20,792.94
Less: Advances received	2.55	67.76
Less: Provision for doubtful Construction Work-in-Progress	7.00	234.56
	15,646.93	20,490.62
(c) Interest on trade receivables as per arbitration awards	6,554.36	2,833.17
(d) Other Loans and Advances (Doubtful)	63.73	103.81
Less: Provision for other doubtful loans and advances	63.73	103.81
	-	-
(e) Other Bank Balances *	19.10	17.51
Less : Provision	19.10	17.51
	-	-
(f) Balances with banks - Other earmarked accounts @	-	9.62
(g) Receivable under foreign currency contracts	1,679.32	-
Total	29,933.09	28,234.42

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

@ Balance with banks-other earmarked accounts are deposits over which Banks and Clients have lien.

17. Inventories

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Construction Materials - at lower of cost and net realisable value		
Steel	14,330.44	12,453.05
Cement	960.00	714.08
Aggregate	1,086.96	1,945.79
Bitumen	71.10	67.08
Shuttering Material	4,277.63	3,999.98
Sand	175.27	123.03
Other Construction Material	3,713.61	5,820.06
	24,615.01	25,123.07
(b) Stores and spares - at lower of cost and net realisable value	12,075.10	9,269.14
	12,075.10	9,269.14
(c) Construction Work-in-Progress		
At estimated realisable value	190,317.03	122,460.87
Less: Advances received	42,783.34	25,166.87
	147,533.69	97,294.00
Total	184,223.80	131,686.21

18. Trade receivables

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	32,973.64	22,926.60
Other Trade receivables		
Unsecured, considered good	10,068.66	15,639.20
Total	43,042.30	38,565.80

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19. Cash and bank balances

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
A. Cash and cash equivalents		
(a) Cash on hand	62.56	64.82
(b) Balances with banks		
(i) In current accounts	4,944.53	3,523.84
(ii) In deposit accounts (Original maturity of 3 months or less)	80.10	7,221.16
Total - cash and cash equivalents (A)	5,087.19	10,809.82
B. Other bank balances		
(a) In other deposit accounts		
- Original maturity more than 3 months	794.60	2,480.24
(b) In earmarked accounts		
- Unpaid dividend accounts	34.39	32.08
- Balances held as margin money or security against borrowings, guarantees and Other commitments	27.74	51.74
- Other earmarked accounts (Refer Note (i) below)	843.64	1,071.19
Total - Other bank balances (B)	1,700.37	3,635.25
Total cash and bank balances (A+B)	6,787.56	14,445.07

Notes:

- (i) Balance with banks-other earmarked accounts include deposits ₹ 788.10 Lacs (Previous Year ₹ 997.46 Lacs) over which Banks and Clients have lien and ₹ 55.54 Lacs (Previous year ₹ 68.99 Lacs) placed as Earnest Money Deposit and pledge with various authorities.

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

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Loans and advances to related parties (Refer Note 35)		
To Joint Venture	1,066.41	744.34
(b) Security deposits	313.91	344.60
(c) Loans and advances to employees	242.51	209.00
(d) Prepaid expenses	1,301.80	1,675.92
(e) Balances with government authorities		
(i) VAT credit receivable	1,388.66	1,367.50
(ii) Service Tax credit receivable	121.11	160.56
(iii) Other Deposits	1.40	0.90
	1,511.17	1,528.96
(f) Others - Advance to vendors and others	7,743.86	10,012.41
Total	12,179.66	14,515.23

21. Other current assets

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Accruals		
(i) Interest accrued on deposits	14.30	213.41
(b) Interest on trade receivables as per arbitration awards	8,708.40	10,229.78
(c) Receivable under foreign currency contracts	529.50	-
(d) Others		
(i) Insurance claims	593.08	18.97
(ii) Deemed export receivable	22.38	1,820.11
(iii) Duty Credit receivable	2,342.40	2,306.63
(iv) Custom Duty receivable	459.94	-
Total	12,670.00	14,588.90

**CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES,
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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

22. Revenue from operations

	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(a)	Sale of products (Refer Note (i) below)	74.73	389.05
(b)	Sale of services (Refer Note (ii) below)	352,925.27	294,568.10
(c)	Other operating revenues (Refer Note (iii) below)	6,349.61	6,793.18
	Total	359,349.61	301,750.33

Note	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(i)	Sale of products comprises:		
	Construction Materials	74.73	389.05
	Total - Sale of products	74.73	389.05
(ii)	Sale of services comprises :		
	Construction Revenue	358,033.69	298,310.02
	Less : Value added tax	5,108.42	3,741.92
	Total - Sale of services	352,925.27	294,568.10
(iii)	Other operating revenues comprise:		
	Project Management Fees	-	28.42
	Sale of scrap	1,667.17	1,491.21
	Duty Scrip credit availed	2,342.40	3,152.59
	Equipment hire charges	270.00	20.22
	Service Charges	0.76	1.92
	Deemed Export Benefit	2,000.44	2,062.92
	Others	68.84	35.90
	Total - Other operating revenues	6,349.61	6,793.18

23. Other income

	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(a)	Interest income (Refer Note (i) below)	4,658.07	5,084.76
(b)	Dividend income:		
	From non trade, non current investments	0.01	-
(c)	Other non operating income (Refer Note (ii) below)	3,354.91	1,133.52
	Total	8,012.99	6,218.28

Note	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹ in Lacs	₹ in Lacs
(i)	Interest income comprises:		
	Interest from banks deposits	127.41	341.34
	Interest on loans and advances	465.91	532.65
	Interest on Arbitration awards	3,938.69	3,872.15
	Interest income from long term investments	0.97	0.87
	Interest on income tax refund	101.86	337.59
	Other interest	23.23	0.16
	Total - Interest income	4,658.07	5,084.76
(ii)	Other non operating income comprises:		
	Profit on sale of fixed assets	-	36.84
	Provision for doubtful debtors no longer required written back	366.49	-
	Creditors / Excess provision written back	681.57	563.47
	Insurance Claim received	1,573.89	241.58
	Miscellaneous income	732.96	291.63
	Total - Other non-operating income	3,354.91	1,133.52

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

24. Cost of construction

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Cost of Construction Materials consumed (Including Bought out Items)	103,442.05	91,896.26
<u>Other Construction Expenses:</u>		
Consumption of stores and spare parts	25,187.30	21,716.49
Subcontracting expenses (Including lease payment for equipments hired) (Refer Note 36)	84,677.90	59,899.32
Site Installation	1,174.50	1,483.06
Technical Consultancy	6,324.26	7,924.70
Power and fuel	19,587.33	12,771.51
Freight and forwarding	6,512.41	5,484.28
	143,463.70	109,279.36
Total	246,905.75	201,175.62

25. Employee benefits expense

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Salaries and wages	40,631.57	36,365.75
Contributions to provident and other funds	2,720.78	2,270.73
Staff welfare expenses	2,483.35	1,922.24
Total	45,835.70	40,558.72

26. Finance costs

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
(a) Interest expense on:		
(i) Borrowings and Advances	15,706.08	12,186.27
(ii) Delayed / deferred payment of income tax	5.68	152.12
(b) Other borrowing costs:		
(i) Bank Guarantee Commission including Bank Charges	1,499.14	1,433.95
(ii) L/c charges & Processing Fees	450.96	351.03
Total	17,661.86	14,123.37

27. Other expenses

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Water and Electricity	590.22	586.64
Rent (Refer Note 36)	4,199.37	3,697.86
Repairs and maintenance - Buildings	0.37	0.82
Repairs and maintenance - Machinery	1,068.65	559.49
Repairs and maintenance - Others	622.61	783.52
Insurance	2,987.46	4,734.87
Rates and taxes	3,348.39	2,985.98
Communication	582.27	549.13
Travelling and conveyance	5,276.49	4,899.59
Security Charges	2,372.64	1,806.54
Donations and contributions	59.93	29.36
Legal and professional	4,048.57	5,695.36
Payments to auditors	102.69	72.69
Duty Scrip Written off	906.76	-
Bad/Irrecoverable Debtors/Unbilled Revenue written off	414.44	-
Advances written off	92.37	0.34
Less: - Provision no longer required written back	78.01	-
	14.36	0.34
Net loss on foreign currency transactions and translation (Net)	920.53	373.77
Directors Fees	6.20	4.60
Provision for projected loss on contract	444.41	-
Loss on sale of fixed assets	134.43	-
Expenses of jobs completed in earlier year	30.00	30.00
Hedging Expenses	920.09	466.53
Miscellaneous expenses	2,731.86	2,171.95
Total	31,782.74	29,449.04

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

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹ 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.	6,821.55	6,012.95
(b) Claims against the Joint Venture not acknowledged as debts		
i) Differences with sub-contractors in regard to scope of work. 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.	8,308.26	7,526.88
ii) Some of the Ex-labour and Vendors have filed cases against various forums which are pending for adjudication. The management is of the opinion that these cases will not result in major financial impact.(amount not ascertainable)	-	-
(c) Guarantees		
i) Bank Guarantees given on behalf of Subsidiaries and Joint Ventures and counter guaranteed by the Company.	115,185.91	135,126.17
ii) Corporate Guarantees given on behalf of Subsidiaries and Joint Ventures.	-	85,736.18
(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.	1,186.48	1,377.41
(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.	371.31	496.31
(f) Service Tax Represents demand confirmed by the CESTAT / Asst. Commissioner of Service Tax for a) disallowance of Cenvat Credit, since abatement claimed by the Company and b) disallowance of general exemption of private Transport terminals, (Previous year including ₹ 4,251.04 Lacs for Railways for construction of Metro Railways for which department has gone in further appeal) etc. The Company has appealed / in the process of appeal against the said order with Commissioner of Service Tax Mumbai / High Court and is confident that the cases will be successfully contested. The company has received the stay order for some case from the CESTAT.	6,219.27	9,454.26
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	1,387.04	373.96

29. During the previous year, the company had 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 favour 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 31 st March, 2014 (Previous Year USD 35,000,000, equivalent to ₹ 18,998.00 Lacs)				
Currency	Amount	Buy/Sell	Cross Currency	₹ in Lacs
US Dollar	36,888,120	Buy	Rupees	22,101.52
(b) Interest Rate Swaps to hedge against fluctuations in interest rate changes:				
No. of contracts:	2			
Notional Principal	\$ 35,000,000		₹ 20,970.25 Lacs	

Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

(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 10,829,530.48 and EURO 5,128,617.00 equivalent to ₹ 6,488.51 Lacs and ₹ 4,232.52 Lacs respectively (as on 31st March, 2013 USD 10,944,132.60 equivalent to ₹ 5,940.48 Lacs and Euro 4,683,521.67 equivalent to ₹ 3,257.99 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 ₹ 77,019.41 Lacs (as at 31st March, 2013 ₹ 29,284.93 Lacs) and ₹ 38,459.79 Lacs (as at 31st March, 2013 ₹ 21,578.37 Lacs) respectively.

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

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹ in Lacs	₹ in Lacs
Construction materials consumed	94.03	16.84
Stores and spares consumed	64.40	165.87
Repairs	119.13	64.54
Others	24.75	7.12
Total	302.31	254.37

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

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹ in Lacs	₹ in Lacs
Details of contract revenue and costs		
a) Contract Revenue	352,925.27	294,568.10
b) Disclosure for contracts in progress:		
(i) Aggregate amount of costs incurred	1,039,684.38	718,442.02
(ii) Recognized profits (less recognized losses)	117,444.35	96,908.68
(iii) Advances Received	64,858.40	60,456.64
(iv) Retention Money	12,761.86	11,313.84
c) Gross amount due from customers for contract work	186,165.70	112,930.86
d) Gross amount due to customers for contract work	1,102.32	5,870.99

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	31 st March 2013
Discount Rate	9.31%	8.50%
Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation	4.50%	4.50%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate

(₹ in Lacs)

B. Changes in the Defined Benefit Obligation	Current Year	31 st March 2013
Liability at the Beginning of the current year	1393.40	1235.05
Interest Cost	114.95	104.98
Current Service Cost	128.53	115.21
Past Service Cost	-	-
Benefit Paid	(235.84)	(224.97)
Actuarial Loss/ (Gain) on obligations	6.17	163.13
Liability at the end of the current year	1,407.21	1,393.40

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Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

(₹ in Lacs)

C. Fair Value of the Plan Asset	Current Year	31st March 2013
Fair Value of Plan Asset at the beginning of the year	1006.03	964.20
Expected Return on Plan Asset	87.53	82.92
Contributions	133.17	178.09
Benefit paid	(235.84)	(224.97)
Actuarial Gain/ (Loss) on Plan Assets	(2.69)	5.79
Fair value of Plan Assets at the end of the year	988.20	1006.03
Total Actuarial Loss to be Recognized	(8.86)	(157.34)

D. Actual Return on Plan Assets:	Current Year	31st March 2013
Expected Return on Plan Assets	87.53	82.92
Actuarial Gain/ (Loss) on Plan Assets	(2.69)	5.79
Actual Return on Plan Assets	84.84	88.71

E. Amount Recognized in the Balance Sheet:	Current Year	31st March 2013
Liability at the end of the year	1407.21	1393.40
Fair Value of Plan Assets at the end of the year	988.20	1006.03
Unrecognized Past Service Cost	-	-
Amount recognized in the Balance Sheet	(419.01)	(387.37)

F. Expense Recognized in the Profit and Loss Account:	Current Year	31st March 2013
Current Service Cost	128.53	115.21
Interest Cost	114.95	104.98
Expected Return on Plan Assets	(87.53)	(82.92)
Past Service Cost	-	-
Net Actuarial Gain / Loss to be recognized	8.86	157.34
Expense recognized in the Profit and Loss Account under staff expenses	164.81	294.61

G. Reconciliation of the Liability recognized in the Balance Sheet:	Current Year	31st March 2013
Opening Net Liability	387.37	270.85
Expense recognized	164.81	294.61
Employers Contribution	(133.17)	(178.09)
Amount recognized in the Balance Sheet under "Provision for Gratuity"	419.01	387.37

H. Major category of plan assets as percentage of total plan assets:	Current Year	31st March 2013
	(%)	(%)
Insured Managed funds	100	100

(b) Compensated Absences (Non funded) :

Actuarial Assumptions	Current Year	31st March 2013
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-1996) Ultimate
Discount Rate	9.31%	8.25%
Salary Escalation	4.50%	4.50%
Withdrawal Rate	2.00%	2.00%

Experience adjustments

	2013-2014	2012-2013	2011- 2012	2010-2011	2009-2010
Gratuity					
Present value of DBO	1407.21	1393.40	1235.05	1047.71	892.43
Fair value of plan assets	988.20	1006.03	964.20	835.94	643.10
Funded status [Surplus / (Deficit)]	(419.01)	(387.37)	(270.85)	(211.78)	(249.33)
Experience gain / (loss) adjustments on plan liabilities	(108.39)	(140.29)	(107.95)	(108.35)	(44.48)
Experience gain / (loss) adjustments on plan assets	(2.69)	5.79	14.57	13.40	2.78

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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 ₹ 1,647.82 Lacs (Year ended 31 March, 2013 ₹ 1,172.25 Lacs) for Provident Fund contributions and ₹ 651.23 Lacs (Year ended 31 March, 2013 ₹ 588.31 Lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes :

- Premium is paid to LIC under Group Gratuity Scheme of LIC.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.
- Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 400.85 Lacs (Previous year ₹ 397.43 Lacs).
- The expected return on plan assets is determined considering several applicable factors which includes mainly the composition of plan assets held, assessed risks of asset management and historical result of the return on plan asset.

34. Segment information :

- 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.

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

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

- Revenue from customers within India - Local projects
- Revenue from customers outside India - Foreign projects

Secondary : Geographical (Location of customers)

(₹ in Lacs)

Particulars	Local Projects	Foreign Projects	Total
Income from operation	300,666.69 (251,642.99)	58,682.92 (50,107.34)	359,349.61 (301,750.33)
Carrying amount of asset (Excluding Goodwill on Consolidation, Taxes on Income and Investment)	370,791.51 (329,657.01)	37,041.80 (34,255.32)	407,833.31 (363,912.33)
Additions to Fixed Assets	11,323.97 (28,279.69)	226.64 (307.12)	11,550.61 (28,586.81)

Figures in parenthesis are those of previous year.

35. Related Party Disclosure

(a) Details of related parties:

Related Party where Control exists

Holding Company

Shapoorji Pallonji & Company Limited

Fellow Subsidiary(s)

Floreant Investments Limited

Hermes Commerce Limited

Renaissance Commerce Private Limited

SP Jammu Udhampur Highway Private Limited

Forvol International Services Limited

Associate of the Company

Afcons (Mideast) Construction and Investments Private Limited

Jointly Controlled Entities

Strabag AG Afcons Joint Venture

Saipem Afcons Joint Venture

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

Key Management Personnel

Mr. S. P. Mistry – Chairman

Mr. K. Subrahmanian – Vice Chairman & Managing Director

Mr. S. Paramasivan – Deputy Managing Director

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(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 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13	CY	PY 12-13
Managerial Remuneration paid												
K.Subrahmanian									155.00	155.00	155.00	155.00
S.Paramasivan									120.00	120.00	120.00	120.00
Sitting Fees paid												
S.P.Mistry									0.60	0.40	0.60	0.40
Issue of Preference Shares												
Shapoorji Pallonji & Company Limited	10,000.00	-									10,000.00	-
Dividend on Preference Shares												
Floreat Investments Limited			1.00	1.00							1.00	1.00
Shapoorji Pallonji & Company Limited	0.03	-									0.03	-
Interim Dividend on Equity Shares												
Shapoorji Pallonji & Company Limited	978.00	977.62									978.00	977.62
Floreat Investments Limited			260.32	260.32							260.32	260.32
Hermes Commerce Limited			80.33	80.33							80.33	80.33
Renaissance Commerce Private Ltd.			80.33	80.33							80.33	80.33
K.Subrahmanian									1.16	1.16	1.16	1.16
S.Paramasivan									0.53	0.53	0.53	0.53
Overhead Charges Recovered												
Strabag-AG Afcons Joint Venture					286.24	326.22					286.24	326.22
Advance Given / (Received back)												
Ircon-Afcons Joint Venture					1.64	-					1.64	-
Saipem-Afcons Joint Venture					(105.07)	-					(105.07)	-
Subcontract Income												
SP Jammu Udhampur Highway Pvt. Ltd.			63,774.42	65,407.75							63,774.42	65,407.75
Sale of Duty Credit Scrips												
Shapoorji Pallonji & Company Limited	833.72	-									833.72	-
Project Management Consultancy Service Income												
Saipem-Afcons Joint Venture					-	28.42					-	28.42
Expenses incurred by / (on behalf of) Afcons												
Strabag-AG Afcons Joint Venture					214.64	152.50					214.64	152.50
Ircon-Afcons Joint Venture					14.64	-					14.64	-
Interest expense												
Afcons (Mideast) Constructions and Investments Private Limited							9.00	9.00			9.00	9.00
Travelling Expense												
Forvol International Service Ltd.			726.74	702.69							726.74	702.69
Guarantees Given for/ (Released)												
Strabag-AG Afcons Joint Venture					(952.43)	-					(952.43)	-
Saipem-Afcons Joint Venture					-	(4,887.68)					-	(4,887.68)
Outstanding amount of guarantee given/ (taken)												
Strabag-AG Afcons Joint Venture					20,345.17	21,155.04					20,345.17	21,155.04
Outstanding Amount Loans & Advances Dr/ (Cr)												
Strabag-AG Afcons Joint Venture					978.70	541.14					978.70	541.14
Afcons (Mideast) Constructions and Investments Private Limited							(90.00)	(90.00)			(90.00)	(90.00)
Saipem-Afcons Joint Venture					35.98	131.75					35.98	131.75
Ircon-Afcons Joint Venture					16.28	-					16.28	-
SP Jammu Udhampur Highway Pvt. Ltd.			-	(8,890.68)							-	(8,890.68)
Outstanding Amount - Debtors												
Shapoorji Pallonji & Company Limited	5.91	5.91									5.91	5.91
SP Jammu Udhampur Highway Pvt. Ltd.			-	1,690.01							-	1,690.01
Outstanding Amount - Creditors												
Forvol International Service Ltd.			168.59	128.11							168.59	128.11

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36. Details of Leasing Arrangements

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ 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	270.00	20.22
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 27	4,199.37	3,697.86
(iii) Lease payments for equipments are recognised in the Statement of Profit and Loss under 'Subcontracting Expenses' in Note 24.	10,028.61	14,336.14

37. Earnings per share (EPS)

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

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹ in Lacs	₹ in Lacs
Profit after tax and minority interest	4,696.08	9,441.94
Less: Dividend on 0.01% Convertible Non Cumulative Non Participatory Preference shares (including dividend tax)	4.13	4.07
Profit for the year attributable to equity shareholders	4,691.95	9,437.87
Weighted average number of shares outstanding during the year	Numbers	Numbers
For basic EPS	71,970,238	71,970,238
For diluted EPS (refer note below)	340,738,268	333,162,510
Earnings per share	₹	₹
Basic	6.52	13.11
Diluted	1.38	2.83
Nominal value per share in Rupees	₹ 10.00	₹ 10.00
Note :		
Weighted average number of shares outstanding during the year- for Diluted EPS:	Numbers	Numbers
Weighted average number of shares outstanding during the year – for calculating basic EPS (numbers)	71,970,238	71,970,238
Add: Potential equity shares that could arise on conversion of 0.01% Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at Rs 10 each {Refer Note 3(iii b)}	246,540,258	246,540,258
Add: Potential equity shares that could arise on conversion of 0.01% Non-cumulative, Non-Participatory Convertible Preference shares at ₹ 68.25. {Refer Note 3 (ii b)}	14,652,014	14,652,014
Add: Potential equity shares that could arise on conversion of 0.01% Fully and Compulsorily convertible Non-cumulative, Non Participatory Preference shares at ₹10 each {Refer Note 3 (iv b) (for arriving at potential equity share maximum conversion price of ₹ 132/- per share is considered)}	7,575,758	-
	340,738,268	333,162,510

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

Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

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 31 st March 2013
Particulars	Quantity	Quantity
Authorised to be Granted	1,785,000	1,785,000
Granted and Outstanding at the beginning of the year	Nil	Nil
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Lapsed during the year	Nil	Nil
Granted and outstanding at the end of the year	Nil	Nil
Fair value of the ESOP on the date of Grant	₹ 9.41	₹ 9.41

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

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

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

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

(i) Expected Life of the Options:

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

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

(ii) Risk free interest rate:

This rate has been assumed at 8%.

(iii) Share price:

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

(iv) Volatility:

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

(v) Expected dividend yield: Nil

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



Notes forming part of the consolidated financial statements for the year ended 31st March, 2014

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 31 st March, 2014
Afcons (Mideast) Constructions and Investments Private Limited	#	-	0.11	0.11
	(-)	(-)	(0.11)	(0.11)

Figures in parenthesis are those of the previous year.

denotes value less than ₹ 1000/-

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	76.81
	(76.45)

Figures in parenthesis are those of the previous year.

41. Disclosure of movement in provision for contingencies.

(₹ in Lacs)

Particulars	As at 31 st March 2014	As at 31 st March 2013
Opening Provision	312.78	282.78
Add: For the year	30.00	30.00
Closing Provision	342.78	312.78

Provision for contingencies pertains to expenses of jobs completed in earlier year which are under dispute. No cash outflow of the above provisions are expected in the near future.

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

43. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

S.P. MISTRY
Chairman

K.SUBRAHMANYAN
Vice Chairman &
Managing Director

S.PARAMASIVAN
Deputy Managing Director

P.N. KAPADIA
Director

N.D. KHURODY
Director

P.R.RAJENDRAN
Company Secretary

Place: Mumbai

Date: 24th June, 2014

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

Financial Details of Subsidiary Companies for the year ended 31st March 2014

Sr. No	Name of the Subsidiary Company	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	31 st March 2014	-	20.26	(0.07)	20.36	20.36	-	-	-	1.20	0.06	(0.02)	0.04	-
2	Afcons Corrosion Protection Private Limited	31 st March 2014	-	8.00	154.21	179.82	179.82	-	-	-	216.68	1.54	(0.42)	1.12	-
3	Afcons Offshore and Marine Services Pvt. Limited	31 st March 2014	-	10.00	90.20	108.15	108.15	-	-	-	8.36	7.62	-	7.62	-
4	Afcons Construction Mideast LLC, Dubai, UAE	31 st Dec 2013	16.8301	50.49	1,092.77	8,317.56	8,317.56	-	-	-	2,792.79	(1,256.33)	-	(1,256.33)	-
5	Afcons Infrastructure International Ltd. (AIL) Mauritius @	31 st Dec 2013	61.80	17.20	11,266.65	11,288.83	11,288.83	-	-	-	373.83	292.34	-	292.34	-
6	Afcons Gulf International Projects Services FZE, Fujairah # (100 % subsidiary of AMIL)	31 st Dec 2013	16.8301	168.30	1,267.66	1,505.34	1,505.34	-	-	-	-	(29.16)	-	(29.16)	-
7	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL, Kuwait	31 st March 2014	213.069	255.68	(17.72)	252.47	252.47	-	-	-	198.44	(9.96)	-	(9.96)	-
8	Afcons Overseas Construction LLC, Qatar	31 st March 2014	16.4565	32.91	(47.30)	34.51	34.51	-	-	-	89.73	(19.32)	-	(19.32)	-
9	Afcons Mauritius Infrastructure Limited, Mauritius (w.e.f. 01.01.2014)	31 st March 2014	82.5275	907.80	3.84	913.14	913.14	-	-	-	6.90	3.96	(0.12)	3.84	-
10	Afcons Overseas Singapore Pie Ltd. (w.e.f. 27.03.2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Indian rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st December 2013 / 31st March 2014.

Step down subsidiary of AAIL till 15th August, 2013; subsidiary of AMIL w.e.f. 16th August, 2013.

@ Merged with Afcons Infrastructure Limited w.e.f. 01st January, 2014.

AFCONS INFRASTRUCTURE LIMITED

Registered office: "Afcons House", 16, Shah Industrial Estate, Veera Desai Rd., Azad Nagar, P.O., Andheri (West), Mumbai – 400 053

Tel.: 67191000 Fax: 26730047, Website: www.afcons.com; CIN: U45200MH1976PLC019335

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	E-mail Id:
Folio No/ Client Id:	DP ID:
Registered address:	

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: E-mail Id:
Address: Signature:

or failing him

2. Name: E-mail Id:
Address: Signature:

or failing him

3. Name: E-mail Id:
Address: Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Thirty-Eighth Annual General Meeting of the Company, to be held on Tuesday the 30th September, 2014 at 4.30 p.m. at "Afcons House", 16, Shah Industrial Estate, Veera Desai Rd., Azad Nagar, P.O., Andheri (West), Mumbai – 400 053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To adopt Accounts for the year ended 31st March, 2014.
2. To declare Interim dividend paid on the Equity shares as Final dividend for the financial year 2013-14.
3. To declare dividend on Convertible Preference Shares.
4. To appoint a Director in place of Mr.S.Paramasivan (DIN-00058445) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s.Deloitte Haskins & Sells, Chartered Accountants and M/s.J.C.Bhatt & Associates, Chartered Accountants as Joint Statutory Auditors of the Company.
6. To appoint Mr.J.J.Parakh (DIN-00004945) as Director of the Company.
7. To appoint Mr.R.M.Premkumar (DIN-00328942) as an Independent Director of the Company.
8. To appoint Mr.Umesh Khanna (DIN-03634361) as Director of the Company.
9. To appoint Mr.N.D.Khurody (DIN-00007150) as an Independent Director of the Company.
10. To re-appoint Mr.K.Subrahmanian (DIN-00047592) as a Vice Chairman & Managing Director of the Company for term of 3 years w.e.f 1st July, 2014.
11. To re-appoint Mr.S.Paramasivan (DIN-00058445) as a Deputy Managing Director of the Company for term of 3 years w.e.f 1st July, 2014.
12. To authorise the Board of Directors in terms of section 180(1)(c) of the Companies Act, 2013 to borrow money upto the limit of ₹ 3000 Crores.
13. To authorise the Board of Directors in terms of section 180(1)(a) of the Companies Act, 2013 to create Charge / Mortgage on assets of the Company upto the limit of ₹15000 Crores.

Signed this day of, 2014

Affix
Revenue
Stamp

Signature of Shareholder Signature of Proxy holder(s)

NOTE:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hour before the commencement of the Meeting.

AFCONS INFRASTRUCTURE LIMITED

Registered office: "Afcons House", 16, Shah Industrial Estate, Veera Desai Rd., Azad Nagar, P.O., Andheri (West), Mumbai – 400 053

Tel.: 67191000 Fax: 26730047, Website: www.afcons.com; CIN: U45200MH1976PLC019335

ATTENDANCE SLIP

I hereby record my presence at the Thirty-Eighth Annual General Meeting of the Company to be held at Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Andheri (West), Mumbai- 400 053 on 30th September, 2014 at 4.30 p.m.

Full Name of the *Shareholder/Proxy :

Folio No. OR Client/DP ID No. : No. of Shares held :

* strike out whichever is not applicable.

SIGNATURE OF THE *SHAREHOLDER/PROXY

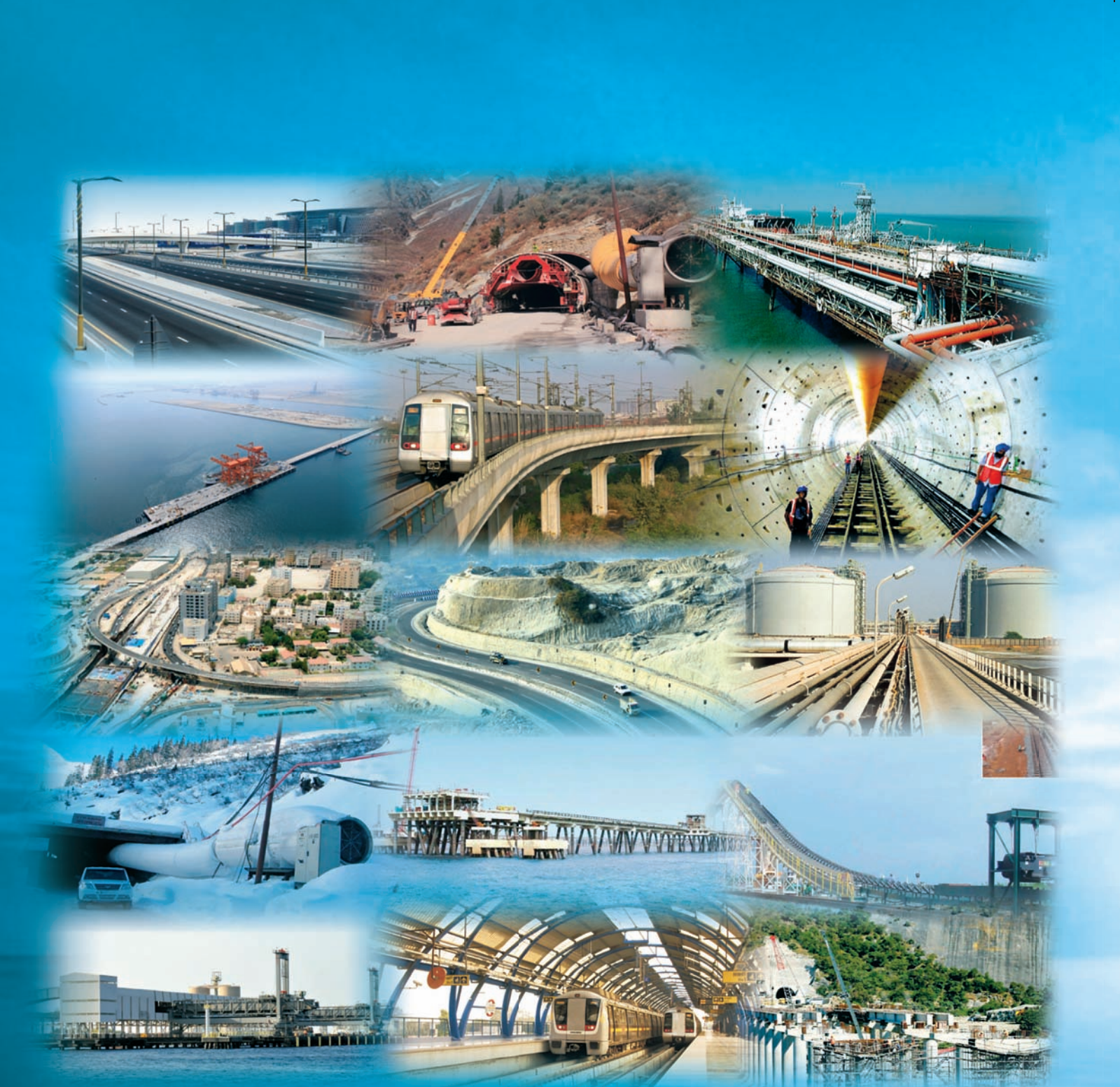
NOTES

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Award

- ♦ Indian Roads and Highways Excellence Awards 2014
- ♦ CBR Award 2014 - February 22, 2014



AFCONS INFRASTRUCTURE LIMITED

A Shapoorji Pallonji Group Company

"Afcons House"

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