Placement Document
July 18, 2014
Strictly Confidential and Not for Circulation
Serial No:[●]

J. KUMAR INFRAPROJECTS LIMITED

(Incorporated in Republic of India with limited liability under the Companies Act, 1956 with Registration No. 11-122886 and Corporate Identity Number L74210MH1999PLC122886)

J. Kumar Infraprojects Limited (the "**Company**" or the "**Issuer**") is issuing 44,25,000 Equity Shares of face value ₹ 10 each (the "**Equity Shares**") at a price of ₹ 309.98 per Equity Share (the "**Issue Price**"), including a premium of ₹ 299.98 per Equity Share, aggregating approximately ₹ 13,716.62 lacs (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMMENDED (THE "SEBI REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED UNDER THE SEBI REGULATIONS IN RELIANCE UPON CHAPTER VIII OF THE SEBI REGULATIONSAND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIAOTHER THAN TO QIBS AS DEFINED IN THE SEBI REGULATIONS.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE SUCH PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI (ICDR) REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY AREPREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISER.

The Equity Shares are listed on BSE Limited (the "**BSE**") and National Stock Exchange of India Limited (the "**NSE**", together with the BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE on July 15, 2014, 2014 was ₹ 313.60 and ₹ 314.80 per Equity Share, respectively. In-principle approvals under Clause 24(a) of the Listing Agreement for listing of the Equity Shares have been received from each of the BSE and the NSE on July 16, 2014. Applications shall be made for obtaining the listing and trading approvals for the Equity Shares to be issued through this Placement Document pursuant to the Issue on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. A copy of this Placement Document (which will include disclosures prescribed under Form PAS-4) will also be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") and the Securities and Exchange Board of India (the "**SEBI**") within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been reviewed by the SEBI, the Reserve Bank of India (the "**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by the QIBs. This Placement Document has not been and will not be registered as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction. This Placement Document has been prepared by our Company solely for providing information in connection with the Issue.

Invitations for subscription of Equity Shares in this Issue shall only be made pursuant to the Preliminary Placement Document together with the Bid-cum-Application Form (as defined hereinafter) and the Confirmation of Allocation Note and this Placement Document (as defined hereinafter). The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than QIBs and persons retained by QIBs to advise them with respect to the purchase of the Equity Shares being issued pursuant to this Issue, is unauthorized and prohibited. Each prospective QIB investor, by accepting delivery of this Placement Document agrees to observe the restrictions as mentioned in this Placement Document, and to make no copies of this Placement Document or any documents referred to in this Placement Document. For Details, please refer to "**Issue Procedure**" in this Placement Document.

Our Company, having made all reasonable enquiries, accepts responsibility for this Placement Document and confirms that this Placement Document contains all information with regard to our Company and the Issue, as required by Chapter VIII read together with Schedule XVIII of the SEBI Regulations and disclosure requirements under form PAS-4 of the Companies Act. Our Company further confirms that the information contained in this Placement Document is true and correct in all material respects and is not misleading; that the opinions and intentions expressed herein are honestly held, and that there are no other facts the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any respect.

The information on our Company's website or any website directly or indirectly linked to our Company does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable U.S. state securities laws. The Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). For further details, please refer to the sections titled "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 134 and 139, respectively.

This Placement Document is dated July 18, 2014.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS	
Edelweiss Ideas create, values protect	ANANDRATHI

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Placement Document and to the best of its knowledge and belief, having made all reasonable enquiries, confirms that this Placement Document contains all information with respect to our Company and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company and the Equity Shares are, in material respects, true and accurate and not misleading, the opinions and intentions expressed in this Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements. The Global Co-ordinators and Book Running Lead Managers ("**GC-BRLMs**") have not separately verified the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the GC-BRLMs nor any of its members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the GC-BRLMs, or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with its investigation of as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has relied on neither the GC-BRLMs or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates or on any person affiliated with the GC-BRLMs in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the GC-BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any securities commission of any regulatory authority in any jurisdiction. No regulatory authority or securities commission has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document.

The distribution of this Placement Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares in this Issue may not be offered or sold, directly or indirectly, and neither this Placement Document nor any Issue material in connection with the Equity Shares issued pursuant to this Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risk involved. Investors should not construe the contents of this Placement Document as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the GC-BRLMs is making any representation to any offeree or subscriber of such Equity Shares pursuant to this Issue, regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website www.jkumar.com or any website directly or indirectly linked to our Company's website or the website of the GC-BRLMs or their affiliates does not constitute or form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, such websites.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue.

By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the GC-BRLMs, as follows:

- You are a qualified institutional buyer as defined in Regulation 2(1)(zd) of the SEBI Regulations ("**QIB**"), and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI Regulations, the Companies Act and all other applicable laws, including reporting obligations;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (as defined hereinafter) or an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) or an FVCI, in each case having a valid and existing registration with the SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- If you are allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from date of Allotment, sell the Equity Shares so acquired, otherwise than on the Stock Exchanges;

- You are, and at the time the offer of Equity Shares was made to you and your buy order for the Equity Shares was originated, you were, located outside the United States (within the meaning of Regulation S) and you are not an affiliate of the Company, or a person acting on behalf of such an affiliate;

- You are aware that the Equity Shares have not been, and will not be, registered under the Companies Act, the SEBI regulations or under any other law in force in India. This Placement Document has not been verified or affirmed by the SEBI, RBI, the Stock Exchanges, RoC or any other regulatory or listing authority and will not be filed with the Registrar of Companies or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has been filed with the Stock Exchanges and will be displayed on the websites of our Company and the Stock Exchanges;

- You are entitled to subscribe for such Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities, formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or our agents ("**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the GC-BRLMs may not have knowledge of the statements that our

Company or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions and accordingly you acknowledge that the GC-BRLMs has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- None of our Company, the GC-BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendation to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue. Your participation in the Issue is on the basis that you are not and will not be a client of the GC-BRLMs and that the GC-BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any duty or responsibility to you for providing the protection afforded to its clients or customers or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity;

- You are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public. Further, you are aware and understand that the allotment of the Equity Shares shall be on a discretionary basis at the discretion of our Company and the GC-BRLMs;

- You have made, or been deemed to have made, as applicable, the representations set forth under "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 134 and 139, respectively;

- You have been provided a serially numbered copy of this Placement Document and have read this Placement Document in its entirety; including, in particular, the section titled "**Risk Factors**" on page 38;

- That in making your investment decision, (i) you have relied on your own examination of our Company and the terms of the Issue, including the merits and risks involved, (ii) you have made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue, (iii) you have relied upon your own investigations and resources in deciding to invest in the Equity Shares, (iv) you have consulted with your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, including any applicable securities law and (v) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by our Company or any other party and (vi) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares;

- You are aware that if you are Allotted more than five per cent of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures; also, if you are a top ten shareholder in our Company, our Company will be required to make a filing with the RoC within 15 days of the change, as per Section 93 of the Companies Act, 2013;

- Neither the GC-BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the GC-BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert, any claim against our Company, the GC-BRLMs, or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- That, where you are subscribing for the Equity Shares for one or more managed accounts or acquiring the Equity Shares to be issued pursuant to the Issue, you represent and warrant that you are authorised in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a "Promoter" (as defined under the SEBI Regulations) of our Company or any of its affiliates and are not a person related to the Promoters, either directly or indirectly and your bid does not directly or indirectly represent the Promoter or Promoter Group or person related to the Promoters of our Company;

- You have no rights under a shareholders' agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired in the capacity of a lender not holding any Equity Shares of our Company, which shall not be deemed to be a person related to the Promoter;

- You have no right to withdraw your Bid after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible, including without any limitation under any applicable law or regulation, to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding upon such issue of the Equity Shares shall not exceed the level permissible, as per any applicable law or regulation;

- The Bids submitted by you would not eventually result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Code**");

- To the best of your knowledge and belief, together with other QIBs in the Issue that belong to the same group or are under common control as you, the allotment under the present Issue shall not exceed 50% of the Issue. For the purposes of this representation: (a) the expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956 (the "**Companies Act**"); and (b) "control" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Code;

- You shall not undertake any trade in the Equity Shares credited to your depository participant account or beneficiary account until such time that the final listing and trading approvals for the Equity Shares is issued by the Stock Exchanges, as applicable;

- You are aware that in-principle approvals under Clause 24(a) of the Listing Agreement have been received from the Stock Exchanges and application for Listing and Trading for the Equity Shares shall be made after allotment of Equity Shares. There can be no assurance that such final approvals for listing and trading in the Equity Shares will be obtained in time, or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the GC-BRLMs will have entered into a Placement Agreement with our Company whereby the GC-BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, agreed to manage the Issue and use reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- That the contents of this Placement Document are exclusively the responsibility of our Company and that neither the GC-BRLMs nor any person acting on its behalf has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or

statement made by or on behalf of the GC-BRLMs or our Company or any other person and, to the greatest extent permitted by law, neither the GC-BRLMs nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received, whether contained in this Placement Document or otherwise;

- As stated in the preceding clause herein, the only information you are entitled to rely on, and on which you have relied on, in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares. You have neither received nor relied on any other information given or representations, warranties or statements made by the GC-BRLMs (including any view, statement, opinion or representation expressed in any research published or distributed by the GC-BRLMs or their respective affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of the GC-BRLMs or its affiliates) or our Company and the GC-BRLMs will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

- You agree to indemnify and hold our Company and the GC-BRLMs and their respective officers, directors, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this section and the sections titled "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 134 and 139, respectively. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- That our Company, the GC-BRLMs, and their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are irrevocable;

- That you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended from time to time, and any notifications, circulars or clarifications issued thereunder, ("**Security Regulations**"), and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- You understand that the GC-BRLMs do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of our respective obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- That each of the acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the allotment of the Equity Shares and the listing and commencement of trading of Equity Shares, wherever the context may require.

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

OFFSHORE DERIVATIVE INSTRUMENTS (P-NOTES)

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations (as defined hereinafter), FPIs (which includes FIIs), other than Category III Foreign Portfolio Investor (as defined hereinafter) and unregulated broad based funds, which are classified as Category II foreign portfolio investor (as defined under the SEBI FPI Regulations) by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called,

which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") directly or indirectly, only in the event that (i) such offshore derivative instruments are issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

P-Notes have not been and are not being offered or sold pursuant to this Placement Document. Neither the Preliminary Placement Document nor this Placement Document contain any information concerning P-Notes, or the issuer(s) of any such P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claims on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with any P-Notes.

Any P-Notes that may be issued are not securities of the GC-BRLMs and do not constitute any obligations of, or claims on, the GC-BRLMs. Affiliates of the GC-BRLMs which are FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

(2) warrant that our Company's Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares of our Company pursuant to this Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Substantially all directors, senior management personnel and executive officers of our Company are residents of India and a substantial portion of the assets of such persons and of our Company are located in India. As a result, it may be difficult or may not be possible for investors to effect service of process upon our Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;
(b) where the judgment has not been given on the merits of the case;
(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where the judgment has been obtained by fraud; or
(f) where the judgment sustains a claim founded on a breach of any law than in force in India.

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of such Section), in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties and does not include arbitration awards.

A few countries like the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore and Hong Kong, amongst others, have been declared by the Central Government to be reciprocating territories for the purposes of Section 44A and does not include arbitration awards.

A judgment of a court in a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with the public policy of India. Further, any judgment or award for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India must obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. We cannot assure you that Indian courts and/or authorities would not take a longer amount of time to adjudicate and conclude similar proceedings in their respective jurisdictions.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our Company publishes its financial statements in Indian Rupees. Our Company's financial statements included herein have been prepared in accordance with accounting principles generally accepted in India, or Indian GAAP and the Companies Act, 2013 and have been audited by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI. Unless otherwise indicated, all financial data in this Placement Document are derived from our Company's financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**"), US GAAP and other international accounting systems. Our Company does not quantify the impact of U.S. GAAP or International Financial Reporting Standards ("**IFRS**") on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its financial statements to U.S. GAAP or IFRS. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. See the section "**Risk Factors**" on page 38.

Our Company's Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular Fiscal are to the twelve-month period ended on March 31 of that year. The audited financial statements of our Company for the years ended March 31, 2012 March 31, 2013 and March 31, 2014 are prepared in accordance with Indian GAAP, are included in this Placement Document and are referred to herein as the "**Financial Statements**".

In this Placement Document, all references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor are to the prospective investors in Equity Shares issued pursuant to the Issue, all references to "India" are to the Republic of India and all references to the Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable (unless the context otherwise requires). All references to "Rupees", "**₹**" and "**Rs**." are to the lawful currency of India. All references to "**U.S. dollars**", "**dollars**", "**$**", "**USD**" and "**US$**" are to the lawful currency of the United States of America. All references to "**£**" are to the lawful currency of the United Kingdom. All references to "**€**" are to the lawful currency of the member states of the European Union that adopted it as the single currency. References to the words "Lakh" or "Lacs" mean "100 thousand", the word "million" means "10 lakh" and the word "billion" means "1,000 million".

In this Placement Document, certain monetary amounts have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our Company's business contained in this Placement Document consists of estimates/forecasts based on data reports compiled by professional organisations and analysts, on data from recognized industry sources, other external sources, and on our Company's knowledge of the markets in which our Company operates. In some cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring our Company to rely on internally developed estimates. While our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither our Company nor the GC-BRLMs can assure potential investors as to their accuracy. While our Company has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, neither our Company nor the GC-BRLMs have independently verified that data. Our Company and the GC-BRLMs cannot assure potential investors of the accuracy and completeness of, and takes no responsibility for, such data. Our Company takes responsibility for accurately reproducing such information but, subject to the next sentence, accepts no further responsibility in respect of such information and data.

Our Company confirms that such information and data have been accurately reproduced. Several reports also expressly disclaim legal responsibility and liability of the person/ organization preparing the report for any loss or damage resulting from the contents of such reports. Accordingly, the GC-BRLMs and we do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent source and our Company cannot assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical facts constitute 'forward-looking statements'. These statements express views of the management of our Company and expectations based upon certain assumptions regarding trends in the Indian and international financial markets and regional economies, the political climate in which our Company operates and other factors. Prospective investors can identify forward-looking statements by the use of forward-looking terminology, including the words "aim", "anticipate", "believes", "continue", "can", "could" "estimates", "expects", "intends", "may", "will", "plans", "objective", "potential", "project", "pursue", "shall", "will likely result", "will continue", "will achieve", "is likely" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, goals, future events or intentions. All statements regarding our Company's expected financial condition and results of operations, business plans projects under execution, orders-in-hand and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, revenue and profitability and other matters discussed in this Placement Document regarding matters that are not historical facts. They appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate.

By their nature, forward-looking statements contained in this Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, and assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.. Forward-looking statements are not guarantees of future performance. Our Company's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which we operate may differ materially from the impression created by the forward-looking statements contained in this Placement Document. In addition, even if the results of operations, financial condition, liquidity and dividend policy of our Company and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause actual results and property valuations to differ materially from our expectations include, but are not limited to, the following:

- the growth of the infrastructure sector and the availability of infrastructure financing in India;
- the performance of industrial sector and the prevailing condition of the industrial sector;
- the effect of changes in our accounting policies;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- our ability to manage our growth effectively;
- costs and availability of equipment and materials;
- cost overruns, delays and disruptions in completion of projects;
- outcome of legal or regulatory proceedings to which we, are a party to or might become involved in;
- changes in government policies, laws and regulations that apply to our customers, infrastructure and construction industry;
- increasing competition in and the conditions of our customers, infrastructure and construction industry;
- changes in political and social conditions in India;
- our ability to compete effectively, particularly in new markets and business lines;
- potential mergers, acquisitions or restructurings;
- changes in the foreign exchange control regulations in India and
- other factors discussed in this Placement Document, including "Risk Factors".

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "**Risk Factors**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Our Business**" on pages 38, 84 and 72 respectively. These forward-looking statements speak only as of the date of this Placement Document. Our Company and the

GC-BRLMs expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management of our Company, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and other forward-looking statements attributable to our Company in this Placement Document are expressly qualified in their entirety by reference to these cautionary statements.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$ 1.00), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On June 30 2014, the exchange rate (the RBI reference rate) was ₹ 60.09 to US$ 1.00. (Source: www.rbi.org.in)

	Period End
Financial Year Ended:	
March 31, 2014	60.10
March 31, 2013	54.39
March 31, 2012	51.16
Quarter Ended:	
June 30, 2014	60.09
March 31, 2014	60.10
December 31, 2013	61.90
September 30, 2013	62.78
June 30, 2013	59.70
Month Ended:	
June 30, 2014	60.09
May 31, 2014	59.03
April 30, 2014	60.34
March 31, 2014	60.10
February 28, 2014	62.07
January 31, 2014	62.48
December 31, 2013	61.90

(Source: www.rbi.org.in)

DEFINITIONS AND GLOSSARY

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The terms defined in this Placement Document shall have the meaning set forth in this chapter, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Terms	Description
"**J. Kumar Infraprojects Limited**", "**JKIL**" "**We**", "**us**", "**our**", "**Issuer**", "**the Company**" and "**our Company**",	Unless the context otherwise indicates or implies, refers to J. Kumar Infraprojects Limited. It may also refer to J. Kumar & Co., proprietary concern of Jagdishkumar M. Gupta, our promoter wherever relating to activities carried out by J. Kumar & Co. prior to the sale of assets of the proprietary concern to J. Kumar Infraprojects Limited in the year 2004-2005.
Articles / Articles of Association	Articles of Association of J. Kumar Infraprojects Limited, as amended.
Auditors / Statutory Auditors	Gupta Saharia & Co., Chartered Accountants.
Board of Directors or Board	Board of Directors of J. Kumar Infraprojects Limited or a Committee constituted thereof
CC-02 Package	Design and Construction of viaduct and two elevated stations namely Rohini Sector -18 & Badi Corridor of Delhi MRTS Ph. –III Project.
CC-09 Package	Design and Construction of Badli Mor (earlier Shalimar Place) elevated station on Jahangir Puri-Badli corridor of Delhi MRTS Ph-II Project.
CC-20 Package	Design and Construction of Tunnel by Shield TBM, Tunnels by Cut & Cover, Underground Station at Naraina Vihar & Ramps at Mayapuri and Delhi Cantt for underground works corridor of Delhi MRTS Project of Phase-III on Mukundpur — Yamuna Vihar
CC-24 Package	Design and Construction of Tunnel by Shield TBM, Tunnels, Stations and Ramp by Cut & Cover method between Lajpat Nagar and Hazrat Nizamuddin stations (Both Including) Mukundpur - Yamuna Vihar corridor of Delhi MRTS Project of Phase-III for underground works
Committee	Committee of the Board of Directors
Directors	Directors of J. Kumar Infraprojects Limited
DMRC Project	CC-02, CC-09,CC-20 AND CC-24 Packages awarded by the DMRC
Equity Shares	Equity Shares with full voting rights of J. Kumar Infraprojects Limited of face value of ₹10 each, unless otherwise specified in the context thereof
Equity Shareholders/ Shareholders	persons holding Equity Shares of J. Kumar Infraprojects Limited, unless otherwise specified in the context thereof
Memorandum / Memorandum of Association	The Memorandum of Association of J. Kumar Infraprojects Limited
Order Book	The total contract value of all existing contracts as on a given date minus any revenues already recognized by our Company of such existing contracts till such date. Order Book does not include projects in respect of which Company is L1, but where final work order is yet to be received.
Promoters	Mr. Jagdishkumar M. Gupta, Mr. Kamal J. Gupta, Mr. Nalin J. Gupta, Ms. Kusum J. Gupta, Ms. Sonal K. Gupta and Ms. Shalini N. Gupta
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(zb) of the SEBI Regulations
Registrar of Companies or	The Registrar of Companies, Mumbai having its office situated at Everest, 100

Terms	Description
RoC	Marine Drive, Mumbai 400002, Maharashtra, India
Registered Office	The registered office of our Company located at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400058
Total Contract Value	The value of the project including claims and escalations (accepted by the client) and in case of projects executed through joint ventures, includes the Company's share of work being executed.

Issue Related Terms

Terms	Description
Allocated or Allocation	The determination of successful Bidders pursuant to receipt of Bid-cum-Application Form from QIBs by our Company in consultation with the GC-BRLMs in compliance with Chapter VIII of the SEBI (ICDR) Regulations.
Allotment or Allotted	Unless the context otherwise requires, the allotment of Equity Shares to the successful Bidders pursuant to this Issue.
Allottee	QIBs who are allotted Equity Shares pursuant to this Issue.
Bid(s)	An indication of interest by a QIB to subscribe for Equity Shares of our Company, made pursuant to a Bid-cum-Application Form
Bid Amount	The highest value of the optional Bids as indicated in the Application Form and payable by the Bidder upon submission of the Bid
Bid-cum-Application Form/ Application Form	The form which the QIBs are required to complete and return to the GC-BRLMs, and pursuant to which they apply for the Equity Shares
Bidders	Any prospective investor, a QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bid /Issue Closing Date	July 18, 2014, i.e. the date on which our Company (or the GC-BRLMs on behalf of our Company) shall cease acceptance of duly completed Bid-cum-Application Forms for the Issue, from QIBs
Bid/Issue Opening Date	July 16, 2014, i.e. the date on which our Company (or the GC-BRLMs on behalf of our Company) shall commence the acceptance of duly completed Bid-cum-Application Forms for the Issue, from QIBs.
Bidding Period/Issue Period/ Bid/Issue Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date, inclusive of both dates, during which QIBs may submit their Bids.
BOLT	BSE's online trading facility
CAN or Confirmation of Allocation Note	Note or advice or intimation to the QIBs confirming Allocation of Equity Shares to such QIBs after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such QIBs
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about July 23, 2014
Cut-off price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalized by our Company in consultation with the GC-BRLMs
Designated Date	The date of credit of Equity Shares to the QIB's demat account, as applicable to the respective QIB
Depository Participant	a depository participant as defined under the Depositories Act
Escrow Account	a special bank account opened by our Company entitled "J. Kumar - QIP Escrow Account" with the Escrow Agent in terms of the arrangement between our Company, GC-BRLMs and the Escrow Agents
Escrow Agents / Collection Banks/ Escrow Banks/ Designated Banks	HDFC Bank Limited and Yes Bank Limited
Escrow Agreement	Agreement dated July 16, 2014, entered into among our Company, the Escrow Bank and the GC-BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹ 309.98 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. Our Company may offer a discount of

Terms	Description
	not more than five per cent on the Floor Price in terms of Regulation 85 of the SEBI Regulations
Global Co-ordinators and Book Running Lead Managers or GC-BRLMs/ Lead Managers	Edelweiss Financial Services Limited / EFSL and Anand Rathi Advisors Limited / ARAL.
Issue	The offer issue and Allotment of 44,25,000 Equity Shares to Qualified Institutional Buyers, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, and the Private Placement Regulations. The Equity Shares offered pursuant to this Issue are being offered and sold outside the United States in reliance on Regulation S
Issue Price	₹ 309.98 per Equity Share
Issue Size	The issue of 44,25,000 Equity Shares aggregating ₹ 13,716,62 lacs
Listing Agreements	The agreement executed by a listed company with each of the Stock Exchanges in relation to listing of the Equity Shares to be issued pursuant to the Issue, on each of the Stock Exchanges
Mutual Fund Portion	10 per cent of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest was irrevocably held by NRI's directly or indirectly and which was in existence on September 16, 2003 and immediately before such date was eligible to benefits under the general permission granted to OCBs under FEMA
Pay-In Date	The last date specified in the CAN for payment of application monies byte successful Bidders
Placement Agreement	Placement agreement dated July 16, 2014, entered into by our Company and the GC-BRLMs
Placement Document	This Placement Document dated July 18, 2014 issued in accordance with Chapter VIII of the SEBI (ICDR) Regulations and section 42 of the Companies Act
Preliminary Placement Document	The Preliminary Placement Document dated July 16, 2014 in accordance with Chapter VIII of the SEBI (ICDR) Regulations and section 42 of the Companies Act
Private Placement Regulations	Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
QIBs or Qualified Institutional Buyers	A Qualified Institutional Buyer as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations
QIP	Qualified institutions placement under Chapter VIII of the SEBI Regulations
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	July 16, 2014, which is the date of the meeting of the Board, or any committee duly authorized by the Board, deciding to open the Issue
Relevant Member State	Each Member State of the European Economic Area, which has implemented the Prospectus Directive 2003/71/EC
SCRA	The Securities Contracts (Regulation) Act, 1956, of India, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, of India, as amended
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations / SEBI Regulations	The Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009
Security Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India Regulations), 2000
SFA	Chapter 289 of the Singapore, Securities and Futures Act,

Terms	Description
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited (BSE and NSE)
STT	Securities Transaction Tax
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Business and Industry Related Terms

Terms	Description
AMC	Ahmedabad Municipal Corporation
BOQ	Bill of Quantities
BOT	Build Operate and Transfer
CBD	Central Business District
CFI	Construction Federation of India
CFS	Container Freight Station
CIDCO	City and Industrial Development Corporation of Maharashtra Limited
CMLR	Chembur Mankhurd Link Road
CPM PERT	Critical Path Method and Project Evaluation and Review Technique
DMRC	Delhi Metro Rail Corporation
ESIC	Employee State Insurance Corporation
EEH	Eastern Express Highway
EMD	Eastern Money Deposit
EPC	Engineering, procurement and construction
ERP	Enterprise Resource Planning
LoA	Letter of Allotment
LoI	Letter of Intent
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Mumbai Housing and Area Development Authority
MKVDC	Maharashtra Krishna Valley Development Corporation
MMRDA	Mumbai Metropolitan Regulatory Development Authority
MRVC	Mumbai Rail Vikas Corporation
MRTS	Mass Rapid Transit System
MSRDC	Maharashtra State Road Development Corporation
NABARD	National Bank for Agriculture and Rural Development
NIT	Notice Inviting Tender
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
O & M	Operations and Maintenance
PCMC	Pimpri Chinchwad Municipal Corporation
PMC	Pune Municipal Corporation
PPP	Public- Private Partnership
PWD	Public Works Department
RCC	Reinforced Cement Concrete
RMC	Ready Mix Concrete
ROB	Railway Over Bridge
RUB	Railway Under Bridge
TBM	Tunnel Boring Machine
TMC	Thane Municipal Corporation
VIDC	Vidharbha Irrigation Development Corporation
WEH	Western Express Highway
UPRNNL	Uttar Pradesh Rajkiya Nirman Nigam Limited

Conventional and General Terms

Terms	Description
AGM	Annual General Meeting
AIF	Alternate Investment Funds

Terms	Description
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Chapter VIII	Refers to Chapter VIII of the SEBI (ICDR) Regulations, 2009 that deals with Qualified Institutions Placement, and as amended from time to time
Civil Code or Code	The Code of Civil Procedure, 1908 of India, as amended
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Delisting Regulations	the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
Depositories Act	The Depositories Act, 1996, as amended
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment in an Indian company, in accordance with applicable law
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations framed thereunder
FII	Foreign Institutional Investor as defined under Section 2(f) the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Financial Year or Fiscal Year or Fiscal or FY	A period of twelve months ending March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign Portfolio Investors, as defined under Regulation 2(1)(h) of the Securities And Exchange Board Of India Foreign Portfolio Investors Regulations, 2014
FPI Regulations	SEBI (Foreign Portfolio Investors) Regulations 2014
FSMA	The Financial Services and Markets Act, 2000 of the United Kingdom
FVCI	Any foreign venture capital investor (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended) registered with the SEBI under applicable laws in India.
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India, unless otherwise specified
GOM	Government of Maharashtra
Gratuity Act	The Payment of Gratuity Act, 1972, as amended.
IAS	International Accounting Standards
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	The Income Tax Act, 1961 of India, as amended
India	The Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended
Lakh/ Lac/Lacs	One hundred thousand
MCA	Ministry of Corporate Affairs, Government of India
Minimum Wages Act	Minimum Wages Act, 1948, as amended
MoEF	Ministry of Environment and Forests, Government of India.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of

Terms	Description
	India (Mutual Funds) Regulations, 1996, as amended
Non-Resident Indian(s) or NRI	Non-Resident Indian, as defined under FEMA
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
PAN	Permanent Account Number
Portfolio Investment Scheme/PIS	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
Private Placement Regulations	Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
"₹" or Re. or Rs. or Rupees or INR	Indian Rupee
RBI	The Reserve Bank of India
SCN	Show Cause Notice
SEZ	Special Economic Zone established in accordance with the SEZ Act
SEZ Act	The Special Economic Zone Act, 2005 of India, as amended
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, of India, as amended
SPV	Special Purpose Vehicle
State	Any state in the Republic of India
State Government	Government of a State
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
UK	The United Kingdom of Great Britain and Northern Ireland
"$", "U.S. dollar" or "US$"	The legal currency of the United States
U.S. GAAP	Generally Accepted Accounting Principles in the United States

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr No	Disclosure	Page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the Company indicating both registered office and corporate office	172
b.	Date of incorporation of the Company	168
c.	Business carried on by the Company and the Subsidiaries with the details of branches or units, if any.	72-83
d.	Brief particulars of the management of the Company	109-115
e.	Names, addresses, DIN and occupations of the Directors	109
f.	Management's perception of risk factors	38-59
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory due, debentures and interest thereon, deposits and interest thereon, loan from bank or financial institution and interest thereon.	Not Applicable
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	172
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(ii)	Rate of dividend	Not Applicable
(iii)	Rate of interest	Not Applicable
(iv)	Mode of payment	Not Applicable
(v)	Repayment	Not Applicable
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a.	Any financial or other material interest of the Directors, Promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	Not Applicable
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action	164-167
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e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	103
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of Company and all of the Subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the Company and all of the subsidiaries	164-167
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b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter	F1-F82
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a.	the company has complied with the provisions of the Act and the rules made thereunder	
b.	the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government	
c.	the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Document.	

SUMMARY OF BUSINESS

*The following summary provides an overview of the information contained in this Placement Document. Because this is a summary, it does not contain all the information that may be important to you. You should read the entire Placement Document, including the Financial Statements, before you decide to invest in the Equity Shares. There are risks associated with any investment. Some of the particular risks in investing in the Equity Shares are set out in the section titled "**Risk Factors**". You should read that section carefully before you decide to invest in the Equity Shares.*

Overview

We are a civil engineering and construction company having over three decades of experience in transportation engineering, with our primary focus on transportation engineering, civil construction and irrigation works. We also undertake piling of deep foundations using hydraulic piling rigs, in connection with construction work undertaken by reputed real estate and infrastructure companies. While we have a strong presence in Mumbai, Navi Mumbai and Pune, in Maharashtra and in recent years we have pursued opportunities and been awarded projects in other parts of India including states of Rajasthan, Delhi and Gujarat.

We undertake design and construction of projects based on specific client requirement, on a lump sum contract basis (turnkey), where the project is constructed and turned over to the client in a ready-to-use condition. We also undertake projects on percentage rate contracts.

We currently operate in the following construction and infrastructure business verticals:

- Transportation Engineering, includes Metro, roads, flyovers, skywalks, bridges, ROBs, RUBs, Storm Water Drainage Systems, tunneling etc;
- Civil Construction, includes railway terminus/ stations and commercial buildings;
- Irrigation Works includes construction of earthen dams, minor irrigation tanks, spillways etc;
- Others, includes Piling and RMC.

Our Company has a proven track record of over 75 completed projects, and currently has over 40 ongoing projects. Over the years we have been undertaking projects for various government / semi-government authorities. As on March 31, 2014 our Order Book stands at ₹ 3,14,091 lacs.

The key to efficient execution of projects, is our large fleet of owned modern construction equipment and machineries like hydraulic piling rigs, putmiester mobile boom placer concrete pump and stationery concrete pumps, transit mixers, cranes, poclains, front end loaders, JCBs, trucks, tippers, shuttering and centering plates, etc. We also have 15 ready mix concrete plants catering primarily to our captive requirements.

As of March 31, 2014, our work force consists of 3,024 full-time employees out of which 761 consist of engineering staff. Further, we also employ contract labour based on project requirements.

We believe that our employee resources and owned fleet of equipment, along with our engineering skills and capabilities enable us to successfully implement a wide variety of infrastructure projects that involve varying degrees of complexity.

We enter into contracts primarily through a competitive bidding process. We bid for, and execute projects both on a standalone basis as well as through project specific joint ventures. When a project requires us to meet specific eligibility requirements for larger projects, including requirements relating to experience and financial resources, we may enter into project-specific joint ventures with other infrastructure companies. We have entered into joint ventures with national and international players such as China Railway No.3 Engineering Group Co. Ltd, NCC Limited and PBA Infrastructure Limited. As on March 31, 2014 we have 9 transportation engineering projects and irrigation projects being executed through joint ventures.

Our Company has put into place a centralized ERP system to manage internal and external resources including, materials and assets, financial and human resources, to facilitate the flow of information between different construction sites, and business functions and to manage connections with external parties and stakeholders. As

a result we are able to successfully plan and implement project schedules, budgets, and safety requirements and also make better business decisions.

We are an ISO 14001:2004, 18001:2007, 9001: 2008 certified company for the quality management system we apply in designing and construction of the infrastructure projects we undertake.

We have also obtained the following registrations making us eligible as contractors for various public construction and infrastructure projects:

- Class I A contractor with PWD, Government of Maharashtra
- Group A, Class I A with VIDC, Nagpur
- We are registered with the MCGM under various categories.

For the years ended March 31, 2014 and March 31, 2013, our total income was ₹ 1,19,759.16 lacs and ₹ 1,00,953.46 lacs respectively. In the years ended March 31, 2014 and 2013, we earned a profit after tax of ₹ 8,405.02 lacs and ₹ 7,574.29 lacs respectively.

Key Infrastructure Projects

We are in the process of executing various infrastructure transportation projects across India either on our own or under joint ventures/consortium. Some of the key infrastructure projects under execution include:

(₹ in lacs)

Project	Contract Value
Design and Construction of tunnel by Shield TBM, tunnels, stations and ramp by cut and cover tunneling Work method between Lajpat Nagarand Hazrat Nizamuddin stations (both Including) for underground works on Mukundpur - Yamuna Vihar corridor of Delhi MRTS Project of Phase- III	1,01,085.00
Widening & Improvement to Sion – Panvel Special state Highway (under BOT) from Uran Flyover Retaining wall end point Ch. 126/150 to B.A.R.C. Junction Ch. 140/690.	60,000.00
Design and Construction of Tunnel by Shield TBM, Tunnels by Cut and Cover, Underground Tunneling Work Station at Naraina Vihar and Ramps at Mayapuri and Delhi Cantonment for underground works on Mukundpur - Yamuna - Vihar corridor of Delhi MRTS Project of Phase-III	37,585.00
Construction of ROB at Jogeshwari (South) in lieu of L.C.No. 24 & 25.	29,810.14
Construction of Eastern Freeway section from Panjarapol to Chembur Mankurd Link Road KM 0/000 to 2/500	29,378.00
Design and Construction of 4.91 km. elevated via duct for Navi Mumbai Metro Project between chainage 5130 m to chainage 10,740 m excluding five stations viz., Central Park, Pethapada, Sector 34(Kharghar), Panchanand and Pendhar each of length 140 m on Belapur- Taloja- Khandeshwar corridor of Navi Mumbai Metro (CIDCO Navi Mumbai Metro project)	14,596.35

For further details of our projects under execution and orders-in-hand, please see the paragraph titled "Order Book" in this section.

Our Competitive Strengths

Proven track record of efficient execution and project management skills

With over 3 decades of experience and more than 75 projects executed till date believe that we have established a track record of efficient project management and execution skills with trained and skilled manpower, efficient deployment of equipment and strategic purchasing capabilities, that has ensured meeting project targets on schedule and in some instances even before the designated completion date. . We have executed various types of infrastructure projects such as flyovers, skywalks, roads, flexible and rigid pavement, railway over bridges, railway under bridges, bridges, airport contracts, commercial and residential buildings, railway buildings, sports complexes and irrigation projects like canals, minor irrigation tanks, and spillways, aqueducts for government, semi-government and private organizations**.**

Diversified portfolio across various segments and geographical location

Our Order Book as on March 31, 2014 stands at ₹ 3,14,091 lacs. The composition of our Order Book is well diversified over various segments such as railways, roads and highways and ROBs etc in the transportation engineering segment. We have also constructed swimming pools, railway terminus, pedestrian subways and various airport contracts apart from construction of flyovers, skywalks, roads and bridges. Such a variety of work enables us to keep our business diversified and reduce our dependency on any single segment. Until 2010 our operations were largely focused on projects in Maharashtra, but we have since then also forayed into new states such as Delhi, Gujarat and Rajasthan. As on March 31, 2014 more than 50% of our Order Book consisted of projects to be executed outside Maharashtra.

Large fleet of owned machineries and equipments

We believe that in infrastructure industry, the key is timely completion of projects. Ownership of machineries and equipment which is readily available thereby reducing dependence on hiring of third party equipment. We own a number of plants and equipments required for construction. This includes tunnel boring machine (TBM), hydraulic piling rigs HR 180 and HR 130, putmiester mobile boom placer concrete pump and stationery concrete pumps, RMC plants, transit mixers, various capacity cranes, poclains, front end loaders, JCBs, trucks and tippers and a large number of shuttering and centering plates. We believe that the long term cost implications of using leased equipment are adverse, and therefore, we believe that ownership and usage of modern concreting/ shuttering equipment provides cost benefit.

Experienced Promoter and Management Team

Our Promoters and senior management team have extensive experience of design and construction of a broad range of projects including skywalks, flyovers, ROBs, RUBs and metro systems. They have strong operational knowledge and a successful track record of executing infrastructure projects. This extensive experience extends well into our organization; where an experienced and qualified team who support our top management. We have also been able to attract employees from various government departments after their retirement.

Multiple Ready Mix Concrete Plants to serve our various project requirements

We currently have 15 RMC plants located across various parts of the country. The availability of the ready mix transit mixers enables us to service multiple locations for our contracts from a single nodal point. This is in turn helps us in timely servicing multi location requirements. We also sell ready mix concrete to third parties which helps in augmenting our revenues and use the RMC's to their optimum levels.

Ability to execute the project within stipulated time

We have executed complex projects within the scheduled completion date and have earned bonuses for such projects. For example, we completed the construction of flyover, slip roads and allied works at Seven Hills Chowk, Aurangabad 19 days ahead of scheduled date of completion and were awarded ₹ 19 lacs for completing the project well within time. Similarly, we completed the pedestrian subway work at Rajaram Nagar near Santacruz airport- 67 days ahead of the stipulated time limit and received bonus for early completion. Such achievements help us to pre-qualify for projects. We have completed various projects like construction of flyover bridge at Konkan Bhavan (CBD) Junction, construction of flyover bridge at the junction of Eastern Express Highway and CMLR at Cheddanagar, duplication of flyover at Dindoshi on Western Express Highway, construction of flyover near Times of India Building at Malad Junction on Western Express Highway, Mumbai, and skywalk at Kanjurmarg station, within the stipulated time. We follow CPM - PERT for determination and allocation of optimal timelines for project completion, thereby clearly demarcating the time-lines for various activities. We believe that such efficiency will hold us in good stead for future projects.

Our Business Strategy

Our strategy is to build upon our competitive strengths and business opportunities to become a leading construction and infrastructure company in India. We intend to pursue suitable opportunities in Maharashtra, as well as other parts of India. Historically, we have been most active in Mumbai, Navi Mumbai and Pune in

Maharashtra and in recent years we have diversified to other states such as Delhi, Rajasthan and Gujarat. We intend to diversify in to construction of all infrastructure facilities in areas other than those where we are currently active.

We have developed skill sets in providing engineering and construction services for a diverse range of infrastructure projects, including transportation engineering projects, civil construction and irrigation works.

To achieve these objectives, we adopt the following strategies:

Increasing the scope of work for each order and associating ourselves with larger projects

Our endeavor is to be amongst one of the larger players in the transportation engineering and civil construction space. We also intend to associate with larger as well as technically more complex projects. The biggest project on hand, as on March 31, 2014 is the "Design and Construction of Tunnel between Lajpat Nagar and Hazrat Nizamuddin stations and Mukundpur - Yamuna Vihar corridor for underground works by DMRC with a contract value of ₹1,01,085 lacs. We intend to continue to bid for larger projects and increased scope of works either on our own strength or in collaboration with other players under joint venture.

Diversifying in new geographies

Over the years, we have steadily and successfully increased our business portfolio catering to a range of construction projects situated over diverse geographies. We currently execute projects in Maharashtra, Gujarat, Delhi and Rajasthan. This has also enabled us to de-risk our business model and we plan to further extend our footprint to other states in India. Using our design build model and turnkey capabilities, we intend to concentrate on projects and geographies where we can retain a competitive edge and seek better margins.

Remain focused on timely execution of projects and maintain quality standards

We believe that we have developed a reputation for undertaking complex construction projects and have been able to deliver our projects in timely manner. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and complete the projects within the given time frame so as to leverage this in future projects.

To enter into strategic partnerships for bidding for larger and complete projects.

Our services significantly depend on procuring construction projects undertaken by large companies and infrastructure projects undertaken by government, semi-government authorities and others and projects funded by them. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

Improving our productivity and competitiveness

Our Company intends to increase the efficiency and competitiveness of its operations by continuously investing in state of the art construction machinery and equipment and related operating methods, in order to maximize efficiency of labour, material and reduce our costs and the time taken to execute our projects. We also intend to continue to control operating and overhead costs to maximize our operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. This enables us to have better operating margins. We believe that this will make us more efficient and also make us more competitive.

SUMMARY OF THE ISSUE

*This following is general summary of the terms of the Issue; this summary should be read in conjunction with, and is qualified in its entirety by more detailed information appearing in this Placement Document, including "**Risk Factors**" "**Use of Proceeds**", "**Placement**", "**Issue Procedure**" and "**Description of the Equity Shares**".*

Company / Issuer	J. Kumar Infraprojects Limited
Face Value	₹ 10 per Equity Share
Issue	44,25,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 309.98 per Equity Share, aggregating to ₹ 13,716.62 lacs
Issue Price per Equity Share	₹ 309.98
Date of Board Resolution	June 5, 2014
Date of Shareholders Resolution	July 14, 2014
Floor Price	₹ 309.98 per Equity Share. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price, subject to discount of not more than five per cent on the Floor Price which may be considered by our Company.
Issue Size	The issue of 44,25,000 Equity Shares aggregating to ₹ 13,716.62 lacs
Equity Shares outstanding prior to the Issue	2,78,01,205 Equity Shares.
Equity Shares outstanding after the Issue	3,22,26,205 Equity Shares
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86 of the SEBI Regulations.
Listing	Our Company has obtained in-principle approvals in terms of Clause 24(a) of the Listing Agreements, for listing of the Equity Shares issued pursuant to the Issue from the BSE and the NSE under Clause 24(a) of the Listing Agreement by their letters dated July 16, 2014. Our Company shall make applications to the Stock Exchanges to obtain Listing and Trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	Our Company has agreed that it will not, without the prior written consent of the GC-BRLMs, from the date of this Placement Agreement and for a period of up to 180 days from the Closing Date, directly or indirectly: (a) offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Equity Shares or any securities convertible into or exercisable for the Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise), or (c) deposit the Equity Shares with any other depositary in connection with a depositary receipt facility, or publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. For further details, see the section "**Placement Agreement**" on page 132. The Promoters of our Company have agreed that they will not, from the date of this Placement Agreement and for a period of 180 days from the Closing Date, directly or

	indirectly: (a) offer, lend, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Promoter Shares / Promoter Group entity shares or any securities convertible into or exercisable for Promoter Shares / Promoter Group entity shares or file any registration statement under the U.S. Securities Act of 1933, as amended, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter Shares / Promoter Group entity shares or any securities convertible into or exercisable or exchangeable for Promoter Shares / Promoter Group entity shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Promoter Shares/ Promoter Group entity shares or such other securities, in cash or otherwise); or (c) deposit Promoter Shares / Promoter Group entity shares with any other depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Promoter Shares / Promoter Group entity shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. See the section "**Placement Agreement**" on page 132 for additional information.
Transferability Restriction	The Equity Shares being allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment except on a recognised stock exchange in India. Please refer to the section titled "**Selling Restrictions**" and "**Transfer Restrictions**" relating to the sale of the Equity Shares.
Ranking	The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of our Company's Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the date of allotment, in compliance with the Companies Act, the Listing Agreements and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act and our Company's Articles of Association. Also, see "**Description of Equity Shares**" on page 146.
Use of Proceeds	The gross proceeds from the Issue is ₹ 13,716.62 lacs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 13,216.62 lacs. For further details, see the section "**Use of Proceeds**" on page 62 for additional information
Risk Factors	Prior to making an investment decision in this Issue, please refer sections titled "**Risk Factors**" on page 38
Security Codes	ISIN : INE576I01014 BSE Code : 532940 NSE Code : JKIL – EQ

SELECTED FINANCIAL INFORMATION OF OUR COMPANY

Indian GAAP differs in certain material respects from IAS, IFRS and US GAAP.

The selected Financial Statements set forth below should be read in conjunction with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and our financial statements included in this Placement Document.

1. Balance Sheet As At March 31st, 2014

(₹ in lacs)

	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2	2,780.12	2,780.12
	(b) Reserves and surplus	3	54,748.63	47,563.33
2	**Share application money pending allotment**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	4	13,500.45	8,590.85
	(b) Deferred tax liabilities (Net)	5	705.81	513.55
	(c) Long-term provisions	6	59.55	16.39
4	**Current liabilities**			
	(a) Short-term borrowings	7	32,238.91	12,442.94
	(b) Trade payables		18,174.11	9,095.43
	(c) Other current liabilities	8	41,433.71	33,692.60
	(d) Short-term provisions	9	1,665.34	1,130.89
	TOTAL		**1,65,306.62**	**1,15,826.10**
II.	**ASSETS**			
	Non-current assets			
1	(a) Fixed assets	10		
	(i) Tangible assets		32,552.70	20,888.55
	(iii) Capital work-in-progress		17,521.35	10,125.09
	(b) Non-current investments	11	229.25	9.50
	(c) Long Term Loans and Advances			
	(d) Other non-current assets	12	14,142.61	11,926.68
2	**Current assets**			
	(a) Inventories	13	56,580.59	39,495.56
	(b) Trade receivables	14	13,197.61	11,470.89
	(c) Cash and Bank balance	15	12,124.23	11,186.84
	(d) Short-term loans and advances	16	14,204.76	7,886.02
	(e) Other current assets	17	4,753.51	2,836.97
	Significant Accounting Policies	1		
	TOTAL		**1,65,306.62**	**1,15,826.10**

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

(₹ in lacs)

	Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I.	Revenue From Operations(gross)	18	1,18,712.64	1,00,112.95
	Less: Excise Duty		34.75	44.86
	Revenue From Operations(Net)		1,18,677.89	1,00,068.09
II.	Other income	19	1,081.27	885.37
III.	**Total Revenue (I + II)**		**1,19,759.16**	**1,00,953.46**
IV.	Expenses:			
	Cost of Raw materials consumed	20	80,088.17	74,298.90
	Changes in inventories of work in progress	21	(11,885.07)	(11,659.82)
	Employee benefits expense	22	7,730.30	4,735.04
	Finance costs	23	5,763.72	4,063.75
	Depreciation and amortization expense		3,476.02	2,441.06
	Other expenses	24	22,162.74	15,956.42
	Total expenses		**1,07,335.88**	**89,835.34**
V	**Profit before tax (III - IV)**		12,423.28	11,118.11
VI	Tax expense:			
	(1) Current tax		3,826.00	3,455.00
	(2) Deferred tax		192.26	88.83
VII	**Profit (Loss) for the period (V-VI)**		**8,405.02**	**7,574.29**
VIII	Earnings per equity share:	25		
	(1) Basic		30.23	27.24
	(2) Diluted		30.23	27.24
	Significant Accounting Policies	1		

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

(₹ in lacs)

PARTICULARS	2013 - 2014	2012 - 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item as per Statement of Profit and Loss	12,423.28	11,118.11
Adjustment for:		
Depreciation	3,476.02	2,441.06
Loss on Sale of Fixed Assets	-	0.08
Interest & Rent Received	(1,059.77)	(830.12)
Preliminary Expenses W/off	87.15	87.15
Provision for Gratuity	43.15	(68.61)
Unrealised Gain Due to Foreign Currency Fluctuation (Net)	29.68	(3.50)
Interest & Finance Charges paid	5,763.72	4,063.75
Operating Profit before Working Capital Changes	**20,763.22**	**16,807.92**
Adjustments for Changes in Working Capital		
Inventories	(17,085.03)	(11,965.93)
Trade Receivables	(1,726.73)	(2,586.35)
Short Term Loans and Advances	(6,409.30)	(2,701.57)
Other Current Assets	(1,916.54)	(200.37)
Other Non Current Assets	(2,303.08)	(2,898.04)
Trade Payable	9,078.67	4,033.37
Current Liabilities	365.10	13,661.90
Movement in Working Capital Limits	**(19,996.90)**	**(2,656.99)**
Cash Generated From Operations	766.32	14,150.93
Direct Taxes Refund/ (Paid) – Net	(3,289.77)	(4,172.31)
Net Cash From Operating Activities (A)	**(2,523.45)**	**9,978.62**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,142.63)	(8,647.14)
Increase in Capital Work in Progress	(7,396.26)	(4,148.79)
Purchase of Share	(219.75)	-
Sale of Fixed Assets	2.46	0.30
FDR with various Bank (Hypothecated)	(2,120.83)	(2,037.61)
Interest & Rent Received	1,059.77	830.12
Net Cash From Investing Activities (B)	**(23,817.25)**	**(14,003.12)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1,130.89)	(727.00)
Increase in Long Term Borrowing	12,255.93	5,359.98
Increase in Short Term Borrowing	19,795.97	1,216.56
Increase/ (Decrease) in Un-claim Dividend	(1.29)	0.02
Interest & Finance Charges Paid	(5,763.72)	(4,063.75)
Net Cash From Financing Activities (C)	**25,155.99**	**1,785.81**
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(1,184.70)	(2,238.68)
Cash and Cash Equivalent at the Begining of the year	2,343.25	4,581.94
Cash and Cash Equivalent at the End of the year	**1,158.55**	**2,343.25**

4. **Balance Sheet as at March 31st, 2013**

(₹ in Lacs)

	Particulars			Note No.	As at 31st March, 2013	As at 31st March, 2012
I	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a)	Share capital		1	2,780.12	2,780.12
	(b)	Reserves and surplus		2	47,563.33	41,119.94
2	**Share application money pending allotment**				-	-
3	**Non-current liabilities**					
	(a)	Long-term borrowings		3	8,590.85	4,742.85
	(b)	Deferred tax liabilities (Net)		4	513.55	424.72
	(c)	Long-term provisions		5	16.39	85.00
4	**Current liabilities**					
	(a)	Short-term borrowings		6	12,442.94	11,226.38
	(b)	Trade payables			9,095.43	5,062.06
	(c)	Other current liabilities		7	33,692.60	18,522.22
	(d)	Short-term provisions		8	1,130.89	1,353.75
			TOTAL		**1,15,826.10**	**85,317.04**
II.	**ASSETS**					
	Non-current assets					
1	(a)	Fixed assets		9		
		(i)	Tangible assets		20,888.55	14,682.87
		(ii)	Intangible assets		-	-
		(iii)	Capital work-in-progress		10,125.09	5,976.30
		(iv)	Intangible assets under development		-	-
	(b)	Non-current investments		10	9.50	9.50
	(c)	Other non-current assets		11	11,926.68	9,115.80
2	**Current assets**					
	(a)	Inventories		12	39,495.56	27,529.63
	(b)	Trade receivables		13	11,470.89	8,884.54
	(c)	Cash and Bank balance		14	11,186.84	11,387.93
	(d)	Short-term loans and advances		15	7,886.02	5,093.89
	(e)	Other current assets		16	2,836.97	2,636.60
			TOTAL		**1,15,826.10**	**85,317.04**
	Significant Accounting Policies and Notes to Financial Statements			24		

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

(₹ in lacs)

	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I.	Revenue From Operations(gross)	17	1,00,112.95	93,186.76
	Less: Excise Duty		44.86	31.29
			1,00,068.09	93,155.47
II.	Other income	18	885.37	672.59
III.	**Total Revenue (I + II)**		**1,00,953.46**	**93,828.05**
IV.	Expenses:			
	Cost of materials consumed	19	74,298.90	65,370.91
	Changes in inventories of work in progress	20	(11,659.82)	(6,900.00)
	Employee benefits expense	21	4,735.04	2,790.90
	Finance costs	22	4,063.75	3,661.84
	Depreciation and amortization expense		2,441.06	1,888.29
	Other expenses	23	15,956.42	16,898.14
	Total expenses		**89,835.34**	**83,710.08**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		11,118.11	10,117.97
VI.	Exceptional items		-	-
VII.	**Profit before extraordinary items and tax (V - VI)**		11,118.11	10,117.97
VIII.	Extraordinary Items			-
IX.	**Profit before tax (VII- VIII)**		11,118.11	10,117.97
X	Tax expense:			
	(1) Current tax		3,455.00	3,250.00
	(2) Deferred tax		88.83	61.41
XI	**Profit (Loss) for the period from continuing operations (IX-X)**		7,574.29	6,806.57
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		**-**	**-**
XV	**Profit (Loss) for the period (XI + XIV)**		**7,574.29**	**6,806.57**
XVI	Earnings per equity share:			
	(1) Basic		27.24	24.48
	(2) Diluted		27.24	24.48

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Significant Accounting Policies and Notes to Financial Statements	24		

6. **Cash Flow Statement for the year ended March 31st, 2013**

(₹ in lacs)

PARTICULARS	2012 - 2013	2011 – 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item Statement of Profit and Loss	11,118.11	10,117.97
Adjustment for:		
Depreciation	2,441.06	1,888.29
Loss on Sale of Fixed Assets	0.08	-
Profit on Sale of Fixed Assets	-	(0.36)
Interest & Rent Received	(830.12)	(615.38)
Preliminary Expenses W/off	87.15	87.15
Provision for Gratuity	(68.61)	45.00
Unrealized Gain Due to Foreign Currency Fluctuation (Net)	(3.50)	-
Interest & Finance Charges paid	4,063.75	3,661.84
Operating Profit before Working Capital Changes	**16,807.92**	**15,184.51**
Adjustments for Changes in Working Capital		
Inventories	(11,965.93)	(11,906.90)
Trade Receivables	(2,586.35)	1,299.62
Short Term Loans and Advances	(2,701.57)	3,552.11
Other Current Assets	(200.35)	(1,032.81)
Other Non Current Assets	(2,898.04)	(2,456.22)
Current Liabilities and short term borrowings	20,420.31	10,600.01
Movement in Working Capital Limits	**68.07**	**55.81**
Cash Generated from Operations	16,875.99	15,240.32
Direct Taxes refund/ (paid) – net	(4,172.31)	(3,438.10)
Net Cash From Operating Activities (A)	**12,703.68**	**11,802.22**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,647.14)	(5,165.78)
Increase in Capital Work in Progress	(4,148.79)	-
Sale of Fixed Assets	0.30	2.25
Interest & Rent Received	830.12	615.38
Net Cash From Investing Activities (B)	**(11,965.51)**	**(4,548.15)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(727.00)	(729.49)
Increase in Long Term Borrowing	3,851.50	3,841.85
Interest & Finance charges paid	(4,063.75)	(3,661.84)
Net Cash From Financing Activities (C)	**(939.25)**	**(549.48)**
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(201.09)	6,704.59
Cash and Cash Equivalent at the Begining of the year	11,387.93	4,683.34
Cash and Cash Equivalent at the End of the year	**11,186.84**	**11,387.93**

Note: Previous year Figures have been regrouped/reclassified wherever applicable.

7. Balance Sheet as at the year ended 31st March, 2012

(₹ in lacs)

	Particulars	Note No.	As at 31st March,2012	As at 31st March,2011
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	2,780.12	2,780.12
	(b) Reserves and surplus	2	41,119.94	35,040.37
	(c) Money received against share warrants		-	-
2	**Share application money pending allotment**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	3	4,742.85	901.00
	(b) Deferred tax liabilities (Net)	4	424.72	363.32
	(c) Other Long term liabilities		-	-
	Long-term provisions	5	85.00	40.00
4	**Current liabilities**			
	(a) Short-term borrowings	6	9,726.38	14,308.99
	(b) Trade payables		5,094.05	3,576.76
	(c) Other current liabilities	7	20,248.47	6,583.14
	(d) Short-term provisions	8	1,353.75	1,544.34
	TOTAL		**85,575.28**	**65,138.04**
II.	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	9		
	(i) Tangible assets		14,682.87	11,407.27
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		5,976.30	5,976.30
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	10	9.50	9.50
	(c) Other non-current assets	11	9,202.95	6,833.88
2	**Current assets**			
	(a) Inventories	12	27,529.63	15,622.72
	(b) Trade receivables	13	8,884.54	10,184.15
	(c) Cash and Bank balance	14	11,387.93	4,683.34
	(d) Short-term loans and advances	15	5,352.13	8,904.23
	(e) Other current assets	16	2,549.45	1,516.64
	TOTAL		**85,575.28**	**65,138.04**

Significant Accounting Policies and Notes to Financial Statements 24

The notes referred to above and notes to accounts form an integral part of the financial statements.

8. Statement of Profit and Loss for the year ended March 31, 2012

(₹ in lacs)

	Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I	Revenue From Operations(gross)	17	93,186.76	94,920.70
	Less: Excise Duty		31.29	1.91
			93,155.47	94,918.79
II	Other income	18	672.59	708.59
	Total Revenue (I + II)		**93,828.05**	**95,627.38**
IV	Expenses:			
	Cost of materials consumed	19	65,370.91	66,722.66
	Changes in inventories of work in progress	20	(6,900.00)	(4,350.00)
	Employee benefits expense	21	2,790.90	2,245.51
	Finance costs	22	3,661.84	2,771.27
	Depreciation and amortization expense		1,888.29	1,585.11
	Other expenses	23	16,898.14	15,956.49
	Total expenses		**83,710.08**	**84,931.04**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		**10,117.97**	**10,696.34**
VI	Exceptional items		-	-
VII	**Profit before extraordinary items and tax (V - VI)**		10,117.97	10,696.34
VIII	Extraordinary Items		-	-
IX	**Profit before tax (VII- VIII)**		10,117.97	10,696.34
X	Tax expense:			
	(1) Current tax		3,250.00	3,260.00
	(2) Deferred tax		61.41	44.76
XI	**Profit (Loss) for the period from continuing operations (IX-X)**		6,806.57	7,391.58
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		-	-
XV	**Profit (Loss) for the period (XI + XIV)**		6,806.57	7,391.58
XVI	Earnings per equity share:			
	(1) Basic		24.48	26.59
	(2) Diluted		24.48	26.59
	Significant Accounting Policies and Notes to Financial Statements	24		

The notes referred to above and notes to accounts form an integral part of the financial statements

9. Cash Flow Statement for the year ended March 31, 2012

(₹ in lacs)

PARTICULARS	2011 - 2012	2010 - 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item	10,117.97	10,696.34
Adjustment for:		
Depreciation	1,888.29	1,585.11
Loss on Sale of Fixed Assets	-	1.20
Profit on Sale of Fixed Assets	(0.36)	(1.43)
Dividend Received	-	(1.86)
Interest & Rent Received	(615.38)	(672.58)
Preliminary Expenses W/off	87.15	87.15
Provision for Gratuity	45.00	40.00
Interest & Finance Charges paid	3,661.84	2,771.27
Operating Profit before Working Capital Changes	**15,184.51**	**14,505.19**
Adjustments for Changes in Working Capital		
Inventories	(11,906.9)	(4,297.72)
Trade Receivables	1,299.62	(3,351.49)
Short Term Loans and Advances	3,552.11	(6,734.95)
Other Current Assets	(1,032.81)	(29.93)
Other Non Current Assets	(2,456.22)	4,359.51
Current Liabilities and short term borrowings	10,600.01	(3,553.28)
Movement in Working Capital Limits	**55.81**	**(13,607.86)**
Cash Generated from Operations	15,240.32	897.33
Extra ordinary items	-	-
Direct Taxes refund/ (paid) - net	(3,438.10)	(3,696.29)
Net Cash From Operating Activities (A)	**11,802.22**	**(2,798.97)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,165.78)	(8,850.58)
Sale of Fixed Assets	2.25	175.31
Increase in Investments	-	(7.50)
Dividend Received	-	1.86
Interest & Rent Received	615.38	672.58
Net Cash From Investing Activities (B)	**(4,548.15)**	**(8,008.32)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(729.49)	(729.42)
Share issue expenses	-	40.20
Increase in Long Term Borrowing	3,841.85	11,217.03
Decrease in Unsecured Loan	-	(189.12)
Interest & Finance charges paid		

PARTICULARS	2011 - 2012	2010 - 2011
	(3,661.84)	(2,771.27)
Net Cash From Financing Activities (C)	**(549.48)**	**7,567.43**
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	6,704.59	(3,239.85)
Cash and Cash Equivalent at the Begining of the year	4,683.34	7,923.19
Cash and Cash Equivalent at the End of the year	**11,387.93**	**4,683.34**

Note : Previous year Figures have been regrouped/reclassified wherever applicable.

RISK FACTORS

Investment in Equity Shares of our Company involves a high degree of risk. Investors should carefully consider the risks described below before making an investment decision. If any of the risks described below actually occur, our Company's business, results of operations and financial condition may be adversely affected, the trading price of our Equity Shares may decline and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, the financial implications of any of the risks mentioned below may not be possible to quantify.

The risks enumerated herein below are not exhaustive. We may be subject to several other risks, some of which may not be presently known to us or which we currently consider immaterial. Any one or more risks not enumerated herein below, if they occur, may have a material adverse impact on our Company's business, results of operations and financial condition.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. Prospective investors should pay particular attention to the fact that we are an Indian company and are subject to legal and regulatory environment which may differ in certain respects from that of other countries.

Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Placement Document (including the financial statements incorporated in this Placement Document).

INTERNAL RISK FACTORS

1. ***Our Company operates in a highly competitive market. If we are unable to bid for and win engineering construction projects, both large and small, or compete with larger competitors, we could fail to increase, or maintain, our volume of order intake and our results of operations may be materially adversely affected.***

   Our Company faces competition from other market players, which is determined by size, nature, complexity and location of projects, proximity of materials to the local market, the availability of subcontractors, construction workers and local economic conditions. While some of our Company's competitors may have greater resources in specific areas like capital, labour, equipment, technology, other resources, more extensive or sophisticated marketing capabilities and at times may apply those resources and capabilities more successfully than our Company does, the pricing policies of competitors may have an adverse effect on demand for our Company's services. Further, our ability to bid for and win projects is dependent on a number of factor including our ability to show experience in executing large projects and to demonstrate that we have strong engineering capabilities in executing technically complex projects For many large construction contracts and infrastructure development projects, we may not always meet the pre-qualification criteria on a standalone basis. We face competition from other bidders in a similar position to us looking for suitable joint venture partners with whom to partner in order to meet the pre-qualification requirements. If we are unable to partner with other players, we may lose the opportunity to bid for, and therefore fail to increase or maintain its volume of new construction contract orders or new projects.There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, cash flows and results of operations.

2. ***We rely on construction contracts awarded by our clients for our revenues, which may be subject to variation or renegotiation in the scope of work by these clients. Any cost, if not reimbursed by our client, incurred in excess of our contract value or anticipated revenues due to such restructuring or renegotiation could result in loss of profits.***

   We rely on construction contracts awarded by our clients for our revenues. In some of the contracts our Company may have limited ability to negotiate the terms of contracts which means that many terms in the agreement tend to favour the client including, variation or renegotiation in the scope of work. Such

variation and renegotiation of projects may lead to delays which may lead to additional costs associated with cost increases in construction materials and equipment, unless these contracts contain price escalation clauses. Any cost, if not reimbursed by our client, incurred in excess of our contract value or anticipated revenues could result in additional costs, which would reduce our profits. If our Company does not achieve expected turnover, margins or suffers losses on one or more of these contracts, this could reduce our total income or cause us to incur losses.

3. ***Delays in completion of our current and future projects and cost overrun could have adverse effect on our business prospects and results of operations.***

We have faced delays in completion of our projects and are expected to face delays in completion for certain of our projects which are under development. The scheduled completion targets for our projects are estimates and are subject to delays as a result of, among other things, unforeseen engineering problems, force majeure events, issues arising out of right of way, unavailability of financing, unanticipated cost increases or changes in scope and inability in obtaining certain property rights or government approvals. Typically, our projects are subject to specific completion schedule requirements. We also provide performance guarantees to our clients which require us to complete projects within a specified time frame. Failure to adhere to contractually agreed timelines for reasons other than for force majeure events and counter-party defaults could lead to forfeiture of security deposits, result in us requiring to pay liquidated damages or our performance guarantees being invoked. There can be no assurance that our projects will be completed in the time expected. We cannot assure you that all potential liabilities that may arise from delays will be covered or that the damages, if any, that may be claimed from third parties for such delay, shall be adequate to cover any loss of profits resulting from such delays.

Further, any delay in completing construction contracts means that the total cost of a construction contract could exceed the original estimates. Such delays and cost overruns may adversely affect our business and results of operations.

4. ***We may not be selected for any of the projects for which we have submitted a bid and we may end up incurring significant costs in preparation and submission of such bid and our competitors may be selected for such bids which may result in loss of future revenues.***

There are certain proposed projects for which we have submitted financial bids or we have been qualified to submit a financial bid. We generally incur significant costs in the preparation and submission of bids, which are onetime costs. We cannot assure you that we would bid where we have been qualified to submit a financial bid or that our financial bids, when submitted or if already submitted, would be accepted. Further, there may be delays in the bid selection process owing to a variety of reasons which may be outside our control and our bids, once selected, may not be finalised within the expected time frame. We cannot assure you that our competitors will not be selected for such bids and our revenues in future will not be impacted.

5. ***We depend on transportation projects for most of our revenues and the loss of transportation projects or a decline in funding of existing or future transportation projects could adversely affect our revenues and cash flows.***

We derived approximately 76.01% of our revenue from transportation projects for the year ended March 31, 2014. Since a large portion of our contracts are transportation projects, any adverse policy decision in relation to such projects may affect our operations and financial condition. We cannot assure you that the Government will continue to encourage such projects or allow private participation in such projects. Our revenues and cash flows from such transportation projects could also be reduced by declines in government budgets.

6. ***We are dependent on our suppliers for adequate and timely supply of key raw materials at competitive rates and have not entered into any long term supply contracts with our suppliers. If our Company is unable to procure the requisite quantities of construction materials in time and at commercially acceptable prices, the performance of its financial results and business prospects could be adversely affected.***

Our Company purchases significant amount of raw materials, including steel, diesel, cement, aggregates, sand and timber for its construction operations. Cost of material consumed in Fiscal 2014 was ₹ 80,088.17 lacs as against our sales, which amounts to ₹ 118,712.64 lacs. While our Company maintains relations with many different suppliers in order to avoid such risks, the unavailability of such resources could materially disrupt our Company's operations. In addition, the unavailability and fluctuations in costs of raw materials could significantly affect our operating costs and consequently reduce our profitability. Accordingly, we cannot assure you that we would be able to procure raw materials in a timely manner and at competitive prices or that we will not be affected in the event of any shortfall of supply since we do not have any definitive arrangements with our suppliers, which may adversely affect our business. If, for any reason, our primary suppliers of raw materials curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our reputation and ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our business could suffer. The contracts entered into by our Company with its clients normally include clauses permitting us to recover the cost of escalations in the price of materials and labour. However, such variation clauses normally link the additional amounts which our Company can recover to levels of increase in specified published indices. We cannot assure you that the additional amounts which our Company should recover from clients in respect of the increased cost of materials and labour will be the full amount of such increased costs borne by us.

Further, the prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. Some of our construction contracts are fixed in price. Revenues, costs and gross profits will often vary from original estimates due to factors such as changes in project conditions, fluctuations in costs of construction materials, variations in labour and equipment costs and weather conditions. These risks, which are inherent in the construction industry, may result in profits being different from those estimated and may result in decreased profitability or even losses in affected projects. Although we normally provide a margin in our estimates for increases in labour and material costs and other contingencies, significant cost overruns may still occur, and could adversely affect our business, results of operations and profitability.

7. ***A significant part of our Company's business transactions are with government entities or agencies which present particular risks.***

Our construction business is dependent on development projects undertaken by governments and more than 75% of our total income in the Fiscal year ending March 31, 2014 and 85% of our total income in the Fiscal year ending March 31, 2013 is attributable to contracts awarded to us by the government.

There could be delays on our Company's projects with these authorities and institutions due to changes in government policies or initiatives, changes in budgetary allocation or the insufficiency of funds on the part of the government or government organization. Our Company also faces the risk of non-payment or delay in the collection of receivables from government owned or controlled entities and financial institutions. Our Company's operations involve significant working capital requirements and a non-payment or delayed collection of receivables could significantly adversely affect our Company's financial condition, liquidity and results of operations.

Government contracts generally also contain unilateral termination provisions in favour of the government. The provisions generally state that the government has the right to terminate the contract for convenience, without any reason, at any time after providing the company with reasonable notice. In the event that one or more of our Company's material contracts is terminated, our business and results of operations may be adversely affected.

In addition, documentary closure or completion of government contracts, including the release of performance guarantees and final acceptance notices, generally takes a significant amount of time and is subject to material delays, which also adversely affects our Company's financial condition and results of operations.

8. ***The DMRC Project accounts for a large portion of our current Order Book. Any disruptions in or***

inability to execute the DMRC projects successfully may affect our business, revenues and profitability.

We are currently executing four separate packages of the Delhi Metro Rail project ("**DMRC Project**") for a total contract value of ₹ 1,58,599 lacs, that have been awarded to our Company or to our JVs. As on March 31, 2014 the DMRC projects account for approximately 43.03% of our outstanding Order Book. Any disruptions in or inability to execute the DMRC projects successfully may affect our business, revenues and profitability.

9. ***We earned a significant portion of our revenues in the Fiscals 2012 and 2013 from projects awarded in Maharashtra***

We have been active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra. Our operations are heavily dependent on work continuing to come in from Maharashtra, and our work in the past has also been focused on Maharashtra. In the past our Company's business was largely focused on the urban infrastructure segment and for Fiscals 2013 and 2012 approximately 82.40 % and 94.98 % of the Company's revenues were earned from projects executed in the state of Maharashtra, particularly in the Mumbai Metropolitan and Pune regions. In the last two years we have diversified into new states such as Gujarat, Rajasthan and Delhi, thus bringing down our revenue dependence on projects awarded in Maharashtra to 56% in Fiscal 2014, If we are unable to continue to win projects outside Maharashtra we will continue to be heavily dependent on work continuing to come in from Maharashtra.

10. ***Our Company has experienced negative cash flows in recent Financial Years from operating, financing and investing activities and may experience the same in future.***

We have had negative cash flows from operating, financing and investing activities as per our audited financial statements. Please see the table below setting out our cash flows for the last 3 Fiscals. There can be no assurance that we will not have negative cash flows in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our construction and growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

(₹ in lacs)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net cash from/ (used in) operating activities	(2,523.45)	9,978.62	11,802.22*
Net cash from/ (used in) investing activities	(23,817.24)	(14,003.12)	(4,548.15)
Net cash from/ (used in) financing activities	25,155.99	1,785.81	(549.48)

* Includes short term borrowing and current maturity of long term loans

11. ***Contracts awarded to us by governments or semi-government authorities may be unilaterally terminated.***

One of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as the client, has the right to terminate the contract without any reason, at any time after providing us with notice that may vary from a period of 30 to 90 days. In the event that a contract is so terminated, our results of operations may be adversely affected.

12. ***Changes in the scope of work may result in disputes, which could have a material and adverse impact on the profits from that project.***

In certain cases, we may be required to perform additional work on a project that is beyond the stated scope of the contract. We may not receive any remuneration for the same, or payments in respect of the same may be delayed or may not be commensurate to the quantum of work performed, which may have a material adverse effect on our profits. Further, in certain contracts we may be required to execute modified work order as directed by the client which may not be agreed upon at the time of execution of the contract. This process may result in disputes and may result in delayed or inadequate payments.

This could have an adverse effect on our profits.

13. ***We have high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires a huge amount of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials and the performance of engineering, construction and other work on projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of projects within a similar timeframe and due to the growth of our Company's business generally. We have in the past experienced delays in receipt of our dues from clients; all of these factors may result, or have resulted, in increase in our working capital needs.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of clients to secure obligations under contracts. These may extend, wholly or partly, during the contract period and even after the date of completion of the project for an additional period of six to twelve months. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities on commercially acceptable terms or at all, to match our business requirements. This may have a material adverse effect on our business, results of operations and financial condition.

14. ***Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.***

As of March 31, 2014, our Company had a total indebtedness of ₹ 1,40,305.23 lacs outstanding, consisting of short-term borrowings and long-term borrowings in the form of fund based borrowings of ₹ 55,714.54 lacs and non-fund borrowings of ₹ 84,590.69 lacs. In respect of various agreements entered into by our Company with the lenders, we are bound by certain restrictive covenants. A majority of these covenants are specific to the conduct of our Company and our Company is required to obtain written consent from the lenders in relation to certain actions/matters, amongst others, including entering into any scheme of amalgamation or merger/ demerger/ reconstruction, declaration of any dividends if there are any arrears in making any payment of amount(s) due to our lender(s), entering into any arrangement for settlement of litigation for any such amount which would have a material adverse effect on our Company, not to change/ vary our constitution, name, location of the unit, product line, technical process and machinery and godown, not to have any banking account or borrowing arrangements and not open or operate such accounts with any other bank(s), not to make any changes to the general nature or scope of the business from that carried on by our Company, formulate any scheme of amalgamation or merger or reconstruction, effect any adverse changes in our Company's capital structure, make any drastic changes in its management set-up, approach capital markets for mobilizing resources either in the form of debt or equity, approach prepayment of the outstanding principal amount of the facility on full or in part before the due date, before creating any further security/ collateral/ personal or corporate guarantee which is more favourable to such lender/ bank than the terms agreed to amongst others. Such restrictions or limitations may adversely limit our Company's operations and financial flexibility, and adversely affect its business, results of operations and financial condition.

We have received consent from our lenders to proceed with the current issue.

15. ***Our revenues largely depend on acceptance of the bids submitted to the Government and other agencies. Our performance could be affected in case majority of the bids are not accepted/awarded.***

Our business is substantially dependent on construction projects undertaken by governmental authorities and other entities funded by Governments or international and multilateral development finance institutions. Contracts awarded by central, state and local governmental authorities are tender based. We compete with various infrastructure companies while submitting the tender to Government and other agencies. In case we do not qualify or are not amongst the lowest bidders, we stand to lose the business. We cannot assure that any of the bids we submit would be accepted/awarded to us; therefore our ability to procure the business by bidding at the lowest rates is crucial for our revenues.

16. ***Our Company and one of our Promoters are involved in legal proceedings, which if determined against such parties may have an adverse effect on our reputation, business and results of operations.***

We have certain legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We also have certain tax proceedings by one of our Promoters. While we have challenged such proceedings, we cannot assure you that these will be dismissed or decided in our favour. For details see "**Legal Proceedings**". In addition, should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. Any adverse decision may have an adverse effect on our reputation, business and results of operations.

The legal proceedings in which our Company is involved, consists of 1 MACT case filed against our Company, wherein the claim amount is ₹ 0.50 lac and 5 income tax appeals filed by our Company in respect of AY 2006-2007 to AY-2010-2011, pertaining to tax liability of ₹ 568.72 lacs. Further, our Promoter Mr. Jagdishkumar Gupta had filed an appeal before the ITAT with respect income tax penalty proceedings pertaining to Assessment Year 2001-2002 wherein the penalty amount is ₹ 1,80,000. For further details of these cases please refer to the section titled "**Legal Proceedings**" on page 164.

17. ***Our Company, Company Secretary and our Promoter directors were issued certain SCNs under the Companies Act, 1956 which have been compounded***

Certain SCNs were issued by the Registrar of Companies, Mumbai in respect of alleged non-compliance of various sections of the Companies Act, 1956, in respect of which they filed joint compounding applications under section 621-A of the Companies Act, 1956, before the Company Law Board/ Regional Director, Mumbai ("**Compounding Authorities**"). The Compounding Authorities have compounded the violations and ordered payment of compounding fees by our Company, Company Secretary and Promoter directors amounting to ₹ 3.41 lacs. For further details on these compounding offences please refer section titled "**Legal Proceedings**" on page 164.

18. ***We may be unable to pre-qualify to bid on certain larger projects on our own and if we are unable to forge alliances with third parties, we may be precluded from bidding for those large projects, which could have an adverse effect on our growth prospects and operations.***

For many large contracts and projects, our Company may not always meet the pre-qualification criteria on our own. In selecting contractors for major projects, clients generally limit the tender to contractors who are pre-qualified based on certain criteria, including experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. A key factor affecting the Company's financial results is its ability to win contracts which is, in turn, related to its ability to partner and collaborate with other, often bigger, companies in bids for these large contracts or projects. We face competition from other bidders in a similar position to the Company looking for suitable joint venture partners with whom to partner in order to meet the prequalification requirements. If the Company is unable to partner with other companies or lacks the credentials to be the partner-of-choice for other companies, the Company may lose the opportunity to bid for, and therefore fail to increase or maintain its volume of

new contract orders or new projects. Our competitors with greater financial resources and greater economies of scale than us may be able to prequalify in their own right and/or attract a joint venture partner more easily than us. In cases where we are unable to forge an alliance with appropriate companies to meet pre-qualification requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects and operations

19. ***The failure of a JV partner to perform its obligations could impose additional financial and performance obligations resulting in reduced profits, or in some cases, significant losses from the joint venture***

We enter into various joint ventures with domestic as well as international construction companies as part of the business and to qualify to bid for larger projects. The success of these joint ventures depends significantly on the satisfactory performance by the joint venture partners and fulfilment of their obligations. While no JV partner has, till date, failed in its obligations, should the partners fail to perform these obligations satisfactorily in the future, we may be required to make additional investments and/or provide additional services to ensure necessary performance under the contract in view of the joint and several liabilities of the members of the joint venture in a number of projects. These additional obligations could result in reduced profits or, in some cases, significant losses for our Company. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we bear increased and possibly sole responsibility for the completion of the project and bear a concomitant increase in the financial risk of the project.

20. ***Inability to obtain adequate financing to meet our liquidity and capital resource requirements may have an adverse effect on our results of operations***

Our financing for projects is a combination of advances from customers, payables and borrowings from external sources. We also need funds to purchase equipments required at our construction sites. Our current borrowings are within the limits approved by our shareholders and sufficient to meet the costs of our business. Our inability to obtain such financing or delays in obtaining advances could affect our business, results of operations, financial condition or prospects. Such inability could result from, among other things, our current or prospective financial condition or results of operations or from our inability for any reason (including reasons applicable to Indian companies) to issue securities in the capital markets. There can be no assurance that finance from external sources will be available at the times or in the amounts necessary to meet our requirements.

21. ***Invocation of an outstanding guarantee issued in relation to one of our projects could adversely affect our financial condition***

We are required to provide performance guarantee to the owner of the project during the construction period which may extend until the end of the defects liability period. Performance risk refers to the risk that the work is not executed according to specifications laid out in the contract, which may lead to triggering the encashment of the performance guarantee. Defects liability periods typically extend between one and three years after completion of a project, but can extend up to five years. All of our projects are covered by guarantees, some of which are substantial and include performance guarantees ranging from one to four years. which are provided as security for any monetary loss suffered by the client up to the amount of such guarantees in the event of any failure on our part to ensure the satisfactory execution and completion of various awarded projects in line with contractual specifications, In the event of any performance related issues or if contractual obligations are not completed as per scheduled time then the financial or performance guarantees provided may be invoked, thus exposing us to additional and increased financial liabilities. A call on one or more of these guarantees could adversely affect our financial results, will deplete our finances and lead to a liquidity crunch and a call on our performance guarantee may harm our reputation and limit our capability to attract new projects**.**

22. ***We maintain a workforce based upon current and anticipated workloads. If we do not receive future contract awards or if these awards are delayed, we could incur significant costs***

The estimates of future performance depend on, among other things, whether and when we will receive

certain new contract awards. We maintain a workforce based upon current and anticipated workloads. The current strength of our workforce is 3,024 employees. While our estimates are based upon our best judgement, these estimates may change based on newly available information. In case of large-scale projects where timing is often uncertain, it is particularly difficult to predict whether or when we will receive a contract award. The uncertainty of contract awards and timing can present difficulties in matching the workforce size with the contract needs. If an expected contract award is delayed or not received, we would incur expenses due to maintaining under-utilised staff and facilities that would have the effect of reducing our profits.

23. ***We depend on sub-contractors for timely and successful completion of certain parts of our projects and failure on the part of our sub-contractors to perform their obligations in a timely manner or at all could adversely affect our ability to complete projects in a timely manner at commercially viable terms.***

We depend on sub-contractors for timely and successful completion of certain part of our projects and failure on the part of our sub-contractors to perform their obligations in a timely manner or at all could adversely affect our ability to complete projects in a timely manner at commercially viable terms or at all due to termination by our customer, which in turn could subject us to time and cost overruns, defaults under the contracts for such projects and loss of revenue and profitability.

We assign work to various subcontractors to assist us depending on the area, type, duration and size of our projects. We attempt to ensure that the services performed by our subcontractors are of a high standard as full responsibility to the customer for all construction projects rests with us (although the subcontractor is responsible to us for its work). There is no assurance that the quality of work performed by such subcontractors will always be of a sufficiently high standard. Further, the use of subcontractors exposes us to various risks over which we may have little or no control, including the possibility that a subcontractor may fail or otherwise become unable to perform or complete projects, or that projects may otherwise be delayed or defective.

Even when our Company sub-contracts work, it remains responsible for the sub-contracted work which means clients still have recourse to the Company for actions, omissions and defects by sub-contractors. In some cases, our Company may not receive guarantees or indemnities from sub-contractors as to timely completion, cost overruns, or additional liabilities which means that it assumes the risk of delayed or reduced payments, liquidated damages or penalty amounts, or contract termination by the client. Our Company also assumes liability for defects in connection with any design or engineering work provided by sub-contractors. Hence, any failure on the part of our sub-contractors to perform their obligations in a timely manner or at all could adversely affect our operations, financial condition and cash flows.

24. ***During the tenure of the project, the creditworthiness of our clients may weaken, which may affect their paying capacity and may lead to delays in our payments.***

The key risk associated with construction companies, such as ours, is the creditworthiness and the paying capacity of the clients. If the client does not have adequate funds, it could delay our projects or even lead to cancellation of the project. Moreover, we may or may not get any compensation if payments due to us are delayed, which may have an adverse effect on our liquidity.

25. ***We depend on machinery and equipment to implement our projects. We order these machinery and equipment from various parts of the world. Any manufacturing defect or poor maintenance systems of the machinery may cause strain on our machinery and lead to delays in implementation of our projects.***

We depend on machinery and equipment to implement our projects. We order these machinery and equipment from various parts of the world. Any manufacturing defect or poor maintenance systems of the machinery may cause strain on our machinery and lead to delays in implementation of our projects and loss of performance. In addition, technology advancements could result in lower future utilization of equipment, which may have an adverse impact on our business, operations and profitability.

26. ***Our Business is dependent on the implementation of the Central and State budget allocation to the building and infrastructure sectors. Adverse policies and political situation in the country may have an impact on our performance.***

Demand for our construction services is principally dependent on sustained economic development in the regions in which we operate. We are largely dependent on government policies relating to infrastructure development and budgetary allocations made by governments for such development, as well as funding provided by international and multilateral development financial institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to Government policies relating to private sector participation and the sharing of risks and returns from such projects. A reduction of capital investment in the building or infrastructure sectors for any reason could have a material adverse effect on our business, results of operations and financial condition.

27. ***Projects included in our order book may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues and earnings. Information relating to our Order Book may not be representative of our future results***

Our order book does not necessarily indicate future earnings related to the performance of that work. We may also encounter problems executing the project as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failures to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in project scope and schedule, as a result of exercise of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an order book project will be performed. Delays in the completion of a project may lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, the final payments due to us on a project. These payments often represent an important portion of the margin we expect to earn on the project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to order book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

28. ***An inability to manage our growth could disrupt our business and reduce our profitability***

We have experienced high growth with a CAGR of 12.87% in revenue terms in the last two years, and expect our construction business to continue to grow as we gain greater access to financial resources. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in:

- preserving a uniform culture, values and work environment across our projects;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of client satisfaction; and
- adhering to health, safety, and environmental standards.

There can be no assurance that we will be able to implement or manage any of these growth plans successfully. In order to fund our ongoing operations and future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, we will be required to manage relationships with a greater number of suppliers, service providers, lenders and other third parties and any failure to do so would affect our results of operations and our financials adversely.

29. ***Our business may be adversely affected by losses from uninsured projects or losses exceeding our insurance limits.***

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, for up to 60 months from the date of completion of the project.

We avail of Contractors' All Risk (CAR) policies and Workmen's Compensation policies for our contracts with Government authorities, semi-government authorities controlled by Government authorities, if the contracts so specifically require. We do not typically avail of either CAR policies or Workmen's Compensation policies in contracts with private parties (where we typically rely upon insurance availed by the private party awarding the contract), and in our contracts with Government authorities/statutory corporations controlled by Government authorities, if the contracts do not specifically require the same. We may not be adequately insured in case of loss or liability in contracts, specifically where we have not availed of CAR policies and in relation to contracts where we have not availed of workmen's compensation policies. We do not have a loss of profits policy. Our insurance payment may not be sufficient to cover all or any of our losses.

If we suffer any losses, damages and liabilities in the course of our operations, we may not have sufficient insurance or funds to cover any such losses. In addition, any payment we make to cover any uninsured losses, damages or liabilities could have a material adverse effect on our business, financial condition and results of operations.

30. ***Our business operations are sensitive to weather conditions, which may adversely affect our operations and financial conditions.***

We have business activities that could be materially and adversely affected by severe weather. Severe weather conditions may require us to evacuate personnel or curtail services and may result in damage to our fleet of equipment or to our facilities, resulting in the suspension of operations, and may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity.

31. ***We have certain contingent liabilities, which if materialize, may adversely affect our financial condition.***

As on March 31, 2014, our contingent liabilities aggregate to ₹ 85,159.87 lacs, details of which are as follows:

(₹ in lacs)

Particulars	March 31, 2014
The Block assessment order under section 153A has been completed and assessment order has been received and the total liability raised by the CIT(A) for the Assessment Year 2004 -05 to 2010–11 is	569.18
Bank Guarantee as on March 31, 2014	82,121.34
Letters of Credit	2,469.35

In the event any of these contingent liabilities materialize, our financial condition may be adversely affected.

32. ***A major portion of our assets have been secured under our financing arrangements. A default under any of the financing arrangements may compel the bank to sell the asset to recover its loan, which may lead to fewer assets available to us to avail further bank facilities, which may affect our financial condition, cash flow and results of operations.***

We maintain bank facilities and term loans with Indian banks and other financial institutions, generally with maturities of three to five years, to provide us with general working capital and operational flexibility in connection with our business. We also receive funds from banks and other financial institutions pursuant to infrastructure project specific loans. As of March 31, 2014, our Company had a total indebtedness of ₹ 1,40,305.23 lacs outstanding.

In the event of a default by us on our financing agreements, our charged assets could be seized, leaving us with fewer assets with which to operate our business, adversely affecting our business prospects. This could also result in us having difficulty obtaining further working capital through borrowings from these or other lenders given our lack of substantial additional security capable of being charged and affect financial condition, cash flows and results of operations.

33. ***Our operations are subject to physical hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.***

While, we conduct various site studies during the course of bidding for projects, there are always anticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage.

We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us within the warranty periods stipulated in our contracts, extended for up to 60 months from the date of project completion. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. We cannot assure that we would be able to limit or mitigate the liabilities involved, and the same may have a material adverse effect on our business, results of operation and financial condition.

34. ***Certain entities in the Promoter Group have main objects similar to our Company's, which could result in a conflict of interest***

Our Promoters have established companies, which have main objects clause similar to ours. As on date of this Placement Document, the main objects clause of our promoter group company- J Kumar Developers Limited has certain similar objects to our Company's. While J Kumar Developers is currently engaged solely in real estate development, the similar objects clause may lead to a potential conflict of interest between it and our Company and we cannot assure you that these promoter companies will not get involved in any business which competes with that of our Company in the future.

35. ***Our Promoters have pledged, and may continue to pledge, Shares of the Company as additional security under various financing documents. In the event of defaults under the financing documents, the lenders may sell the pledged Shares in the open market resulting in dilution of the Promoters' shareholding, which may result in a change of control of the Company.***

In compliance with the Takeover Code, the Promoters have disclosed to our Company that as on June 30, 2014, 14.39 per cent of the total shareholding of our Company and 24.32 per cent of the total Promoter and Promoter Group shareholding, has been pledged by them.

If there is any default under the financing documents, the lender(s) may sell the shares pledged to them

in the open market, thereby diluting the shareholding of the Promoters in our Company. Such sale of shares may also result in the Promoters losing control of our Company and we may not be able to conduct our business as planned, or at all.

36. ***Our Promoter and members of our Promoter Group have significant influence over our operations, which will enable them to influence the outcome of matters submitted to shareholders for approval.***

As of June 30, 2014, our Promoter together with members of the Promoter Group beneficially owned approximately 59.16 % of our share capital. Please see section titled "**Principal Shareholders**" on page 105. The Promoter Group may be in a position to influence decisions relating to our business and the outcome of matters submitted to shareholders for approval. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our shareholders do not agree.

37. ***We are highly dependent on our senior management to manage our current operations and meet future business challenges.***

Our future success is highly dependent on our senior management to maintain strategic direction, manage current operations and risk profile and meet future business challenges, including the planned expansion and the addition of new businesses. Although, we have a director's and officer's liability insurance policy, we do not maintain key man insurance and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations. For example, the expertise, experience and services of our Company's current Managing Director and other members of the senior management team are integral to the business. Our Company's employment agreements with the senior management personnel do not obligate them to work for us for any specified period. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, and we may not be able to further augment our management team appropriately and this could have a material adverse effect on our business, results of operations and financial condition.

38. ***We have not entered into any definitive agreements to utilize the net proceeds of the Issue.***

We intend to use the net proceeds of the Issue to fund our capital expenditure, meet our working capital requirements and for general corporate purposes. For more information, see "**Use of Proceeds**" begining on page 62. Pending use of the funds for these purposes, we intend to invest the funds in high quality, interest/ dividend bearing liquid instruments, including money market mutual funds and deposits with the banks for the applicable period. If we are unable to spend the amount on expansion, the balance funds will be used for general corporate purposes. The Use of Proceeds has not been appraised by any bank or other financial institution. We have not entered into any definitive agreements to use such net proceeds.

EXTERNAL RISK FACTORS

39. ***A recession in India may result in a shift in Governmental Policy, which may adversely affect our operations.***

Any economic recession in India may result in prioritising of investments by the Government of India in the social sector of the Indian economy and investments in the infrastructure sector could be affected as a result of any shift in Government policies. Such change in Government policies in an economic recession may affect our business. Our Company's performance and the quality and growth of its assets are necessarily dependant on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our business, the quality of

our business, and our ability to implement our strategy.

40. ***Increase in interest rates may materially impact our results of operations.***

Our business requires a significant amount of working capital to finance the purchase of construction materials, submission of earnest money deposit and other work on our infrastructure projects before payment is received from clients. We also avail term loans to meet our capital expenditure requirements, which carry a high interest rate.

Interest rates for borrowings have increased in India in recent periods. Increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of March 31, 2014, a major portion of our indebtedness was subject to variable interest rates.

Although we may decide to engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will.

41. ***Our business is subject to various Indian laws including those governing the infrastructure sector and any regulatory change in this sector may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We are subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliances. The introduction of additional government control or newly implemented laws and regulations and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future expansion plans in India. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations. While we will take adequate measures, we cannot assure you that we will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the infrastructure projects specifically and regulatory regime in general. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, results of operations, financial condition and cash flows.

42. ***We have to renew, maintain and obtain statutory and regulatory permits and licenses as may be required to operate our business and any delay or inability to obtain the same may have an adverse impact on our business.***

Being in the construction business, we require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time after the expiry of which these need to be renewed from time to time. We cannot assure that we would apply for and obtain the relevant licenses/approvals required for our projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such permits, licenses or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of our permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on our business.

43. ***Our business is subject to a variety of environmental laws and regulations. Any failure on our part to comply with applicable environmental laws and regulations could have an adverse effect on our business.***

Our operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. We regularly perform work in and around sensitive environmental areas such as rivers, lakes, coastlines and forests. The client may not be able to obtain and handover possession of the

site due to problems related to displacement and rehabilitation of the project affected people. Significant fines and penalties may be imposed for non-compliance with environmental laws and regulations, and certain environmental laws provide for strict liability for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. Furthermore, we incur significant expenditure relating to operating methodologies and standards in order to comply with applicable environmental laws and regulations.

Our clients are generally responsible for obtaining environmental permits required to proceed with the project. Any failure or inability by our clients to obtain / retain the requisite permits may have an adverse effect on our business and results of operations. However, in order to avoid any retroactive action being taken against our Company due to any non-compliance related to environmental laws, we follow Health, Safety and Environmental (HSE) regulations.

Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts including those that were in compliance with all applicable laws at the time such acts were performed. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include administrative, civil and criminal penalties, revocation of permits and corrective action orders.

44. ***Most of our contracts are awarded on the basis of pre-qualification criteria and competitive bidding processes. We face intense competition from big international and domestic construction companies. Disqualification on any of these grounds will make us ineligible for bidding having an adverse impact on us procuring new projects and subsequently the financial performance of our Company.***

In selecting contractors for the project, clients generally limit the tender to contractors they have pre-qualified, based on several criterion including experience, technical capacity and performance, quality standards, ability to execute the project within the present timeframe and sophisticated machines. Disqualification on any of these grounds will make us ineligible for bidding. These pre-qualification criteria are at the discretion of the client and we cannot assure that we would continue to meet the pre-qualification criterion of our existing clients or prospective clients. This would have an adverse impact on us procuring new projects and subsequently the financial performance of our Company.

45. ***India has stringent labour legislation that protects the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs. Our operations could be adversely affected by any statutory and/or regulatory requirements pertaining to labour, work stoppages or increased wage demands by our employees and/or contract labourers or any other kind of disputes with our employees and/or contract labourers. This may result in delays which may impact our reputation, financial condition, results of operations and cash flows.***

Our operations are highly labour intensive and we employ a combination of in-house labour and contract labourers for the purposes of our projects and there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our operations and might delay our projects. Since there can be delay in completion of our projects, we cannot assure that this will not result in our contract(s) being cancelled due to such delay or our customer invoking performance guarantee or cost escalation which we may have to bear due to such delays. Further, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not engage such labourers directly, we may be held responsible under applicable Indian laws for wage payments or statutory dues to such labourers should the contractors default on such payments. Any requirement to fund such payments and any such order from a court or any other regulatory authority may adversely affect our business and results of operations. Since we engage contractors, we are also exposed to possible risks arising from third party defaults. In the event of a material failure or disruption in committed services or supplies, we cannot be certain that we will be able to make alternative arrangements in a reasonable time, on commercially viable terms, or at all. As a result, our business, results of operations, financial condition and cash flows may be adversely affected.

India has stringent labour legislation that protects the interests of workers, including legislation that

sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected.

46. ***The market value of an investor's investment may fluctuate due to the volatility of the Indian and global securities markets.***

The Indian Stock Exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Such fluctuations and volatility could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. Moreover, there have been occasions when secondary market operations have been interrupted and/or affected due to temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian Stock Exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

The level of regulation and monitoring of the Indian securities markets and the activities of Investors, brokers and other participants is not as stringent compared to more mature economies. SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. Subsequently, SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities markets. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in other countries.

47. ***Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition.***

The threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. For example, in November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India’s financial capital. In June 2011, a series of three coordinated bomb explosions occurred at different locations in Mumbai. Both attacks resulted in loss of life, property and business. Any escalation in these events or similar future events may disrupt our operations or those of our customers. These events have had and may continue to have an adverse impact on the global economy and customer confidence, which could in turn adversely affect our revenue, operating results and financial condition. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers.

48. ***Political instability or significant changes in the economic liberalisation and deregulation policies of the Government or in the government of the states where we operate could disrupt our business.***

We are incorporated in India and derive our revenues in India. Consequently, our performance and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies followed by the Government. Further, our businesses are

also impacted by regulation and conditions in the various states in India where we operate. Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation.

The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalisation and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular

49. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition.***

As stated in the reports of our Company's statutory auditors included in this Placement Document, its financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries.

We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to our financial statements. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial statements in accordance with IFRS or U.S. GAAP instead of Indian GAAP. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are as set forth in our financial statements included in this Placement Document. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP and how they might affect the financial information contained in this Placement Document.

50. ***Public companies in India, including us, may be required to prepare financial statements under IFRS or a variation thereof, IND-AS. The transition to IND-AS in India is still unclear and we may be adversely affected by this transition.***

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the MCA. The MCA has announced that it will implement IND-AS in a phased manner after various issues including tax-related issues are resolved. No date has yet been announced for implementation. We have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. Further, the new accounting standards will change, among other things, our revenue methodology. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. In our transition to IND-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of IND-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect our business, financial condition and results of operations.

51. ***Investors may not be able to enforce a judgment of a foreign court against our Company.***

Our Company is a limited liability company incorporated under the laws of India. All of our Directors and executive officers are residents of India and a substantial portion of the assets of such persons and of our Company are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that a court of competent jurisdiction pronounced the judgment, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees which are not of the same nature as amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country, which is not a reciprocating territory, may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws.

52. ***The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notifications, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures, corporate governance norms, audit matters, and related party transactions. Further, the Companies Act, 2013 has also introduced additional requirements which do not have corresponding equivalents under the Companies Act, 1956, including the introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), and prohibitions on advances to directors. We are also required to spend 2% of our average net profits during three immediately preceding financial years on corporate social responsibility activities. Further, the

Companies Act, 2013 imposes greater monetary and other liability on companies, Directors and officers in default, for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

We may face challenges in anticipating the changes required by, interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

53. ***The proposed new taxation system in India could adversely affect our business and the trading price of the Equity Shares.***

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to GAAR.

As regards the implementation of the goods and service tax and the direct tax code, the Government has not specified any timeline for their implementation. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes like income tax, dividend distribution tax and wealth tax and facilitate voluntary compliance. As regards GAAR, the provisions have been introduced in the Finance Act, 2012 to come into effect from 1 April 2016. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on our Company cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

RISKS RELATING TO EQUITY SHARES

54. ***After this Issue, the price of our Equity Shares may be highly volatile.***

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the infrastructure sector;

- adverse media reports on us or the Indian infrastructure sector;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations and
- the performance of the Indian and global economy.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares have historically traded will correspond to the price at which Equity Shares are offered in this Issue or the price at which our Equity Shares will trade in the market subsequent to this Issue. Our Share price may be volatile and may decline post listing.

55. ***Future issuances or sales of Equity Shares could significantly affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company or the disposal of Equity Shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares.

There can be no assurance that our Company will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

56. ***There is no guarantee that Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for trading of Equity Shares issued pursuant to the Issue will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future.

57. ***Conditions in the Indian securities market may affect the price or liquidity of Equity Shares.***

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Similarly, adverse conditions in global securities market have also adversely affected sentiments in Indian markets. If similar problems occur in the future, the market price and liquidity of Equity Shares could be adversely affected. Historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future.

58. ***There may be less company information available in the Indian securities markets than securities markets in developed countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United Kingdom and other more developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries.

59. ***An investor will not be able to sell any Equity Shares subscribed in the Issue other than across a recognised Indian stock exchange for a period of 12 months from the date of allotment of Equity Shares in the Issue.***

Pursuant to the SEBI (ICDR) Regulations, for a period of 12 months from the date of the allotment of Equity Shares in the Issue, QIBs subscribing for Equity Shares in the Issue may only sell their Equity Shares on any recognised stock exchange in India where Equity Shares of our Company are listed, and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of Equity Shares.

60. ***Our past history of dividend declaration / payment does not assure that our Company will pay dividends to its shareholders in the near future.***

We have declared / paid dividends in the last five fiscal years. However, there can be no assurance that dividend will be paid in the future. The declaration and payment of dividends, if any in the future will be recommended by our Board of Directors, at their discretion and will depend on a number of factors, including legal requirements, its earnings, cash generated from operations, capital requirements and overall financial condition.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is capital intensive and we may make additional capital expenditure to complete various projects. Our ability to pay dividends is also restricted under certain financing arrangements. We may be unable to pay dividends in the near- or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

61. ***Investors may be subject to Indian taxes arising out of the acquisition, holding and disposal of our Equity Shares.***

Non-resident investors may be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes. Potential investors should consult their professional tax advisors for the legal implications of, and taxation applicable to, the acquisition, holding and disposal of our Equity Shares.

In particular, interest and dividends payable to non-resident investors may be subject to withholding tax.

Further, capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("**STT**") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains upon a sale of Equity Shares. For more information, see "**Taxation Aspects Relating to the Instrument**". However, capital gains on the sale of Equity Shares purchased in the Issue by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

62. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may discourage a third party from attempting to take control of our Company, even if a change in control would result in the purchase of Equity Shares at a premium

to the market price or would otherwise be beneficial to investors. The Takeover Code contains certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Any person acquiring either "control" or an interest (either on its own or together with parties acting in concert with it) in 25% or more of Equity Shares of our Company must make an open offer to acquire at least another 26% of the outstanding Equity Shares of our Company. A takeover offer to acquire at least another 26% of the outstanding Equity Shares of our Company (or a lower percentage in certain circumstances) also must be made in the circumstances detailed in the section on "**Indian Securities Market**" on page 140. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of our Company. For more information, see "**Indian Securities Market**".

63. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely impact the market price of Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority.

Our Company cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

64. ***Risks relating to trading of our Equity Shares***

There may not be an active or liquid market for our Equity Shares, which may cause the price of Equity Shares to fall and may limit your ability to sell Equity Shares. The offer price of Equity Shares being issued in this Issue will be determined by us in consultation with the GC-BRLMs based on the Bids received in compliance with Chapter VIII of the SEBI (ICDR) Regulations, and it may not necessarily be indicative of the market price of Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the offer price and, as a result, you may lose all or part of your investment. The price at which Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in Equity Shares may experience volatility in the value of Equity Shares regardless of our operating performance or prospects.

We are subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The maximum movement allowed in the price of Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical

volatility in the price and trading volume of Equity Shares.

65. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Company's Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

66. ***Your ability to sell your Equity Shares to a resident of India may be subject to delays if RBI approval is required.***

Under current Indian regulations and practice, approval of the RBI is required for the sale of Equity Shares by a non-resident to a resident of India unless the sale is made on a stock exchange in India through a stock broker or a merchant banker registered with SEBI at the market price or in accordance with the terms of the pricing guidelines specified by the RBI in case of an off-market transfer. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of that foreign currency from India also require the approval of the RBI. As foreign exchange controls are in effect in India, the RBI will approve the price at which Equity Shares are transferred based on a specified formula and a higher price per Equity Share may not be permitted. Approvals required from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor or at all. Further, prior to the repatriation of sale proceeds, a non objection/tax clearance certificate from the income tax authority or the provision of an undertaking in the prescribed format along with a certificate from an accountant would be required. We cannot guarantee that any approval will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

67. ***Holders of Equity Shares could be restricted in their ability to exercise preemptive rights under extant laws and could thereby suffer future dilution of their ownership interest.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such preemptive rights without us filing an offering document with the applicable authority in such jurisdiction, you will be unable to exercise such preemptive rights unless we make such filing. We may elect not to file an offering document in relation to preemptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise preemptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

MARKET PRICE INFORMATION

Our Equity Shares were listed and started trading on BSE and NSE on and from February 12, 2008. As on the date of this Placement Document our Company has 2,78,01,205 Equity Shares of face value ₹ 10 each issued, subscribed and paid up.

The tables set forth below are for the periods that indicate the high, low and average prices of our Equity Shares and also the volume of trading activity.

(1) The high, low and average market prices of our Equity Shares during the preceding three years.

Fiscal Year	BSE								
	Date	High (₹)	Volume on date of High (No. of shares)	Turnover on date of High (₹ in lacs)	Date	Low	Volume on date of Low (No. of shares)	Turnover on date of High (₹ in lacs)	Average (₹)*
2014	3-Jan-14	202.90	8,947	18.11	1-Nov-13	133.45	530	0.71	172.18
2013	6-Nov-12	239.90	19,070	45.66	25-Jul-12	147.55	173	0.26	196.41
2012	16-Feb-12	182.50	140,311	246.97	26-Aug-11	80.10	13,253	10.81	145.80

*Average of daily closing prices
Source: www.bseindia.com

Fiscal Year	NSE								
	Date	High (₹)	Volume on date of High (No. of shares)	Turnover on date of High (₹ in lacs)	Date	Low	Volume on date of Low (No. of shares)	Turnover on date of High (₹ in lacs)	Average (₹)*
2014	3-Jan-14	204.25	11,495	23.12	28-Oct-13	132.30	334	0.44	171.99
2013	6-Nov-12	239.70	18,969	45.28	25-Jul-12	146.45	94	0.14	196.40
2012	16-Feb-12	181.85	143,060	252.44	26-Aug-11	80.25	9,603	7.85	145.70

*Average of daily closing prices
Source: www.nseindia.com

(2) Monthly high, low and average prices and trading volumes of our Equity Shares for the six months preceding the date of filing of this Placement Document.

Month	BSE								
	Date	High (₹)	Volume on date of High (No. of shares)	Turnover on date of High (₹ in lacs)	Date	Low	Volume on date of Low (No. of shares)	Turnover on date of Low (₹ in lacs)	Average (₹) *
June, 2014	5-June-14	318.30	20,056	64.46	13-June-14	294.35	8,720	26.17	305.91
May, 2014	27-May-14	298.10	42,899	120.37	2-May-14	201.00	11,089	21.99	241.73
April, 2014	7-Apr-14	198.30	1,080	2.14	1-Apr-14	172.90	57	0.09	187.56
March, 2014	7-Mar-14	184.45	596	1.09	27-Mar-14	168.00	1,468	2.56	177.37
February, 2014	20-Feb-14	192.65	1,029	1.97	5-Feb-14	180.95	259	0.47	185.52
January, 2014	3-Jan-14	202.90	8,947	18.11	27-Jan-14	180.75	16	0.29	190.37

*Average of daily closing prices
Source: www.bseindia.com

Month	NSE								
	Date	High (₹)	Volume on date of High (No. of shares)	Turnover on date of High (₹ in lacs)	Date	Low (₹)	Volume on date of Low (No. of shares)	Turnover on date of Low (₹ in lacs)	Average (₹) *
June, 2014	5-June-14	318.05	40,709	130.89	19-Jun-14	299.20	9,685	29.37	306.63
May, 2014	27-May-14	298.85	72,875	207.69	2-May-14	202.20	15,266	29.66	241.55
April, 2014	7-Apr-14	197.25	3,412	6.73	1-Apr-14	170.00	1,289	2.21	187.47
March, 2014	4-Mar-14	183.00	68	0.12	27-Mar-14	168.40	4,518	7.69	177.44
February, 2014	20-Feb-14	192.55	645	1.23	5-Feb-14	181.55	1,822	3.32	185.66
January, 2014	3-Jan-14	204.25	11,495	23.12	27-Jan-14	179.50	121	0.22	190.17

*Average of daily closing prices
Source: www.nseindia.com

(3) Market Price on the first working day following the Board Meeting approving the Qualified Institution Placement, in this case being June 5, 2014.

Date	BSE						NSE					
	Open	High (₹)	Low (₹)	Close (₹)	Traded Volume (No. of Shares)	Turnover (₹ in lacs)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Traded Volume (No. of Shares)	Turnover (₹ in lacs)
June 6, 2014	327	327	300.5	310.9	18,385	57.21	324.7	328.9	305.3	311.9	26,790	83.87

Sources: www.bseindia.com, www.nseindia.com

(4) Volume of business transacted during the preceding three Fiscal years and the last six months on the Stock Exchanges.

Month	BSE		NSE	
	Total Volume of Securities Traded (No. of shares)	Total Value of Securities Transacted (₹ in lacs)	Total Volume of Securities Traded (No. of shares)	Total Value of Securities Transacted (₹ in lacs)
Fiscal Year 2014	17,31,599	2,940.68	1,674,079	2,838.35
Fiscal Year 2013	49,20,079	10,375.75	65,22,730	13,957.51
Fiscal Year 2012	75,43,102	10,841.40	7,505,213	10,673.76
June, 2014	522,127	1,621.18	8,64,976	2,678.44
May, 2014	31,08,166	7,806.00	40,93,757	10,295.66
April, 2014	4,35,806	815.62	4,78,789	894.20
March, 2014	10,022	17.71	38,883	68.55
February, 2014	18,393	34.61	8,452	15.68
January, 2014	41,851	82.07	54,833	106.90

Sources: www.bseindia.com, www.nseindia.com

USE OF PROCEEDS

The gross proceeds from the Issue will be approximately ₹ 13,716.62 lacs.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 13,216.62 lacs ("**Net Proceeds**").

We intend to use the net proceeds of the Issue to fund our capital expenditure, meet our working capital requirements and for general corporate purposes.

Our main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake our existing activities.

In accordance with the policies instituted by our Board, and as may be permissible under applicable laws and government policies, our management will have the flexibility in deploying the Issue proceeds for the purposes mentioned above. Pending use of the funds for these purposes, we intend to invest the funds in high quality, interest/ dividend bearing liquid instruments, including money market mutual funds and deposits with the banks for the applicable period. Such investments would be in accordance with applicable laws and the investment policies as approved by our Board from time to time, and will also be in accordance with all applicable laws and regulations.

Our Promoters or Directors are not making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION

The following table sets forth our capitalisation as at March 31, 2014 on an:

Unadjusted basis; and as adjusted basis to give effect to the Issue.

This table should be read in conjunction with the Financial Statements and the related notes, the section "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and other financial statement and information contained elsewhere in this Placement Documents.

The information set out below has been prepared in accordance with Indian GAAP.

(₹ in lacs)

Particulars	**As on 31st March 2014**	
	Unadjusted	**As Adjusted**
Indebtedness		
Long term Borrowings	13,500.45	13,500.45
Short Term Borrowing	32,238.91	32,238.91
Current Maturities of Long Term Borrowings	9,975.18	9,975.18
Total Indebtedness (A)	**55,714.54**	**55,714.54**
Shareholders' Funds		
Equity Share Capital	2,780.12	3,222.62
Reserves and Surplus [1]	54,748.63	67,522.75
Less : Misc. Expenditure	87.15	87.15
Total Shareholders' Funds (B)	**57,441.60**	**70,658.22**
Total Capitalisation (A) + (B)	**1,13,156.14**	**126,372.76**

[1]*Reserves and surplus is net of adjustments for estimated issue expenses of approximately ₹ 500 lacs*

DIVIDEND POLICY

Under the Companies Act, unless the board of directors of a company recommends payment of dividend, the shareholders at a general meeting have no power to declare any dividend. The shareholders at a general meeting may declare a lower, but not higher, dividend than that recommended by the board. Dividends are declared on a per-share basis of a company's shares. The dividend recommended by the board and approved by the shareholders at a general meeting is distributed and paid to shareholders in proportion to the paid-up value of their shares as on the record date for which such dividend is payable. In addition, as is permitted by the Articles of Association of our Company, the Board may declare and pay interim dividends. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders on the date, which is specified as the "record date" or "book closure date". No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of his shares is outstanding.

Our Company has paid/declared the following dividend on Equity Shares in the last three years ending March 31, 2014, 2013 and 2012 respectively. The following table sets forth the dividends paid/recommended on the Equity Shares during each of the financial years indicated:

(₹ in lacs)

Fiscal	Face Value	₹ Per Equity Share	Amount of Dividend Declared (Exclusive of Tax)	Rate
2014	10	3.75*	1,042.55	37.50%
2013	10	3.50	973.04	35.00%
2012	10	2.25	625.53	22.50%

** The Board at its meeting dated May 20, 2014 has recommended dividend for the Fiscal year 2014, subject to the approval of the shareholders at the AGM.*

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company.

Future Dividends

There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased.

INDUSTRY OVERVIEW

The information set forth in this section is based on publicly available information, which has not been independently verified by our Company or the GC-BRLMs to the Issue, or any of their respective affiliates and advisors. None of us, the GC-BRLMs or any other person connected with the Issue has verified this information. Industry sources and publications generally state that the report has been published for general information purposes and that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Several reports also expressly disclaim legal responsibility and liability of the person/ organisation preparing the report for any loss or damage resulting from the contents of such reports. Accordingly, we and the GC-BRLMs do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

Overview of the Indian Economy

Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged fewer than 7% per year from 1997 to 2011. The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy.

According to CIA World Factbook, India's estimated population is 1.24 billion people as of July, 2014. India had a GDP on a purchasing power parity basis estimated at approximately US$ 4.96 trillion in 2013, which makes it the fourth largest economy in the world in purchasing power parity terms. Per capita GDP in current prices in India has grown to US$4,000.
(Source: CIA World Factbook)

The Indian Infrastructure Opportunity

India's planning commission has planned an investment of more than US$1 trillion in infrastructure. It projects that planned investment in infrastructure and growing urbanisation will drive the construction industry to grow at 16–17 per cent CAGR over the next 10 years. The growth opportunities are accompanied by increasing competition from equipment's from countries like Brazil and China.

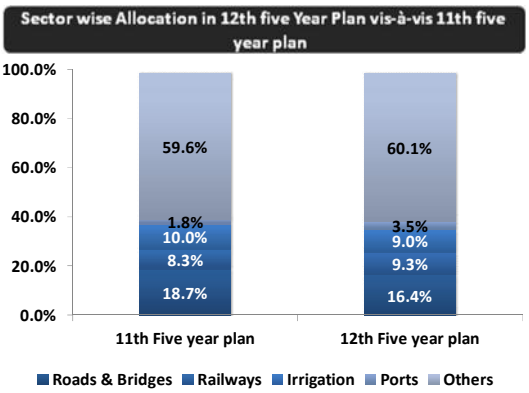
The Twelfth plan has emphasized the need for massive expansion in investment in infrastructure through various forms of public-private partnerships. This emphasis was the result of inadequate infrastructure recognised as a major constraint on rapid growth action in the Eleventh Plan. The total investment in infrastructure which includes roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation is estimated to have increased from 5.7 per cent of GDP in the base year of the Eleventh Plan to around 9.0 per cent in the last year of the Plan.

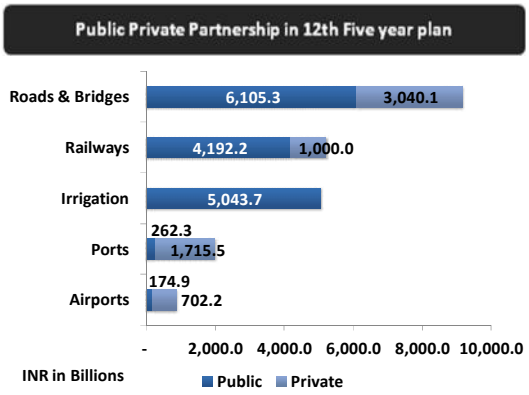
Investment in Infrastructure from the Private Sector Increasing

(% of Investment)	At the end of the 11th Plan	By the end of the 12th Plan
Public Sector	63%	52%
Private Sector	37%	48%
Total	INR 24,242.8 Bn	INR 55,746.7 Bn

Projected Investments in Infrastructure in 12th Five Year Plan

(in INR Bn)	FY 13	FY 14	FY 15	FY 16	FY 17	Total
Infrastructure Investment	7,510.1	8,874.5	10,613.2	12,855.7	15,893.1	55,746.6
Infra as % of GDP	7.4%	7.6%	8.0%	8.4%	9.0%	8.2%





It is estimated that the share of private investments, of the total infrastructure investments in the economy was nearly 40 per cent by the end of the Eleventh Plan, the rest being public investments. This needs to be increased to approx 50 per cent during the 12th Plan. The adoption of standardized documents such as model concession agreements and bidding documents for award of PPP projects have streamlined and accelerated decision-making by agencies in a manner that is fair, transparent and competitive. This approach has contributed significantly to the recent strides in rolling out a large number of PPP projects in different sectors. India has 1,017 PPP projects accounting for an investment of ₹ 486,603 crore. Roads & National Highways contribute 36.3% of the total PPP Projects in Infrastructure. According to the Private Participation in Infrastructure database of the World Bank, India is second only to China in terms of number of PPP projects and in terms of investments, it is second to Brazil.

(Source: 12th Five Year Plan (2012-2017) published by The Planning Commission of India; Approach to the Twelfth Five Year Plan)

Urban Infrastructure

In 2011 approx 31.30% of India's population lives in urban areas, and rate of urbanization is 2.47% between 2010 and 2015E.

(Source: CIA World Factbook)

According to the High Powered Expert Committee (HPEC) 2011 report, there is a huge requirement of investment in urban infrastructure to the tune of ₹ 39 Billion (₹ 39.2 lac crore at 2009-2010 prices) over the next 20 years. As per estimates of the HPEC, as the backlog in urban roads is very large, 44% of this investment requires to be for urban roads, while water, sewerage, solid waste management, storm water drains, streetlights would require another 20% of investment, while 14% investment would be required for transport and traffic related infrastructure. Among others, urban renewal including redevelopment of slums would require 10.5% of investment and capacity building for better urban governance 2.5% of investment.

Considering the huge estimated requirement of investment, sums of these magnitudes cannot be located only from within the budgetary resources of Central, State and Local Governments. A compulsion has, therefore, arisen to access financial resources from the market, and induces the private sector to participate in urban development programmes as a policy.

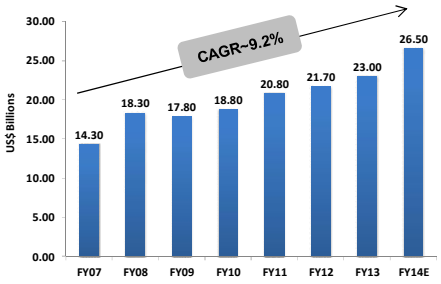
The Government has launched few schemes / programmes to provide reform linked infrastructure facilities in the urban areas like Jawaharlal Nehru National Urban Renewal Mission(JNNURM), Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT), JNNURM PMIS, North Eastern Region Urban Development Programme (NERUDP), National Urban Information System(NUIS), Public Cycle Sharing Toolkit, Capacity Building for Urban Local Bodies, 100 MLD Sea Water Reverse Osmosis De-salination Plant at Nemmeli, Chennai, Brihan Mumbai Storm Water Drainage (BRIMSTOWAD) Project at Mumbai, Pooled Finance Development Fund Scheme, Pilot Scheme for of Urban Infrastructure Development in Satellite Towns around seven megacities, Lump Sum Provision Scheme for the benefit of NER including Sikkim.

(Source: http://moud.gov.in/)

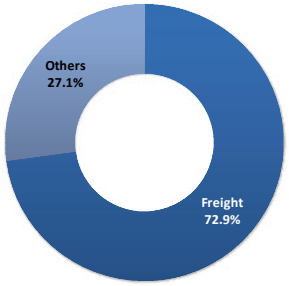
The Railways Sector in India

Indian Railways is the fourth largest railway network in the world in terms of route kilometers. Indian railways have a total network of about 64,600 kms and operate more than 19,000 trains daily. Indian Railways grew the fastest in three years to USD 23 billion in FY13, a 10.1% YOY growth. The Govt. plans to invest around US$ 16.7 Bn to build Eastern & Western Dedicated Freight Corridor (DFC) resulting in over 10,000 km of dedicated rail routes over six key corridors, to ease cargo transport.

Gross Railway Revenue



Railway Revenue Segmentation (FY2013)



Development of capability in the Railways is an urgent priority for the Twelfth Plan. Expansion of the system must be accompanied by technological modernisation, greater attention to safety and steps to ensure financial viability. Several important new initiatives are underway in the Twelfth Plan. These include flagship projects such as the Western and Eastern Freight Corridor, the Mumbai Elevated Rail Corridor and the High Speed Corridor. Given the scarcity of resources, there is need and also considerable scope, for pursing PPP initiatives in this sector.

Performance targets in the 11th & 12th five Year Plans

Heads	11th FYP		12th FYP
	Target	Achievement	Target
Physical Movement - Terminal Year			
Passenger (Mn)	8,400	8,139	11,710
Freight (Mn Tonnes)	1,100	970	1,405
Capacity Creation During Plan Period			
New Lines (km)	2,000	2,205	4,000
Gauge Conversion (Kms)	10,000	5,290	5,500
Electrification(km)	3,500	4,501	6,500
Outlay & Expenditure			
Total (Rs. Crores)	233,289	192,147	419,221

With increasing demands of freight and passenger movement, the rail network appears deficient in speed, modernization (of gauge and rolling stock) and safety criteria.

Urban Rail Transit System

Economic growth has led to rapid urbanisation and around 29 cities in India have a million plus population while 2 mega cities have crossed the 10 million mark. This has caused a tremendous pressure on the existing infrastructure which requires renovation and augmentation. All the mega cities and some of the other large cities have been facing an acute shortage of public transport systems and are engaged in planning and/ or implementation of urban rail systems for their congested areas.

Urban rail projects require large investments and finding such large resources within the public sector would not only be difficult, it would also affect other priority areas such as education, health and rural development. It is, therefore, essential to explore the possibilities of attracting private capital for building and operating urban rail projects.

Initiatives

- The rapid rise in international trade and domestic cargo has placed a great strain on the Delhi-Mumbai and Delhi-Kolkata rail track. Government has, therefore, decided to build dedicated freight corridors in the Western and Eastern high-density routes.

- With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. So far, container movement by rail was the monopoly of a public sector entity, CONCOR. The container movement has been thrown open to competition and private sector entities have been made eligible for running container trains.

- Tariff rationalization and effective cost allocation mechanism are also on the anvil. This includes a methodology for indexing the fare structure to line haul costs. Efforts aimed at introducing commercial accounting and information technology systems are also underway.

- Technological upgradation and modernisation for higher operating efficiency

- Transformation from bulk transporter to multi-modal transporter

- PPP envisaged in new routes, railway stations, logistics parks, cargo aggregation and warehouses etc.

PPP in Railways

Dedicated Freight Corridor Corporation of India Limited (DFCCIL) has been set up for implementing the Dedicated Freight project and the Ministry of Railways would explore the possibilities of attracting private investment in some segments of this project. Indian Railways has decided to redevelop 50 railway stations in the metropolitan cities and major tourist centers as world-class stations through PPP.

The proposal to set up of production units for manufacturing of electric and diesel locomotives at Madhepura and Marhowra respectively and passenger coaches at Kanchrapara through PPP has already been approved. Further, movement of container trains has already been opened to the private sector, and this has acquired more than 25 per cent share of the market. Metro rail projects in Bangalore, Chennai and Kolkata involving an investment of ₹ 31,084 crore are under implementation In addition, metro projects in Hyderabad and Mumbai involving investment of more than ₹ 22,000 crore are being developed on a PPP basis.

(Source: 12th Five Year Plan (2012-2017) published by The Planning Commission of India, IBEF Railway Sector, March 2014, http://www.infrastructure.gov.in/pdf/Urban-Rail-Systems.pdf, http://www.infrastructure.gov.in/railways.php)

The Road Sector in India

The Indian road network, at approximately 4.69 million kilometers in length, is the second longest road network in the world.

For the purpose of management and administration, roads in India are divided into the following categories:

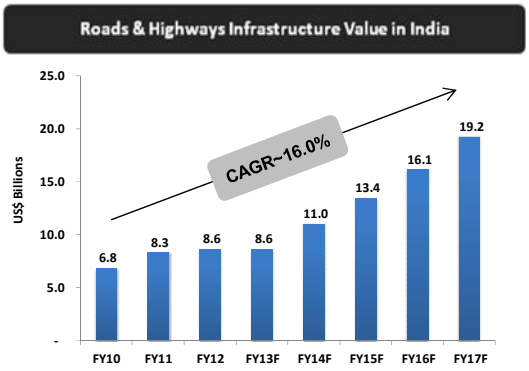
Indian Road Network	**Kilometers (approximate)**
National Highways / Expressways	79,116
State Highways	1,55,716
Other Roads	4,455,010
Total length	**3,329,105**

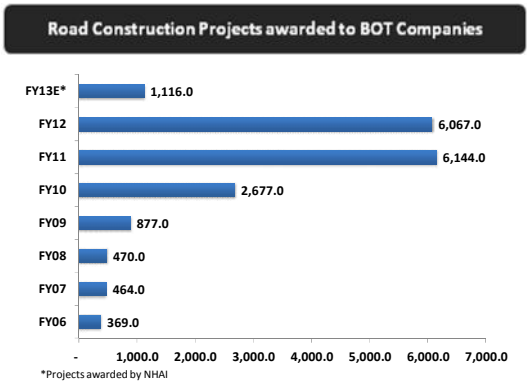
Roads form the most common mode of transportation and are the main arteries for travelling across India. About 60% of freight and 85% passenger traffic is carried by the roads. National Highways constitute only about 1.7% of the road network but carry about 40% of the total road traffic. Number of vehicles has been growing at an average pace of 10.16% per annum over the last five years. The State Highways and the Major District Roads together constitute the secondary system of road transportation which contributes significantly to the

development of the rural economy and industrial growth of the country. The secondary system also carries about 40 per cent of the total road traffic, although it constitutes about 13 per cent of the total road length.

Road networks need to handle high traffic density and high speeds at many places and for this it is necessary to accelerate completion of ongoing projects, including expressways besides speedy implementation of the Golden Quadrilateral (GQ) and the North-South and East-West (NS-EW) corridors and also to address the deterioration of large stretches of the NHs.

The value of total roads and bridges infrastructure in the country is projected to grow at a compound annual growth rate (CAGR) of 17.4 per cent over FY 12–17 to reach US$ 19.2 billion by 2017.





National Highways

At present, out of 76,818 kms of National Highways about 23 per cent length is of 4-lane (and above standard), 54 per cent length is of 2-lane standard and 23 per cent length is of single and intermediate standard. As on March 2012, 30,537 km length of NHs was entrusted to NHAI, 42,483 km to State PWDs and 3,798 km to BRO. Despite the progress in NHs, only 23 per cent of their total length is wider than two lanes, leading to heavy congestion. Shortfall in construction of bypasses, inadequate capacity, insufficient pavement thickness, and weak, narrow, and distressed bridges/ culverts as well as ROBs are some of the deficiencies that need to be improved.

National Highway Development Programme

India's road network has benefited greatly from the NHDP programme which envisages an investment of about ₹2,36,247 crore during the period 2005–12. Although NHDP envisaged award of concessions/contracts by the year 2012, the actual completion of the programme was expected to be accomplished only by the end of the Twelfth Plan.

Golden Quadrilateral (GQ): The GQ connects the four Metropolitan Cities (i.e. Delhi-Mumbai-Chennai-Kolkata-Delhi) with a total length of 5,846 kilometers. The project is 100% completed as of May 31, 2014.

North-South East-West Phase I & II: North-South and East-West corridors comprise national highways connecting four extreme points of the country. NS Corridor connects Srinagar to Kanyakumari and EW Corridor connects Porbandar to Silchar. The total length of the network is approx 7,142 kilometers. As of May 31, 2014, 6,300 kilometers of the project had been completed, while 425 kilometers remains under implementation and 417 kilometers remain to be awarded.

Port Connectivity: The total length of the network is approx 380 kilometers. As of May 31, 2014, 379 kilometers of the project had been completed, while 1 kilometers remains under implementation.

Phase III: The NHDP-III is a 12,109 kilometers of national highways project on a BOT basis, which takes into account high-density traffic, connectivity of state capitals via NHDP Phase I and II, and connectivity to centers of economic importance. As of May 31, 2014, 6,182 kilometers of the project had been completed, while 4,242 kilometers remains under implementation and 1,685 kilometers remains to be awarded.

Phase IV: The Government is considering widening 20,000 kilometers of highway that are not part of Phase I, II, or III. Phase IV will convert existing single lane highways into two lanes with paved shoulders. This phase is split between NHAI (14,799 kilometers) and MORTH (5,201 kilometers). As of May 31, 2014, NHAI has completed 550 kilometers of the project, while 5,233 kilometers remains under implementation and 9,016 kilometers remains to be awarded.

Phase V: As road traffic increases, a number of four-lane highways will need to be upgraded/expanded to six lanes. The current plan calls for upgrading about 6,500 kilometers of four-lane roads, along the Golden Quadrilateral on design build finance operate basis. As of May 31, 2014, 1,861 kilometers of the project had been completed, while 2,220 kilometers remains under implementation and 2,419 kilometers remain to be awarded.

Phase VI: The Government is working on constructing expressways that would connect major commercial and industrial townships. It has already identified 1,000 km of the Baroda-Mumbai section that would be connected to the existing Baroda-Ahmedabad section in this phase. The expressways will be funded on BOT basis.

Phase VII: This phase calls for improvements to city road networks by adding ring roads to enable easier connectivity with national highways to substantial cities. In addition, improvements will be made to stretches of national highways that require additional flyovers and bypasses given population and housing growth along the highways and increasing traffic. As of May 31, 2014, 22 kilometers of the project had been completed, while 19 kilometers remains under implementation and 659 kilometers remain to be awarded.

(Source: http://www.nhai.org, Ministry of Road Transport & Highway; http://india.gov.in; 12th Five Year Plan (2012-2017) published by The Planning Commission of India, IBEF Road Sector, March 2014)

PPP in Highways

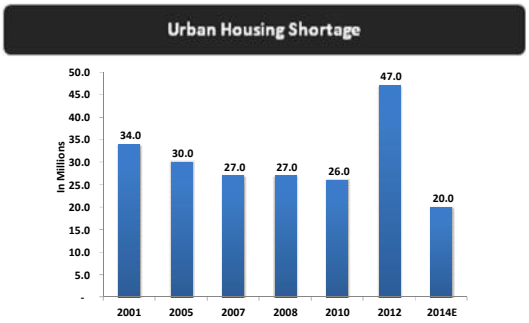
The National Highway network of the country spans about 76,818 km. The National Highway Development Project (NHDP), covering a length of about 54,000 km of highways, is India's largest road development program in its history. The government has encouraged increased private sector participation in upgrading the arterial road network of the country to world class standards. More than 60 per cent of the estimated investment requirement is expected to be financed through PPP. With several key projects on the anvil spanning a length of about 45,000 km (including six-laning of four-laned roads, expressways and port connectivity projects) and a large number of projects in States, there are increasing opportunities for the domestic and foreign players in the sector. The government has decided to widen 20,000 km of less than two-lane National Highways to two-lane standard in the EPC mode.

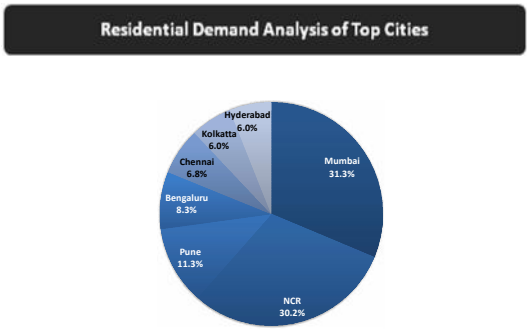
The country transports nearly 57 per cent of the total goods by road, as compared to 22 per cent in China and 37 per cent in the U.S. In contrast, the share of rail is only 36 per cent compared to 48 per cent for the U.S. and 47 per cent for China. Despite the fact that a large part of India's freight traffic comprises bulk materials and moves over long distances that can be served efficiently by rail and waterways, the share of shipping through waterways is nearly 6 per cent as compared to 14 per cent in U.S and 30 per cent in China.

Commercial & Housing Infrastructure

The Indian real estate sector has come a long way and is today one of the fastest growing markets in the world.

It comprises four sub-sectors – housing, retail, hospitality, and commercial. While housing contributes to five–six percent of India's gross domestic product (GDP), the remaining three sub-sectors are also increasing at a fast pace. The total realty market in the country is expected to touch US$ 180 billion by 2020.





(Source: IBEF Indian Real Estate Report 2014;www.ibef.org/industry/real-estate-india.aspx)

Urban Water Supply

The Central Public Health and Environmental Engineering Organisation (CPHEEO), a technical wing of the Ministry of Urban Development, Government of India, deals with the matters related to Urban Water Supply and Sanitation Including Solid Waste Management in the Country.

The various programmes launched are Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), Accelerated Urban Water Supply Programme (AUWSP), New Central Sector Scheme for Solid Waste Management & Drainage for 10 IAF Airfield Towns, Integrated Low Cost Sanitation Schemes (ILCS), NLCPR - Urban Water Supply and Sanitation Programme.

(Source: Central Public Health and Environmental Engineering Organisation)

OUR BUSINESS

Overview

We are a civil engineering and construction company having over three decades of experience in transportation engineering, with our primary focus on transportation engineering, civil construction and irrigation works. We also undertake piling of deep foundations using hydraulic piling rigs, in connection with construction work undertaken by reputed real estate and infrastructure companies. While we have a strong presence in Mumbai, Navi Mumbai and Pune, in Maharashtra and in recent years we have pursued opportunities and been awarded projects in other parts of India including states of Rajasthan, Delhi and Gujarat.

We undertake design and construction of projects based on specific client requirement, on a lump sum contract basis (turnkey), where the project is constructed and turned over to the client in a ready-to-use condition. We also undertake projects on percentage rate contracts.

We currently operate in the following construction and infrastructure business verticals:

- Transportation Engineering, includes Metro, roads, flyovers, skywalks, bridges, ROBs, RUBs, Storm Water Drainage Systems, tunneling etc;
- Civil Construction, includes railway terminus/ stations and commercial buildings;
- Irrigation Works includes construction of earthen dams, minor irrigation tanks, spillways etc;
- Others, includes Piling and RMC.

Our Company has a proven track record of over 75 completed projects, and currently has over 40 ongoing projects. Over the years we have been undertaking projects for various government / semi-government authorities. As on March 31, 2014 our Order Book stands at ₹ 3,14,091 lacs.

The key to efficient execution of projects, is our large fleet of owned modern construction equipment and machineries like hydraulic piling rigs, putmiester mobile boom placer concrete pump and stationery concrete pumps, transit mixers, cranes, poclains, front end loaders, JCBs, trucks, tippers, shuttering and centering plates, etc. We also have 15 ready mix concrete plants catering primarily to our captive requirements.

As of March 31, 2014, our work force consists of 3,024 full-time employees out of which 761 consist of engineering staff. Further, we also employ contract labour based on project requirements.

We believe that our employee resources and owned fleet of equipment, along with our engineering skills and capabilities enable us to successfully implement a wide variety of infrastructure projects that involve varying degrees of complexity.

We enter into contracts primarily through a competitive bidding process. We bid for, and execute projects both on a standalone basis as well as through project specific joint ventures. When a project requires us to meet specific eligibility requirements for larger projects, including requirements relating to experience and financial resources, we may enter into project-specific joint ventures with other infrastructure companies. We have entered into joint ventures with national and international players such as China Railway No.3 Engineering Group Co. Ltd, NCC Limited and PBA Infrastructure Limited. As on March 31, 2014 we have 9 transportation engineering projects and irrigation projects being executed through joint ventures.

Our Company has put into place a centralized ERP system to manage internal and external resources including, materials and assets, financial and human resources, to facilitate the flow of information between different construction sites, and business functions and to manage connections with external parties and stakeholders. As a result we are able to successfully plan and implement project schedules, budgets, and safety requirements and also make better business decisions.

We are an ISO 14001:2004, 18001:2007, 9001: 2008 certified company for the quality management system we apply in designing and construction of the infrastructure projects we undertake.

We have also obtained the following registrations making us eligible as contractors for various public construction and infrastructure projects:

- Class I A contractor with PWD, Government of Maharashtra
- Group A, Class I A with VIDC, Nagpur
- We are registered with the MCGM under various categories.

For the years ended March 31, 2014 and March 31, 2013, our total income was ₹ 1,19,759.16 lacs and ₹ 1,00,953.46 lacs respectively. In the years ended March 31, 2014 and 2013, we earned a profit after tax of ₹ 8,405.02 lacs and ₹ 7,574.29 lacs respectively.

Key Infrastructure Projects

We are in the process of executing various infrastructure transportation projects across India either on our own or under joint ventures/consortium. Some of the key infrastructure projects under execution include:

(₹ in lacs)

Project	Contract Value
Design and Construction of tunnel by Shield TBM, tunnels, stations and ramp by cut and cover tunneling Work method between Lajpat Nagarand Hazrat Nizamuddin stations (both Including) for underground works on Mukundpur - Yamuna Vihar corridor of Delhi MRTS Project of Phase- III	1,01,085.00
Widening & Improvement to Sion – Panvel Special state Highway (under BOT) from Uran Flyover Retaining wall end point Ch. 126/150 to B.A.R.C. Junction Ch. 140/690.	60,000.00
Design and Construction of Tunnel by Shield TBM, Tunnels by Cut and Cover, Underground Tunneling Work Station at Naraina Vihar and Ramps at Mayapuri and Delhi Cantonment for underground works on Mukundpur - Yamuna - Vihar corridor of Delhi MRTS Project of Phase-III	37,585.00
Construction of ROB at Jogeshwari (South) in lieu of L.C.No. 24 & 25.	29,810.14
Construction of Eastern Freeway section from Panjarapol to Chembur Mankurd Link Road KM 0/000 to 2/500	29,378.00
Design and Construction of 4.91 km. elevated via duct for Navi Mumbai Metro Project between chainage 5130 m to chainage 10,740 m excluding five stations viz., Central Park, Pethapada, Sector 34(Kharghar), Panchanand and Pendhar each of length 140 m on Belapur- Taloja- Khandeshwar corridor of Navi Mumbai Metro (CIDCO Navi Mumbai Metro project)	14,596.35

For further details of our projects under execution and orders-in-hand, please see the paragraph titled "Order Book" in this section.

Our Competitive Strengths

Proven track record of efficient execution and project management skills

With over 3 decades of experience and more than 75 projects executed till date believe that we have established a track record of efficient project management and execution skills with trained and skilled manpower, efficient deployment of equipment and strategic purchasing capabilities, that has ensured meeting project targets on schedule and in some instances even before the designated completion date. . We have executed various types of infrastructure projects such as flyovers, skywalks, roads, flexible and rigid pavement, railway over bridges, railway under bridges, bridges, airport contracts, commercial and residential buildings, railway buildings, sports complexes and irrigation projects like canals, minor irrigation tanks, and spillways, aqueducts for government, semi-government and private organizations**.**

Diversified portfolio across various segments and geographical location

Our Order Book as on March 31, 2014 stands at ₹ 3,14,091 lacs. The composition of our Order Book is well diversified over various segments such as railways, roads and highways and ROBs etc in the transportation

engineering segment. We have also constructed swimming pools, railway terminus, pedestrian subways and various airport contracts apart from construction of flyovers, skywalks, roads and bridges. Such a variety of work enables us to keep our business diversified and reduce our dependency on any single segment. Until 2010 our operations were largely focused on projects in Maharashtra, but we have since then also forayed into new states such as Delhi, Gujarat and Rajasthan. As on March 31, 2014 more than 50% of our Order Book consisted of projects to be executed outside Maharashtra.

Large fleet of owned machineries and equipments

We believe that in infrastructure industry, the key is timely completion of projects. Ownership of machineries and equipment which is readily available thereby reducing dependence on hiring of third party equipment. We own a number of plants and equipments required for construction. This includes tunnel boring machine (TBM), hydraulic piling rigs HR 180 and HR 130, putmiester mobile boom placer concrete pump and stationery concrete pumps, RMC plants, transit mixers, various capacity cranes, poclains, front end loaders, JCBs, trucks and tippers and a large number of shuttering and centering plates. We believe that the long term cost implications of using leased equipment are adverse, and therefore, we believe that ownership and usage of modern concreting/ shuttering equipment provides cost benefit.

Experienced Promoter and Management Team

Our Promoters and senior management team have extensive experience of design and construction of a broad range of projects including skywalks, flyovers, ROBs, RUBs and metro systems. They have strong operational knowledge and a successful track record of executing infrastructure projects. This extensive experience extends well into our organization; where an experienced and qualified team who support our top management. We have also been able to attract employees from various government departments after their retirement.

Multiple Ready Mix Concrete Plants to serve our various project requirements

We currently have 15 RMC plants located across various parts of the country. The availability of the ready mix transit mixers enables us to service multiple locations for our contracts from a single nodal point. This is in turn helps us in timely servicing multi location requirements. We also sell ready mix concrete to third parties which helps in augmenting our revenues and use the RMC's to their optimum levels.

Ability to execute the project within stipulated time

We have executed complex projects within the scheduled completion date and have earned bonuses for such projects. For example, we completed the construction of flyover, slip roads and allied works at Seven Hills Chowk, Aurangabad 19 days ahead of scheduled date of completion and were awarded ₹ 19 lacs for completing the project well within time. Similarly, we completed the pedestrian subway work at Rajaram Nagar near Santacruz airport- 67 days ahead of the stipulated time limit and received bonus for early completion. Such achievements help us to pre-qualify for projects. We have completed various projects like construction of flyover bridge at Konkan Bhavan (CBD) Junction, construction of flyover bridge at the junction of Eastern Express Highway and CMLR at Cheddanagar, duplication of flyover at Dindoshi on Western Express Highway, construction of flyover near Times of India Building at Malad Junction on Western Express Highway, Mumbai, and skywalk at Kanjurmarg station, within the stipulated time. We follow CPM - PERT for determination and allocation of optimal timelines for project completion, thereby clearly demarcating the time-lines for various activities. We believe that such efficiency will hold us in good stead for future projects.

Our Business Strategy

Our strategy is to build upon our competitive strengths and business opportunities to become a leading construction and infrastructure company in India. We intend to pursue suitable opportunities in Maharashtra, as well as other parts of India. Historically, we have been most active in Mumbai, Navi Mumbai and Pune in Maharashtra and in recent years we have diversified to other states such as Delhi, Rajasthan and Gujarat. We intend to diversify in to construction of all infrastructure facilities in areas other than those where we are currently active.

We have developed skill sets in providing engineering and construction services for a diverse range of infrastructure projects, including transportation engineering projects, civil construction and irrigation works.

To achieve these objectives, we adopt the following strategies:

Increasing the scope of work for each order and associating ourselves with larger projects

Our endeavor is to be amongst one of the larger players in the transportation engineering and civil construction space. We also intend to associate with larger as well as technically more complex projects. The biggest project on hand, as on March 31, 2014 is the "Design and Construction of Tunnel between Lajpat Nagar and Hazrat Nizamuddin stations and Mukundpur - Yamuna Vihar corridor for underground works by DMRC with a contract value of ₹1,01,085 lacs. We intend to continue to bid for larger projects and increased scope of works either on our own strength or in collaboration with other players under joint venture.

Diversifying in new geographies

Over the years, we have steadily and successfully increased our business portfolio catering to a range of construction projects situated over diverse geographies. We currently execute projects in Maharashtra, Gujarat, Delhi and Rajasthan. This has also enabled us to de-risk our business model and we plan to further extend our footprint to other states in India. Using our design build model and turnkey capabilities, we intend to concentrate on projects and geographies where we can retain a competitive edge and seek better margins.

Remain focused on timely execution of projects and maintain quality standards

We believe that we have developed a reputation for undertaking complex construction projects and have been able to deliver our projects in timely manner. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and complete the projects within the given time frame so as to leverage this in future projects.

To enter into strategic partnerships for bidding for larger and complete projects.

Our services significantly depend on procuring construction projects undertaken by large companies and infrastructure projects undertaken by government, semi-government authorities and others and projects funded by them. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

Improving our productivity and competitiveness

Our Company intends to increase the efficiency and competitiveness of its operations by continuously investing in state of the art construction machinery and equipment and related operating methods, in order to maximize efficiency of labour, material and reduce our costs and the time taken to execute our projects. We also intend to continue to control operating and overhead costs to maximize our operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. This enables us to have better operating margins. We believe that this will make us more efficient and also make us more competitive.

Our Business Verticals

The business verticals in which we are currently engaged are as follows:

Transportation Engineering	Civil Construction	Irrigation Works	Others
• Metro • Roads (rigid and flexible pavement roads) • Flyovers • Skywalks • Pedestrian Subways • Bridges • ROB and RUB • Storm Water Drainage Systems • Grade Separators • Airport Runways • Tunneling work	• ESIC (Hospital Cum Medical College) • Railway Terminus/ Stations • Commercial Buildings • Sports Complexes • Swimming Pools	• Earthen dams • Minor Irrigation Tanks • Spillways • Canals • Acqueducts	• Piling • RMC

Transportation Engineering

We have over three decades of experience in transportation engineering and have developed core expertise in this field. Within our transportation engineering business vertical, we execute contracts for construction of roads, flyovers, bridges, skywalks, airport runways, storm water drainage systems, grade separator, pedestrian subway and ROBs/RUBs. We design and execute construction projects based on client's requirements on a lump sum and percentage rate basis. We have the requisite capability to construct flyovers, with minimum disruption in urban areas while using current methods and techniques like box pushing technique and RCC Box jacking amongst others.

As on March 31, 2014 we have a transportation engineering Order Book of ₹ 2,72,080 lacs, comprising a well diversified mix of projects such as flyovers, skywalks, roads, bridges and storm water drainage systems, among others.

We have developed an expertise in designing and executing flyover projects in urban areas. We have completed various projects like construction of flyover bridge at Konkan Bhavan (CBD) Junction, construction of flyover bridge at the junction of Eastern Express Highway and CMLR at Cheddanagar, duplication of flyover at Dindoshi on Western Express Highway, construction of flyover near Times of India Building at Malad Junction on Western Express Highway, Mumbai, and skywalk at Kanjurmarg station, within the stipulated time]. Most of the projects executed/awarded under this segment are from governments and semi-government authorities, including CIDCO, MMRDA, PWD, MSRDC and MCGM.

All government and semi-government projects are typically awarded after a lengthy bidding process, that require qualifying bidders to fulfill certain pre-conditions based on identified parameters, including financial strength, track record and execution capability. Only bidders meeting such qualifications are awarded these contracts. We will continue to aggressively bid for construction projects and leverage our strengths in new regions, focusing on our specialization and pre-qualification thus gaining access to larger and more complex projects.

The following table sets out some of the significant transportation engineering projects that we have undertaken and completed, either on our own or along with joint venture partners:

(₹ in lacs)

Project Name	Client	Amount of Work Done
Design and Construction of Flyover on Dr Baba Saheb Ambedkar Road, Mumbai, Maharashtra	MMRDA	18,300.00
Augmentation of SWD system catchment No. 117 BPT Colony, Railway yard and Training of Kharoo Creek Nalla	Dy.Chief Engineer	8,337.83
Design & Construction of bridge cum flyover and approach roads near existing Holkar Bridge on Mula River, Pune.	PMC	6,600.00
Training of Mithi River (Widening and deepening, RCC retaining wall, service road) from Custom colony FOB to Pipeline Road, Powai, S/Ward, Gr.No.4	Dy. Chief Engineer	6,025.41
W.S.-2 - Cleaning and Improvement of SWD and nallas including reconstruction in C.A.No. 206 i.e. Rajendra Nagar Nalla in R/C Ward, WS-3– Cleaning and Improvement of SWD and nallas including increasing/ reconstruction of C.A. No. 205 i.e. Mathre Nalla System in R/C Ward	Dy. Chief Engineer	4,912.87
ES 99 Training/Widening/Deepening of Usha Nagar Nalla System, (D/S of Railway Line). Bhandup (E) in 'S' Ward, Phase II	MCGM	4,165.58
Construction of Pedestrian Skywalk Bridge (Phase II) Package-2 (Wadala Road, Sewree, Reay Road and Sandhurst Road)	MSRDC	4,000.00
Construction of Flyover near Times of India Building at Malad Junction on Western Express Highway	MSRDC	3,448.82
ES 8 & ES 9: Improvement of Kannawar Nagar Nalla system and training of Bombay Oxygen Nalla in 'S' Ward	MCGM,	2,663.04
Construction of Skywalk at Parel, Chinchpokali and Cotton Green (Package III)	MSRDC	2,609.00

The details of the significant orders in hand as on March 31, 2014 in the transportation engineering segment are as follows:

(₹ in lacs)

Name of the Project	Client	Contract Value	Value of uncompleted work as on March 31, 2014
Design and Construction of Tunnel by Shield TBM, Tunnels, Stations and Ramp by Cut & Cover method between Lajpat Nagar and Hazrat Nizamuddin stations (Both Including) Mukundpur - Yamuna Vihar corridor of Delhi MRTS Project of Phase-III for underground works on CC-24	DMRC	1,01,085.00	93,423.70
Widening & Improvement to Sion – Panvel Special state Highway (under BOT) from Uran Flyover Retaining wall end point Ch. 126/150 to B.A.R.C. Junction Ch. 140/690.	ESSEL WTR	60,000.00	33,773.94
Design and Construction of Tunnel by Shield TBM, Tunnels by Cut & Cover, Underground Station at Naraina Vihar & Ramps at Mayapuri and Delhi Cantonment for underground works corridor of Delhi MRTS Project of Phase-III on Mukundpur — Yamuna Vihar CC-20	DMRC	37,585.00	34,053.72

Name of the Project	Client	Contract Value	Value of uncompleted work as on March 31, 2014
Construction of ROB at Jogeshwari (South) in lieu of L.C.No. 24 & 25.	MCGM	29,810.14	13,885.05
Construction of Eastern Freeway section from Panjarapol to Chembur Mankurd Link Road KM 0/000 to 2/500	MMRDA	29,378.00	0.00*
W266 Concreting of various roads in Western Suburbs	MCGM	20,493.83	20,493.83
Construction of Flyover at Kapurbawadi Junction on Thane Ghodbunder Raod.	MSRDC	18,884.00	4,392.72
Design and Construction of viaduct and two Elevated stations namely Rohini Sector -18 & Badi Corridor of Delhi MRTS Ph. –III Project.	DMRC	15,283.00	5,303.53
Design and Construction of 4.91 km. elevated via duct for Navi Mumbai Metro Project between chainage 5130 m to chainage 10,740 m excluding five stations viz., Central Park, Pethapada, Sector 34(Kharghar), Panchanand and Pendhar each of length 140 m on Belapur-Taloja- Khandeshwar corridor of Navi Mumbai Metro (CIDCO Navi Mumbai Metro project) (Navi Mumbai Metro)	CIDCO	14,596.00	1,034.80
Design & Construction of Depot-cum-Workshop at Taloja for Navi Mumbai Metro Line -1 Tender No. C.A.NO. 02/CIDCO/RP/SE (TP-III&HQ)/2011-12	CIDCO	13,192.92	12,596.09

** Final bill is pending*

Civil Construction

Works under this vertical include construction of corporate offices, recreation centers, colleges, buildings, and transport terminals (airport & railway). Some of the prominent projects undertaken by us include the construction of new Terminus building at Bandra for Western Railways, Office building of Maharashtra State Police Housing and Welfare Corporation Limited, Mumbai, construction of health club building, game hall and olympic size swimming pool work for Goregaon Sports Club, Mumbai, construction of commercial building for Goldline Business Centre at Malad, Mumbai, construction of swimming pool complex and other miscellaneous work at H.R Johnson Tile Company in Thane.

The largest project, in terms of contract value, currently being undertaken by us in this vertical is construction of hospital cum medical college and staff quarters in Rajasthan by UPRNNL with a contract value of ₹ 57,684 lacs.

The following table describes some of the significant civil construction projects that we have undertaken and completed:

(₹ in lacs)

Project Name	Client	Amount of Work Done
Construction of Swimming Pool Complex at H.R. Johnson Tile Co., L.B.S. Road, Thane (W), Thane. Including Electrification work, Chlorination Filtration Plant and all Allied Work.	TMC	938.99
Construction of elevated Olympic size swimming pool, Diving pool, recreation pool, Health Club bldg. and Game Hall and Roads for Goregaon Sports Club.	Goregaon Sports Complex	825.00
Construction of New Station Building at Bandra Terminus	MRVC	612.56

The details of the significant orders in hand as on March 31, 2014 in the civil construction vertical are as follows:

(₹ in lacs)

Name of the Project	Client	Contract Value	Value of uncompleted work as on March 31, 2014
Modernization of Integrated Border Check Post at 22 locations in the states of Maharashtra Check	Sadhbhav Engineering Limited	6,233	3,409.28
Construction of Building in Rajasthan from Uttar Pradesh Rajkiya Nirman Nigam Ltd.	UPRNNL	57,684	29,092.99

Irrigation Works

In this business vertical we focus on construction of earthen dams, minor irrigation tanks, spillways, canals and aqueducts. Our irrigation projects are located in and around the Vidharbha region of Maharashtra. The first irrigation project was awarded to us by Vidarbha Irrigation Development Corporation. We have successfully executed construction of earth work and structures (8 Kms) of Chilwadi Branch Canal and construction of spillway earthen dam at Yavatmal, to name a few. Our largest irrigation project is the construction of barrage at Pulgaon in the lower Wardha Mail Canal with a contract value of 9,258 lacs.

The following table describes the significant irrigation projects that we have undertaken and completed:

(₹ in lacs)

Project Name	Client	Amount of Work Done
Construction of Aqueduct @ R.D. 655 mtr of Bembla Main Canal	Executive Engineer, Bembla Main Canal Division, Yavatmal	818.65

The details of the significant orders in hand as on March 31, 2014 in the irrigation vertical are as follows:

(₹ in lacs)

Name of the Project	Client	Contract Value	Value of uncompleted work as on March 31, 2014
Lower Wardha Mail Canal-Construction of Barrage @ Pulgaon on Wardha River with mechanical gate erection, survey design and all work.	Ex. Engineer,Bembla Main Canal Division,Yavatmal	9,258.00	8,976.80
Dahegaon (Gargoti) M.I Tank Tq Ralegaon Dist Yavatmal Construction of earthwork of Dam, Excavation of Approach and tail channel, Construction of Waste wier and falls in tail channel & Head regulator.	Ex. Engineer,Bembla Main Canal Division,Yavatmal	766.82	23.91
Construction of Earthwork and Structures Km 69 to 71 and Box culvert @ RD 68955 mtr of Bembla Main Canal.	Ex. Engineer, Bembla Main Canal Division,Yavatmal	794.00	144.42
Construction of Earthwork and Structures of Ramtirth Distributory of taking RD 46770m of Bembla Main Canal.	Ex. Engineer, Bembla Main Canal Division,Yavatmal	650.00	70.62

Others

Piling

Piling is a special type of foundation that enables a structure to be supported by a layer of soil found at any depth below the ground surface. Piles are used when the soil near the ground surface is not strong and the weight of the structure must be borne by deeper soil layers. Pile foundations are used to support marine structures and offshore platforms, since they are located over bodies of water. On land, pile foundations are used primarily in locations where poor soil conditions exist.

We undertake piling work for major real estate and infrastructure companies under item-rate contracts. We build pile foundations for buildings and flyovers, marine structures and offshore platforms. We currently own and maintain a fleet of hydraulic piling rigs catering to our clients in the real estate and infrastructure sectors.

RMC

We have 15 RMC plants spread across various locations in India with a total production capacity of approximately 630 cubic meter / hour serving most of our captive requirements. We also sell surplus RMC, from certain RMC plants in the open market. Our RMC units are strategically located, thus reducing the cost of transportation of concrete to the project site.

Geographical and Sectoral Profile of our Order Book

Our Order Book includes the total contract value of all existing contracts as on a given date minus any revenues already recognized by the company of such existing contracts till such date. Order Book does not include projects in respect of which Company is L1, but where final work order is yet to be received. "Total Contract Value" is the value of the project including claims and escalations (accepted by the client) and in case of projects executed through joint ventures, includes the Company's share of work being executed. In our industry, the Order Book is considered to be an indicator of potential future performance as it represents a significant portion of the likely future revenue stream. Our strategy is not focused solely on adding contracts to the Order Book but to focus on capturing quality contracts with potentially high margins.

(₹ in lacs)

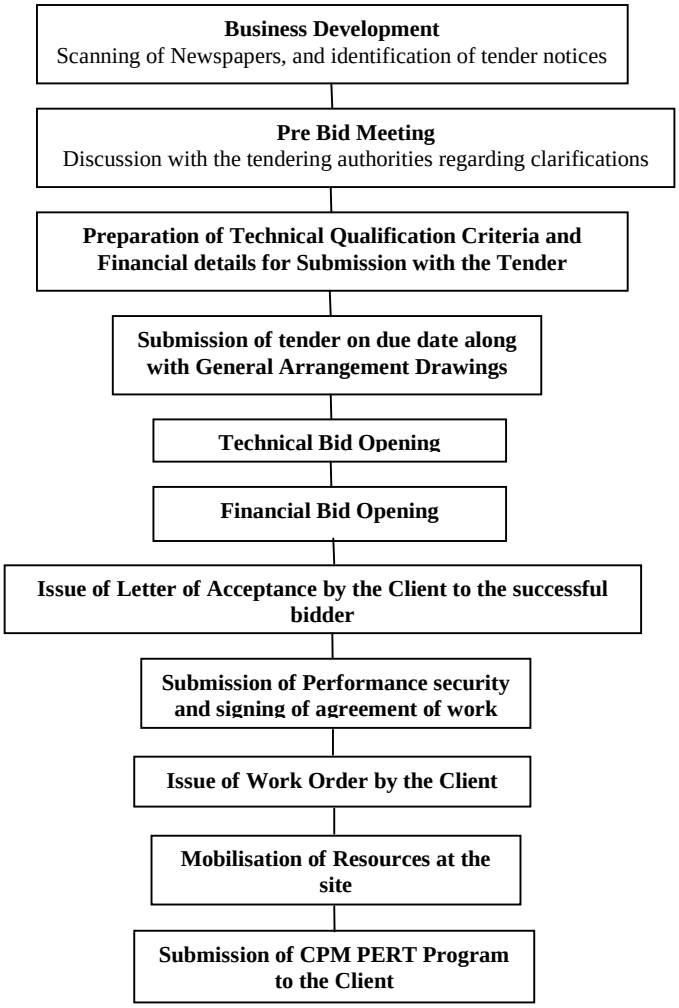
Business Vertical	Order Book Value as on March 31, 2014	Percentage (%)
Transportation Engineering	2,72,080.08	86.62
Civil Construction	32,502.27	10.35
Irrigation Works	9,215.75	2.93
Others (Piling)	292.89	0.09
Total	**3,14,090.99**	**100.00**

In the last four years our Company has expanded its geographical presence in various states in India. As on March 31, 2014 we are executing projects in the states of Maharashtra, Delhi, Gujarat and Rajasthan.

(₹ in lacs)

State	Order Book Value as on March 31, 2014	Percentage (%)
Delhi	135,160.91	43.03
Gujarat	2,580.17	0.82
Maharashtra	1,47,256.92	46.88
Rajasthan	29,092.99	9.26
Total	**3,14,090.99**	**100.00**

Our Business Life Cycle



Types of Contracts

Our contract types fall into the following categories:

- **Percentage Rate Contracts** require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and Bill of Quantities (BOQ) with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

- **Item Rate Contracts** are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In Item Rate Contracts the client supplies all the information such as design, drawings and BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at rates quoted by us for each respective item.

- **Lump Sum Contract**– Lump Sum Contracts provide for single price for the total work, subject to variations and pursuant to changes in the client's project requirements. In lump sum contracts, the client supplies all parameters for the project execution including General Arrangement Drawings (GAD) and design criteria and specifications. Based on such information, we are required to appoint consultants to estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants. The designs, drawings and specifications require the client's approval. These contracts carry the billing schedule, according to which we raise our bills for the works executed by us. For additional work, bills are raised as per the variation clause of the tender.

- **Design and Build Contract-** Under this kind of contract the contractor is responsible for completing the design and the construction work, and the employer must provide detailed documents outlining their requirements. Design and Build contracts are generally lump sum contracts with interim or periodic payments.

Construction Equipment

We believe that the key to timely completion and higher operating margins in the business and industry in which we operate is in our ability to own the most current machines and equipment. We own a number of construction related plants and equipment including hydraulic piling rigs, dumpers and trippers, excavators, cranes, tunnel boring machines, JCBs, single and multiple prestressing jacks, rock breakers, concrete batching plants, transit mixers, concrete pumps, air compressors, dozers, Rollers (static), generators and mono rail trolleys.

We have crusher plants in Navi Mumbai and Ahmedabad required for quarrying and crushing granite stone to produce required sizes of rock products as per client specification whether for highway projects or other civil construction work.

Competition

We operate in a competitive landscape. Competition is particularly higher in the transportation engineering vertical, where the last decade has seen an increase in players in the infrastructure industry. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price is often the deciding factor in most tender awards. We mainly compete with domestic Indian entities in the different verticals in which we operate. Some of our key competitors are JMC Projects (India) Limited, Simplex Infrastructures Limited, NCC Limited, Supreme Infrastructure Limited, Sadbhav Engineering Limited, KNR Constructions Limited etc.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods up to 60 months from the date of completion of the project. We are also contractually required by our clients to maintain certain types of insurance coverage such as Contractors All Risk Insurance and Workmen's Compensation policies in respect of some of the projects executed by us for government and statutory authorities.

Employees

As of March 31, 2014, our work force consisted of approximately 3,024 full-time employees as per the details below:

Particulars	Number of employees
Engineers	761
Supervisory staff	452
Operating staff	1,082
Administrative staff	729

Property

The Company owns various properties and also has leasehold right or a license or right to use properties, which are utilized for various purposes, including as corporate and administrative offices. Additionally our Company also enters into lease or leave and license arrangements for properties situated in various parts of the country, utilized for its staff, and for its RMC plants or for quarrying and crushing activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONAND RESULTS OF OPERATIONS

Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar. The degrees to which the financial statements included in this Placement Document will provide meaningful information, is dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance on the financial disclosures presented in this Placement Document by persons not familiar with these Indian practices, law and rules should be limited. We have not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on the financial data herein.

*Our actual results and the timing of selected events could differ materially from those anticipated in forward-looking statements contained in this discussion as a result of various factors, including those set forth under "**Risk Factors**" and elsewhere in this Placement Document. See the section titled "**Forward Looking Statements**". Please refer to this section in conjunction with the chapters "**Financial Statements**" and "**Risk Factors**" on pages 169 & 38, respectively.*

Our Fiscal ends on March 31st of each year, so all references to a particular "Fiscal" are to the 12-month period ended March 31st of that Fiscal.

Overview

We are a civil engineering and construction company having over three decades of experience in transportation engineering, with our primary focus on transportation engineering, civil construction and irrigation works. We also undertake piling of deep foundations using hydraulic piling rigs, in connection with construction work undertaken by reputed real estate and infrastructure companies. While we have a strong presence in Mumbai, Navi Mumbai and Pune, in Maharashtra and in recent years we have pursued opportunities and been awarded projects in other parts of India including states of Rajasthan, Delhi and Gujarat.

We undertake design and construction of projects based on specific client requirement, on a lump sum contract basis (turnkey), where the project is constructed and turned over to the client in a ready-to-use condition. We also undertake projects on percentage rate contracts.

We currently operate in the following construction and infrastructure business verticals:

- Transportation Engineering, includes Metro, roads, flyovers, skywalks, bridges, ROBs, RUBs, Storm Water Drainage Systems, tunneling etc;
- Civil Construction, includes railway terminus/ stations and commercial buildings;
- Irrigation Works includes construction of earthen dams, minor irrigation tanks, spillways etc;
- Others, includes Piling and RMC.

Our Company has a proven track record of over 75 completed projects, and currently has over 40 ongoing projects. Over the years we have been undertaking projects for various government / semi-government authorities. As on March 31, 2014 our Order Book stands at ₹ 3,14,091 lacs.

The key to efficient execution of projects, is our large fleet of owned modern construction equipment and machineries like hydraulic piling rigs, putmiester mobile boom placer concrete pump and stationery concrete pumps, transit mixers, cranes, poclains, front end loaders, JCBs, trucks, tippers, shuttering and centering plates, etc. We also have 15 ready mix concrete plants catering primarily to our captive requirements.

As of March 31, 2014, our work force consists of 3,024 full-time employees out of which 761 consist of engineering staff. Further, we also employ contract labour based on project requirements.

We believe that our employee resources and owned fleet of equipment, along with our engineering skills and capabilities enable us to successfully implement a wide variety of infrastructure projects that involve varying

degrees of complexity.

We enter into contracts primarily through a competitive bidding process. We bid for, and execute projects both on a standalone basis as well as through project specific joint ventures. When a project requires us to meet specific eligibility requirements for larger projects, including requirements relating to experience and financial resources, we may enter into project-specific joint ventures with other infrastructure companies. We have entered into joint ventures with national and international players such as China Railway No.3 Engineering Group Co. Ltd, NCC Limited and PBA Infrastructure Limited. As on March 31, 2014 we have 9 transportation engineering projects and irrigation projects being executed through joint ventures.

Our Company has put into place a centralized ERP system to manage internal and external resources including, materials and assets, financial and human resources, to facilitate the flow of information between different construction sites, and business functions and to manage connections with external parties and stakeholders. As a result we are able to successfully plan and implement project schedules, budgets, and safety requirements and also make better business decisions.

We are an ISO 14001:2004, 18001:2007, 9001: 2008 certified company for the quality management system we apply in designing and construction of the infrastructure projects we undertake.

We have also obtained the following registrations making us eligible as contractors for various public construction and infrastructure projects:

- Class I A contractor with PWD, Government of Maharashtra
- Group A, Class I A with VIDC, Nagpur
- We are registered with the MCGM under various categories.

For the years ended March 31, 2014 and March 31, 2013, our total income was ₹ 1,19,759.16 lacs and ₹ 1,00,953.46 lacs respectively. In the years ended March 31, 2014 and 2013, we earned a profit after tax of ₹ 8,405.02 lacs and ₹ 7,574.29 lacs respectively.

Key Infrastructure Projects

We are in the process of executing various infrastructure transportation projects across India either on our own or under joint ventures/consortium. Some of the key infrastructure projects under execution include:

(₹ in lacs)

Project	Contract Value
Design and Construction of tunnel by Shield TBM, tunnels, stations and ramp by cut and cover tunneling Work method between Lajpat Nagarand Hazrat Nizamuddin stations (both Including) for underground works on Mukundpur - Yamuna Vihar corridor of Delhi MRTS Project of Phase- III	1,01,085.00
Widening & Improvement to Sion – Panvel Special state Highway (under BOT) from Uran Flyover Retaining wall end point Ch. 126/150 to B.A.R.C. Junction Ch. 140/690.	60,000.00
Design and Construction of Tunnel by Shield TBM, Tunnels by Cut and Cover, Underground Tunneling Work Station at Naraina Vihar and Ramps at Mayapuri and Delhi Cantonment for underground works on Mukundpur - Yamuna - Vihar corridor of Delhi MRTS Project of Phase-III	37,585.00
Construction of ROB at Jogeshwari (South) in lieu of L.C.No. 24 & 25.	29,810.14
Construction of Eastern Freeway section from Panjarapol to Chembur Mankurd Link Road KM 0/000 to 2/500	29,378.00
Design and Construction of 4.91 km. elevated via duct for Navi Mumbai Metro Project between chainage 5130 m to chainage 10,740 m excluding five stations viz., Central Park, Pethapada, Sector 34(Kharghar), Panchanand and Pendhar each of length 140 m on Belapur- Taloja- Khandeshwar corridor of Navi Mumbai Metro (CIDCO Navi Mumbai Metro project)	14,596.35

KEY FACTORS AFFECTING OUR FINANCIAL CONDITION AND OUR RESULTS OF OPERATIONS

Our future growth, operating results and financial condition will be affected by a number of factors including:

- **Macro economic conditions and its impact on business in India**

  Our business is significantly dependent on the general economic conditions and the activity in the infrastructure sectors, particularly in the states in which we operate, such as Maharashtra, Delhi, Rajasthan and Gujarat and the policies of the state and central government relating to infrastructure development projects. The present government policy encouraging greater private sector participation as well as increased funding in public infrastructure projects across India has resulted in large number of infrastructure projects in India. There can be no assurance that this will continue in future as well. Also, improvements in infrastructure facilities have a strong impact upon GDP growth. The overall economic growth will therefore impact the results of our operations.

- **Changes in government policy or delays in the award of infrastructure projects by the government**

  A large portion of our business consists of infrastructure projects undertaken or awarded by government authorities or authorities funded by the government. There may be variances in the model adopted in different projects with respect to risk and responsibility allocation with respect to financing and constructing. Till recently the government policy has been hugely conducive in attracting private sector participation in the transportation, urban infrastructure and industrial and commercial infrastructure sectors. If the present trend continues, we believe that our growth and financial operations will be positively impacted. However any change in government policies leading to a decrease in projects awarded to private sector participants in infrastructure projects may adversely affect our business and operations. Delays in the award of infrastructure projects may also affect our business prospects.

- **Increased Competition**

  We face intense competition from large international and domestic companies in relation to our business. We expect competition to increase due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established infrastructure companies. Our competition varies depending upon size, nature and complexity of the project. Contracts in the infrastructure sector are awarded on the basis of pre-qualification criteria and competitive bidding processes. Once the technical requirements of the tender are cleared, the contract is usually awarded on the basis of the competitive price quoted by the bidder.

- **Availability of cost effective raw material, labour and other inputs**

  The cost of raw materials, labour and other inputs constitutes a significant part of our operating expenses and we rely on third parties to provide us such inputs. Even though our long-term contracts have a price escalation clause in case of steel, cement and aggregates, we are still liable for the increases in the cost of other raw materials. Any unanticipated increases in the cost of raw materials, labour or other inputs; unforeseen construction conditions, including the inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs; delays caused by local weather conditions; and suppliers' or subcontractors' failures to perform can have a compounding effect by increasing the costs of performing other parts of the contract. These variations and risks generally inherent in the construction industry may result in our profits on a project being less than as originally estimated or may result in our Company, experiencing losses depending on the size of a project. We are also liable during the defect liability period, following the completion of the project for any defects arising out of the services provided by us.

- **Availability of cost effective funding sources**

  We will need significant funds, which are cost effective for our future growth; a large portion of which will be raised in the form of debt from banks and external sources. Need of additional working capital to finance our future business plans and, in particular, our plans for expansion is significant. All these funding sources depend on various factors, including certain extraneous factors such as changes in interest rates, insurance and other costs or borrowing and lending restrictions. Any increase in interest rates or our borrowing costs will have an adverse effect on our results of operations and may further result in us being unable to finance our working capital needs, or secure other financing as and when needed, on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects.

- **Ability to attract and retain skilled personnel**

  Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our senior management, our Directors and other key personnel, including skilled project management personnel for successful growth of our Company. A significant number of our employees are skilled engineers and we face strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our Directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations.

- **Changes in Regulatory Aspects**

  We are subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliances. The introduction of additional government control or newly implemented laws and regulations and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future expansion plans in India. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, results of operations, financial condition and cash flows.

- **Seasonality and Weather conditions**:

  Our business operations may be adversely affected by adverse weather conditions, which may require us to evacuate personnel or curtail services, or lead to damage of equipment or facilities resulting in the suspension of operations. Extreme temperature or weather fluctuations in areas in which our projects are executed, such as during summer and monsoon seasons may impede us from executing projects efficiently and from effectively utilizing resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur overhead expenses, but our revenues from operations may be delayed or reduced.

SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of preparation of financial statements :**

   The financial statements of J. Kumar Infraprojects Limited ("**Company**") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the notified Accounting

Standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment.

The financial statements have been prepared under the historical cost convention, on accrual basis, on the principles of going concern. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. **Financial Statements - Presentation and Disclosures :**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the revised Schedule VI to the Companies Act, 1956 ("**the Act**"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 ("**Cash Flow Statements**"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Revised Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

Amounts in the financial statements are presented in Indian Rupees in lacs [1 lac = 0.10 million] rounded off to two decimal places in line with the requirements of revised Schedule VI of the Act. Per share data are presented in Indian Rupees to two decimals places.

3. **Use of Estimates:**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognised in the period in which the results are known / materialized.

4. **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend is recognized as and when the right to receive payment is established at the Balance Sheet date.

The Company follows the percentage completion method as mentioned in Revised Accounting Standard (AS) 7 "Construction Contracts" on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of actual work done.

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

5. **Fixed Assets:**

(i) Tangible Assets: "Cost comprises cost of acquisition or construction of assets (excluding revalued assets) less accumulated depreciation and impairment losses if any including borrowing costs attributable to bringing the assets to their intended use. "

(ii) Capital Work in Progress: Tangible assets under installation or under construction as at balance sheet date are shown as Capital work-in-progress.

6. **Depreciation:**

Depreciation is provided using the Written Down Value Method under Schedule XIV of the Act. Depreciation is provided prorata to the period of use on all addition above ₹ 5,000. Additions below ₹ 5,000 are depreciated at the rate of 100% in the year of purchase.

Depreciation on assets sold, discarded or demolished during the year are provided at their respective rates on pro-rata basis, up to the date on which such assets are sold, discarded or demolished.

7. **Impairment of Assets:**

An assessment of whether there is an indication that an asset may be impaired in terms of AS – 28- "Impairment of Assets" is made by the Company on each reporting date. In the event of such an indication, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the net selling price and the value in use of a given asset or cash-generating unit ("CGU"). The recoverable amount for an individual asset or CGU is determined if the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Value in use is arrived at by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Net selling price is determined by taking into account recent market transactions are taken into account, where available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit or loss.

During the year no assets were impaired.

8. **Valuation of Inventories:**

Inventories are valued as follows:

(i) *Raw materials, components, stores and spares:*

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost is determined on a FIFO basis and includes all applicable.

(ii) *Contract work-in-progress:*

Costs that are incurred in relation to future activities on the contract are recognised as contract work-in-progress. Contract work-in progress comprises of construction cost and other directly attributable overhead valued at cost.

9. **Investments:**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. Cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties etc. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. However, all the investments are acquired in exchange of monetary assets.

Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in nature in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. None of the investments were disposed off during the year.

10. **Accounting for Taxes on Income :**

Tax expense comprises both current and deferred tax. Current tax is measured as the amount expected to be paid to / recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rate as on the balance sheet date, to the extent the timing differences are expected to crystallise. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The company re-assesses recognised deferred tax assets and liabilities and recognised deferred tax assets to the extent they become reasonably virtually certain of realisation, as the case may be.

11. **Foreign Currency Translations:**

(i) *Initial recognition:*

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

(ii) *Conversion:*

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items that are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Non -monetary assets are carried at fair value.

(iii) *Exchange differences:*

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange difference arising on long term foreign currency monetary items related to acquisition of fixed assets are added / deducted from the cost of asset.

12. **Borrowing Cost:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

13. **Earnings Per Share** :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue, share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. **Provision:**

Provisions are recognised when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Provisions are not discounted to their present values and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

15. **Contingent Liabilities and Contingent Assets :**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

16. **Segmental Reporting:**

As the Management information system of the Company recognises and monitors "Construction" as the only business segment, the accounting standards "Segmental Reporting" does not apply.

17. **Operating Lease:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

18. **Retirement and other employee benefits:**

i) Retirement benefit in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss of the year when the contributions are due. The company has no obligation other than the contribution payable to the provident fund.

ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

iv) Leave encashment is paid to employees on annual basis and recognized as expenses when it is incurred

19. **Accounting for interests in Joint Ventures:**

Interests in joint ventures are accounted as follows:

Type of joint venture: Jointly controlled entities

Unincorporated joint ventures:

Company's share in profits or losses of unincorporated joint ventures is accounted on determination of the profits or losses by the joint ventures.

In respect of contracts executed in integrated joint venture under profit sharing arrangements, net investment in the joint venture is reflected as Current Assets.

20. **Cash and cash equivalents :**

Cash and cash equivalents for purpose of the cash flow statements comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

21. **Forward Exchange Contract.**

The company has used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign rates fluctuations, and is not used by the company for trading or speculation purposes.

Buyers' Credit is not hedged by the Company as its exposure to the movements in foreign currency exchange rates is adjusted against inflows.

22. **Cash Flow Statement :**

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i) Transactions of a non-cash nature
ii) Any deferrals or accruals of past or future operating cash receipts or payments and
iii) Items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

Recent Changes In Accounting Policies

There have been no changes in the Company's accounting policies during the last three financial years.

RESULTS OF OPERATIONS

The following table sets forth the selected financial data from our audited statements of profit and loss, the components of which are also expressed as a percentage of total revenue for Fiscals 2014, 2013 and 2012.

(₹ in lacs, except percentages)

Particulars	FY 2014	% of Total Revenue	FY 2013	% of Total Revenue	FY 2012	% of Total Revenue
Income						
revenue from operations (gross)	1,18,712.64	99.13%	1,00,112.95	99.17%	93,186.76	99.32%
less: excise duty	34.75	0.03%	44.86	0.05%	31.29	0.04%
revenue from operations (net)	1,18,677.89	99.10%	1,00,068.09	99.12%	93,155.47	99.28%

Particulars	FY 2014	% of Total Revenue	FY 2013	% of Total Revenue	FY 2012	% of Total Revenue
other Income	1,081.27	0.90%	885.37	0.88%	672.59	0.72%
Total Revenue	**1,19,759.16**	**100.00%**	**1,00,953.46**	**100.00%**	**93,828.05**	**100.00%**
Expenses						
cost of material consumed	80,088.17	66.87%	74,298.90	73.60%	65,370.91	69.67%
changes in inventories of work in progress	(11,885.07)	-9.92%	(11,659.82)	-11.55%	(6,900.00)	-7.35%
employee benefits expense	7,730.30	6.45%	4,735.04	4.69%	2,790.90	2.97%
finance costs	5,763.72	4.81%	4,063.75	4.03%	3,661.84	3.90%
depreciation & amortisation expense	3,476.02	2.90%	2,441.06	2.42%	1,888.29	2.01%
other expenses	22,162.74	18.51%	15,956.42	15.81%	16,898.14	18.01%
Total Expenses	**1,07,335.88**	**89.63%**	**89,835.34**	**88.99%**	**83,710.08**	**89.22%**
Profit before exceptional and extraordinary items and tax	**12,423.28**	**10.37%**	**11,118.11**	**11.01%**	**10,117.97**	**10.78%**
exceptional item	-	-	-	-	-	-
Profit before Tax	**12,423.28**	**10.37%**	**11,118.11**	**11.01%**	**10,117.97**	**10.78%**
tax expense	4,018.26	3.36%	3,543.83	3.51%	3,311.41	3.53%
Profit for the Year	**8,405.02**	**7.02%**	**7,574.29**	**7.50%**	**6,806.57**	**7.25%**

MAJOR ITEMS OF INCOME AND EXPENDITURE

1. <u>Income</u>

Our total income comprises of (i) Revenue from Operation; and (ii) Other Income.

(i) **Revenue from Operation**

Income from operations comprises income from activities that are directly related to our main business and share of income from jointly controlled entities.

1. Income from infrastructure projects (contract revenue);
2. Piling contracts (boring, chiseling, hiring charges);
3. RMC sales;
4. Profit from Joint Ventures.

Income from infrastructure projects consists of revenues from our different business verticals of transportation engineering, civil construction and irrigation. Revenues from infrastructure projects, which are executed in our joint ventures is also reflected in our contract revenue.

Income from piling contracts which includes income generated from boring, chiseling, as well as providing piling rigs on hire to others, when the rigs are lying idle.

RMC sales include surplus RMC from certain RMC plants, which are sold in the open market.

Profits from our joint ventures include our share of profits in accordance with the provisions of the joint venture agreements with our joint venture partners.

The following table sets forth our segment wise break up of our Sales for Fiscal 2014, 2013 and 2012.

(₹ in lacs)

Particulars	FY2014	FY2013	FY2012
Income from infrastructure projects (Contract Revenue)	1,14,593.48	95,472.13	87,925.33
Piling contracts (boring, chiseling, hiring charges)	1,980.41	2,089.16	2,150.38
RMC sales	1,824.94	2,336.97	2,913.70
Revenue from joint ventures	313.81	214.69	197.35
Total Revenue from Operations (Gross)	**1,18,712.64**	**1,00,112.95**	**93,186.76**

(ii) ***Other income***

Our other income primarily comprises of interest on bank deposits, interest (others), lease and licences and miscellaneous income**.**

2. <u>Expenditure</u>

Our total expenditure consists of
(i) Cost of material consumed;
(ii) Employee benefits expense;
(iii) Finance Costs;
(iv) Depreciation and amortisation; and
(v) Other Expenses.

(i) Cost of material consumed

It includes opening stock of inventory plus purchases during the year and less closing stock during the year:

Purchase includes purchase of cement, iron and steel, aggregates–construction material, fuel & oil, purchase subcontract, hardware, pipes and fittings etc.

(ii) Employee Benefits Expense

It includes expenses such as employee salaries, bonus, gratuity, workmen and staff welfare expenses.

(iii) Finance Costs

Finance charges include interest on term loan and other bank borrowings, bank charges and bank guarantee commission and charges on letters of credit.

(iv) Depreciation and Amortisation

Depreciation costs are the depreciation charges on our fixed assets. Our fixed assets include plant and machinery, furniture and fixtures, vehicles, computer software etc.

(v) Other Expenses

Other Expenses includes sub contract and labour charges, soil excavation and other expenses, construction site workers wages, operating & other expenses, rates & taxes, electricity charges etc.

Comparison of Fiscal 2014 vis-à-vis Fiscal 2013

Some of the key developments that have occurred during Fiscal 2014

The Company has secured the following major contracts:

(₹ in lacs)

No.	Particulars	Amount
1	W266 Concreting of various roads in Western Suburbs, Mumbai	20,493.83
2	Design and Construction of Flyover Grade Separator with all allied work including shifting of utilities at KSB Chowk, Pune	10,926.10
3	Extension of Jogeshwari ROB Work, Mumbai	9,986.14
4	Construction of Bridge Over Mula River Near Balewadi Survey No.46/47 Pune	3,145.00
5	Design and construction of flyover at Kherwadi Junction, Bandra East, Mumbai	2,200.00

Further, our Company has also completed the following projects:

No	Particulars
1	Design and Construction of ROB at Milan subway including vehicular underpass along with development of roads at Santacruz Mumbai.
2	Construction of 61m. Railway Span of Milan ROB Santacruz, Mumbai

Income

Our total income for Fiscal 2014 was ₹1,19,759.16 lacs as compared to ₹1,00,953.46 lacs in Fiscal 2013 representing an increase of 18.63%.

Revenue from Operation

Revenue from operation (net) for Fiscal 2014 was ₹1,18,677.89 lacs as compared to ₹ 1,00,068.09 lacs in Fiscal 2013 representing an increase of 18.60%. This increase can be primarily attributed to execution of projects in transportation engineering and civil construction vertical and includes projects such as widening and improvement to Sion – Panvel special state highway, construction of hospital building and medical college in Rajasthan, construction of eastern freeway section from Panjarapol to Chembur Mankurd Link Road and DMRC projects.

Breakup of Revenue from Operations (Gross)

(₹ in lacs)

Particulars	Fiscal 2014 Amount	%	Fiscal 2013 Amount	%
Transportation Engineering	90,212.28	75.99%	89,793.83	89.69%
Civil	24,195.26	20.38%	5,483.38	5.48%
Piling	2,398.53	2.02%	2,211.00	2.21%
RMC	1,824.94	1.54%	2,336.97	2.33%
Irrigation	81.62	0.07%	287.77	0.29%
Total	**1,18,712.64**	**100.00%**	**1,00,112.95**	**100.00%**

Other Income

Our other income for Fiscal 2014 was ₹ 1,081.27 lacs as compared to ₹ 885.37 lacs in Fiscal 2013 representing an increase of 22.13%. This is mainly due to increased interest income on fixed deposits.

(₹ in lacs)

Particulars	FY2014	FY2013
Interest on FDR	922.94	686.83
Interest received from others	27.15	48.70
Lease and License	109.68	94.58
Miscellaneous Income	21.50	55.26
Total Other Income	**1,081.27**	**885.37**

Expenditure

Our total expenditure in Fiscal 2014 was ₹1,07,335.88 lacs as compared to ₹89,835.34 lacs in Fiscal 2013. However, as a percentage of total income, our total expenditure increased to 89.63% in Fiscal 2014 from 88.99% in Fiscal 2013.

Cost of material consumed

Cost of material consumed for Fiscal 2014 was ₹ 80,088.17 lacs as compared to ₹ 74,298.90 lacs in Fiscal 2013 representing an increase of 7.79%. This increase is primarily attributable to new projects which we have undertaken and corresponds with the increase in the sales and work in progress. The cost of raw material consumed has decreased to 66.87% of our total income in Fiscal 2014 as against 73.60% in Fiscal 2013

primarily due to lower consumption of raw material in certain projects which were mainly machinery and labour oriented works.

Employee Benefits Expenses

Our Employee benefits expenses for Fiscal 2014 was ₹7,730.30 lacs as compared to ₹ 4,735.04 lacs in Fiscal 2013 representing an increase of 63.26%. The employee cost has increased to 6.45% of our total income in Fiscal 2014 as against 4.69% in Fiscal 2013. This increase is primarily attributable to the increase in manpower required for various projects undertaken including the DMRC project and also from general increments in the salary.

Depreciation and amortisation

Our depreciation and amortisation costs for Fiscal 2014 were ₹ 3,476.02 lacs as compared to ₹ 2,441.06 lacs in Fiscal 2013 representing an increase due to increases in fixed assets.

Other Expenses

Our others expenses for Fiscal 2014 was ₹ 22,162.74 lacs as compared to ₹ 15,956.42 lacs in Fiscal 2013 representing an increase of 38.90%. This increase is primarily due to increase in other expenses such as labour wages, transportation and Operating & Other Expenses. The other expenses have increase to 18.51% of our total income in Fiscal 2014 as against 15.81% in Fiscal 2013. This increase is primarily attributable to new projects which we have undertaken, in particular the DMRC project and construction project in Rajasthan from UPRNNL for construction hospital building and medical college.

Finance charges

Our finance charges for Fiscal 2014 was ₹5,763.72 lacs as compared to ₹ 4,063.75 lacs in Fiscal 2013 representing an increase of 41.83%. The increase was primarily due to increase in short term borrowings from ₹12,442.94 lacs in Fiscal 2013 to ₹ 32,238.91 lacs in Fiscal 2014 for working capital purpose and increase in term loan from ₹ 11,190.03 lacs in Fiscal 2013 to ₹23,475.63 lacs in Fiscal 2014 for acquisition of fixed assets.

Profit Before Tax

Due to factors discussed above our profit before tax increased by 11.74% to 12,423.28 lacs in Fiscal 2014 from ₹11,118.11 lacs in Fiscal 2013. Our profit before tax as a percentage of total income decreased to 10.37% in Fiscal 2014 from 11.01% in Fiscal 2013.

Provision for Taxation

The provision for taxation for Fiscal 2014 was ₹ 4,018.26 lacs compared to ₹ 3,543.83 lacs in Fiscal 2013.

Profit After Taxes

Due to factors discussed above our profit after taxes increased by 10.97% to ₹ 8,405.02 lacs in Fiscal 2014 from ₹7,574.29 lacs in Fiscal 2013. Our profit after tax as a percentage of total income decreased by 7.02% for the Fiscal 2014 from 7.50% for the Fiscal 2013.

Comparison of Fiscal 2013 vis-à-vis Fiscal 2012

Some of the key development that occurred during the Fiscal 2013

The Company secured the following major contracts:

(₹ in lacs)

S.No.	Particulars	Amount
1	Design and Construction of Tunnel between Lajpat Nagar and Hazrat Nizamuddin stations on the Mukundpur - Yamuna Vihar corridor of Delhi	1,01,085

	MRTS Project of Phase III	
2	Design and Construction of Tunnel between Naraina Vihar & Ramps at Mayapuri and Delhi Cant for underground works on Mukundpur - Yamuna - Vihar corridor of Delhi MRTS Project of Phase III	37,585
3	Design and construction of Depot-cum-Workshop at Taloja for Navi Mumbai Metro Line 1	13,200
4	Widening and improvement of Ambadi- Washind, Thane (SH-40 and MDR-45) for 21.25 Km length with bridge for 2+2 lanes	11,075
5	Development of Model Road, Ahmedabad, Phase-2	6,821
6	Necessary widening, regarding and resurfacing of different roads above 60 ft width of Nikol ward East zone, North zone and South zone and ring road	5,587
7	CC-09: Design and construction of Badl Mor (earlier Shalimar Place) elevated station on Jahangir-Puri-Badli corridor of Delhi MRTS Phase II Project	4,646
8.	Training of Mithi river (Widening, Deepening, R.C.C. Retaining wall and service road) from airport new bridge to Marwa F.O.B in L ward group no. 2	3,245

Further, our Company has also completed following projects:

No	Particulars
1	Design & Construction of bridge cum flyover and approach roads near existing Holkar Bridge on Mulla River, Pune.
2	Construction of Pedestrian Skywalk at Kharghar, Navi Mumbai
3	Development of Pedestrian Skywalk Bridges in MMR- Phase I at Kandivali (E), Mumbai
4	WS 27 - Training and Construction of MHADA Nalla and Avinash Building Nalla at Seven Bungalow Andheri West, Mumbai.

Income

Our total income for Fiscal 2013 was ₹1,00,953.46 lacs as compared to ₹93,828.05 lacs in Fiscal 2012 representing an increase of 7.59%.

Revenue from Operation (Gross)

Revenue from operations for Fiscal 2013 was ₹ 1,00,112.95 lacs as compared to ₹ 93,186.76 lacs in Fiscal 2012 representing an increase of 7.43%. This increase can be primarily attributed to execution of projects in Transportation Engineering and civil construction vertical and includes projects such as construction of eastern freeway section from Panjarapol to Chembur Mankurd Link Road, Ahmedabad BRTS project, Navi Mumbai metro rail and construction of hospital building and medical college in Rajasthan etc.

Breakup of Revenue from Operations (Gross)

(₹ in lacs)

Particulars	Fiscal 2013 Amount	Percentage (%)	Fiscal 2012 Amount	Percentage (%)
Transportation Engineering	89,793.83	89.69	86,335.33	92.65
Civil	5,483.38	5.48	1,009.70	1.08
Piling	2,211.00	2.21	2,150.38	2.31
RMC	2,336.97	2.33	2,913.70	3.13
Irrigation	287.77	0.29	777.65	0.83
Total	**100,112.95**	**100.00**	**93,186.76**	**100.00**

Other Income

Our other income for Fiscal 2013 was ₹ 885.37 lacs as compared to ₹ 672.59 lacs in Fiscal 2012 representing an increase of 31.64%. This is mainly due to increased interest income on fixed deposits.

(₹ in lacs)

Particulars	FY2013	FY2012
Interest on FDR	686.83	468.31
Interest received from others	48.70	114.08
Lease and License	94.58	32.99
Miscellaneous Income	55.26	57.21
Total Other Income	**885.37**	**672.59**

Expenditure

Our total expenditure in Fiscal 2013 was ₹ 89,835.34 lacs as compared to ₹ 83,710.08 lacs in Fiscal 2012. However, as a percentage of total income, our total expenditure decreased to 88.99% in Fiscal 2013 from 89.22% in Fiscal 2012.

Cost of material consumed

Cost of material consumed for Fiscal 2013 was ₹ 74,298.90 lacs as compared to ₹ 65,370.91 lacs in Fiscal 2012 representing an increase of 13.66%. This increase is primarily attributable to new projects which we have undertaken and corresponds with the increase in the sales and work in progress. The material cost has increased to 73.60% of our total income in Fiscal 2013 as against 69.67% in Fiscal 2012 primarily due to higher consumption of raw material in certain projects.

Employee Benefits Expenses

Our Employee benefits expenses for Fiscal 2013 was ₹ 4,735.04 lacs as compared to ₹ 2,790.90 lacs in Fiscal 2012 representing an increase of 69.66%. The employee cost has increased to 4.69% of our total income in Fiscal 2013 as against 2.97% in Fiscal 2012. This increase is primarily attributable to the increase in manpower required for various projects and also from general increments in the salary.

Depreciation and amortisation

Our depreciation and amortisation costs for Fiscal 2013 was ₹2,441.06 lacs as compared to ₹1,888.29 lacs in Fiscal 2012. The increase in depreciation was primarily due to acquisition of fixed assets.

Other Expenses

Our others expenses for Fiscal 2013 was ₹ 15,956.42 lacs as compared to ₹ 16,898.14 lacs in Fiscal 2013 representing decrease by 5.57%. As a percentage of total income, the other expenses has decreased to 15.81% in Fiscal 2013 as against 18.01% in Fiscal 2012.

Finance charges

Our finance charges for Fiscal 2013 was 4,063.75 lacs as compared to 3,661.84 lacs in Fiscal 2012 representing an increases of 10.98%. The increase was primarily due to increase in short term borrowings from ₹11,226.38 lacs in Fiscal 2012 to ₹ 12,442.94 lacs in Fiscal 2013 for working capital purpose and increase in term loan from ₹ 5,833.55 lacs in Fiscal 2012 to ₹ 11,190.03 lacs in Fiscal 2013 for acquisition of fixed assets.

Profit Before Tax

Due to factors discussed above our profit before tax increased by 9.88% to ₹ 11,118.11 lacs in Fiscal 2013 from ₹10,117.97 lacs in Fiscal 2012. Our profit before tax as a percentage of total income increased to 11.01% in Fiscal 2012 from 10.78% in Fiscal 2012.

Provision for Taxation

The provision for taxation for Fiscal 2013 was ₹3,543.83 lacs compared to ₹ 3,311.41 lacs in Fiscal 2012.

Profit After Taxes

Due to factors discussed above, our profit after taxes increased by 11.28% to ₹7,574.29 lacs in Fiscal 2013 from ₹6,806.57 lacs in Fiscal 2012. Our net profit after tax as a percentage of total income increased to 7.50% for the Fiscal 2013 from 7.25% for the Fiscal 2012.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our principal liquidity and capital resources requirements have been to finance our working capital needs and our capital expenditure requirements. Our business requires a significant amount of working capital to finance the purchase of construction materials, submission of earnest money deposit and other work on our infrastructure projects before payment is received from clients. For our projects, we tend to receive payments in intervals depending on the stage of completion of the project. We need to finance these cash flow mismatches during the interim periods. Also for purchase of equipments required for our projects, we avail term loan from various financial institutions.

CASH FLOWS

The table below summarizes our cash flow for the periods indicated:

(₹ in lacs)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Opening cash and cash equivalents	2,343.25	4,581.94	4,683.34*
Net cash from/ (used in) operating activities (A)	(2,523.45)	9,978.62	11,802.22**
Net cash from/ (used in) investing activities (B)	(23,817.25)	(14,003.12)	(4,548.15)
Net cash from/ (used in) financing activities (C)	25,155.99	1,785.81	(549.48)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,184.70)	(2,238.68)	6,704.59
Closing cash and cash equivalents	1,158.55	2,343.25	11,387.93*

* Cash and Cash equivalents includes FDR and unclaimed dividends
** Includes short term borrowing and current maturity of long term loans

Net cash from/ (used in) operating activities

In Fiscal 2014, our net cash used in operating activities was ₹ 2,523.45 lacs. This was primarily due to increase in inventories by ₹ 17,085.03 lacs, short term loans and advances by ₹6,409.30 lacs, which was partially offset by increase in trade payables of ₹ 9,078.67 lacs and the increase in operating profit before working capital changes.

In Fiscal 2013, our net cash flow from operating activities was ₹ 9,978.62 lacs. This was primarily due to increase in current liabilities by ₹ 13,661.90 lacs, trade payables by ₹ 4,033.37 lacs, which was partially offset by increase in inventories of ₹11,965.93 lacs.

In Fiscal 2012, our net cash flow from operating activities was ₹ 11,802.22 lacs. This was primarily due to increase in current liabilities & short term borrowing by ₹ 10,600.01 lacs, which was partially offset by increase in inventories of ₹ 11,906.90 lacs

Net cash from/ (used in) investing activities

In Fiscal 2014, our net cash used in investing activities was ₹ 23,817.25 lacs. This mainly reflected expenditure towards purchase of fixed assets of ₹ 15,142.63 lacs and increase in CWIP of ₹ 7,396.26 lacs.

In Fiscal 2013, our net cash used in investing activities was ₹ 14,003.12 lacs. This mainly reflected expenditure towards purchase of fixed assets of ₹ 8,647.14 lacs and increase in CWIP of ₹ 4,148.79 lacs.

In Fiscal 2012, our net cash used in investing activities was ₹ 4,548.15 lacs. This mainly reflected expenditure towards purchase of fixed assets of ₹ 5,165.78 lacs.

Net cash from/ (used in) financing activities

In Fiscal 2014, our net cash generated from financing activities was ₹ 25,155.99 lacs, which is mainly attributable to the increase in long term borrowing of ₹ 12,255.93 lacs and increase in short term borrowing of ₹ 19,795.97 lacs.

In Fiscal 2013, our net cash generated from financing activities was ₹ 1,785.81 lacs which is mainly attributable to the increase in long term borrowing of ₹ 5,359.98 lacs and increase in short term borrowing ₹ 1,216.56 lacs.

In Fiscal 2012, our net cash used from financing activities was ₹ 549.48 lacs which is mainly attributable to the dividend paid amounting to ₹729.49 lacs, interest and finance charges amounting to ₹ 3,661.84 lacs which was partially offset by increase in the long term borrowings of ₹ 3,841.85 lacs.

Fixed Assets

Our capital expenditure consists of purchase of fixed assets which includes plant and machinery, furniture fixtures, computers and vehicles. As on March 31, 2014 our total net block was ₹ 32,552.70 lacs. During Fiscal 2014, our Company purchased fixed assets of ₹ 15,142.63 lacs.

Capital Work in Progress (CWIP)

Our CWIP consists of purchase of assets which have not been installed such as the TBM acquired for the DMRC project. As on March 31, 2014 our CWIP was ₹ 17,521.35 lacs.

Indebtedness

As of March 31, 2014, we had total borrowings of ₹ 55,714.54 lacs consisting of short-term borrowings and long-term borrowings. The following table summarizes our long-term and short-term indebtedness, as of March 31, 2014.

(₹ in lacs)

Particulars	**Fiscal 2014**
Short Term Borrowing	
Secured	32,238.91
Unsecured	-
Total Short-term Borrowings	**32,238.91**
Long-term Borrowings	
Secured	13,500.45
Unsecured	-
Total Long-term Borrowings	**13,500.45**
Current Maturities of Long-Term Borrowings	9,975.18
Total	**55,714.54**

Details of long-term borrowings:

(₹ in lacs)

Particulars	**Amount**
ECB Loan	5,531.56
Buyers Credit	7,058.16
HDFC Bank Loan	695.36
ICICI Bank Loan	215.37
Total	**13,500.45**

1. ECB Loan of USD 10 Million from Standard Chartered Bank carries interest rate from 8.48% to 11.95% p.a. on fully hedged. The loans are repayable in 4 years in quarterly installments from the

respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M. Gupta and Mr. Nalin J. Gupta.

2. ECB Loan of USD 7.90 Million from Standard Chartered Bank carries interest rate from 12.60% to 12.70% p.a. on fully hedged. The loans are repayable in 5 years in quarterly installments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M.Gupta and Mr. Nalin J. Gupta.

3. Buyers Credit of USD 23.92 Million from Union Bank of India, Vijaya Bank, Standared Chartered Bank, Bank of Maharashtra and Dena Bank carries interest rate from 2.50% p.a. to 3.35% p.a. unhedged. The loans are repayable in 3 Years in Quarterly installment from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M.Gupta and Mr. Nalin J. Gupta.

4. Term Loan from HDFC Bank carries interest rate 10 % to 11% p.a. The loans are repayable in 36 months in monthly instalments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M.Gupta.

5. Term Loan from ICICI Bank carries interest rate from 8.45% to 10.59% p.a. The loans are repayable in 29 months to 48 months in monthly instalments from the respective dates of disbursement of loans. The above loans are secured by hypothecation of Plant & Machinery.

6. Term Loan from Tata Capital Ltd. carries interest rate 13.75% p.a. The loan has been fully repaid during the year. The said loan is unsecured and backed by Personal guarantee of Mr. Jagdishkumar M.Gupta.

Details of Current Maturities of Short-Term Borrowings:

(₹ in lacs)

Particulars	Amount
Working Capital Loans from Consortium of Banks	28,001.10
Overdraft facility from Banks	4,237.81
Total	**32,238.91**

1. Working Capital Loan (Cash credit) from banks under consortium limit is secured against hypothecation of stock and book debts and are backed by personal guarantee of Promoters and details of security and limits. The interest rate ranges from 12% to 13.50 % per annum. The loans are repayable on demand.

2. Overdraft from banks is secured against Fixed Deposit receipts and is backed by personal guarantee of Promoters. The interest rate ranges from 8% to 10.25% per annum.

Details of Current Maturities of Long-Term Borrowings:

(₹ in lacs)

Particulars	Amount
ECB Loan	2,689.42
Buyers Credit	6,489.77
HDFC Bank Loan	694.26
ICICI Bank Loan	101.73
Total	**9,975.18**

Contingent Liabilities

The following table provides our contingent liabilities as on March 31, 2014:

(₹ in lacs)

Particulars	March 31, 2014
The Block assessment order under section 153A has been completed and assessment order has been received and the total liability raised by the CIT(A) for the Assessment Year 2004 - 05 to 2010–11 is	569.18
Bank Guarantee as on March 31, 2014	82,121.34
Letters of Credit	2,469.35

Off balance sheet arrangements

We do not have any material off balance sheet arrangements.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the last three Fiscals as per the requirements of AS-18 issued by the ICAI see the section titled "**Financial Statements**" on page 169.

Qualitative Disclosure about Risks and Risk Management

Raw material cost risk

Our operations are exposed to fluctuations in the market price of various materials utilised in our projects, including steel and cement. The market price or cost of some of these raw materials is closely linked to commodity prices, and any significant upward fluctuations result in an increase in the price at which we source these raw materials or components.

Interest Rate Risk

As of March 31, 2014, a part of the indebtedness incurred by us carried interest at floating rates with the provision for periodic reset of interest rates and thus, we are exposed to market risk as a result of changes in interest rates. Upward fluctuations in interest rates increase the cost of both existing and new debts. It is likely that in the current Fiscal year and in future periods, our borrowings and interest expenses may rise substantially, given our growth plans.

Foreign currency risk

We may incur capital expenditure including cost of procuring equipment and machinery, in currencies other than in the Indian Rupee. Although we have historically hedged our foreign currency exposure, any significant decline in the value of the Indian Rupee against foreign currencies may nevertheless lead to an increase in our costs and expenditures.

Inflation

Inflation in India has been a persistent problem for several years and we have experienced significant fluctuations in our cost of operations and expenditure.

Seasonality of business

A large portion of projects in the transportation engineering sector executed by us in Maharashtra are based in and around Mumbai. During the monsoon periods, a majority of the projects are subject to a slow down or stoppage of construction activity, thus leading to resources being idle or unutilised. Thus although we continue to incur overhead costs during these periods, we may receive reduced revenues or no revenues as a result.

Labour costs

Cost of labour constitutes a sizeable part of our operating expenses. Any increase in the labour expenses will increase our costs and could result in reduced margins.

Auditors Qualification

There have been no qualifications or adverse remarks of auditors on the financial statements of our Company in the last five financial years immediately preceeding the year of circulation of this Placement Document

CAPITAL STRUCTURE AND MAJOR SHAREHOLDERS

Our equity share capital as of the date of this Placement Document is set forth below:

(₹ in lacs., except share data)

	Particulars	Aggregate value at Face Value
A	**Authorised Capital**	
	4,00,00,000 Equity Shares of the face value of ₹10 each	4,000.00
B	**Issued, Subscribed and Paid Up Share Capital before the Issue**	
	27,801,205 Equity Shares of ₹10 each	2,780.12
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT***	
	44,25,000 Equity Shares of ₹10 each	442.50
D	**PAID-UP CAPITAL AFTER THE ISSUE**	
	3,22,26,205 Equity Shares of ₹10 each	3222.26
E	**Securities Premium Account**	
	Before the Issue	14,948.53
	After the Issue	28,222.65

*The Issue has been authorised by the Board of Directors on June 5, 2014 and outcome of postal ballot dated July 14, 2014.

Changes in the paid-up share capital

Details of the changes in paid-up share capital of our Company, since inception is set forth in the table below:

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face Value (Per Share)	Issue Price (Per Share)	Consideration
2-Dec-99	30	10	10.00	Cash
11-Dec-02	9,970	10	10.00	Cash
5-Apr-06	40,000	10	10.00	Cash
7-Jul-06	4,297,020	10	10.00	Cash
7-Jul-06	5,652,980	10	10.00	Cash
14-Mar-07	2,495,420	10	10.00	Cash
18-Aug-07	1,405,000	10	80.00	Cash
18-Aug-07	324,000	10	80.00	Cash
6-Feb-08	6,500,000	10	110.00	Cash
19-Aug-09	2,400,000	10	60.00	Cash
19-Aug-09	1,600,000	10	60.00	Cash
15-Dec-09	3,076,785	10	180.25	Cash
Total	**27,801,205**			

Principal Shareholders

The details of the shareholding pattern of our Company as on June 30, 2014 are set forth in the table below:

Code	Category of shareholders	No. of share-holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX) = (VIII)/(IV)* 100**
(A)	**Promoter and Promoter Group**							
(I)	**Indian**							
(a)	Individuals/Hindu Undivided Family	6	11,653,455	11,653,455	41.92	41.92	4,000,000	34.22
(b)	Bodies Corporate	2	4,794,322	4,794,322	17.25	17.25	-	-
(c)	Any Other (Promoter Group)	1	110	110	-	-	-	-
	Sub-Total (A)(I)	**9**	**16,447,887**	**16,447,887**	**59.16**	**59.16**	**4,000,000**	**24.32**
(2)	**Foreign**							
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)=A(1)+A(2)	**9**	**16,447,887**	**16,447,887**	**59.16**	**59.16**	**4,000,000**	**24.32**
(B)	**Public Shareholding**						**NA**	**NA**
(1)	**Institutions**						**NA**	**NA**
(a)	Mutual Funds/UTI	13	1,274,467	1,274,467	4.58	4.58	-	-
(b)	Foreign Institutional Investors	7	2,831,459	2,831,459	10.18	10.18	-	-
	Sub-Total (B)(1)	**20**	**4,105,926**	**4,105,926**	**14.77**	**14.77**	**-**	**-**
(2)	**Non-institutions**						**NA**	**NA**
(a)	Bodies Corporate	273	4,151,138	4,151,138	14.93	14.93		
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ₹1 lac.	5,203	1,221,023	1,221,019	4.39	4.39		
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lac.	28	1,755,780	1,707,280	6.32	6.32		
(c)	Any Other (specify)							
	NRIs	78	43,258	43,258	0.16	0.16		
	Clearing Members	41	76,193	76,193	0.27	0.27		

Code	Category of shareholders	No. of share-holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)* 100
	Trusts	-	-	-	-	-		
	Sub-Total (B)(2)	**5,623**	**7,247,392**	**7,198,888**	**26.07**	**26.07**		
	Total Public Shareholding (B)=B (1)+(2)	**5,643**	**11,353,318**	**11,304,814**	**40.84**	**40.84**	**NA**	**NA**
	Total (A)+(B)	**5,652**	**27,801,205**	**27,752,701**	**100.00**	**100.00**		
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	**NA**	-	**NA**	**NA**
	Grand Total (A)+(B)+(C)	**5,652**	**27,801,205**	**27,752,701**	**100.00**	**100.00**	**4,000,000**	**14.39**

The shareholding pattern of persons belonging to the category "Promoter and Promoter Group" is set forth in the table below as on June 30, 2014:

Sr. No	Name of the shareholder	Total Shares held		Shares pledged or otherwise encumbered		
		Number	As a % of total Share Capital	Number	As a percentage of Individual stake (VI)=(V)/(III) *100	As a % of total Share Capital
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
1	Jagdishkumar M. Gupta	5,391,525	19.39	2,000,000	37.10	7.19
2	J. Kumar Software Systems (India) Pvt. Ltd.	3,295,977	11.86	0	0.00	0.00
3	Kusum J. Gupta	1,424,510	5.12	0	0.00	0.00
4	Kamal J. Gupta	1,422,500	5.12	1,000,000	70.30	3.60
5	Nalin J. Gupta	1,407,000	5.06	1,000,000	71.07	3.60
6	Shalini N. Gupta	1,035,910	3.73	0	0.00	0.00
7	Sonal K. Gupta	972,010	3.50	0	0.00	0.00
8	Govind Dabriwal	110	0.00	0	0.00	0.00
9	J. Kumar Minerals & Mines (India) Pvt. Ltd.	1,498,345	5.39	0	0.00	0.00
	Total	**16,447,887**	**59.16**	**4,000,000**	**24.32**	**14.39**

The shareholding pattern of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares of our Company as on June 30, 2014 is set forth in the table below:

Sr. No.	Name of the shareholder	Number of shares	As a % of total Share Capital
1.	American Funds Insurance Series Global Small Capitalization Fund	1,300,000	4.68
2.	GMO Emerging Domestic Opportunities Fund	1,119,744	4.03
3.	Bajaj Allianz Life Insurance Company Ltd.	705,544	2.54
4.	Kishore Gavrichand Shah	680,994	2.45
5.	Mentor Capital Ltd	548,489	1.97
6.	Manaya Traders Pvt. Ltd	528,178	1.90
7.	Tata AIA Life Insurance Co Ltd -Whole Life Mid Cap'equity Fund- ULIF 009 04/01/07 WLE 110	310,000	1.12
8.	Mentor Capital Ltd	294,802	1.06
Total		**5,487,751**	**19.74**

HISTORY AND CERTAIN CORPORATE MATTERS

Our History and Background

The foundation of our business was laid when our Promoter Mr. Jagdishkumar M. Gupta setup his proprietorship concern under the name and style of J. Kumar & Co. in 1980. Under his able leadership the proprietary concern made a modest begining by maintenance of PWD buildings and scaled up to get registered with Public Works Department, Government of Maharashtra as a Class I-A Civil Contractor. With this registration he started executing civil, engineering and construction contracts for government, semi government and other various private organizations, comprising mainly of roads, flyovers, bridges, irrigation projects, commercial buildings, railway buildings, sports complexes and airport contracts. In order to reap the benefits of a corporate entity, our Promoters incorporated a Company on December 2, 1999, by the name of "J. Kumar & Company (India) Private Limited" under the Companies Act, 1956, with the Registration No. 11-122886 having its registered office at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058. In 2006 our Company purchased various assets of J.Kumar & Co., the proprietorship concern of our Promoter Mr. Jagdishkumar Gupta.

There has been no change in our registered office since our incorporation.

The proprietary concern J. Kumar & Co. had a PWD registration of Class 1-A. With effect from November 25, 2004 the said license of J. Kumar & Co. was transferred to our Company and a fresh Certificate of Registration was issued by the Public Works Department to our Company effective from the said date.

Pursuant to the special resolution passed by our Company at the EGM held on December 14, 2006 the name of our Company was changed to a J. Kumar Infraprojects Private Limited. The Fresh certificate of incorporation consequent to the change in name was granted by Registrar of Companies, Mumbai on January 8, 2007. In terms of a special resolution passed at the EGM of our Company held on January 25, 2007 our Company was converted into a public limited company pursuant to which the name of our Company was changed to J. Kumar Infraprojects Limited. The fresh certificate of incorporation consequent to the change in name was granted by RoC, Mumbai on January 31, 2007.

MAJOR EVENTS

Some of the key events of our Company are as follows:

Calendar Year	Event
2006	Purchase of assets of J.Kumar & Co., proprietorship concern of our Promoter
	Received ISO 9001:2000 certification
2007	Turnover of our Company crossed ₹ 10,000 lacs
2008	Initial Public Offering of ₹ 7,150 lacs and listing on BSE and NSE
	Awarded with the project of 22 skywalks in Mumbai
2009	Conversion of warrants allotted to our Promoters, into Equity Shares aggregating ₹ 2,400 lacs
	Our Company allotted Equity Shares aggregating ₹ 5,545.90 lacs through Qualified Institutional Placement
2011	Our Company was awarded with its biggest civil work contract in Rajasthan for ₹ 52,000 lacs (escalated value ₹ 57,684 lacs). Our Company was awarded with its biggest road project of Sion- Panvel worth ₹60,000 lacs.
2012	Awarded our largest single contract of ₹ 1,01,085 lacs for design and construction of tunnel between Lajpat Nagar and Hazrat Nizamuddin station and Mukundpur – Yamuna Vihar corridor for underground works by Delhi Metro Railway Corporation. The total DMRC Project is worth ₹1,58,599 lacs.
2013	The revenue of our Company crossed ₹1,00,000 lacs.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Details of our Board of Directors

The general supervision, direction and management of our operations and business are vested in the Board, which exercises its powers subject to the Memorandum and Articles and the requirements of Indian law. The Board presently consists of 8 (eight) Directors, and as per our Articles of Association, we shall not have less than 3 (three) Directors and not more than 12 (twelve) Directors.

The composition of the Board is governed by the provisions of the Companies Act and the Listing Agreement. Pursuant to provision of Companies Act, at least two-third of the total number of Directors excluding the Independent Director are liable to retire by rotation, with one third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further independent director may be appointed for a maximum of two terms of up to five consecutive years each. Any re-appointment of an independent director shall *inter alia* be on the basis of the performance evaluation report and approved by the shareholders by a special resolution in general meeting.

As on the date of this Placement document, our Board consists of the following Directors:

Sr. No.	Name of Directors	Designation	Director Identification Number	Address	Occupation
1.	Mr. Jagdishkumar M. Gupta	Chairman-cum-Managing Director	01112887	Ritu Apartment, 7th floor, Flat no. 701, Road No.3, JVPD Scheme, Vile Parle Mumbai, Maharashtra, India 400056	Business
2.	Mr. Kamal J. Gupta	Executive Director	00628053	Ritu Apartment, 7th floor, Flat no. 701, Road No.3, JVPD Scheme, Vile Parle Mumbai, Maharashtra, India 400056	Business
3.	Mr. Nalin J. Gupta	Executive Director	00627832	Ritu Apartment, 7th floor, Flat no. 703, Road No.3, JVPD Scheme, Vile Parle Mumbai, Maharashtra, India 400056	Business
4.	Mrs. Kusum J. Gupta	Non-Executive Director	03138909	Ritu Apartment, 7th floor, Flat no. 701, Road No.3, JVPD Scheme, Vile Parle Mumbai, Maharashtra, India 400056	Business
5.	Mr. Padmanabh P. Vora	Independent Director	00003192	Flat no. 503- 504, 5th Floor, "A" wing, Mount Everest Tower, Bhakti Park, Wadala, Mumbai, Maharashtra, India 4000037	Service
6.	Dr. R. Srinivasan	Independent Director	00003968	C-6-1, Lloyds Garden, Appa Saheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra, India 400025	Professional
7.	Mr. Ashwani Kumar	Independent Director	02863328	Flat no.1702, 17th floor, Meredian Hiranandani Meadows, Pawar Nagar road, Thane west, Maharashtra, India 400610	Retired Civil Servant
8.	Mr. Ajit Singh Chatha	Independent Director	02289613	No. 540, Sec 8B, Chandigarh, India 160001	Retired Civil Servant

Brief profile of our Directors:

Mr. Jagdishkumar M. Gupta

Mr. Jagdishkumar M. Gupta, 66 years, is the person instrumental in setting up this organization. He made a modest start in the year 1980 by setting up a proprietorship concern by the name of J. Kumar & Co. Since its inception, under his able leadership, we have expanded and grown as a Registered Class I-A construction company. Today, because of his acumen, our Company's turnover has crossed ₹1,00,000 lacs mark. Under his guidance we have successfully completed numerous projects including construction of roads, bridges and flyovers, swimming pools, earthen dams, airport contracts, housing and commercial complexes etc.

Mr. Kamal J. Gupta

Mr. Kamal J. Gupta, 41 years, has done his Bachelors in Civil Engineering. He has been associated with us since 1997 and carries with him an experience of more than 18 years in construction field. He plays a vital role in execution of projects within the stipulated time frame and has successfully completed various projects such as flyovers, skywalks, swimming pool and rail over bridges. Presently he is looking after the civil construction works, metro railways, and flyovers amongst others.

Mr. Nalin J. Gupta

Mr. Nalin J. Gupta, 38 years, is a commerce graduate and a member of Indian Institution of Bridge Engineers. He is associated with us since 1997 and carries with him an experience of over 18 years. He is instrumental in construction work related to roads and its widening, construction of subway, tunnel work, flyovers and rail over bridges amongst others. He has played a vital role in guiding our company in setting and developing the piling business.

Mrs. Kusum J. Gupta

Mrs. Kusum J. Gupta, 59 years, is wife of Jagdishkumar M. Gupta, Chairman of our Company. She has joined as woman director in the Company on May 20, 2014. She is also the proprietor of Goldline Sound Studio.

Mr. Padmanabh P. Vora

Mr. Padmanabh P. Vora, aged 71 years, is an Independent Director of our Company and has over 32 years experience in finance, banking and management. He holds a Bachelor's degree in Commerce and is a Chartered Accountant by profession. During his career as a banker, he has held several prestigious positions in the industry such as serving as the Chairman-cum-Managing Director of the Industrial Development Bank of India from which he retired in 2003.

Dr. R. Srinivasan

Dr. R. Srinivasan, aged 83 years, holds a Doctorate in Banking and Finance, and has extensive managerial expertise. He has held several senior managerial positions in the public sector banks as Chairman and Managing Director of Bank of India and Allahabad Bank. He is also serving on the board of the several companies focussed on software, pharmaceuticals, gems & jewellery, tea, paint in addition to mutual fund industry.

Mr. Ashwani Kumar

Mr. Ashwani Kumar, aged 68 years is a Post Graduate from Allahabad University and has over four decade experience in Income Tax Department. He joined the Indian Revenue Service in November 1973 and retired as Chief Commissioner of Income Tax from Chennai.

Mr. Ajit Singh Chatha

Mr Ajit Singh Chatha aged 78 years is graduated with Honors in Electrical Engineering from Government Engineering College, Jabalpur and joined the I.A.S cadre of Punjab in 1963 and held wide range of assignments from the field to the secretariat such as Deputy Commissioner of Patiala, Sangrur, Ludhiana, Managing

Director, Punjab State Industrial development corporation Ltd, Joint Secretary, Ministry of Commerce, and Principal Secretary, department of Industries, Cooperation, housing, Irrigation and Power, Home and Justice and as Chief Secretary to the Govt. of Punjab.

Relationship between Directors

Four of our Directors, Mr. Jagdishkumar M. Gupta, Mrs.Kusum J.Gupta, Mr. Kamal J.Gupta, Mr. Nalin J. Gupta are related to each other. Mr. Jagdish Kumar Gupta is husband of Mrs. Kusum J. Gupta and father of Mr. Kamal J. Gupta and Nalin J.Gupta. None of the other directors are related to each other.

Directors' Remuneration and Terms

The details of remuneration paid / payable to the executive and non-executive directors for the Fiscal 2014 is as under:

Executive Directors

The table below sets forth the details of the remuneration (including sitting fees, salaries and perquisites) paid to the Directors during the current financial year:

(₹ in lacs)

Name of the Director	Annual Salary for Fiscal 2012, 2013 and 2014
Mr. Jagdishkumar M. Gupta	48.00
Mr. Kamal J. Gupta	42.00
Mr. Nalin J. Gupta	42.00

Non-Executive Directors

The non-executive Directors are not paid any remuneration. However, subject to the Companies Act and other applicable laws and regulations, we pay each non-executive Director sitting fees to attend meetings of our Board and any committee of our Board and will reimburse such Directors for out of pocket expenses to attend such meetings and perform their role as a Director. The details of sitting fees paid to the non-executive directors for the Fiscal 2014 is as under:

(₹ in lacs)

Name of the Director	Sitting Fees
Mr. Padmanabh P. Vora	0.80
Dr. R. Srinivasan	0.90
Mr. Ashwani Kumar	0.70
Mr. Ajit Singh Chatha	Nil*
Mrs. Kusum J. Gupta	Nil**

*Mr. Ajit Singh Chatha was appointed in February 2014.
**Mrs. Kusum J. Gupta has been appointed in May, 2014.

Directors' Shareholding

The following table sets out the shareholdings of the Directors in our Company as on June 30, 2014:

Sr. No.	Name of the Shareholders	Designation	No. of Shares Held	As a % of total Share Capital
1	Mr. Jagdishkumar M. Gupta	Chairman-cum-Managing Director	53,91,525	19.39%
2	Mr. Kamal J. Gupta	Executive Director	14,22,500	5.12%
3	Mr. Nalin J. Gupta	Executive Director	14,07,000	5.06%
4.	Ms. Kusum J. Gupta	Non-Executive Director	14,24,510	5.12%
5	Mr. Padmanabh P. Vora	Independent Director	Nil	Nil
6	Mr. Ashwani Kumar	Independent Director	Nil	Nil

Sr. No.	Name of the Shareholders	Designation	No. of Shares Held	As a % of total Share Capital
7	Dr. R. Srinivasan	Independent Director	Nil	Nil
8	Ajit Singh Chatha	Independent Director	2,500	0.01

Borrowing power of the Board

The Board of Directors is authorized to borrow money upon such terms and condition as the Board may think fit and may exceed the aggregate of our paid up capital and free reserves, provided that the aggregate amount of its borrowing shall not exceed ₹ 3,50,000 lacs.

Interest of Directors

The Directors of our Company do not have any interest except; (i) to the extent of the fee payable to them for attending Board or Board Committee meeting as well as to the extent of reimbursement of expenses payable to them as mentioned above (ii), the shares held by them, directly or indirectly or their relatives or through entities in which they are interested and (iii) the agreements entered into by them or by their relatives/entities in which they may be interested with our Company pursuant to which the payments have been provided for, as disclosed under the section "**Financial Statements**".

All our Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company or other entity with any company in which they hold directorships or they or their relatives hold significant shareholding or beneficial interest any partnership firm in which they or their relatives are partners as declared in their respective declarations.

Corporate Governance

We have complied with Companies Act, Listing Agreements with Stock Exchanges and SEBI Regulations in respect of corporate governance specially with respect to broad basing the Board, constituting the Committees *viz*., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and a Corporate Responsibility Committee.

The Board of Directors presently consists of 8 (eight) Directors. In compliance with the requirements of the Listing Agreement, the Board of Directors consists of 4 (four) Independent Directors.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and the constitution of the Board Committees. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

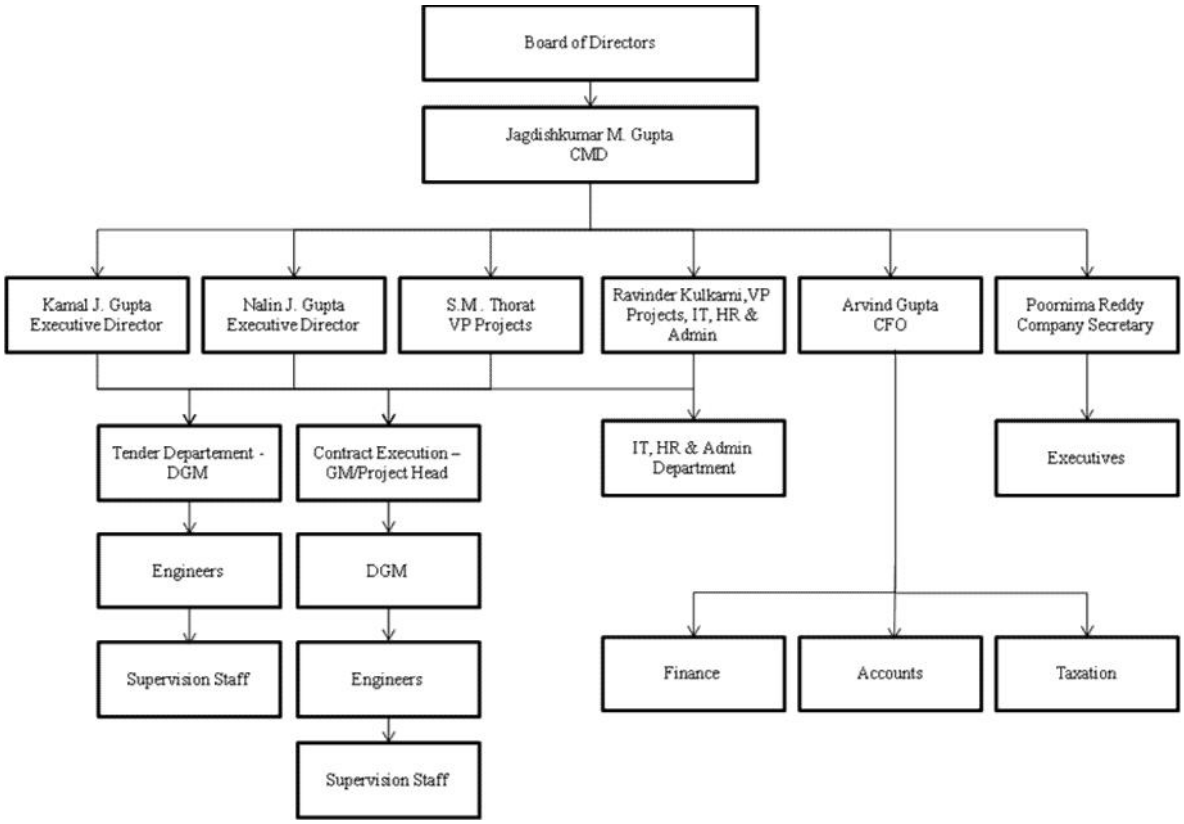
The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Dr. R. Srinivasan (Chairman) Mr. Jagdish Kumar Gupta Mr. P. P. Vora
Nomination and Remuneration Committee	Dr. R. Srinivasan (Chairman) Mr. P. P. Vora Mr. Ashwani Kumar
Stakeholder's Relationship Committee	Mr. Ashwani Kumar (Chairman) Mr. Nalin J. Gupta Mr. Kamal J. Gupta
Corporate Social Responsibility Committee	Dr. R. Srinivasan (Chairman) Mr. Nalin J. Gupta Mr. Kamal J. Gupta

Committee	Members
Risk Management Committee	Dr. R. Srinivasan (Chairman) Mr. Nalin J. Gupta Mr. Kamal J. Gupta Mr. Arvind Gupta
QIP Issue Committee	Mr. Jagdish Kumar Gupta (Chairman) Mrs. Kusum J. Gupta Mr. Kamal J. Gupta Mr. Nalin J. Gupta

Organization Structure

The organizational structure in terms of management of our Company is depicted in the following chart:



Details of Key Managerial Personnel

The following are the brief profiles of our key managerial personnel (other than our Executive Directors):

S.M. Thorat, Vice President (Projects)

Mr. S.M. Thorat, 77 years, has been associated with us since 1995. He has a bachelor's degree in civil engineering from Pune University. Mr. Thorat has over five decades of experience. He retired as a Superintendent Engineer after 37 years of service in PWD, Maharashtra, and has extensive experience in planning and execution of various bridges, roads, flyovers and multi storied buildings and administration, and since joining our Company he has executed several key transportation engineering projects.

Mr. P. K. Prabhakaran, DGM Tender

Mr. P. K. Prabhakaran, 71 years, has been associated with us since 2004. He holds a diploma in civil engineering from Department of Technical Education, Kerala. Mr. Prabhakaran joined our organization after retiring as Deputy Executive Engineer with PWD, Maharashtra. He was associated with PWD Maharashtra for 37 years. He has extensive experience in planning and execution various road works, reclamation works, building works, creek bridge work at Thane Creek and road work in Mumbai carried out by the PWD. He currently looks after tender work and liaisoning with various government departments.

Ravinder Kulkarni, Vice President-Projects, IT, Human Resources and Administration

Mr. Ravinder Kulkarni, 57 years, has been associated with our Company since 2011. He holds a Diploma in civil engineering from Government Polytechnic, Solapur. He has over 37 years of experience in various areas such project planning and execution of various works such as bridges, roads and flyovers, spillway dams and piling. Prior to joining our Company has been associated with various government and private institutions including as junior engineer with the Maharashtra Irrigation department. As Vice President-Projects, IT, Human Resources and Administration he is responsible for system development and implementation of the same in our Company. He is also responsible for review of progress of various Projects.

Pawan Bhasin, Project Manager – DMRC – CC -24

Mr. Pawan Bhasin, 53 years, has been associated with our Company since 2012. He holds a bachelor's degree in civil engineering from Birla Institute of Technology, Pilani and has over 20 years of experience in project execution. He is currently heading the DMRC project for design and construction of Tunnels, Stations and Ramp between Lajpat Nagar and Hazrat Nizamuddin stations of Delhi MRTS, Phase-III.

V.K. Gupta, Head Construction – DMRC – CC-09

Mr. V.K. Gupta, 55 years, is associated with our Company since 2012. He holds a bachelor's degree in civil engineering and has over 20 years of experience in project execution. He is currently heading DMRC project for design and construction of Badli Mor elevated station on Jahangir Puri-Badli corridor of Delhi MRTS, Phase II.

Anand Shahapur, DGM (Projects)

Mr. Anand Shahapur, 53 years, is associated with our Company since incorporation. He holds a diploma in civil engineering and has over 34 years of experience in Project Planning, Management and Execution. He is currently handling Sion-Panvel special state Highway Project.

Mr. Diman Majumadar Project Head – Underground DMRC – CC-20

Mr. Dhiman Majumdar, 52 years, is associated with our company since 2012. He holds a bachelor's in civil engineering from University of Burdwan in year 1985. He is a member of the Institute of Engineering. He has been recognised as personality of the year 2006 by Indian Concrete Institute, New Delhi. He carries with him 28 years of experience in projects planning and cost control, tendering, execution and maintenance. He is currently responsible for the DMRC project of design and construction of tunnel, underground station at Naraina Vihar and ramps at Mayapuri and Delhi Cantonment for underground works of Delhi MRTS, Phase-III.

Mr. R. B. Singh, General Manger (Projects)

Mr. R.B. Singh 49 years has been associated with our Company since 2011. He holds a bachelor's degree in civil engineering and also has a masters in construction, management from NICMAR, Pune in 1998. He has over 25 years of experience in project planning and management, budgeting, site co-ordination, resource planning and construction management. Prior to joining us, he has worked with ILFS Engineering and Construction Company Limited, Punj Lloyd Limited and Gammon India Limited. He is currently overseeing the execution of the ESIC Medical College Project at Alwar.

Mr. Shirish A. Kulkarni, General Manger (Piling)

Mr. Shirish Kulkarni, 50 years, has been associated with our Company since November 1, 2006. He holds a masters degree in geology. He has over 25 years experience in soil investigation, rock anchoring, piling / micro piling, construction of diaphragm wall and rotary piling work for various types of structures like dams, tunnels, highways, bridges, flyovers, canals, buildings and hydropower and thermal power stations. Prior to joining us, he has worked with DBM Geotechnics and Constructions Private Limited and Consolidation Foundations Limited. He currently oversees and heads the piling division of our Company.

Mr. Arvind Gupta, Chief Financial Officer

Mr. Arvind Gupta, 38 years, has been associated with our Company since April, 2010. He is a qualified chartered accountant. He has 12 years of experience. Currently he is handling the finance, accounts and taxation. He is our Company's CFO.

Mrs. Poornima Reddy, Company Secretary & Compliance Officer

Mrs. Poornima Reddy, 42 years, has been associated with our Company since July 16, 2007. She is a company secretary and also holds an LLB and a P.G. Diploma in financial management. She has over 15 years of experience and is currently responsible for all secretarial and legal matters.

Interest of Directors, Promoters and key managerial personnel in the Issue

None of our Directors, Promoters or key managerial personnel have any interest whether financial or any other material interest in the Issue.

ESOPs

At present, our Company does not have any stock option scheme for its employees or management.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government and as we believe applicable to us. The information detailed in this chapter has been obtained from the various legislations that are available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. In this section, unless the context requires otherwise, any reference to our Company refers to JKIL.

Indian Regulations

There are no specific regulations in India governing the construction/infrastructure industry. Our projects require the sanction of concerned authorities under the relevant Central/State legislations and local by-laws at various stages. Set forth below are certain significant legislations and regulations that generally govern the business in which we operate in India:

Roads and Highways

The primary central legislations governing the roads sector are the National Highways Act, 1956 and the National Highways Authority of India Act, 1988.

National Highways Act, 1956 ("NH Act")

The NH Act was enacted by the Indian Parliament to provide for the declaration of certain highways as national highways and for matters connected therewith. Sections 3A to 3I of the NH Act contains a comprehensive scheme for the acquisition of land for the building, maintenance, management or operation of a national highway or part thereof and determination of amount payable as compensation and other related issues. Under the NH Act, the government is vested with the power to declare and omit a highway as a national highway and also to acquire land for this purpose. The government may by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required for the building, maintenance, management or operation of a national highway. The NH Act prescribes the procedures to be followed inter alia for declaration of an intention to acquiring, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners who enjoy easement over such lands.

The central government is responsible for the development and maintenance of national highways. However, it may direct that such functions may also be exercised by the state governments. The government also has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the government in this regard.

National Highways Authority of India Act, 1988 (the "NHAI Act")

The NHAI Act, an act of parliament, was promulgated in 1988 for the setting up of the NHAI as statutory agency of the Government of India. It is a nodal agency of the Ministry of Road Transport and Highways and is responsible for the development, maintenance and management of national highways entrusted to it and for matters connected or incidental thereto. The NHAI was made an autonomous body in February 1995. It is responsible for the development, maintenance, management and operation of National Highway totaling over 70,000 km. NHAI is mandated to implement National Highways Development Project (NHDP) in various phases. Pursuant to the same the NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The limit in relation to the value of the contracts that may be entered into by NHAI is prescribed by GoI. However, such contracts can exceed the value so specified with the prior approval of the GoI.

The National Highways Authority of India (Amendment) Bill, 2008, was approved by the Cabinet in December 2008. It aims at increasing institutional capacity of NHAI and execute the powers delegated to it. The government plans to make NHAI a multi-disciplinary professional body with financial management and contract

management expertise. It aims at induction of professionals who in turn will enhance the capacity of NHAI to take strategic decisions, widen the perspective, bring in best management practices and help in achieving goals of higher private participation.

Irrigation Sector

Irrigation being an entry in the State List of the Seventh Schedule to the Constitution of India is governed by the laws of state governments. Most states have separate irrigation departments whose functions, apart from enforcement and implementation of relevant State Government legislation/ policy, also entail regulation of engineering activities including research, design, execution, quality control of projects, canals and canal structures in accordance with such legislation/ policy. Additionally, the Central Water Commission, Ministry of Water Resources, GoI is entrusted with the general responsibilities of initiating, coordinating and furthering, schemes for control, conservation and utilization of water resources throughout the country, including for irrigation, in consultation with relevant State Governments.

In addition to the above, all management of water resources in India is guided by the National Water Policy, 2002 which broadly prioritises water in the following manner: (i) drinking water; (ii) irrigation; (iii) hydro-power; (iv) ecology; (v) agro-industries and non-agricultural industries; and (vi) navigation and other uses. The National Water Policy, 2002 further recommends the manner in which water resources are to be developed and managed in the country and further encourages private sector participation in planning, development and management of water resources projects for diverse uses, wherever feasible.

Foreign Ownership

Foreign investment in India is governed primarily by the provisions of FEMA, and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India.

As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

The Industrial Policy, 1991 prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. Under the Industrial Policy and FEMA, FDI up to 100% is permitted in construction and related engineering services. Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular bridges and ports and harbours.

No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

Ownership restrictions of FPIs

In terms of the FPI Regulation, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI.

Fiscal Legislations

The Company is subject to certain fiscal legislations such as the Income Tax Act, 1961, the Central Excise Act, 1944, the Customs Act, 1962 and the Central Sales Tax Act, 1956. In addition, we are also required to obtain registration under various State Acts on Excise and Sales for the purposes of carrying on our business in those

States.

Environment Regulations

Our projects require approvals under the following environmental legislations. This is because the implementation of our projects might have an impact on the environment where they are situated in.

The Environment (Protection) Act, 1986 ("EPA")

The EPA has been enacted for the protection and improvement of the environment. The EPA empowers GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. GoI may make rules for regulating environmental pollution.

The Environmental Impact Assessment Notification S.O. 1533, issued on September 14, 2006 (the "**EIA Notification**")

The EPA prescribes that new construction projects require prior environmental clearance of the Ministry of Environment and Forests, GoI. The environmental clearance must be obtained from the Ministry of Environment and Forests, GoI according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained.

Under the EIA Notification, the environmental clearance process for new projects consists of four stages screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft environment impact assessment report and the 'Environment Management Plan'. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for its appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final environment impact assessment report.

Forest (Conservation) Act, 1980

The Forest (Conservation) Act, 1980 prevents State Governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the government without the approval of GoI. The Ministry of Environment and Forests mandates that 'environment impact assessment' must be conducted for projects. In the process, the said Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

Labour Laws

We are also required to comply with an extensive set of laws, rules and regulations in relation to hiring and employment of labour. The laws applicable to us include the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Employees' State Insurance Act, 1948, the Workmen's Compensation Act, 1923, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Contract Labour (Regulation and Abolition) Act, 1970.

A brief explanation in relation to the aforesaid legislations is given herein below:

The Payment of Wages Act, 1936 ("Wages Act')

The Payment of Wages Act, 1936 makes every employer responsible for the payment of wages to a person employed by him, prescribes periods for which wages must be paid, time of payment of wages, deductions which may be made from wages, etc.

The Minimum Wages Act, 1948 ("Minimum Wages Act")

The Minimum Wages Act, 1948, provides for the fixing of appropriate minimum wages for workers involved in the various scheduled industries as specified in the act. The schedule of the Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to the employees by the establishments not expressly excluded by the statute. The provisions of the Payment of Bonus Act, 1965 provide for a minimum annual bonus payable to every employee, irrespective of whether or not the employee has made a profit or loss in the corresponding accounting year for which the bonus is payable. Under this Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or ₹100, whichever is higher.

The Employees' State Insurance Act, 1948 ("ESI Act")

The Employees' State Insurance Act, 1948 is to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. Under this Act, every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹ 7,500 per month is entitled to be insured. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. Currently, the employee's contribution rate is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employee in every wage period.

The Workmen's Compensation Act

The Workmen's Compensation Act, 1923 provides for compensation payable to workmen for death/injury/disablement arising out of an accident (and otherwise for some occupational diseases) in the course of such workmen's employment (including through a contractor).

Inter-state Migrant Workers Act, 1979

The Inter-state Migrant Workers Act, 1979 applies to any establishment or contractor who employees five (5) or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding twelve months. An 'inter-state migrant workman' is defined under Section 2 (e) to include any person who is recruited by or through a contractor in one state under an agreement or other arrangement for employment in an establishment in another state, whether with or without the knowledge of the principal employer in relation to such establishment. All such establishments employing migrant workers must be registered otherwise such workmen cannot be employed by them.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 aims to provide for regulation of employment & conditions of service of the building and other construction workers as also their safety, health and welfare measures in every establishment, which employs or employed during the preceding year ten or more workers. This Act provides for registration of establishments to which this Act is applicable as well as building workers, and has provisions for immediate assistance in case of accidents, old age pension, loans for construction of house, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement or resignation or on his death or disablement due to accident.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the institution of provident funds and pension funds for employees in establishments, which employ more than 20 persons, and factories specified in Schedule I of the Act. The funds constituted under these schemes framed under the Act consist of contributions from both the employer and the employees, in the manner specified in this Act.

The Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")

The CLRA has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA imposes obligations on the principal employer to obtain registration as a pre-requisite to employing contract labour, where applicable, and on each contractor employed by such principal employer, where contract labour is employed, to obtain a license under that Act. The contractor is required to comply with the terms of the license issued. This Act contains beneficial provisions to ensure the welfare of workers employed on contract labour.

Shops and Establishments Legislation

The provisions of various Shops and Establishments legislations in different states, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

ISSUE PROCEDURE

*Below is a summary intended to present a general outline of the procedure relating to the application, bidding, payment, allocation and allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and the investors are presumed to have apprised themselves of the same from our Company or the GC-BRLMs. The investors are further advised to inform themselves of any restrictions or limitations that may be applicable to them, and are required to consult their respective advisers in this regard. Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the GC-BRLMs and their respective directors, officers, agents, advisors, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the GC-BRLMs and their respective directors, officers, agents, advisors, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares. For further details, please refer to the sections titled "**Transfer Restrictions**" and "**Selling Restrictions**" on pages 139 & 134, respectively of this Placement Document.*

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI (ICDR) Regulations and Section 42 of the Companies Act, 2013, through the mechanism of QIP.Under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, a company may issue equity shares to QIBs provided that certain conditions are met by the company. Certain of these conditions are set out below:

- a special resolution approving the qualified institutions placement has been passed by its shareholders, specifying (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date;
- the equity shares of the same class, which are proposed to be allotted through qualified institutions placement, have been listed on a recognised stock exchange having nationwide trading terminal for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution; and
- the aggregate of the proposed issue and all previous qualified institutions placements made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous financial year;
- Issue of shares would be in compliance with the requirement of minimum public shareholding specified in the listing agreement with the stock exchanges and the SCRR;
- the issuer shall have completed allotments with respect to any prior offer or invitation made by the issuer or shall have withdrawn or abandoned any prior invitation or offer made by the issuer
- the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities.

At least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Prospective purchasers will be required to make certain certifications in order to participate in the Issue, including that they were outside the United States (as defined in Regulation S) at the time the Offer of the Equity Shares were made to them and are currently outside the United States. For further details, see the sections "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 134 and 139, respectively.

Investors are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI (ICDR) Regulations. The Issue price shall be equal or more than the price calculated in accordance with Regulation 85 of the SEBI (ICDR) Regulations which shall be the Floor Price. The issue price of the equity shares of the company shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted in the stock exchange during the two weeks preceding the relevant date. However, a discount of not more than five per cent on the Floor Price is permitted in accordance with the provisions of SEBI Regulations.

The "relevant date", referred to above for the determination of Floor Price for the issue of the Equity Shares means the date of the meeting in which our Board or any Committee of Directors thereof duly authorized by the Board, thereof decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the Issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations and the requirements prescribed under Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The Issue has been authorized under Section 62(1)(c) of the Companies Act, 2013, and then applicable notified sections of the Companies Act, 2013 by (i) the Board pursuant to resolutions passed on June 5, 2014, and (ii) the shareholders, pursuant to approval sought through postal ballot on July 14, 2014.

The Equity Shares will be allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the relevant QIBs.

Our Company has received in-principle approval under Clause 24(a) of the Listing Agreement from BSE and NSE *vide* their letters dated July 16, 2014 for the listing of the Equity Shares on BSE and NSE.

We have also filed a copy of this Placement Document with the Stock Exchanges.

This Placement Document is a private document provided to investors through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the Issuer with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

Securities allotted to QIBs pursuant to a qualified institutions placement shall not be sold for a period of one year from the date of Allotment except on a recognized stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock in requirements.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue procedure

1. Our Company and the GC-BRLMs shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Bid-cum-Application Form, either in electronic form and/or physical form to QIBs and the Application Form will be specifically addressed to such QIBs.

2. Our Company shall, in accordance with section 42(7) of the Companies Act, 2013, maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched.

3. Our Company will make the requisite filings with RoC and the SEBI within the stipulated time period as required under the Companies Act, 2013.

4. The list of QIBs to whom the Bid-cum-Application Form is delivered shall be determined by our Company in consultation with the GC-BRLMs. **Unless a serially numbered Preliminary Placement Document and the Bid-cum-Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person.

5. Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee at least such number of Equity Shares in the Issue which would aggregate to at least ₹ 20,000 calculated at the face value of the Equity Shares.

6. Our Company shall intimate the Bid/Issue Opening Date to the Stock Exchanges.

7. QIBs may submit their Bids through the Bid-cum-Application Form including any revision thereof during the Issue period to the GC-BRLMs.

8. QIBs may submit such Bid-cum-Application Forms to the GC-BRLMs and would have to indicate the following in the Bid-cum-Application Form:

   (a) Full name of the QIB to whom Equity Shares are to be allotted
   (b) Number of Equity Shares Bid for
   (c) Price at which they are agreeable to Bid for the Equity Shares provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price" which shall be any price as may be determined by our Company in consultation with the GC-BRLMs at or above the minimum price calculated in accordance with Regulation 85 of the SEBI (ICDR) Regulations which shall be the Floor Price or the Floor Price net of such discount as approved in accordance with SEBI Regulations;
   (d) The details of the dematerialised depository account(s) to which the Equity Shares should be credited.
   (e) a representation that it is outside the United States; and
   (f) it has agreed to all of the other representations set forth in the Application Form.

   Note: Each sub-account of an FII will be considered as an individual QIB and separate Bid-cum-Application Form will be required from each sub-account for submitting Bids. It may be noted that a sub-account which is a foreign corporate or a foreign individual is not a "QIB" in terms of SEBI (ICDR) Regulations.

9. Once the duly completed Bid-cum-Application Form is submitted by the QIB, the Bid cum Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid / Issue closing date. The Bid may be revised till Bid/Issue Closing Date, for which the QIB will have to revise the Bid in a Revision Form available with the GC-BRLMs. Revision Forms received after the closure of the Issue on Bid/Issue Closing Date shall not be considered as valid and the original Bid will stand.

10. The Bid / Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date.

11. Upon receipt of the duly completed Bid-cum-Application Form, our Company shall, in consultation with the GC-BRLMs, after the closure of the Issue, decide (i) the Issue Price and (ii) the number of Equity Shares to be Allocated and the Applicants to whom the same would be allocated. Our Company shall notify the Stock Exchanges of the Issue Price. On determination of the final terms of the Equity Shares, the GC-BRLMs will send the serially numbered CAN along with this Placement Document to the QIBs who have been Allocated Equity Shares. The dispatch of the CAN shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIBs. The CAN shall contain details like the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for the Allotment of Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. **Please note that the Allocation will be the decision of our Company and will be based on the**

recommendations of the GC-BRLMs and shall be at their sole and absolute discretion, and may not be proportionate to the number of Equity Shares applied for.

12. Pursuant to receiving a CAN, each QIB would have to deliver the confirmation of payment through electronic transfer for the entire subscription monies to the Escrow Account of our Company by the Pay-In Date as specified in the CAN sent to the respective QIBs. No payment shall be made by QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act, 2013.

13. Upon receipt of the application monies from QIBs, our Company shall issue and allot the Equity Shares to those QIBs as per the details provided in their respective CANs. Our Company shall intimate to the Stock Exchanges the details of the Allotment.

14. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and shall then apply for listing of the Equity Shares. After receiving the listing approval, Equity Shares shall be credited into the depository participant accounts of the QIBs.

15. Our Company shall then apply for the final trading permission from the Stock Exchanges.

16. The Equity Shares that have been so allotted and credited to the depository participant accounts of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading approval from the Stock Exchanges.

17. As per the applicable laws, the Stock Exchanges shall notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company shall communicate the receipt of the listing and trading approvals from the Stock Exchanges to those QIBs to whom the Equity Shares have been allotted. Our Company and GC-BRLMs shall not be responsible for any delay or non-receipt of the communication of the listing and trading approvals from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI (ICDR) Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations are eligible to invest. Currently, under Regulation 2(1)(zd) of the SEBI Regulations for the purposes of the Issue, the term "QIB" means the following:

- A mutual fund, venture capital fund, foreign venture capital investors registered with SEBI;
- Eligible FPIs
- alternate investment funds registered with SEBI
- Insurance funds set up and managed by army, navy or air force of the Union of India
- public financial institutions as defined in section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- Insurance funds set up and managed by the Department of Posts, India.
- scheduled commercial bank;
- multilateral and bilateral development financial institution;
- state industrial development corporation;
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India
- provident funds with minimum corpus of ₹ 2500 lacs;

- pension funds with minimum corpus of ₹ 2500 lacs; and
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.

Eligible non-resident QIBs can participate in the Issue under Schedule 1 of FEMA.

FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs investing through the portfolio investment scheme is under Schedule 2 and Schedule 2A of FEMA 20 respectively, in the Issue. FIIs and Eligible FPIs investing through the portfolio investment scheme are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding does not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of the post-Issue equity share capital. Further, in terms of the FEMA, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. The shareholders of our Company have approved the increase of the FII limit from 24% to 40% by a resolution approved by postal ballot on July 14, 2014. The existing investment limit for FIIs in our Company is 40% of the paid up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from the SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the FII Regulations. An FII or a sub-account may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The FPI regime has recently come into effect from June 1, 2014. FPI's investing in this Issue should ensure that they are eligible under the applicable law or regulation to apply in this Issue.

Allotments to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

Under Regulation 86 (1) (b), no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being our promoter or any person related to our promoter(s). QIBs whIich have all or any of the following rights, shall be deemed to be a person related to promoter(s):

a) rights under a shareholders' agreement or voting agreement entered into with our Promoters or persons related to our Promoters;
b) veto rights; or
c) right to appoint any nominee director on our Board.

Provided that a QIB who does not hold any shares in the issuer and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to Promoters.

Our Company and the GC-BRLMs are not liable for any amendment or modification or change in applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Bid-cum-Application Form from them does not exceed the

investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code, and the QIB shall be solely responsible for compliance with the provisions of the Takeover Code, SEBI (Prohibition of Insider Trading) Regulations, 1992 and other applicable laws, rules, regulations, guidelines and circulars.

A minimum of 10% of the Equity Shares in the Issue shall be allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion (or part thereof not so taken up) may be allotted to other QIBs.

Note: Affiliates or associates of the GC-BRLMs who are QIBs may participate in the Issue in compliance with applicable laws.

Bid/Issue Programme

Bidding Period / Issue Period:

BID/ISSUE OPENS ON	**July 16, 2014**
BID/ISSUE CLOSES ON	**July 18, 2014**

Application Process

Bid-cum-Application Form

QIBs shall only use the specified serially numbered Bid-cum-Application Form supplied (which are addressed to them) by the GC-BRLMs in either electronic form or by physical delivery for the purpose of making an Application in terms of the Preliminary Placement Document. Revisions to the Bid shall only be made in the Revision Form.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "**Notice to Investors**", "**Representations by Investors**", "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 1, 2, 134, and 139, respectively:

1. The applicant confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations and is not excluded under Regulation 86 of the SEBI Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in the Issue;

2. The QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Regulations;

8. The QIB confirms that together with other QIBs in the Issue that belongs to the same group or are under same control, the Allotment to the QIB shall not exceed 50 per cent of the Issue Size. For the purposes of this statement:

   a. The expression "**belongs to the same group**" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and
   b. "**Control**" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

9. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

QIBs WOULD NEED TO PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, PERMANENT ACCOUNT NUMBER, E-MAIL ID AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, SUB-ACCOUNTS OF A FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE GC-BRLMs, THE QIB SUBMITTING A BID, ALONG WITH THE BID-CUM-APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE GC-BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE GC-BRLMs, COLLECTION BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

The submission of the Bid-cum-Application Form by the QIBs shall be deemed a valid, binding and irrevocable offer by the QIB to pay the entire Issue Price for the Equity Shares Allocated (as indicated by the CAN) and becomes a binding contract on the QIB, upon issuance of the CAN by our Company in favour of the QIB.

Demographic details including address, bank account will be obtained from the Depositories as per the demat account details given above.

Bids by MFs

The Bids made by the asset management companies or custodian of MFs shall specifically state the names of the concerned schemes for which the Bids are made. Each scheme/fund of a mutual fund registered with SEBI, will have to submit separate Bid-cum-Application Form.

Each mutual fund will have to submit separate Bid-cum-Application Forms for each of its participating schemes. Such applications will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. However, for the purpose of calculating the number of allotters/applicants, various schemes of the same mutual fund will be considered as a single allottee/applicant.

Demographic details like address, bank account among other will be obtained from the Depositories as per the demat account details given above.
As per the current regulations, the following restrictions are applicable for investments by MFs:

No MF scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments

of any company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds. No MF under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. We and the GC-BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Placement Document. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under the applicable laws and regulations.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms shall be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Bid-cum-Application Form shall be submitted to the GC-BRLMs either through electronic form or through physical delivery at the following address:

Edelweiss Financial Services Limited
14th Floor, Edelweiss House, Off CST Road, Kalina, Mumbai 400 098
Tel: +91-22-4086 3535
Fax: +91-22-4086 3610
E-mail: jkumar.qip@edelweissfin.com
Contact Person: Ms. Neetu Ranka/ Mr. Hardik Kampani

Anand Rathi Advisors Limited
10th Floor, Trade D, Kamla City
Senapati Bapat Marg
Lower Parel
Mumbai – 400 013
India
Tel: +91-22-6626 6666
Fax: +91-22-6626 6544
E-mail: jkumar.qip@rathi.com
Contact Person: Mr. V. Prashant Rao/ Mr. Lokesh Bhandari

The GC-BRLMs shall not be required to provide any written acknowledgement of the Bid cum Application Form.

Pricing and Allocation

Build up of the Book

The QIBs shall submit their Bids through the Bid-cum-Application Form within the Issue period to the GC-BRLMs who shall maintain the Book. Such Bids cannot be withdrawn after the Bid/Issue Closing Date.

Price discovery and allocation

Our Company, in consultation with the GC-BRLMs, shall finalize the Issue Price for the Equity Shares which shall be at or above the Floor Price. However, our Company may offer a discount of not more than five per cent on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

After finalization of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges, SEBI and the RoC as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the GC-BRLMs on a discretionary basis and in compliance with Chapter VIII of the SEBI (ICDR) Regulations.

Bid-cum-Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation shall be decided by us in consultation with the GC-BRLMs on a discretionary basis. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid applications being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE GC-BRLMs IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT OUR SOLE AND ABSOLUTE DISCRETION AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATIONS AT OR ABOVE THE ISSUE PRICE. NEITHER WE NOR THE GC-BRLMs ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

Number of Allottees

The minimum number of allottees in the Issue shall not be less than:

(a) two, where the Issue Size is less than or equal to ₹ 25,000 lacs; or
(b) five, where the Issue Size is greater than ₹ 25,000 lacs.

No single allottee shall be allotted more than 50% of the Issue size or less than ₹ 20,000 calculated at the face value of the securities.

Further, QIBs belonging to the same group or those who are under common control shall be deemed to be a single allottee for the purpose of this Regulation. For details of what constitutes "same group" or "common control" see "**Application Process— Bid-cum-Application Form**" on page 126.

Confirmation and Allocation Note ("CAN")

Based on the Bids received and the Issue Price decided, our Company in consultation with the GC-BRLMs, in their sole and absolute discretion, will decide the QIBs to whom the CAN shall be sent containing details of the Equity Shares allocated to them and the details of the amounts payable by them for Allotment of the Equity Shares in their respective names. Additionally, the CAN would include details of the relevant escrow bank account for transfer of funds if done electronically, address where the application money needs to be sent, Pay - In Date as well as the probable Designated Date, being the date of credit of the Equity Shares to the respective QIB's account. The eligible QIBs would also be sent a Placement Document either in electronic form or by physical delivery along with the serially numbered CAN. The dispatch of the serially numbered Placement Document and the CAN shall be deemed to be a valid, binding and irrevocable non-negotiable and non transferable obligation on QIB to furnish all details that may be required by the GC-BRLMs and to pay the entire Issue Price for all the Equity Shares allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allocated/Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened a special bank account (Designated Bank Account / Escrow Account) with HDFC Bank Limited and Yes Bank Limited ("Collection Banks / Designated Banks / Escrow Banks") in terms of the arrangement between GC-BRLMs, our Company and the Collection Bank. The QIB, to whom CAN is sent, will be required to deposit the entire amount payable for the Equity Shares allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the Escrow Account within the time stipulated in the CAN, the Bid-cum-Application Form and the CAN of the QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in ("Collection Banks / Designated Banks / Escrow Banks") only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii)

repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, we and the GC-BRLMs have the right to reallocate the Equity Shares at the Issue Price among existing Applicants to the Issue or new QIBs at their sole and absolute discretion, subject to statutory limits.

Payment Instructions

- The payment of application money shall be made by the QIBs in the name of "**J. Kumar- QIP Escrow Account**" as per the payment instructions provided in the CAN.

QIBs shall make Payments only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

Designated Date and Allotment of Equity Shares

- The Equity Shares will not be allotted unless the QIBs pay the amount payable as mentioned in the CANs issued to them, into the Escrow Account with the Collection Banks as stated above.

- In accordance with the SEBI (ICDR) Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

- Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

- Post Allotment and credit of Equity Shares into the QIBs depository participant account, we would apply for trading approval from the Stock Exchanges.

- In the case of QIBs who have been Allotted more than five per cent of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

- The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after receipt of the Listing approval of the Stock Exchanges for the Equity Shares offered in the Issue..

- In accordance with the Companies Act, 2013, in the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or there is a cancellation of the Issue within 60 days from the date of receipt of application money from a QIB, our Company shall repay the application money within 15 days from expiry of 60 day period, failing which our Company shall repay that money to such QIBs with interest at the rate of 12 per cent per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the QIBs.

Other Instructions

Permanent Account Number (PAN)

Applicants should mention its PAN allotted under the Income Tax Act, 1961 in the Bid-cum-Application Form. Bid-cum-Application Forms received without PAN are liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Bid-cum-Application Form is liable to be rejected on this ground.

Our Right to Reject Bids

We, in consultation with the GC-BRLMs, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the GC-BRLMs in relation to the rejection of any Bid shall be final and binding.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of Equity Shares in the Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

- A QIB applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

- Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

- The trading of our Equity Shares would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

- We shall not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Bid-cum-Application Form or on the part of the QIBs.

Release of funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "**J. Kumar - QIP Escrow Account**" till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the Listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT AGREEMENT

The GC- BRLMs have entered into a Placement Agreement with our Company, pursuant to which the GC-BRLMs has agreed to place the Equity Shares of our Company, on a best effort basis to QIBs, pursuant to Chapter VIII of the SEBI (ICDR) Regulations and section 42 of the Companies Act, 2013.

The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchange. No assurance can be given as to the liquidity or sustainability of the trading market for Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies in India and that, with the exception of QIBs, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than QIBs.

In connection with the Issue, the GC- BRLMs (or its affiliates) may, for its own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the GC- BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise of a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the GC- BRLMs may purchase Equity Shares and be allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes, see "**Notice to Investors — Off-shore Derivative Instruments (P-Notes)** ".

Lock-up

Our Company has agreed that it will not, without the prior written consent of the GC-BRLMs, from the date of the Placement Agreement and for a period of up to 180 days from the Closing Date, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; or (c) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise, provided, however, that the foregoing restrictions shall not be applicable to (i) any grant of options by our Company under the ESOPs; or (ii) any issue or allotment of the Equity Shares by the Company pursuant to the exercise of any options awarded under the ESOPs; (iii) any issuance, sale, transfer or disposition of Equity Shares by the Company to the extent such issuance, sale, transfer or disposition is required by Indian law.

The Promoters of our Company have agreed that they will not, from the date of the Placement Agreement and for a period of 180 days from the Closing Date, directly or indirectly: (i) directly or indirectly, issue, offer, lend, sell, contract to sell or issue, sell any option or contract to sell, grant any option, or otherwise transfer or dispose of any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention to enter into any such transaction, whether any such swap or transaction described in clause (i) or (ii) hereof is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise, or (iii) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depositary receipt facilities or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Equity Shares in any depositary receipt

facility, or publicly announce any intention to enter into any such transaction.

SELLING RESTRICTIONS

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with all applicable laws, including the SEBI Regulations. Each subscriber of the Equity Shares in the Issue will be required to make, or will be deemed to have made, as applicable, the representations, warranties, acknowledgments and agreements as described in the sections titled "**Representations by Investors**", and "**Transfer Restrictions**" on pages 2 and 139, respectively.

Bahrain

The Issue is a private placement in Bahrain. Therefore, it is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities and the extensive disclosure requirements and other protections that these regulations contain. This Placement Document is therefore intended only for accredited investors. The financial instruments offered by way of private placement may only be offered in minimum subscriptions of $100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this Placement Document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Placement Document. To the best of our Company's board of directors' and management's knowledge and belief, who have taken all reasonable care to ensure that such is the case, the information contained in this Placement Document is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the "**Relevant Implementation Date**"), the Equity Shares may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (defined below) and the 2010 Amending Directive (defined below), except that the Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time:

(a) to persons or entities that are "qualified investors" as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive;

(b) to (i) fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive); or (ii) if that Relevant Member State has implemented the 2010 Amending Directive, fewer than 150 natural or legal persons (other than "qualified investors" as defined in the 2010 Amending Directive), in each case subject to obtaining the prior consent of the GC-BRLMs; and

(c) in any circumstances falling within Article 3(2) of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive, provided that no such offering of Equity Shares shall result in a requirement for the publication by our Company or the GC-BRLMs of a prospectus pursuant to Article 3 of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "2010 Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

Neither our Company nor the GC-BRLMs has authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary on their behalf, other than offers made by our Company or the GC-BRLMs.

Hong Kong

This Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorized by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Offer. If recipients are in any doubt about any of the contents of this Placement Document, they should obtain independent professional advice.

This Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Placement Document must not be issued, circulated or distributed in Hong Kong other than:

- to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or
- in other circumstances which do not result in this Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Kuwait

The Issue has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has our Company received authorisation or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Interests within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares may be rendered within Kuwait by our Company or persons representing our Company.

Oman

This Placement Document and the Equity Shares offered under it are issued and governed by the laws of India.

No offer or marketing of the Equity Shares has been or will be made by our Company from within the Sultanate of Oman and no subscription for Equity Shares may or will be effected or undertaken within the Sultanate of Oman. Our Company does not have a presence or representation in the Sultanate of Oman and any purchase of the Equity Shares will be deemed to be made in and under the laws of India.

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been registered or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, and neither our Company nor the GC-BRLMs are authorized or licensed by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, to market or sell the Equity Shares within the Sultanate of Oman.

The Equity Shares offered under this Placement Document have not and will not be listed on any stock exchange in the Sultanate of Oman.

Qatar

This Placement Document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither our Company nor the GC-BRLMs are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither our Company nor the GC-BRLMs are, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document you should consult an authorised financial adviser.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority

of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates ("**U.A.E.** ") other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in this Placement Document does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. Our Company and the Equity Shares have not been approved or licensed by or registered with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the U.A.E. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. This Placement Document is being issued to a limited number of selected institutional and sophisticated investors, is not for general circulation in the U.A.E. and may not be provided to any person other than the original recipient or reproduced or used for any other purpose. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser. This Placement Document is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

Dubai International Financial Centre

This Placement Document relates to an exempt offer (an "**Exempt Offer**") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a ''fund'' or a ''collective investment scheme'' within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the

Dubai Financial Services Authority Rulebook.

United Kingdom (in addition to the European Economic Area selling restrictions above)

The Equity Shares offered in the Issue cannot be promoted in the United Kingdom to the general public. The contents of this Placement Document have not been approved by an authorised person within the meaning of Financial Services and Markets Act 2000, as amended (the "**FSMA**"). The GC-BRLMs (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), or (ii) fall within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Equity Shares in, from or otherwise involving, the United Kingdom.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws. The Equity Shares are not being offered or sold in the United States in the Issue. The Equity Shares are being offered and sold in the Issue only outside the United States in accordance with Regulation S. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in the section titled "**Transfer Restrictions**" on page 139.

TRANSFER RESTRICTIONS

The Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the Stock Exchanges.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws.

Each purchaser of the Equity Shares, by accepting delivery of this Placement Document, will be deemed to:

- Represent and warrant to our Company, the GC-BRLMs and their respective affiliates that the offer and sale of the Equity Shares to it is in compliance with all applicable laws and regulations.

- Represent and warrant to our Company, the GC-BRLMs and their respective affiliates that it was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Company, the GC-BRLMs and their respective affiliates that it did not purchase the Equity Shares as a result of any directed selling efforts (as defined in Regulation S).

- Acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and warrant to our Company, the GC-BRLMs and their respective affiliates that it will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the States of the United States and any other jurisdiction, including India.

- Represent and warrant to our Company, the GC-BRLMs and their respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

- Acknowledge that our Company, the GC-BRLMs and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and warrant to our Company and the GC-BRLMs that if any such acknowledgements, representations or warranties deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company and the GC-BRLMs.

Any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by our Company.

INDIAN SECURITIES MARKET

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials (including websites) of SEBI, BSE and NSE and has not been prepared or independently verified by our Company or the GC-BRLMs to the Issue, or any of our or their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Stock Exchange Regulation

India's stock exchanges are regulated primarily by SEBI, as well as by the GoI acting through the Ministry of Finance, Stock Exchange Division, under the SCRA and the SCRR along with the rules, by-laws and regulations of the respective stock exchanges, which regulate the recognition of stock exchanges, the qualifications for membership and the manner in which contracts are entered into and enforced between members. The Securities and Exchange Board of India Act, 1992 granted the SEBI powers to regulate the business of Indian securities markets, including stock exchanges and other financial intermediaries, promote and monitor self-regulatory organizations, prohibit fraudulent and unfair trade practices and insider trading, and regulate substantial acquisitions of Equity Shares and takeovers of companies. The SEBI has also issued Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of Equity Shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FIIs, credit rating agencies and other capital market participants.

The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), has been notified by SEBI on June 20, 2012 which regulates *interalia*, the recognition, ownership and governance in stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges.

The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

Listing

The listing of securities on recognized Indian stock exchanges is regulated by applicable Indian laws including the Companies Act, the SCRR, the SCRA, the SEBI Act, the various guidelines and regulations issued by the SEBI and the listing agreement of the respective stock exchanges, under which the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for breach of the company's obligations under such agreement, subject to the company receiving prior notice of the intent of the exchange.

The SCRA empowers the governing body of each recognized stock exchange to suspend or withdraw admission to dealings in the securities of a company for a breach of, or non-compliance with, any of the conditions of admission to dealings or for any other reason, subject to the issuer receiving prior written notice of such intent of the exchange and a reasonable opportunity to show cause against the proposed action. The SEBI also has the power to make or amend the byelaws of the recognized stock exchanges in India, to supersede a recognized stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

Pursuant to an amendment to the SCRR on June 4, 2010, all listed companies (except public sector companies) are required to maintain a minimum public shareholding of at least 25 per cent. Any listed company which had public shareholding of less than 25 per cent at the time of commencement of the amendment dated June 4, 2010 to the SCRR was required to increase its public shareholding to at least 25 per cent within a period of three years from the date of such commencement. The SCRR also provides that if the public shareholding in a listed company falls below 25 per cent at any time, such company is required to bring the public shareholding to 25

per cent within a maximum period of 12 months from the date of such fall in the manner prescribed by the SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the minimum public shareholding requirement. Our Company is in compliance with this minimum public shareholding requirement

Delisting

Equity shares of a listed company can be delisted under the provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009, (the "Delisting Regulations"), which govern voluntary and compulsory delisting of equity shares of Indian companies from the stock exchanges. The Delisting Regulations have been recently notified, and replace the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. A company may be delisted through a voluntary delisting or a compulsory delisting by a stock exchange(s) concerned. A company may voluntarily delist from the stock exchange where its securities are listed subject to, inter alia, approval of its Board of Directors and shareholders and the in-principle approval of the stock exchange(s) concerned, further provided that an exit opportunity has been given to the investors at an exit price. The exit price is a minimum of a floor price determined in accordance with a specified formula with the final offer price being determined based on a "book building process" specified in the Delisting Regulations. For certain listed companies of paid up share capital of up to rupees one crore and either upto 300 public shareholders or no trading in equity shares for one year (as per specific criteria in the Delisting Regulations), the exit price determination lies with the promoter seeking delisting and not with the shareholders. However, shareholders may choose whether to accept the exit price or not. The procedure for compulsory delisting also requires the company to make an exit offer to the shareholders in accordance with the above-mentioned Delisting Regulations.

The Delisting Regulations provide that if for any reason the securities of a company become liable to be delisted from the relevant stock exchange, the promoter may, if it desires to maintain listing of the company, follow the procedure laid down in the Delisting Regulations for such continuous listing. Pursuant to the Delisting Regulations, the company may, within six months, issue new shares to the public or the promoter(s) of the company may sell a portion of their shares to the public by way of offer for sale or sale in open market through transparent mechanism, such that the minimum level of public shareholding is re-established.

SEBI has the power to amend listing agreements and by-laws of stock exchanges in India. In order to restrict abnormal price volatility in any particular stock, SEBI has instructed the stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and additionally, there are currently in place varying individual scrip-wise bands. The Indian stock exchanges can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by stockbrokers.

Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, 2013 a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013 and the SEBI (ICDR) Regulations as amended, and be filed with the Registrar of Companies having jurisdiction over the place where a company's registered office is situated, which in the case of our Company, is currently the Registrar of Companies located at Mumbai, Maharashtra situated at Everest, 100 Marine Drive, Mumbai 400002, Maharashtra, India. A company's directors and promoters may be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and the allotment of securities among subscribers and establishes maximum commission rates for the sale of securities. The SEBI has issued detailed Regulations concerning disclosure by public companies and investor protection.

Public limited companies are required under the Companies Act and SEBI (ICDR) Regulations to prepare, file with the Registrar of Companies and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which includes sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the listing agreement. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its listing agreement with the relevant stock exchange. Accordingly, companies are now required to publish unaudited financial statements, although subject to a

limited review by a company's auditors, on a quarterly basis and are required to inform stock exchanges immediately regarding any stock price-sensitive information.

The ICAI and SEBI have implemented changes which require Indian companies to account for deferred taxation, to consolidate their accounts with subsidiaries, to provide segment-wise reporting and to increase their disclosure of related party transactions from April 1, 2001 and accounting for investments in associated companies and joint ventures in consolidated accounts and interim financial reporting from April 1, 2002. As of April 1, 2003, accounting of intangible assets is also regulated by accounting standards set by the ICAI and as of April 1, 2004 accounting standards regulate accounting for impairment of assets.

Indian Stock Exchanges

There are various recognised Stock Exchanges in India. BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity. Most of the stock exchanges have their own governing board for self regulation. With effect from April 1, 2003, the stock exchanges in India operate on a trading day plus two, or T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. SEBI proposes to subsequently move to a T+ 1 settlement system. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

To restrict abnormal price volatility, SEBI has instructed stock exchanges to apply the following price bands calculated at the previous day's closing price (there are no restrictions on price movements of index stocks):

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers, which do not allow transactions beyond certain price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and the circuit breakers are applied to the market for movement by 10%, 15% and 20% for two prescribed market indices: the BSE Sensex for the BSE and the Nifty for the NSE, or the NSE Nifty, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in al1 equity and equity derivatives markets nationwide is halted. With effect from October 1, 2013, the Stock Exchanges, shall on a daily basis translate the 10 per cent, 15 per cent and 20 per cent circuit breaker limits of market wide index variation based on the previous days' closing level of the index

Price bands are circuit filters of 20% movements either up or down, and are applied to most securities traded in the markets, excluding securities included in the BSE Sensex and the NSE Nifty and derivatives products. In addition to the market-wide index based circuit breakers, there are currently in place varying individual scrip wise bands (except for scrips on which derivative products are available or scrips included in indices on which derivative products are available) of 20% either ways for all other scrips.

Circuit-breakers are not applicable to certain stocks listed in the "A" category of BSE, on which stocks, futures and options are traded. The stock exchanges of India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by stockbrokers. At the discretion of the stock exchanges and under instructions from SEBI, the stock exchanges can also impose ad hoc margins on the stockbrokers, for specific stocks in the event of extreme volatility in price movements.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet

based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the BSE and the NSE occurs from Monday through Friday, from 9.15 a.m. to 3.30 p.m. Indian Standard Time. The BSE and the NSE are closed on public holidays. The recognized stock exchanges have been permitted by the SEBI to set their own trading hours (in cash and derivatives segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated screen based trading system called National Exchange for Automated Trading ("**NEAT**"), which adopts the principle of an order driven market. NEAT reduces jobbing spreads and transaction costs.

BSE Limited

The BSE, the oldest stock exchange in India, was established in 1875. It is the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA. It has evolved over the years into its present status as the premier stock exchange of India. The BSE switched over from an open outcry trading system to online trading ("**BOLT**") from May 1995. Earlier an association of persons, BSE is now a corporatised and demutualised entity incorporated under the provisions of the Companies Act, 1956, pursuant to the BSE (Corporatisation and Demutualisation) Scheme, 2005 notified by SEBI. Only a member of the BSE has the right to trade in the stocks listed on the BSE.

Derivatives trading commenced on the BSE in 2000. The BSE has wholesale and retail debt trading segments. Retail trading in government securities commenced in January, 2003.

National Stock Exchange of India Limited

The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked screen based trading facilities for market makers with an electronic order-based trading system, and electronic clearing and settlement for securities, including government securities, debentures, public sector bonds and units. The principal aim of the NSE is to enable investors to buy or sell securities from anywhere in India and to serve as a national market for securities. Deliveries for trades executed "on-market" are settled through the National Securities Clearing Corporation Limited. The NSE does not categorise shares into groups as in the case of BSE, except in respect of the trade-to-trade category. Screen- based paperless trading and settlement is possible through the NSE from various cities in India. The NSE commenced operations in the wholesale debt market in June 1994, in capital markets in November 1994 and in derivatives in June 2000. The NSE launched the NSE 50 Index, now known as S&P CNX NIFTY on April 22, 1996 and the mid-cap index on January 1, 1996. The securities in the NSE 50 Index are highly liquid. With a wide network in major metropolitan cities, screen-based trading, a central monitoring system and greater transparency, the NSE has recently recorded high volumes of trading.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, (the "**Takeover Regulations**"), which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Minimum level of public shareholding

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25.00% and were given a time till 3 June 2013 to comply with such requirement. In this regard, SEBI has amended the listing agreement and has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of twelve months from the date of such fall in the manner specified by SEBI.

Prohibition of Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the "**Insider Trading Regulations**") have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company.

Depositories

The Depositories Act, 1996, as amended, provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organization under the supervision of the SEBI. Derivatives products were introduced in phases in India, starting with equity derivative contracts in June 2000 and index options, stock options and stock futures in June 2001, July 2001 and November 2001, respectively. The SEBI, by a circular dated August 6, 2008, as modified by its circular dated March 24, 2009, has issued guidelines on exchange traded currency derivatives. The circular lays down the framework for the launch of exchange traded currency futures in terms of eligibility norms for existing and new exchanges and their clearing corporations or clearing houses, eligibility criteria for members of such exchanges or clearing corporations or clearing houses,

product design, risk management measures, surveillance mechanism and other related issues.

Exchange Controls

Restrictions on Conversion of Indian Rupees

There are restrictions on conversion of Rupees into U.S. dollars. Before February 29, 1992, RBI determined the official value of the Rupee in relation to a weighted basket of currencies of India's major trading partners. In the February 1992 budget, a new dual exchange rate mechanism was introduced by allowing conversion of 60% of the foreign exchange received on trade or current account at a market-determined rate and the remaining 40% at the official rate. All importers were, however, required to buy foreign exchange at the market rate except for certain priority imports. In March 1993, the exchange rate was unified and allowed to float. In February 1994 and again in August 1994, RBI announced relaxations of the payment restrictions previously applicable to certain transactions. Since August 1994, the Central Government has substantially complied with its obligations to the International Monetary Fund, under which India is committed to refrain from using exchange restrictions on current international transactions as an instrument to manage the balance of payments. Effective July 1995, the process of current account convertibility was advanced by relaxing restrictions on foreign exchange for various purposes, such as foreign travel and medical treatment. The Central Government has also relaxed restrictions on capital account transactions by resident Indians since 1999.

DESCRIPTION OF EQUITY SHARES

Set forth below is certain information relating to the share capital of our Company including a brief summary of some of the provisions of the Memorandum and Articles of Association of our Company, the Companies Act, 1956 and the Companies Act, 2013 relating to the rights attached to the Equity Shares. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Note: *The Ministry of Corporate Affairs has notified 283 sections of the new Companies Act, 2013, and rules which have replaced the corresponding provisions in the old Companies Act, 1956. While 98 sections were notified and made effective September 12, 2013, the remaining 183 sections have been made effective from April 1, 2014. All disclosures of provisions of the Companies Act in this section refer to the newly notified provisions under the Companies Act, 2013 unless specifically stated.*

General

The authorized capital of our Company is ₹ 4,000 lacs divided into 4,00,00,000 Equity Shares of ₹ 10 each. As of the date of this Placement Document 2,78,01,205 Equity Shares were issued and outstanding.

Dividends

Under the Companies Act, 2013 unless the Board recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Under our Company's Articles, our Company in general meeting may, subject to Section 123 of the Companies Act, 2013 declare dividends, to be paid to members according to their respective rights and interests in the profits but subject to any law of the time being in force and may fix the time for payment. Our Company in general meeting may declare a lower, but not higher, dividend than that recommended by the Board. The profits of our Company, subject to any special rights relating thereto created or authorized to be created by the Memorandum or the Articles and subject to the provision of any law for the time being in force, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively. In addition, the Board may declare and pay interim dividends.

The dividends can only be paid in cash to shareholders listed on the register of shareholders on the date which is specified as the "record date" or "book closure date, and in case of unregistered transfers, where the instrument of transfer has been delivered to the company for registration, the company shall comply with Section 124 of the Companies Act, 2013 by transferring such dividend to a special account unless the company is authorized by the registered holder in writing to pay such dividend to the transferee mentioned in the instrument.

No shareholder is entitled to a dividend while any amount is due from him to the company either in respect of such shares or otherwise, either jointly or alone. This amount may be deducted from the interest or dividend payable to the shareholder without prejudice to any other remedy of the company. However, once the amount is declared, there shall be no forfeiture of unclaimed dividends. Any dividend remaining unpaid or unclaimed after having been declared by the company shall be dealt with by the company in accordance with Section 124 of the Companies Act.

Dividends must be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint holders to that one first named in the register in respect of joint holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Companies Act further provides that if the profit for a year is insufficient, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared may not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; (ii) the total amount to be drawn from the accumulated profits from previous years may not exceed an amount equivalent to 10% of paid-up capital and reserves and the amount so drawn is first to be used to set off the losses incurred in the financial year before any dividends in respect of preference or equity shares; and (iii) the balance of reserves after withdrawals must not be below 15% of paid-up capital.

Capitalization of Reserves

Our Company's Articles state that our Board of Directors may vide any General Meeting resolve that any moneys, investments or other asset forming part of the undivided profits of the company standing to the credit of the reserve fund, or any Capital Redemption Reserve Fund, or in the hands of the company and available for dividend or representing premium received on the issue of shares and standing to credit of the share premium account be, subject to the provisions of Section 78 of the Companies Act, capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the company which shall be distributed accordingly or in towards payment of the uncalled liability on any issued share or debentures or debenture-stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

Any issue of bonus shares would be subject to the Regulations issued by the SEBI in this regard, as also the provisions of the Companies Act, 2013. Under section 63 of the Companies Act, 2013, our Company may issue fully paid-up bonus shares out of its free reserves or the securities premium account or the capital redemption reserve account, subject to compliance with certain conditions such as authorisation by the articles and shareholders approval. A company which has once announced the decision of its Board recommending a bonus issue cannot not subsequently withdraw the same. The relevant SEBI (ICDR) Regulations prescribe that no Company shall, pending conversion of convertible securities, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, for the issuance of such bonus shares a Company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of dividend cannot be made. The bonus issue must be made out of free reserves built out of genuine profits or share premium account collected in cash only.

Further, a Company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees such as contribution to provident fund, gratuity and/or bonus. The issuance of bonus shares must be approved by the shareholders of the Company and must be implemented within 60 days from the date of the meeting of the Board where the issue was announced.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, a company, in general meeting, may increase its share capital by issuing new shares on such terms and with such rights as a company, by action of shareholders in a general meeting, determines, which may vary from the original issue in terms of rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed. In this regard, the laws require that for a Company to issue shares with differential voting rights a company must have had distributable profits in terms of the Companies Act for a period of three financial years and have not defaulted in filing annual accounts and annual returns for the immediately preceding three years. Whenever the capital of a company has been increased through such resolution, the directors shall comply with the provisions of Section 97 of the Companies Act.

As per Section 62 of the Companies Act, such new shares shall be offered to the persons, who at the date of the offer are holders of equity shares in a company in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and limiting a time, being not less than 30 days from the date of the offer within which such offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received, in such manner as they think most beneficial to a company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person acceptable to the Board.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, in any manner whatsoever, if a special resolution to that effect is passed by the shareholders of a company in a general meeting. Where no such special resolution is

passed, if the vote cast (show of hands or on poll) in favour of the proposal contained in the resolution moved at the general meeting sanctioning the issue of such shares (including the casting vote, if any of the chairman) by members who, being entitled to do so vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board in that behalf that the proposal is most beneficial to the company.

Notwithstanding this but subject to Section 62(3) of the Companies Act, a company may increase its subscribed capital on exercise of an option attached to the debenture issued or loans raised by a company to convert such debentures or loans into shares, or to subscribe for shares in a company. A company can also alter its share capital by way of a reduction of capital subject to Sections 66of the Companies Act, or by undertaking a buy-back of shares under the prescribed SEBI (ICDR) Regulations and subject to the approvals and terms and conditions as prescribed under Section 68, 69 and 70 of the Companies Act.

The Articles of our Company provides that subject to Section 94 of the Companies Act,1956 our Company, in a general meeting may consolidate or sub-divide our share capital, convert all or any of our fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination, sub-divide the equity shares or any of them into shares of smaller amounts than fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived, or cancel shares which have not been taken up by any person.

Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares which are liable to be redeemed within a period of twenty years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the following the conditions: Under the Companies Act, a company may issue redeemable preference shares but

(i) no such shares shall be redeemed except out of profits of a company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
(ii) no such shares shall be redeemed unless they are fully paid;
(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of a company or out of a company's share premium account before the shares are redeemed, based on certain criteria/conditions;
(iv) where any such shares are redeemed out of the company’s profits, a sum equal to the nominal amount of the shares redeemed should be transferred to a reserve fund, to be called the Capital Redemption Reserve Account;
(v) the provisions of the Companies Act, 2013 relating to the reduction of the share capital of the Company shall, except as provided under Section 55 of the Companies Act, 2013, apply as if such reserve account were paid-up share capital of the Company.

General Meetings of Shareholders

In accordance with Section 96 of the Companies Act, a company must hold its Annual General Meeting each year within 15 months of the previous Annual General Meeting or within six months after the end of each accounting year, whichever is earlier, unless extended by the Registrar of Companies at the request of a company for any special reason. Every member of a company shall be entitled to attend every general meeting either in person or by proxy, and the auditor of a company shall have the right to attend and to be heard at any general meeting on any part of the business which concerns him as auditor. The Board may convene an extraordinary general meeting of shareholders when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than 10% of the issued paid-up capital of a company in accordance with Section 169 of the Companies Act.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders in the case of an Annual General Meeting, and from shareholders holding not less than 95% of the paid-up capital of a company, in the case of any other

general meeting. A document may be served by a company on any member thereof and the notice of every meeting of a company shall be given to every member in any manner authorized by and as provided in sections 53 and 172 of the Companies Act. The accidental omission to give notice of any meeting to or the non receipt of any notice by the member or other person to whom it should be given shall not invalidate the proceedings at the meetings. Currently, our Company gives written notices to all members and, in addition, gives public notice of general meetings of shareholders in a daily newspaper of general circulation in Maharashtra. General meetings are held in Mumbai, Maharashtra.

A Company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, buy-back of shares under the Companies Act, giving loans or extending guarantees in excess of limits prescribed under the Companies Act, and Regulations issued there under, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the general meeting of our Company. If the resolution is assented to by a requisite majority of shareholders by means of a postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

Voting Rights

Subject to the provisions of the Companies Act and the Articles, votes may be given either personally or by proxy, or in the case of a body corporate, a duly authorised representative under Section 113 of the Companies Act. At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Before, or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting by his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the persons or person as may be provided by the Companies Act. This demand for a poll may be withdrawn at any time by the persons or person who made that demand. A poll demanded on any other question (not being a question relating to the election of the Chairman) shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairman may direct. The Chairman shall be sole judge for the validity of both a vote on a show of hands as well as a vote on a poll. The Chairman of the meeting has a casting vote. A proxy may not vote the shares except on a poll. Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. The Companies Act provides that to amend the Articles a special resolution is required to be passed in a general meeting. Certain instances, including dissolutions, merger or consolidation of a company, transfer of the whole or a significant part of the business of a company to another company or taking over the whole of the business of any other Company and, in any case where shareholding of public financial institutions and banks exceeds 25%, appointment of statutory auditors, require a special resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the articles of a company. Any member entitled to vote at a meeting of a company is entitled to appoint another person as his proxy to attend and vote on a poll instead of himself, but a proxy so appointed does not have the right to speak at the meeting. Every notice convening a meeting of a company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy and that the proxy need not be a member of a company. The instrument appointing a proxy is required to be lodged with a company at least 48 hours before the time of the meeting in accordance with Schedule IX of the Companies Act as far as possible. Every member who is entitled to vote at the meeting shall be entitled from a period begining 24 hours prior to the time fixed for the meeting and concluding at the end of the meeting, to inspect the proxies lodged at the meeting during business hours, provided that three days' written notice is given to a company. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A shareholder which is a legal entity may appoint an authorised representative who can vote in all respects as if a member both on a show of hands and a poll. However, no member shall be entitled to vote at any general meeting either personally or by proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to a company in respect of any of the shares of such member or in respect of any shares on which a company has or had exercised any right of lien.

Register of Shareholders and Record Dates

A company is obliged to maintain a register of shareholders at its Registered Office in Mumbai, Maharashtra.

With the approval of its shareholders by way of a special resolution and with prior notice to the Registrar of Companies, Mumbai, a company may maintain the register of shareholders at some other place in the same city. The register and index of beneficial owners maintained by a depositary under the Depositories Act, 1996 is deemed to be an index of members and register and index of debenture holders. In the case of shares held in physical form, a company registers transfers of shares on the register of shareholders upon lodgment of the share transfer form duly complete in all respects accompanied by a share certificate or, if there is no certificate, the letter of allotment in respect of shares transferred, together with duly stamped transfer forms. In respect of electronic transfers, the depository is the registered owner in the books of that company and transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. Every person holding securities of a company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of that company. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares that are held by the depository. Transfer of beneficial ownership through a depository is exempt from any stamp duty but each depository participant may have its own depository charges. A transfer of shares by way of a stock transfer form attracts stamp duty at the rate of 0.25% of the transfer price.

For the purpose of determining the shareholders, the register may be closed for periods not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient in accordance with the provisions of the Companies Act. Under the listing agreements of the Stock Exchanges on which a company's outstanding Shares are listed, the company may, upon at least 15 days' advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed. Under the Companies Act, a company is also required to maintain a register of debenture holders.

Annual Report and Financial Results

The Annual Report must be laid before the Annual General Meeting. This includes certain financial information about a company such as the audited financial statements as of the date of closing of the financial year, a corporate governance section and management's discussion and analysis, and is sent to the shareholders of a company.

Under the Companies Act, a company must file the Annual Report with the Registrar of Companies within seven months from the close of the accounting year or within 30 days from the date of the annual general meeting, whichever is earlier. As required under the listing agreements with the Stock Exchanges, copies are required to be simultaneously sent to the Stock Exchanges. A company must also publish its financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of the company is situated.

Our Company files certain information on-line, including its Annual Report, six-month and quarterly financial statements and the shareholding pattern statement, in accordance with the requirements of the listing agreements and as may be specified by the SEBI from time to time.

Transfer of Shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownerships of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with National Securities Depository Limited and the Central Depository Services India Limited.

The SEBI requires that a company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. A company shall keep a book called the register of transfer in which every transfer or transmission of shares will be entered.

The shares are freely transferable, subject only to the provisions of the Companies Act, under which, if a transfer of shares contravenes the SEBI provisions or the regulations issued under it, or the Sick Industrial Companies (Special Provisions) Act, 1985 ("**SICA**"), or any other similar law, the Company Law Board may, on an application made by a Company, a depository incorporated in India, an investor, the SEBI or other parties, direct a rectification of the register of members. If a Company without sufficient cause refuses to register a transfer of shares within two months from the date on which the instrument of transfer is delivered to that company, the transferee may appeal to the Indian Company Law Board seeking to register the transfer of equity shares. The Company Law Board may, in its discretion, issue an interim order suspending the voting rights attached to the relevant equity shares before completing its investigation of the alleged contravention.

Under the Companies (Second Amendment) Act, 2002, the Indian Company Law Board will be replaced with the National Company Law Tribunal. Further, under the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, which is expected to come into force shortly, the SICA is sought to be repealed and the Board of Industrial and Financial Reconstruction, as constituted under the SICA, is to be replaced with the National Company Law Tribunal.

Pursuant to the listing agreements, in the event a company has not effected the transfer of shares within one month or where the company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, the company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

The Companies Act provides that the shares or debentures of a publicly listed Company shall be freely transferable. However, the Board may, subject to Section 111 of the Companies Act, at any time in their absolute and uncontrolled discretion by giving reasons decline to register shares. However, this may not be done on the grounds that the transferor is indebted to the company on any account whatsoever. Notice of such refusal must be sent to the transferee within two months of the date on which the transfer was lodged with the company.

A transfer may also be by transmission. Subject to the provisions of the company's Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article, or his title, as the Board thinks sufficient, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer contained in the Articles, transfer such shares.

Acquisition by a company of its own Shares

A company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75% of its shareholders, voting on the matter in accordance with the Companies Act and sanctioned by the High Court of Judicature in the city where the company's registered office is located. Subject to certain conditions, a Company is prohibited from giving, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person for any shares in the company or its holding company. However, pursuant to the Companies Act by way of Section 77A, 77AA and 77B, a company has been empowered to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

(i) the buy-back should be authorised by the Articles of Association of the company;
(ii) a special resolution has been passed in the general meeting of the company authorising the buy-back;
(iii) the buy-back is limited to 25% of the total paid-up capital and free reserves;
(iv) the debt owed by the company is not more than twice the capital and free reserves after such buy-back; and
(v) the buy-back is in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulation, 1998.

The condition mentioned above in (ii) would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and

physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back and to issue securities for six months. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the Board, as the case may be.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by trustees of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act.

Liquidation Rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of a winding-up of the company, the holders of the shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of the winding-up. In case assets available are insufficient to repay the whole of the paid up capital, the assets shall be so distributed such that the losses are borne to the extent possible by the shareholders in the ratio of capital contributed. In case any of the shares involve a liability to call or otherwise, any person may, within ten days after the passing of the resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

The division of assets on winding up, if thought expedient, may subject to the provisions of the Companies Act, be otherwise than in accordance with the legal rights of the contributories (except when unalterably fixed by the Memorandum) and in particular, any class may be given preferential or special rights which may be excluded altogether or in part but any contributory who is prejudiced by the same would have a right to dissent and possess ancillary rights as though such determination were a special resolution under Section 494 of the Companies Act.

TAXATION ASPECTS RELATING TO THE INSTRUMENT

To
The Board of Directors
J. Kumar Infraprojects Limited
16-A, Andheri Industrial Estate
Veera Desai Road
Andheri West
Mumbai - 400058

Date: July 14, 2014

Dear Sirs

Statement of possible tax benefits available to J. Kumar Infraprojects Limited and its shareholders

We hereby confirm that the enclosed Annexure, prepared by J. Kumar Infraprojects Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income- tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 presently in force in India and the Gift Tax Act, 1958 (is abolished, not presently in force). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on the business imperatives, the Company or its shareholders may or may not fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
We do not express and opinion or provide any assurance as to whether:

1. the Company or its shareholders will continue to obtain these benefits in future; or

2. the conditions prescribed for availing the benefits, where applicable, have been/would be met.

For Gupta Saharia & Co.

Chartered Accountants
Firm Registration No. 103446W

Pawan Gupta
Partner
Membership No. 071471
Mumbai,
Date: July 14, 2014

A(i) Special tax benefits available to the Company under the Income Tax Act, 1961 ('the Act')

There are no company specific special tax benefits available to the Company. Tax benefits mentioned below in A (ii) are general tax benefits available to all the companies subject to fulfillment of specified conditions.

A(ii) General Benefits available to the Company under the Act:

1. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received by the Company from another domestic company/ companies is exempt from income-tax.

   However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions of section 14A read with Rule 8D of the Income-tax Rules, 1962 ("the IT Rules").

   Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months (in case of shares) or nine months (in case of units) respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

2. Further, as per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

3. By virtue of section 10(35) of the Act, the following income shall be exempt in the hands of the company:

   (a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
   (b) Income received in respect of units from the Administrator of the "specified undertaking";or
   (c) Income received in respect of units from the "specified company".

   However this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be. For this purpose:

   (i) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.
   (ii) "Specified Company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

   However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions of section 14A read with Rule 8D of the Income-tax Rules, 1962 ("the IT Rules").

4. As per the provisions of section 10 (38) of the Act, the long term capital gains (gain arising on transfer of long term capital asset) arising to the Company from the transfer of shares or a unit of a equity oriented fund, where the transaction of sale of such share or unit is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax, will be exempt from tax in the hands of the Company. The equity shares or units of an equity oriented fund are treated as long term assets if it is held for a period of more than 12 months prior to the date of transfer.

   However the income by way of long-term capital gain of a company shall be taken into account in

computing the book profit and income-tax payable under section 115JB of the Act.

For this purpose 'Equity Oriented Fund' means a fund:

(a) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of such fund; and
(b) which has been set up under a scheme of Mutual Fund specified under clause (23D) of section 10.

For this purpose, the percentage of equity share holding shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

5. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains, if any, will be treated as long-term capital gains and the gains will be calculated by deducting from the gross consideration, the indexed cost of acquisition and indexed cost of improvement. The indexed cost of acquisition / improvement refers to the cost of acquisition / improvement adjusted by the cost of inflation index, as prescribed from time to time.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains not covered under section 10(38) of the Act] arising on the transfer of a long-term capital asset will be exempt from tax subject to the limit of ₹ 50 lakhs in a year if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer.

For the above purposes a "long term specified asset" inter-alia means any bond, redeemable after three years and issued on or after the first day of April 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

7. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains [not covered under section 10(38) of the Act], arising on transfer of shares/ units, shall be taxed at a rate of 20% (plus applicable surcharge and education cess). The tax shall however, not exceed 10% (plus applicable surcharge and education cess) without indexation, if the transfer is made of a listed security or unit or zero coupon bond.

8. The long term capital gains on transfer of assets other than shares/ units shall be chargeable to tax at the rate of 20 percent (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition /improvement.

Where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such long term capital gains.

9. As per the provisions of section 111A of the Act the short term capital gains arising from the transfer of equity shares or unit of an equity oriented fund, where the transaction of sale of such share/ unit is entered into in a recognized stock exchange in India and chargeable to Securities Transaction Tax will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess).

Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such short term capital gains.

For the purpose of this section, equity oriented fund shall have meaning as assigned to it in explanation to section 10(38).

10. Under section 32 of the Act, the Company is entitled to claim depreciation, subject to conditions specified therein, at the prescribed rate on its specified assets used for its business.

The unabsorbed depreciation shall be carried forward for set off in subsequent years without any time limit

11. As per section 35(2AB), the Company can claim 200% of expenditure incurred on scientific research (not being expenditure in the nature of cost of any land or building), on in-house research and development facility as approved by the prescribed authority.

12. Under section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, by way of amortisation over a period of 5 successive years, begining with the previous year in which the business commences or after the commencement of its business in connection with the extension of its industrial undertaking or in connection with setting up a new industrial unit, subject to the stipulated limits.

13. As per provisions of section 35DDA of the Act, where the company makes payment to an employee in connection with his voluntary retirement of services, it shall be allowed a deduction of an amount equal to one-fifth of such payment for each of the five successive previous years begining with the previous year in which the payment has been made.

14. The amount of tax paid under section 115JB by the Company for any assessment year commencing from 01 April 2006 and any subsequent assessment year, will be available as credit to the extent specified in section 115JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA of the Act.

15. As per section 70 of the Act, short-term capital loss can be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains.

Long term capital loss suffered during the year can be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains

16. Section 72 of the Act provides that the business loss for any assessment year, to the extent not set off against income under any head of income in the said year, could be carried forward for eight assessment years (immediately following the assessment year for which the loss was first computed) for claiming set off against the profits and gains of business or profession of subsequent years. Unabsorbed depreciation, if any, for any assessment year can be carried forward and set off against any source of income of subsequent assessment years as per section 32 of the Act.

17. Under section 79 of the Act, the carry forward and set off of business losses of a listed company would not be impacted on a change in shareholding pattern of the company.

A(iii) Tax Rates

18. The normal tax rate applicable to the Company is 30%. Minimum alternate tax (MAT) rate applicable to the company is 18.5%

Surcharge at the rate of 5% is applicable, if the total income exceeds ₹ 1 Crore but does not exceed ₹ 10 Crores.

Surcharge at the rate of 10% is applicable, if the total income exceeds ₹ 10 Crores. Education cess of 3% is chargeable on tax plus surcharge.

A(iv) Dividend distribution tax ("DDT")

19. Tax on distributed profits of domestic companies is charged at 15% (plus applicable surcharge and education cess)

As per sub section (1A) to section 115-O, the domestic company will be allowed to set off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the DDT if:

a. the dividend is received from its subsidiary;
b. where such subsidiary is a domestic company, the subsidiary has paid dividend distribution tax under section 115-O on such dividend; or
c. where such subsidiary is a foreign company, the tax is payable by the domestic company under section 115BBD on such dividend.

Also, the same amount of dividend shall not be taken into account for reduction more than once.

For the purpose of this sub section, a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

B Benefits available to the shareholders of the Company under the Act:

B(i) Special Tax Benefits available to Shareholders of the Company

There are no special tax benefits available to the members of the Company.

B(ii) General Tax Benefits available to Resident Shareholders

20. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions section 14A read with Rule 8D of the IT Rules.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt.

21. As per the provisions of section 10(38) of the Act any Long Term Capital Gains arising from the transfer of shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax, will be exempt from tax. The equity shares or units of an equity oriented fund are treated as long term assets if it is held for a period of more than 12 months prior to the date of transfer.

However, the income by way of Long Term Capital Gains of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.

22. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains, if any, will be treated as long-term capital gains and the gains will be calculated by deducting from the gross consideration, the indexed cost of acquisition and indexed cost of improvement. The indexed cost of acquisition / improvement refers to the cost of acquisition/ improvement adjusted by the cost of inflation index, as prescribed from time to time.

23. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains [not covered under section 10(38) of the Act], arising on transfer of shares/ units, shall be taxed at a rate of 20% (plus applicable surcharge and education cess). The tax shall however, not exceed 10% (plus applicable surcharge and education cess) without indexation, if the transfer is with respect to a listed security or unit or zero coupon bond.

24. In case of an individual or a Hindu Undivided Family, where the total taxable income as reduced by

the long term capital gains is less than the basic exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subject to tax in accordance with the proviso to sub section (1) of section 112 of the Act.

25. As per section 54EC of the Act and subject to the conditions and to the extent specified therein,

long-term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of a long-term capital asset will be exempt from tax subject to the limit of ₹ 50 lakhs in a year if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer.

For the above purposes a "long term specified asset" inter-alia means any bond, redeemable after three years and issued on or after the first day of April 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

26. As per the provisions of section 54F of the Act, long term capital gains [not covered under section 10(38)] arising on transfer of shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

27. Short-term capital gains arising on transfer of the shares (i.e. held for less than 12 months) of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) as per the provisions of section 111A of the Act, if securities transaction tax is chargeable on such transaction. In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

28. The short-term capital gains accruing to the shareholders of the Company on transfer of the shares of the Company otherwise than as mentioned in Paragraph 27 above shall be chargeable to the capital gains tax at the normal tax rate applicable.

29. As per section 70 of the Act, Short Term Capital Loss suffered during the year is allowed to be set-off against short term as well as Long Term Capital Gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long Term Capital Loss suffered during the year is allowed to be set-off against Long Term Capital Gains only. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' Long Term Capital Gains only.

30. Where the business income of an assessee includes profits and gains of business arising from transactions on which securities transaction tax has been charged, such securities transaction tax shall be deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.

B(iii) Tax Rates of Resident Shareholders:

31. (i) Individuals, HUFs, BOI and Association of Persons:

The income tax exemption limit for the assessment year 2014-15 is ₹ 2,00,000/

(ii) *Senior Citizens:*

a) For individual residents of India above the age of 60 years but below 80 years, the income tax exemption limit for the assessment year 2014-15 is ₹ 2,50,000

b) For individual residents of India above the age of 80 years, the income tax exemption limit for the assessment year 2014-15 is ₹ 5,00,000

Surcharge at the rate of 10% is applicable, if the total income exceeds ₹ 1 Crore.

Education cess is 3% for all the above categories.

B(iv) General Tax Benefits available to Non-resident Indians / Non residents shareholders (Other than FIIs)

32. Under section 10(34) of the Act, any income by way of dividends referred to in section 115 Or received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions of section 14A read with Rule 8D of the IT Rules.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent of dividend income on such shares is claimed as tax exempt.

33. As per section 10(38) of the Act, long term capital gains arising to the shareholder from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of shareholders. However, the said exemption will not be available to a member being a company while computing the book profit and the tax payable under section 115JB of the Act.

34. In accordance with, and subject to section 48 of the Act, capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares of the Company.

35. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund, will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), if securities transaction tax is chargeable on such transaction.

36. Under section 112 of the Act, long term capital gains [not covered under section 10(38) of the Act], arising on transfer of shares/ units, shall be taxed at a rate of 20% (plus applicable surcharge and education cess). The tax shall however, not exceed 10% (plus applicable surcharge and education cess) without indexation, if the transfer is with respect to a listed security or unit or zero coupon bond.

37. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax subject to the limit of ₹ 50 lakhs in a year if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer.

For the above purposes a "long term specified asset" inter-alia means any bond, redeemable after three years and issued on or after the first day of April 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

38. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, with in a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for

construction of a residential house within three years after the date of transfer.

39. As per Section 70 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

40. The tax rates and consequent taxation mentioned below will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Double Taxation Avoidance Agreement ("DTAA") to the extent they are more beneficial to the non-resident. The Tax Treaty benefits could be availed subject to compliance with the prescribed conditions under the Act.

41. Besides the above benefits available to non-residents, Non-Resident Indians (NRIs) have the option of being governed by the provisions of Chapter XII-A of the Act which *inter alia* entitles them to certain benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.

42. As per section 115A of the Act, where the total income of a Non-resident (not being a company) or of a foreign company includes dividends (other than dividends referred to in section 115O of the Act), tax payable on such income shall be aggregate of amount of income-tax calculated on the amount of income by way of dividends included in the total income, at the rate of 20 per cent (plus applicable surcharge and education cess).

43. In accordance with section 115E of the Act, income from investment or income from long- term

capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus applicable surcharge and education cess). Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the Act), shall be chargeable at 10% (plus applicable surcharge and education cess).

44. In accordance with section 115F of the Act, subject to the conditions and to the extent specified therein, long-term capital gain arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not chargeable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset.

45. In accordance with section 115G of the Act, it is not necessary for a Non resident Indian to file a return of income under section 139(1) of the Act, if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Act.

46. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

47. In accordance with section 115-I of the Act, where a Non Resident Indian opts not to be governed by the provision of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

B(v) General Tax Benefits available to Foreign Institutional Investors (FIIs)

48. Under section 10(34) of the Act, any income by way of dividends referred to in section 115 O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions of section 14A read with Rule 8D of the IT Rules.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt.

49. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

50. Under section 115AD(1)(b)(iii) of the Act, income by way of long-term capital gains arising from the transfer of shares held in the Company not covered under Paragraph 50 above will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) without indexation benefit.

51. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

52. Under section 115AD(1)(b)(ii) of the Act, income by way of short- term capital gains arising from the transfer of shares held in the Company not covered under Paragraph 52 above will be chargeable to tax at the rate of 30% (plus applicable surcharge and education cess).

53. As per section 196D (2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

54. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII. The Tax Treaty benefits could be availed subject to compliance with the prescribed conditions under the Act.

55. As per section 70 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

56. Where the business income of an assessee includes profits and gains of business arising from transactions on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1) (xv) of the Act.

52. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax subject to the limit of ₹ 50 lakhs in a year if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer.

For the above purposes a "long term specified asset" inter-alia means any bond, redeemable after three

years and issued on or after the first day of April 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

B(vi) General Tax Benefits available to Mutual Funds

57. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received from a domestic company is exempt from income tax.

In view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions of section 14A read with Rule 8D of the IT Rules.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt.

58. Under section 10(23D) of the Act, any income of:

a. A Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;

b. Such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf will be exempt from income-tax.

B(vii) General Tax Benefits available to Venture Capital Companies / Funds

59. Any income received by venture capital companies or venture capital funds set up to raise funds for investment in a venture capital undertaking registered with the Securities and Exchange Board of India, subject to conditions specified in section 10(23FB) of the Act, is eligible for exemption from income-tax. However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipient.

60. As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to income which does not form part of the total income under this Act. Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

C Benefits available to the shareholders of the Company under the Wealth Tax Act, 1957

61. Shares of the company held by the shareholders will not be treated as an asset within the meaning of section 2 (ea) of the Wealth Tax Act, 1957. Hence, shares are not liable to wealth tax.

D Benefits available to the shareholders of the Company under the Gift Tax Act, 1958

62. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax under the Gift Tax Act, 1958. However, as per section 56(1)(vii)(c) of the Act, gift of shares to an individual or Hindu undivided family would be taxable in the hands of the donee as "Income From Other Sources" subject to the provisions of the Act.

Notes:

i. The above statement of possible direct tax benefits / consequences and sets out the possible tax benefits

available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

ii. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences and the tax benefits listed above are not exhaustive.

iii. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.

iv. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

v. In view of the individual nature of tax consequences, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its participation in the scheme.

vi. The enclosed statement does not incorporate the effect of the proposed Direct Taxes Code on the Company and its shareholders, as the Code has not yet been enacted.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings pending before relevant Courts/statutory authorities, including tax-related litigation and civil matters. Our Company does not expect these legal proceedings to have a material adverse impact on our business, results of operations and financial condition.
Following is a brief summary of the cases involving our Company and our Promoters as on date of this Placement Document.

I. *Proceedings involving our Company*

Proceedings against our Company

Motor Accidents Claims
A claim (Case no. 992/ 2006) under section 140 and 166 of the Motor Vehicles Act, 1988 ("**MVA**") against the Company and The New India Assurance Company Limited before the Motor Accidents Claim Tribunal, Thane ("**MACT**") has been filed by Mrs. Parvati Madhukar Shingade (wife of the deceased Mr. Madhukar Dagadu Shingade) and four other family members, arising out of the death of the deceased allegedly due to an accident with a truck being driven by an employee of our Company. The claimants have demanded compensation of ₹ 50,000 along with interest and costs, and any other relief deemed fit and proper.

Proceedings by our Company

Income Tax

In respect of the block assessment period of Assessment Year 2004-2005 to 2010-2011, an assessment order has been passed by the Assessing Officer. Our Company has paid the tax demanded for this period and has gone in appeal to the ITAT against the order of the Assessing Officer in respect of the period AY 2006-2007 to 2010-2011. A break up of the total tax liability of ₹ 568.72 lacs for which our Company has gone in appeal, is as follows:

(₹ in lacs)

Assessment Year	Demand Raised
Assessment Year 2006-2007	1.63
Assessment Year 2007-2008*	88.89
Assessment Year 20088-2009	56.21
Assessment Year 2009-2010**	(93.84)
Assessment Year 2010-2011	515.83
Total	**568.72**

** For AY 2007-2008 separate penalty proceedings has also been initiated under section 271(1)(c) of the IT Act. The same is pending.*

*** For AY 2009-10, our Company has received refund of ₹93.84 lacs from the Income Tax Authority and has further filed an appeal regarding the total income assessed by the Assessing officer for the AY.*

II. *Legal proceedings involving our Promoters*

Legal Proceedings by our Promoters

Our Promoter, Mr. Jagdishkumar Gupta has preferred an appeal before the Commissioner of Income Tax, Appeals against the order of Assessing Officer dated May 12, 2006 regarding imposition of a penalty of ₹ 1,80,000 for Assessment Year 2001-20012 under section 271 (1) (c) of the Income Tax Act. The penalty of ₹1,80,000 has been paid by Mr. Jagdishkumar M. Gupta, and an application to keep the penalty in abeyance has been made.

Legal Proceedings against our Promoters

NIL

III. ***Legal proceedings involving our Directors-NIL***

IV. ***Compounding Proceedings in the last three years immediately preceding the year of this Placement Document:***

Our Company, Company Secretary, Mr. Jagdishkumar Gupta, Mr. Kamal Gupta and Mr. Nalin Gupta had received various SCNs from the Registrar of Companies, Mumbai for alleged violation of certain provisions of the Companies Act, 1956, particulars of which are set out in the table below:

Sr No	Particulars of SCN	Particulars	Status
1.	SCN dated March 31, 2011 for alleged violation of section 176 of Companies Act, 1956	Statement in the notice of general meeting to the effect that a member entitled to attend and vote may appoint a proxy was not in bold letters as prescribed	Various joint applications have been made by our Company, Company Secretary and the Promoter directors on April 19, 2011 and May 10, 2011, and under section 621–A of the Companies Act 1956 to the Regional Director/ Company Law Board, Mumbai to make good the violation under various sections for compounding of the inadvertent violation of the different provision of Companies Act, 1956 as stated in the SCNs Thereafter the Regional Director/ Company Law Board by orders dated August 30, 2011 and August 26, 2011 and May 3, 2012 have compounded these violations under the various sections of the Companies Act, on payment of various compounding fees amounting to ₹ 3.41 lacs by our Company, Company Secretary and the Promoter directors. The same has been paid and the matter has been closed.
2.	SCN dated March 31, 2011cause for alleged violation of section 193 of Companies Act, 1956	Minutes books of Board and shareholder meetings of our Company not consecutively numbered	
3.	SCN dated March 31, 2011 for alleged violation of section 205 read with section 173 of Companies Act, 1956	Failed to make interim dividend into final dividend at the shareholders meeting	
4.	SCN dated March 31, 2011 for alleged violation of section 205 (2A) of Companies Act, 1956 r/w The Companies (Transfer of profits to Reserve) Rules 1975,	Failure to transfer certain amount to general reserve before declaring dividend for year 2007-08, 2008-09 and 2009-10	
5.	SCN dated March 31, 2011 for alleged violation of section 209 (3)(b) read with AS-15 of Companies Act, 1956	Failure of the Company to provide for liability of leave encashment in Fiscals 2008, 2009 and 2010, respectively, and for alleged failure to maintain financial accounts on accrual basis.	
6.	SCN dated March 31, 2011 for alleged violation of section 211	Non Compliance of Accounting standards in respect of published profit & loss account for year 2007 – 2008 Non Compliance of mandatory disclosures in	

	(3A) r/w AS 19 and part II Schedule VI of Companies Act, 1956	notes to accounts of annual report of year 2007-08, 2008-09, 2009-10	
7.	SCN dated March 31, 2011 for alleged violation of section 211 (3A) r/w AS 20 of Part II of Schedule VI	Non- Compliance of making basic and diluted EPS in or by way of notes to published profit & loss Account for year 2007-08	
8.	SCN dated March 31, 2011 for alleged violation of section 211 (3A) r/w AS 27	Non disclosure in Balance sheet as at March 31, 2008, March 31, 2009 and March 31, 2010 in their respective notes to account regarding countries of incorporation and aggregate amount of each of the assets, liabilities, income and expenses related to its interest in joint ventures	
9.	SCN dated March 31, 2011 for alleged violation of section 211 r/w Part I Schedule VI of Companies Act, 1956	Non disclosure as to whether the Sundary debts and/or Loans and advances are secured in the Balance Sheet of the Company as at March 31, 2008, Marc h 31, 2009 and March 31, 2010.	
10.	SCN dated March 31, 2011 for alleged violation of section 211 r/w Part II Schedule VI of Companies Act, 1956	Non segregation of amount incurred toward repair and maintenance in published Profit & Loss Accounts for year 2007-08, 2008-09 and 2009-10.	
11.	SCN dated October 10, 2011 for alleged violation of section 295 of Companies Act, 1956*	Financial accommodation by way of loan and advances in nature of loans to proprietary firm and private limited companies in which directors of company are interested and as proprietors and directors/members during year 2007-08 to 2009-10	
12.	SCN dated March 31, 2011, for alleged violation of section 297 of Companies Act, 1956	Company had entered into contracts for sale/purchase of goods/services with proprietary firms, relative of directors and private companies in which directors of the company are interested as directors/members and these transactions were put through during 2007-08 without approval of the Central Government	
13.	SCN dated March 31, 2011 how cause notice for alleged violation of section 301(2) of Companies Act, 1956	Failure to place the prescribed documents relating to interested directors before the Board at the time of Board meeting	

** The CLB had also ordered the Promoter directors to file a separate application for compounding application under section 283(1)(h) of the Companies Act which was filed by the Promoter directors in addition to various joint applications made under the other SCNs.*

Other Confirmations

There have been no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against any Promoter of the Company during the last three years immediately preceding the year of the circulation of this Placement Document.

Save and except as disclosed above there have been no other instances of compounding of offences, prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer

Save and except as disclosed above, there have been no other inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately proceeding the year of circulation of this Placement Document with respect to our Company.

There have been no material frauds committed against the Company in the last three years.

GENERAL INFORMATION

1. Our Company was incorporated as J. Kumar & Company (India) Private Limited on December 2, 1999. The name of our Company was further changed to "J. Kumar Infraprojects Private Limited" and later to "J. Kumar Infraprojects Limited" pursuant to conversion into a public limited company on January 31, 2007.

2. Our Company's current registered and corporate office is situated at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400058.

3. For the main objects of our Company, please refer to the Memorandum.

4. This Issue was authorized and approved by the Board of Directors on June 5, 2014 and approved by the shareholders by postal ballot on July 14, 2014.

5. Our Company has filed a copy of the Preliminary Placement Document with BSE and NSE, and has received in-principle approvals from BSE and NSE under Clause 24(a) of the Listing Agreement by their letters dated July 16, 2014.

6. Our Company prepared its audited financial information for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 and notes thereto, as contained herein in conformity with Indian GAAP, except as disclosed herein.

7. Except as disclosed in this Placement Document, there has been no significant change in our financial position since March 31, 2014, the date of our last audited financial results.

8. Our Statutory Auditors, Gupta Saharia & Co., Chartered Accountants have consented to the inclusion of their report in this Placement Document, which includes the audited financial information for the years ended March 31, 2014, March 31, 2013 and March 31, 2012.

9. Copies of our Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at our Registered Office between 11 am and 4 pm.

10. We have obtained all consents, approvals and authorizations required in connection with the Issue.

11. We confirm that we are in compliance with the minimum public shareholding requirements as required under the terms of the listing agreements with the Stock Exchanges.

12. Our Company and the GC- BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website www.jkumar.com, would be doing so at his or her own risk.

13. There have been no defaults by our Company in repayment of statutory dues, debenture and interest thereon, deposits and interest thereon or any loan from any bank or financial institution and interest thereon.

The Floor Price for the Issue is ₹ 309.98 per Equity Share of face value of ₹ 10 each. The Floor Price is calculated in accordance with Chapter VIII of the SEBI (ICDR) Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

FINANCIAL STATEMENTS

Financial Statements	Page No.
Audited financial statements for the year ended March 31, 2014	F-1-F-32
Audited financial statements for the year ended March 31, 2013	F-33-F-58
Audited financial statements for the year ended March 31, 2012	F-59-F-82

Independent Auditor's Report

To the Members of
J. Kumar Infraprojects Limited.

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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 Statements notified under the Companies Act, 1956 (the Act) . read with the General Circular 15/2013 dated 13th September , 2013 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 presentation and presentation of the financial statements that give a true and fair view and are free from material misstatement , whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing generally accepted in 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 misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2014;
b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central

Government of India in terms of sub-section (4A)of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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;
- 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;
- 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 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- On the basis of written representations received from the directors as at March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act.

For Gupta Saharia and Co.
Chartered Accountants
FRN: 103446W

Pawan Gupta
(Partner)
Membership No. : 071471

Place: Mumbai
Date: 20th May, 2014

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of Our Report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. **FIXED ASSETS**

(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable Intervals; which in our opinion is reasonable, having regard to size of the company and nature of its assets, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial part of its fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.

2. **INVENTORIES**

(a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. The frequency of the verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company has maintained proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. **LOANS AND ADVANCES**

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, 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. Consequently, the provisions of clauses (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (iii) (f)&(iii)(g) of paragraph 4 are not applicable to the company.

4. **INTERNAL CONTROL**

In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. **TRANSACTION WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT,1956**

(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Sec 301 of the Companies Act,1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. **DEPOSITS**

The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. **INTERNAL AUDIT**

As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. **COST RECORDS**

We have reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete. However, cost audit has been prescribed for RMC division of the company and cost audit has been conducted by the cost auditor.

9. **STATUTORY DUES**

According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, Employee State Insurance Scheme, Income tax, sales-tax, Service Tax, Excise duty, Custom duty, Cess and other statutory dues applicable to it and no undisputed amounts payable are outstanding as at March 31, 2014 for a period of more than six months from the date when they became payable.

As informed to us the company is having disputed Statutory liabilities as below:

Nature of Dues	Assessment Year	Amount (₹ in lacs)	Forum where disputes is pending
Income Tax	2004-05 to 2010-11	569.18	Income Tax Appellate Tribunal (Mumbai)

10. **NETWORTH/CASH LOSS**

The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. **REPAYMENT OF DUES**

Based on our audit procedures and on the information and explanations given to us, we are of the opinion

that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12. **ADVANCE AGAINST SHARES**

According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. **CHIT FUND/NIDHI FUND**

In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/ society.

14. **TRADING IN SHARES,SECURITIES, DEBENTURES AND OTHER INVESTMENTS**

According to the information and explanation given to us, the Company is not dealing or trading shares, securities, debentures and other investments.

15. **GUARANTEES**

According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institution.

16. **TERM LOANS**

According to the information and explanations given to us the Company has applied the term loans applied for the purpose for which the same was obtained.

17. **SOURCE AND APPLICATION OF FUNDS**

Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. **PREFERENTIAL ALLOTMENT OF SHARES TO PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTION 301 OF THE COMPANIES ACT, 1956 AND RAISING OF FUNDS THROUGH QUALIFIED INSTIUTIONAL PLACEMENT**

Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. **MISCELLANEOUS**

a) The Company has no outstanding debentures during the period under audit.

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

c) Based on the audit procedures performed and the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Gupta Saharia and Co.
Chartered Accountants
FRN: 103446W

Pawan Gupta
(Partner)
Membership No. : 071471

Place: Mumbai
Date: 20th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2	2,780.12	2,780.12
	(b) Reserves and surplus	3	54,748.63	47,563.33
2	**Share application money pending allotment**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	4	13,500.45	8,590.85
	(b) Deferred tax liabilities (Net)	5	705.81	513.55
	(c) Long-term provisions	6	59.55	16.39
4	**Current liabilities**			
	(a) Short-term borrowings	7	32,238.91	12,442.94
	(b) Trade payables		18,174.11	9,095.43
	(c) Other current liabilities	8	41,433.71	33,692.60
	(d) Short-term provisions	9	1,665.34	1,130.89
	TOTAL		**1,65,306.62**	**1,15,826.10**
II.	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	10		
	(i) Tangible assets		32,552.70	20,888.55
	(ii) Capital work-in-progress		17,521.35	10,125.09
	(b) Non-current investments	11	229.25	9.50
	(c) Long Term Loans and Advances			
	(d) Other non-current assets	12	14,142.61	11,926.68
2	**Current assets**			
	(a) Inventories	13	56,580.59	39,495.56
	(b) Trade receivables	14	13,197.61	11,470.89
	(c) Cash and Bank balance	15	12,124.23	11,186.84
	(d) Short-term loans and advances	16	14,204.76	7,886.02
	(e) Other current assets	17	4,753.51	2,836.97
	Significant Accounting Policies	1		
	TOTAL		**1,65,306.62**	**1,15,826.10**

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

(₹ in lacs)

	Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 1st March, 2013
I.	Revenue From Operations(gross)	18	1,18,712.64	1,00,112.95
	Less: Excise Duty		34.75	44.86
	Revenue From Operations(Net)		1,18,677.89	1,00,068.09
II.	Other income	19	1,081.27	885.37
III.	**Total Revenue (I + II)**		**1,19,759.16**	**1,00,953.46**
IV.	Expenses:			
	Cost of Raw materials consumed	20	80,088.17	74,298.90
	Changes in inventories of work in progress	21	(11,885.07)	(11,659.82)
	Employee benefits expense	22	7,730.30	4,735.04
	Finance costs	23	5,763.72	4,063.75
	Depreciation and amortization expense		3,476.02	2,441.06
	Other expenses	24	22,162.74	15,956.42
	Total expenses		**1,07,335.88**	**89,835.34**
V	**Profit before tax (III - IV)**		12,423.28	11,118.11
VI	Tax expense:			
	(1) Current tax		3,826.00	3,455.00
	(2) Deferred tax		192.26	88.83
VII	**Profit (Loss) for the period (V-VI)**		**8,405.02**	**7,574.29**
VIII	Earnings per equity share:	25		
	(1) Basic		30.23	27.24
	(2) Diluted		30.23	27.24
	Significant Accounting Policies	1		

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

(₹ in lacs)

PARTICULARS	2013 - 2014	2012 - 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item as per Statement of Profit and Loss	12,423.28	11,118.11
Adjustment for:		
Depreciation	3,476.02	2,441.06
Loss on Sale of Fixed Assets	-	0.08
Interest & Rent Received	(1,059.77)	(830.12)
Preliminary Expenses W/off	87.15	87.15
Provision for Gratuity	43.15	(68.61)
Unrealised Gain Due to Foreign Currency Fluctuation (Net)	29.68	(3.50)
Interest & Finance Charges paid	5,763.72	4,063.75
Operating Profit before Working Capital Changes	**20,763.22**	**16,807.92**
Adjustments for Changes in Working Capital		
Inventories	(17,085.03)	(11,965.93)
Trade Receivables	(1,726.73)	(2,586.35)
Short Term Loans and Advances	(6,409.30)	(2,701.57)
Other Current Assets	(1,916.54)	(200.37)
Other Non Current Assets	(2,303.08)	(2,898.04)
Trade Payable	9,078.67	4,033.37
Current Liabilities	365.10	13,661.90
Movement in Working Capital Limits	**(19,996.90)**	**(2,656.99)**
Cash Generated From Operations	766.32	14,150.93
Direct Taxes Refund/ (Paid) – Net	(3,289.77)	(4,172.31)
Net Cash From Operating Activities (A)	**(2,523.45)**	**9,978.62**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,142.63)	(8,647.14)
Increase in Capital Work in Progress	(7,396.26)	(4,148.79)
Purchase of Share	(219.75)	-
Sale of Fixed Assets	2.46	0.30
FDR with various Bank (Hypothecated)	(2,120.83)	(2,037.61)
Interest & Rent Received	1,059.77	830.12
Net Cash From Investing Activities (B)	**(23,817.25)**	**(14,003.12)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1,130.89)	(727.00)
Increase in Long Term Borrowing	12,255.93	5,359.98
Increase in Short Term Borrowing	19,795.97	1,216.56
Increase/ (Decrease) in Un-claim Dividend	(1.29)	0.02
Interest & Finance Charges Paid	(5,763.72)	(4,063.75)
Net Cash From Financing Activities (C)	**25,155.99**	**1,785.81**
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(1,184.70)	(2,238.68)

PARTICULARS	2013 - 2014	2012 - 2013
Cash and Cash Equivalent at the Beginning of the year	2,343.25	4,581.94
Cash and Cash Equivalent at the End of the year	**1,158.55**	**2,343.25**

Note: Previous year figures have been regrouped/reclassified wherever applicable

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1. **Corporate Information**

J. Kumar Infraprojects Limited (the Company) is a public Limited Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the two stock exchanges in India - BSE and NSE. The Company is engaged in execution of contracts of various infrastructure projects including Transportaion Engineering, Irrigation Projects, Civil Construction and Piling Work etc.:

2. **Basis of preparation of financial statements :**

The financial statements of J. Kumar Infraprojects Limited (the Company) have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the notified Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment.

The financial statements have been prepared under the historical cost convention, on accrual basis, on the principles of going concern. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. **Financial Statements - Presentation and Disclosures :**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Revised Schedule VI to the Companies Act, 1956 (“the Act”). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 “Cash Flow Statements”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Revised Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

Amounts in the financial statements are presented in Indian Rupees in lakhs [1 lakh = 0.10 million] rounded off to two decimal places in line with the requirements of Revised Schedule VI. Per share data are presented in Indian Rupees to two decimals places.

4. **Use of Estimates :**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognised in the period in which the results are known / materialized.

5. **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend is recognized as and when the right to receive payment is established by the Balance Sheet date.

The Company follows the percentage completion method as mentioned in Revised Accounting Standard (AS) 7 “Construction Contracts” on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of actual work done.

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

6. **Fixed Assets:**

(i) **Tangible Assets**

"Cost comprises cost of acquisition or construction of assets (excluding revalued assets) less accumulated depriciation and impairment losses if any including borrowing costs attributable to bringing the assets to their intended use."

(ii) **Capital Work in Progress**

Tangible assets under installation or under construction as at balance sheet date are shown as Capital work-in-progress.

7. **Depreciation:**

Depreciation is provided using the Written Down Value Method as per Schedule XIV of the Companies Act, 1956. Depreciation is provided prorata to the period of use on all addition except addition below ` 5,000/- which are depreciated at the rate of 100% in the year of purchase.

Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata up to the date on which such assets are sold, discarded or demolished

8. **Impairment of Assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired as per AS - 28 on “Impairment of Assets”. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit or loss.

During the year no assets were impaired

9. **Valuation of Inventories:**

Inventories are valued as follows:

Raw materials, components, stores and spares: Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost is determined on a FIFO basis and includes all applicable.

Contract work-in-progress: Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in progress comprises of construction cost and other directly attributable overhead valued at cost.

10. **Investments:**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties etc. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. However, all the investments are acquired in exchange of monetary assets.

Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in nature in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. None of the investements were disposed off during the year.

11. **Accounting for Taxes on Income:**

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rate as on the balance sheet date , to the extent the timing differences are expected to crystallise. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date. the company reaseesses recognised deferred tax assets and liabilities and recognises in recognised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation , as the case may be.

12. **Foreign Currency Translations:**

(i) Initial recognition : Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

(ii) Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported

using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Non -monetarry assets are carried at fair value.

(iii) Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange difference arising on long term foreign currency monetory items related to acquisition of fixed assets are added / deducted from the cost of asset.

13. **Borrowing Cost:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

14. **Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue, share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. **Provision:**

Provisions are recognised when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Provisions are not discounted to their present values and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

16. **Contingent Liabilities and Contingent Assets:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

17. **Segmental Reporting:**

As the Management information system of the Company recognises and monitors “Construction” as the only business segment, the accounting standards “Segmental Reporting” does not apply.

18. **Operating Lease:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

19. **Retirement and other employee benefits :**

(i) Retirement benefit in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss of the year when the contributions are due. The company has no obligation other than the contribution payable to the provident fund.

(ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(iii) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(iv) Leave encashment is paid to employees on annual basis and recognized as expenses when it is incurred

20. **Accounting for interests in Joint Ventures :**

Interests in joint ventures are accounted as follows:

Type of joint venture	Type of joint venture
Jointly controlled entities	(a) Unicorporated joint ventures:

"(i) Company’s share in profits or losses of unincorporated joint ventures is accounted on determination of the profits or losses by the joint ventures."

In respect of contracts executed in integrated joint venture under profit sharing arrangements, net investment in the joint venture is reflected as Current Assets.

21. **Cash and cash equivalents :**

Cash and cash equivalents for purpose of the cash flow statements comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

22. **Forward Exchange Contract**

The company has used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign rates fluctuations, and is not used by the company for trading or speculation purposes.

Buyers' Credit is not hedged by the Company as its exposure to the movements in foreign currency exchange rates is adjusted against inflows.

23. **Cash Flow Statement:**

"Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of :"

(i) Transactions of a non-cash nature

(ii) Any deferrals or accruals of past or future operating cash receipts or payments and

(iii) Items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

24. **Disclosure required pursuant to Accounting Standards – 28 "Impairment of Assets" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard - 28 on Impairment of Assets

25. **Directors Remuneration:**

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Mr. Jagdish Kumar Gupta	48.00	48.00
Mr. Kamal J. Gupta	42.00	42.00
Mr. Nalin J. Gupta	42.00	42.00
TOTAL	132.00	132.00

26. **Disclosure required pursuant to Accounting Standards – 22 "Accounting for Taxes on Income" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Deferred Tax Liabilities arise during the year		
Due to difference in Depreciation	192.26	88.83
Net Deferred Tax Liabilities	192.26	88.83
Balance Carried Forward to Balance Sheet	705.81	513.55
Charge to Profit and Loss Account	192.26	88.83

27. **Disclosure required pursuant to Accounting Standards – 7 "Construction Contract" prescribed by Companies (Accounting Standard s) Rules, 2006 is as follows:-**

(₹ in lacs)

No.	Particulars	2013 - 2014	2012 – 2013
1	Amount of contract revenue recognized as revenue in the period	1,14,593.48	95,472.13
2	Contract cost incurred and recognized Profits (less	83,320.15	72,923.64

No.	Particulars	2013 - 2014	2012 – 2013
	recognized losses) up to the reporting date.		
3	Advances received from customer for contract work	22,280.19	27,240.10
4	Amount of Retention	12,979.95	10,674.93
5	Gross amount due from customer for contract work	9,247.30	5,119.35

28. **Disclosure required pursuant to Accounting Standards – 15 "Employee Benefits" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

The Companies defined benefit plan consists of gratuity as per the Gratuity Act, 1972. Disclosure required as per Accounting Standard 15 in respect of defined benefit plan is as under:-

(₹ in lacs)

	Accounting Disclosures Statement Period of accounting	GRATUITY 01-04-2013 to 31-03-2014
I.	Assumptions as at	
	Mortality	IALM(2006-08)Ult
	Interest / Discount Rate	8.00%
	Rate of increase in compensation	10.00%
	Rate of return (expected) on plan assets	
	Employee Attrition Rate (Past Service (PS))	PS: 0 to 40: 30%
	Expected average remaining service	2.22
II.	Changes in present value of obligations	
	PVO at beginning of period	159.80
	Interest cost	12.88
	Current Service Cost	79.63
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Benefits Paid	-
	Actuarial (Gain)/Loss on obligation	(39.47)
	PVO at end of period	212.85
III.	Changes in fair value of plan assets	
	Fair Value of Plan Assets at beginning of period	146.47
	Expected Return on Plan Assets	9.89
	Contributions	-
	Benefit Paid	-
	Actuarial Gain/(Loss) on plan assets	-
	Fair Value of Plan Assets at end of period	156.36
IV.	Fair Value of Plan Assets	
	Fair Value of Plan Assets at beginning of period	146.47
	Actual Return on Plan Assets	9.89
	Contributions	-
	Benefit Paid	-
	Fair Value of Plan Assets at end of period	156.36
	Funded Status (including unrecognised past service cost)	(56.48)
	Excess of actual over estimated return on Plan Assets	-
V.	Experience History	31/03/2014
	(Gain)/Loss on obligation due to change in Assumption	(28.71)
	Experience (Gain)/Loss on obligation	(10.75)
	Actuarial Gain/(Loss) on plan assets	-
VI.	Actuarial Gain/(Loss) Recognized	

	Accounting Disclosures Statement Period of accounting	GRATUITY 01-04-2013 to 31-03-2014
	Actuarial Gain/(Loss) for the period (Obligation)	39.47
	Actuarial Gain/(Loss) for the period (Plan Assets)	-
	Total Gain/(Loss) for the period	39.47
	Actuarial Gain/(Loss) recognized for the period	39.47
	Unrecognized Actuarial Gain/(Loss) at end of period	-
VII.	Past Service Cost Recognised	
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Average remaining future service till vesting of the benefit	-
	Recognised Past service Cost- (non vested benefits)	-
	Recognised Past service Cost- (vested benefits)	-
	Unrecognised Past Service Cost- (non vested benefits)	-
VIII.	Amounts to be recognized in the balance sheet and statement of profit & loss account	
	PVO at end of period	212.84
	Fair Value of Plan Assets at end of period	156.36
	Funded Status	(56.48)
	Unrecognized Actuarial Gain/(Loss)	-
	Unrecognized Past Service Cost- non vested benefits	-
	Net Asset/(Liability) recognized in the balance sheet	(56.48)
IX	Expense recognized in the statement of Profit & Loss A/C	
	Current Service Cost	79.63
	Interest cost	12.88
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Unrecognised Past Service Cost- non vested benefits	-
	Expected Return on Plan Assets	(9.89)
	Net Actuarial (Gain)/Loss recognized for the period	(39.46)
	Expense recognized in the statement of P & L A/C	43.15
X	Movements in the Liability recognized in Balance Sheet	
	Opening Net Liability	13.33
	Expenses as above	43.15
	Contribution paid	-
	Closing Net Liability	56.48
XI	Revised Schedule IV	
	Current Liabilty	56.48
	Non Current Liabilty	156.36

29. **Working Capital Limits:**

The Company has taken Working Capital Limits against hypothecation of Stock and Book Debt under consortium agreement with several banks and Bank of India is a lead member, The details of security and limit is as follows:

Particulars	Working Capital Facility
Cash Credit	₹ 30,000 Lacs
BG Limit	₹ 75,000 Lacs
Principal Security	(a) Pari Passu first charge on Current Assets

Particulars	Working Capital Facility
	(b) Non Fund Based: Margin by way of Pledge of TDR @ 5% on Performance B.G. and 5% Cash
	(c) Margin on Financial B.G.
Collateral Security	(a) Pari Passu first charge by way of Legal mortgage of open plot at Thane admeasuring situated at survey no.144, H. No. Nil at village Chene, Taluka & District Thane.
	(b) Pari Passu first charge by way of Legal mortgage of unit no.14, in Andheri Industrial Premises C.H.S. in Amboli, Andheri (w), Mumbai. Estimated at ₹ 0.71 Crores.
	(c) Pari Passu first charge by way of hypothecation of unencumbered plant & machinery worth ₹ 3.62 Crores.
	(d) Pari Passu first charge by way of pledge of 40 Lacs company's shares from promoter's holding.
	(e) Exclusive charge – Pledge of TDR for ₹ 0.35 Crore.
Guarantor	Personal guarantees of Promoter Directors Jagdishkumar M. Gupta, Kamal J. Gupta, Nalin J. Gupta , Kusum J. Gupta and J. Kumar & Co.
Outstanding as on 31.03.2014	₹ 23,261.89 Lacs

30. **Other facilities provided by Bank**

The Company has taken Working Capital & Term Loans Limits for Project Finance under consortium agreement with several banks and YES Bank is a lead member, The details of security and limit is as follows:

Particulars	Working Capital Facility
Cash Credit	₹ 10,500 Lacs
BG Limit	₹ 32,500 Lacs
Term Loan / LC - Buyers' Credit	₹ 17,000 Lacs
Term Loan - ECB	₹ 5,000 Lacs
Principal Security	(a) Pari Passu first charge on Current Assets of the Project
	(b) Pari Passu first charge on Fixed Assets of the Project present and future
Collateral Security	(a) Personal Guarantee of Promoter Directors Mr. Jagdishkumar M Gupta and Mr. Nalin J. Gupta
Guarantor	
Outstanding Cash Credit as on 31.03.2014	₹ 4,739.22 Lacs
Term Loan as on 31.03.2014	₹ 18,049.44 Lacs

31. **Disclosure required pursuant to Accounting Standards – 18 "Related Party Disclosure" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
J. Kumar & Co.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	Jagdishkumar M. Gupta	Kusum J. Gupta	J. Kumar Software Systems (India) Private Limited

Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
Goldline Advertiser	J. Kumar – Chirag –Babulal (Consortium)	Kamal J. Gupta	Sonal K. Gupta	J. Kumar Minerals & Mines (India) Private Limited
	J. Kumar – Chirag -Navdeep (Consortium)	Nalin J. Gupta	Shalini N. Gupta	J. Kumar Developers Limited
	J. Kumar – Chirag - JEKIN (Consortium)		Govind Dabriwal	
	J. Kumar – Chirag - API (Consortium)			
	NCC - J. Kumar J.V.			
	Ameya Developers & J. Kumar (J.V.)			
	J. Kumar - Shiva Engineering Construction			
	J. Kumar - RPS J.V.			
	J. Kumar - Mukesh Brothers			
	J. Kumar R.K. Indra (Consortium)			
	J. Kumar PBA J.V.			
	J. Kumar - CRTG J.V.			
	J. Kumar - K.R. Construction			

Year Ended 2013 – 2014

(₹ in lacs)

Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
Remuneration Paid	-	-	132.00	-	-
Rent Paid	-	-	0.24	-	-
Contract Revenue	-	19,730.84	-	-	-
Dividend Paid	-	-	287.74	120.14	150.17
Membership Fees paid	-	-	9.46	-	-
Profit from JV	-	313.81	-	-	-
Sub Contract given	-	-	-	60.24	-
Capital Work in Progress	-	-	-	-	6,326.30

32. **Details of Investment purchased and redeemed during the year :-**

S.N.	Name of the fund	Opening balance as on 01.04.2013		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2014	
		No. of units	₹	No. of units	₹	No. of units	₹	No. of units	₹
1	HDFC	20,000	2,00,000	-	-	-	-	20,000	2,00,000

S.N.	Name of the fund	Opening balance as on 01.04.2013		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2014	
	Infrastructure Fund								
2	Kishan Vikas Patra	15	7,50,000	-	-	-	-	15	7,50,000
3	Indian Infotech & Software Ltd.	-	-	1,00,000	1,418,203	-	-	1,00,000	14,18,203
4	KDJ Holidayscapes and Resorts Ltd.	-	-	1,64,500	7,399,427	-	-	1,64,500	73,99,427
5	UNNO Industries Ltd.	-	-	5,55,830	1,31,57,514	-	-	5,55,830	1,31,57,514
	Total	**20,015**	**9,50,000**	**8,20,330**	**2,19,75,144**	**-**	**-**	**8,40,345**	**2,29,25,144**

33. **Quantitative Details:**

The Company is engaged in the business of Construction Contract. Such activity cannot be expressed in any generic unit .Hence, it is not possible to give the quantitative details of Sales and the information as required under revised schedule VI of the Companies Act, 1956.

34. **Disclosure required pursuant to Accounting Standards – 27 "Financial Reporting of Interest in Joint Venture" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

S. No.	Name of the Joint Venture	Name of the Venture Partner	Proportion of Our interest in JV	Country of Incorporation
1.	J. Kumar - Mukesh Brothers J.V.	M/s Mukesh Brothers	80%	India
2.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	M/s Chirag Construction Company	55%	India
3.	J. Kumar – Chirag - Babulal (Consortium)	M/s Babulal Uttamchand & Co. M/s Chirag Construction Company	51%	India
4.	J. Kumar – Chirag - Navdeep (Consortium)	M/s Navdeep Construction Company M/s Chirag Construction Company	51%	India
5.	J. Kumar – Chirag - API (Consortium)	M/s API Construction M/s Chirag Construction Company	51%	India
6.	J. Kumar – Chirag - JEKIN (Consortium)	M/s JKIN Enterprise M/s Chirag Construction Company	51%	India
7.	J. Kumar - RPS J.V.	M/s RPS Infraprojects Private Limited	51%	India
8.	NCC - J. Kumar J.V.	M/s NCC Ltd	50%	India
9.	Ameya J. Kumar Construction (J.V.)	M/s Ameya Developers Pvt. Ltd	50%	India
10.	J. Kumar-Shiva Engineering	M/s Shiva Engineering Construction	50%	India
11.	J. Kumar PBA J.V.	M/s PBA Infrastructure Limited	50%	India
12.	J. Kumar R.K. Indra (Consortium)	M/s Indra Construction Co. M/s Ramesh Kumar & Co.	50%	India
13.	J. Kumar - CRTG J.V.	China Railway No. 3 Group Co. Ltd.	74%	India

S. No.	Name of the Joint Venture	Name of the Venture Partner	Proportion of Our interest in JV	Country of Incorporation
14	J. Kumar - K. R. Construction	K. R. Construction	51%	India

In our opinion and according to the information and explanation given to us, contract which has been awarded in the name of Joint Venture were executed by the joint venture. The company neither deploys any of its assets nor it incurs any liabilities, it books only its share of profit as per JV agreements between the venture partners

35. In the opinion of the Management, the balance shown under Sundry Debtors and Loans & Advances have approximately the same realizable value as shown in accounts.

36. During the year 2013-14, the company has transferred ₹ 840.50 Lacs from Statement of Profit and Loss to General Reserve to comply with the provision under section 205(2) of the Companies Act 1956.

37. **Micro & Small Enterprises:**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

38. **Disclosure required pursuant to Accounting Standards – 19 "Accounting for Leases" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

The Company has taken various residential premises under cancellable operating leases.

(a) **Operating Lease Payment:**

Lease rental expense in respect of operating leases: ₹ 368.20 Lacs (P.Y. ₹ 163.18 Lacs)

(b) **Operating Lease Receivables:**

Lease rental income in respect of operating lease: ₹109.68 Lacs (P.Y. ₹ 94.58 Lacs)

39. The company's operations predominantly consist of construction activities. Hence there are no reportable segments under Accounting Standard-17 "Segment Reporting" during the year under report, the company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.

40. Figures of previous year have been regrouped / rearranged wherever necessary. All figures have been given in Rupess in lakhs.

41. Value of Imports calculated on CIF basis: ₹ 13,949.35 Lacs (P.Y. ₹ 4,455.45 Lacs)

42. **Forward Cover Contracts (Disclosure as required by AS - 11 The Effect of changes in Foreign Exchange Rates):**

The company has used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign rates fluctuations, and is not used by the company for trading or speculation purposes.

Buyers' Credit is not hedged by the Company as its exposure to the movements in foreign currency exchange rates is adjusted against inflows.

43. **Expenditure in Foreign Currency:**

(₹ in lacs)

Particulars	2013 - 14	2012 - 13
Import of Machinery	13,949.35	4,286.26
Import of Stores and Spares	-	169.19
Foreign Travel	19.69	18.19
Professional/ Consultancy Fees	87.46	48.82
Interest	1,020.99	457.04
Total	**15,077.49**	**4,979.50**

44.

Contingent Liabilities

Guarantee:

Outstanding Bank Guarantee as on 31st March, 2014 is ₹ 82,121.34 Lacs.

Letter of Credit

Outstanding Letter of Credit (L.C.) is ₹ 2,469.35 Lacs as on 31st March, 2014

Income Tax Assessment:

The Block assessment order under section 153 A has been completed and assessment order has been received and the total liability raised by the CIT (A) for the Assessment Year 2004 - 05 to 2010 - 11 is ₹ 569.18 lacs and the same has been paid by the company against which the company has gone in to appeal with Income Tax Appelate Tribunal.

NOTE 2: SHARE CAPITAL

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Authorised				
Equity Shares of ₹10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Issued ,Subscribed & fully Paid up				
Equity Shares of `10/- each	2,78,01,205	2,780.12	2,78,01,205	2,780.12
Total	**2,78,01,205**	**2,780.12**	**27,801,205**	**2,780.12**

1. The company has only one class of shares referred to as Equity Shares having a face value of ` 10/- each. Each Equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuring Annual General Meeting.

2. The company has not issued any bonus shares during the last five years immediately preceeding the balance sheet date.

3. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after disribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of number of shares outstanding is set out below:

Particulars	Equity Shares As at 31 March, 2014		Equity Shares As at 31 March, 2013	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	2,78,01,205	2,780.12	2,78,01,205	2,780.12
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	2,78,01,205	2,780.12	2,78,01,205	2,780.12

Below are the name of the shareholders holding more than 5% of Shares

Name of Shareholder	Equity Shares As at 31 March, 2014		Equity Shares As at 31 March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jagdishkumar Madanlal Gupta	53,91,525	19.39%	53,91,525	19.39%
J. Kumar Software Systems (I) Private Limited	32,95,977	11.86%	32,45,977	11.68%
Kusum Jagdish Gupta	14,24,510	5.12%	14,24,510	5.12%
Kamal Jagdish Gupta	14,22,500	5.12%	14,22,500	5.12%
Nalin Jagdish Gupta	14,07,000	5.06%	14,07,000	5.06%

NOTE 3: RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
a. Securities Premium Account		
Opening Balance	14,948.53	14,948.53
Add : Additions in current year	-	-
Closing Balance	14,948.53	14,948.53
b. General Reserve		
Opening Balance	5,154.25	4,396.82
Add : Current Year Transfer (Refer Note 36)	840.50	757.43
Closing Balance	5,994.74	5,154.25
c. Surplus as per statement of Profit and Loss		
Opening balance	27,460.56	21,774.59
Add : Profit / (Loss) for the current year	8,405.02	7,574.29
Amount available for appropriation	35,865.58	29,348.88
Less : Appropriation		
Transfer to General Reserve (Refer Note 36)	840.50	757.43
Proposed Dividends	1,042.55	973.04
Corporate tax on Proposed Dividend	177.18	157.85
Closing Balance	33,805.36	27,460.56
Total	**54,748.63**	**47,563.33**

NOTE 4: LONG TERM BORROWINGS

(₹ in lacs)

Particulars	Non - Current Portions		Current Maturity	
	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2014	As at 31 March, 2013
Secured Term Loans				
ECB Loan	5,531.56	4,804.85	2,689.42	1,040.70
Buyers Credit (Unhedged) (Refer Note.42)	7,058.16	2,464.80	6,489.77	434.96
HDFC Bank Loan	695.36	1,259.70	694.26	580.58
ICICI Bank Loan	215.37	61.50	101.73	81.40
	13,500.45	8,590.85	9,975.18	2,137.64
Unsecured Loan				
Tata Capital Ltd.	-	-	-	461.54
Total	**13,500.45**	**8,590.85**	**9,975.18**	**2,599.18**

1. ECB Loan of USD 10 Million from Standered Chartered Bank carries interest rate from 8.48% to 11.95% p.a. on fully hedged. The loans are repayable in 4 years in quarterely instalments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M. Gupta and Mr. Nalin J. Gupta.

2. ECB Loan of USD 7.90 Million from Standered Chartered Bank carries interest rate from 12.60% to 12.70% p.a. on fully hedged. The loans are repayable in 5 years in quarterely instalments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M.Gupta and Mr. Nalin J. Gupta.

3. Buyers Credit of USD 23.92 Million from Union Bank of India, Vijaya Bank, Standared Chartered Bank, Bank of Maharashtra and Dena Bank carries interest rate from 2.50% p.a. to 3.35% p.a. unhedged. The loans are repayable in 3 Years in Quarterly installment from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M. Gupta and Mr. Nalin J. Gupta.

4. Term Loan from HDFC Bank carries interest rate 10 % to 11% p.a. The loans are repayable in 36 months in monthly instalments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdishkumar M.Gupta.

5. Term Loan from ICICI Bank carries interest rate from 8.45% to 10.59% p.a. The loans are repayable in 29 months to 48 months in monthly instalments from the respective dates of disbursement of loans. The above loans are secured by hypothecation of Plant & Machinery.

6. Term Loan from Tata Capital Ltd. carries interest rate 13.75% p.a. The loans has been fully repaid during the year. The said loan is unsecured and backed by Personal gurantee of Mr. Jagdishkumar M.Gupta.

NOTE 5: Deferred Tax Liability

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Related to Fixed Assets		
Opening Balance	513.55	424.72
Addittion during the year (Refer Note no. 26)	192.26	88.83
Total	**705.81**	**513.55**

NOTE 6: LONG TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March, 2014	As a 31 March, 2013
(a) Provision for employee benefits		
Gratuity (Funded) (refer Note 28)	59.55	16.39
Total	**59.55**	**16.39**

NOTE 7: SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Loan repayable on Demand from Banks		
Secured		
Working Capital Loans From Consortium of Banks	28,001.10	3,602.05
Overdraft facility from Banks	4,237.81	4,249.88
FCNR Loan from Bank	-	4,500.00
Others	-	91.02
Total	**32,238.91**	**12,442.94**

1. Working Capital Loan (Cash credit) from banks under consortium limit is secured against hypothecation of stock and book debts and are backed by personal guarantee of promoters and details of security and limits (Refer Note No. 29 and 30).The interest rate from 12% to 13.50 % p.a. The loans are repayable on demand.

2. Overdraft from banks is secured against Fixed Deposit receipts and are backed by personal guarantee of promoters. The interest rate from 8% to 10.25% p.a.

3. Others: Buyers Credit of Euro 1,30,886 carries interest rate of 4.30% p.a. unhedged. The loan has been repaid during the year. The above loans are backed by personal guarantee of promoters.

NOTE 8 : OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Other Liability		
Current maturities of long term borrowings	9,975.18	2,599.18
(b) Other payables		
i) Security Deposits	2,470.14	1,206.69
ii) Unclaimed Dividend	5.03	3.74
iii) Salary and Employee Benefits	415.23	285.74
iv) Other Current Liabilities	27,615.25	28,931.33
v) Duties and Taxes	952.88	665.93
Total	**41,433.71**	**33,692.61**

NOTE 9: SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
i) Proposed Dividend	1,042.55	973.04
ii) Dividend Distribution Tax on Proposed Dividend	177.18	157.85
iii) Provision for Income Tax (Net of Advance Taxes)	445.61	-
Total	**1,665.34**	**1,130.89**

NOTE 10: Fixed Assets Depreciation Schedule (Companies Act, 1956)- forming part of the Balance Sheet as on 31st March 2014

(i) Tangible Assets (At Cost)

(₹ in lacs)

Name of Assets	Depreciation Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/2013	Additions	Deduction/ Adjustment	Total as on 31/03/2014	As on 01/04/2013	For The Year	Deduction	Upto 31/03/2014	As on 31/03/2014	As on 31/03/2013
Land and Building	0%	1,963.04			1,963.04	-	-	-	-	1,963.04	1,963.04
Computers	40%	288.56	73.03	-	361.59	156.86	68.64	-	225.50	136.09	131.70
Furniture	18.1%	585.44	181.50	-	766.94	189.57	93.60	-	283.17	483.77	395.87
Plant and machinery	13.91%	26,273.74	14,756.51	-	41,030.25	8,568.09	3,120.03	-	11,688.12	29,342.14	17,705.67
Vehicles	25.89%	978.98	131.60	2.88	1,107.70	286.69	193.76	0.42	480.03	627.67	692.30
Grand Total		30,089.76	15,142.63	2.88	45,229.51	9,201.21	3,476.02	0.42	12,676.81	2,552.70	20,888.55
Previous Year		21,443.34	8,647.14	0.72	30,089.76	6,760.46	2,441.06	0.34	9,201.18	20,888.55	

(ii) Capital Work in Progress (At Cost)

(₹ in lacs)

Name of Asset	As on 01/04/2013	Transferred to Fixed Asset	Addition During the year	As on 31/03/2014
Capital WIP	10,125.09	7,578.65	14,974.91	17,521.35
Previous Year	5,976.30	-	4,148.79	10,125.09

NOTE 11: NON CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
UNQUOTED		
HDFC Infrastructure Fund – Growth	2.00	2.00
(20,000 (P.Y. 20,000) Units of `10/- each)		
Kisan Vikas Patra	7.50	7.50
(15 (P.Y. 15) KVP of `50,000/- each)		
QUOTED		
Investment in Shares		
KDJ Holidayscapes and Resorts Limited	73.99	-
(1,64,500 (P.Y. Nil) Shares of ` 10/- each market value ` 45.25 per share)		
Unno Industries Ltd.(Shares of UNOINDL)	131.58	-
(5,55,830 (P.Y. Nil) Shares of ` 10/- each market value ` 19.75 per share)		
Indian Infotech and Software Ltd (Shares)	14.18	-
(1,00,000 (P.Y. Nil) Shares of ` 10/- each market value ` 6.48 per share)		
Total	**229.25**	**9.50**

Refer to Note 32 for quantitative details
11.1 Unquoted Investment Cost ₹ 9.50 lacs
11.2 Quoted Investment Cost ₹ 219.75 lacs Market Value ₹ 190.69 lacs

NOTE 12 : OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	87.15
Security Deposits	12,979.95	10,674.93
Other Deposits	1,162.66	1,164.60
Total	**14,142.61**	**11,926.68**

NOTE 13: INVENTORIES

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
a. Raw Materials and components (Valued at Cost or Market Price whichever is less)	13,035.70	7,835.74
b. Work-in-progress (Valued at Cost)	43,544.89	31,659.82
Total	**56,580.59**	**39,495.56**

NOTE 14: TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	12,205.15	10,381.90
Less: Provision for doubtful debts	-	-
	12,205.15	10,381.90
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	992.46	1,088.99
Less: Provision for doubtful debts	-	-
	992.46	1,088.99
Total	**13,197.61**	**11,470.89**

NOTE 15: CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Cash and Cash Equivalents		
Cash on hand	35.42	30.55
Balance with Banks		
Curent Accounts	1,123.12	2,312.71
Un - Claimed Dividend	5.03	3.75
	1,163.57	2,347.01
Other Bank Balances		
Fixed Deposit Receipts (FDR) with various banks- (Hypothecated)		
a) Margin money deposit against guarantees	5,862.20	4,286.83
b) FDR against Overdraft Facility	4,524.67	4,033.60
c) Margin money against Earnest Money Deposit	498.21	443.82
d) Other FDR	75.58	75.58
Total	**12,124.23**	**11,186.84**

NOTE 16: SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Advances recoverable in Cash or in Kind or for a value to be received	14,203.38	7,794.08
Advance Income Tax (Net of Provision)	-	90.56
Advance Fringe Benefit Tax (Net of Provision)	0.67	0.67
Advace Wealth Tax	0.71	0.71
Total	**14,204.76**	**7,886.02**

NOTE 17: OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Accrued Interest on Fixed Deposits	1,442.76	1,001.23
Duties and Taxes	2,173.76	799.87
Other Current Assets	1,136.98	1,035.87
Total	**4,753.51**	**2,836.97**

NOTE 18: REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2013 – 2014	2012 – 2013
Contract Revenue (Refer Note 27 (1))	1,14,593.48	95,472.13
Boring, Chiseling and Hiring Charges	1,980.41	2,089.16
Sales - Ready Mix Concrete	1,824.94	2,336.97
Profit from Joint Venture (Refer note no.31)	313.81	214.69
Total	**1,18,712.64**	**1,00,112.95**

Note 19: OTHER INCOME

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Interest on FDR	922.94	686.83
Interest Received from Others	27.15	48.70
Lease and License (refer to Note. 38 (b))	109.68	94.58
Miscellaneous Income	21.50	55.26
Total	**1,081.27**	**885.37**

Note 20: COST OF RAW MATERIALS CONSUMED

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Inventory at the beginning of the year	7,835.74	7,529.63
Add: Purchases during the Year	85,288.13	74,605.01
	93,123.87	82,134.63
Less: Inventory at the end of the year	13,035.70	7,835.74
Total	**80,088.17**	**74,298.90**

Note 21: CHANGES IN INENTORY OF WORK IN PROGRESS

(₹ in lacs)

Particulars	2013 - 2014	2012 – 2013
(Increase) / Decrease in Stock of Work-In-Progress		
Opening Stock of Work-In-Progress	31,659.82	20,000.00
Closing Stock of Work-In-Progress	(43,544.89)	(31,659.82)
Total	**(11,885.07)**	**(11,659.82)**

Note 22: EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Salary, Bonus & Gratuity	7,242.63	4,279.25
Leave Encashment	54.79	160.77
Provident Fund & Other Fund	192.27	127.90
Staff Welfare	240.60	167.13
Total	**7,730.30**	**4,735.04**

Note 23: FINANCE COSTS

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Bank Guarantee Commission and L.C Charges	319.37	613.48
Bank Interest	4,112.33	3,006.63
Interest on Term Loan	840.86	28.37
Financial and Other Charges	491.16	415.27
Total	**5,763.72**	**4,063.75**

Note 24: OTHER EXPENSES

(₹ in lacs)

Particulars	2013 - 2014	2012 - 2013
Other Direct Expenses		
Dewatering & Fabrication Charges	81.31	148.58
Royalty	168.88	151.70
Soil Excavation and Other Expenses	1,265.52	1,111.07
Water Charges	134.88	48.86
Construction Site Workers Wages and Others	11,609.85	7,985.46
Transport Charges	1,856.61	838.89
	15,117.06	**10,284.56**
Administration, Selling & Other Expenses		
Audit Fees	30.90	28.09
Insurance	408.01	274.32
Directors Remuneration (Refer note 25)	132.00	132.00
Directors Sitting Fees	2.70	2.82
Donation	63.48	70.22
Electricity Charges	1,184.72	779.10
General Expenses	99.44	509.27
Operating & Other Expenses	3,926.01	2,327.33
Preliminary Expenses w/o	87.15	87.15
Rates & Taxes	159.82	926.64
Rent Paid (Refer note no.38 (a))	368.20	163.18
Repairs & Maintenance		
- Plant & Machinery	185.72	98.82
- Others	87.40	53.21
Telephone Expenses	129.04	59.58
Traveling Expenses	181.10	160.11
	7,045.69	**5,671.86**
Total	**22,162.74**	**15,956.42**

24.1: Auditor Fees

(₹ in lacs)

Particular	2013 - 2014	2012 – 2013
Audit Fees	22.40	20.34
Taxation matter	4.00	3.50
For certification and other Services	4.50	4.25
Total	**30.90**	**28.09**

Note 25: Earnings Per Share
Calculation of Basic and Diluted EPS

Particular	2013 - 2014	2012 – 2013
Nominal Value of Shares per share	10.00	10.00
Weighed Average no. of equity shares outstanding during the year	2,78,01,205	2,78,01,205
PAT for the purpose of EPS (₹ in lacs)	8,405.02	7,574.29
EPS (Basic & Diluted)	**30.23**	**27.24**

Independent Auditor's Report

To the Members of
J. Kumar Infraprojects Limited.

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing generally accepted in 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 misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2013;
(b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A)of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by section 227(3) of the Act, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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;
- 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;
- In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub section(3C) of section 211 of the Companies Act, 1956;
- On the basis of written representations received from the directors as at March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Gupta Saharia and Co.
Chartered Accountants
FRN: 103446W

Pawan Gupta
(Partner)
Membership No. : 071471

Place: Mumbai
Date: 29th May, 2013

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of Our Report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1 **FIXED ASSETS :**

(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable Intervals; which in our opinion is reasonable, having regard to size of the company and nature of its assets, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial part of its fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.

2 **INVENTORIES :**

(a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. The frequency of the verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company has maintained proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3 **LOANS AND ADVANCES :**

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, 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. Consequently, the provisions of clauses 4 (iii) (b), (iii) (c) and (iii) (d) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

4 **INTERNAL CONTROL :**

In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5 **TRANSACTION WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT,1956 :**

(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) As per information and explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.

6 **DEPOSITS :**

The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7 **INTERNAL AUDIT :**

As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8 **COST RECORDS :**

We have reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed cost records have been maintained.

9 **STATUTORY DUES :**

According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, Employee State Insurance Scheme, Income tax, sales-tax, Service Tax, Excise duty, Custom duty, Cess and other statutory dues applicable to it and no undisputed amounts payable are outstanding as at March 31, 2013 for a period of more than six months from the date when they became payable

10 **NET WORTH/CASH LOSS :**

The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11 **REPAYMENT OF DUES :**

Based on our audit procedures and on the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12 **ADVANCE AGAINST SHARES :**

According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13 **CHIT FUND/NIDHI FUND :**

The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of clause (xiii) of para 4 of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14 **TRADING IN SHARES, SECURITIES, DEBENTURES AND OTHER INVESTMENTS :**

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15 **GUARANTEES :**

According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16 **TERM LOANS :**

According to the information and explanations given to us the Company has applied the term loans applied for the purpose for which the same was obtained.

17 **SOURCE AND APPLICATION OF FUNDS :**

Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18 **PREFERENTIAL ALLOTMENT OF SHARES TO PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTION 301 OF THE COMPANIES ACT, 1956 AND RAISING OF FUNDS THROUGH QUALIFIED INSTIUTIONAL PLACEMENT :**

Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19 **MISCELLANEOUS :**

(a) The Company has no outstanding debentures during the period under audit.

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

(c) Based on the audit procedures performed and the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Gupta Saharia and Co.
Chartered Accountants
FRN: 103446W

Pawan Gupta
(Partner)
Membership No. : 071471

Place: Mumbai

Date: 29th May, 2013

Balance Sheet as at 31st March, 2013

(₹ in lacs)

	Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	2,780.12	2,780.12
	(b) Reserves and surplus	2	47,563.33	41,119.94
2	**Share application money pending allotment**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	3	8,590.85	4,742.85
	(b) Deferred tax liabilities (Net)	4	513.55	424.72
	(c) Long-term provisions	5	16.39	85.00
4	**Current liabilities**			
	(a) Short-term borrowings	6	12,442.94	11,226.38
	(b) Trade payables		9,095.43	5,062.06
	(c) Other current liabilities	7	33,692.60	18,522.22
	(d) Short-term provisions	8	1,130.89	1,353.75
	TOTAL		**1,15,826.10**	**85,317.04**
II	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	9		
	(i) Tangible assets		20,888.55	14,682.87
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		10,125.09	5,976.30
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	10	9.50	9.50
	(c) Other non-current assets	11	11,926.68	9,115.80
2	**Current assets**			
	(a) Inventories	12	39,495.56	27,529.63
	(b) Trade receivables	13	11,470.89	8,884.54
	(c) Cash and Bank balance	14	11,186.84	11,387.93
	(d) Short-term loans and advances	15	7,886.02	5,093.89
	(e) Other current assets	16	2,836.97	2,636.60
	TOTAL		**1,15,826.10**	**85,317.04**
	Significant Accounting Policies and Notes to Financial Statements	24		

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

(₹ in lacs)

	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I	Revenue From Operations(gross)	17	1,00,112.95	93,186.76
	Less: Excise Duty		44.86	31.29
			1,00,068.09	93,155.47
II	Other income	18	885.37	672.59
III	**Total Revenue (I + II)**		**1,00,953.46**	**93,828.05**
IV	Expenses:			
	Cost of materials consumed	19	74,298.90	65,370.91
	Changes in inventories of work in progress	20	(11,659.82)	(6,900.00)
	Employee benefits expense	21	4,735.04	2,790.90
	Finance costs	22	4,063.75	3,661.84
	Depreciation and amortization expense		2,441.06	1,888.29
	Other expenses	23	15,956.42	16,898.14
	Total expenses		**89,835.34**	**83,710.08**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		11,118.11	10,117.97
VI	Exceptional items		-	-
VII	**Profit before extraordinary items and tax (V - VI)**		11,118.11	10,117.97
VIII	Extraordinary Items			-
IX	**Profit before tax (VII- VIII)**		11,118.11	10,117.97
X	Tax expense:			
	(1) Current tax		3,455.00	3,250.00
	(2) Deferred tax		88.83	61.41
XI	**Profit (Loss) for the period from continuing operations (IX-X)**		7,574.29	6,806.57
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		**-**	**-**
XV	**Profit (Loss) for the period (XI + XIV)**		**7,574.29**	**6,806.57**
XVI	Earnings per equity share:			
	(1) Basic		27.24	24.48
	(2) Diluted		27.24	24.48
	Significant Accounting Policies and Notes to Financial Statements	24		

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

(₹ in lacs)

PARTICULARS	2012 - 2013	2011 - 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item Statement of Profit and Loss	11,18.11	10,117.97
Adjustment for:		
Depreciation	2,441.06	1,888.29
Loss on Sale of Fixed Assets	0.08	-
Profit on Sale of Fixed Assets	-	(0.36)
Interest & Rent Received	(830.12)	(615.38)
Preliminary Expenses W/off	87.15	87.15
Provision for Gratuity	(68.61)	45.00
Unrealized Gain Due to Foreign Currency Fluctuation (Net)	(3.50)	-
Interest & Finance Charges paid	4,063.75	3,661.84
Operating Profit before Working Capital Changes	**16,807.92**	**15,184.51**
Adjustments for Changes in Working Capital		
Inventories	(11,965.93)	(11,906.90)
Trade Receivables	(2,586.35)	1,299.62
Short Term Loans and Advances	(2,701.57)	3,552.11
Other Current Assets	(200.35)	(1,032.81)
Other Non Current Assets	(2,898.04)	(2,456.22)
Current Liabilities and short term borrowings	20,420.31	10,600.01
Movement in Working Capital Limits	**68.07**	**55.81**
Cash Generated from Operations	16,875.99	15,240.32
Direct Taxes refund/ (paid) - net	(4,172.31)	(3,438.10)
Net Cash From Operating Activities (A)	**12,703.68**	**11,802.22**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,647.14)	(5,165.78)
Increase in Capital Work in Progress	(4,148.79)	-
Sale of Fixed Assets	0.30	2.25
Interest & Rent Received	830.12	615.38
Net Cash From Investing Activities (B)	**(11,965.51)**	**(4,548.15)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(727.00)	(729.49)
Increase in Long Term Borrowing	3,851.50	3,841.85
Interest & Finance charges paid	(4,063.75)	(3,661.84)
Net Cash From Financing Activities (C)	**(939.25)**	**(549.48)**
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(201.09)	6,704.59
Cash and Cash Equivalent at the Beginning of the year	11,387.93	4,683.34
Cash and Cash Equivalent at the End of the year	**11,186.84**	**11,387.93**

Note : Previous year Figures have been regrouped/reclassified wherever applicable.

Notes forming part of the Financial Statements

NOTE 1: SHARE CAPITAL

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Authorized				
Equity Shares of `10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Issued ,Subscribed & fully Paid up				
Equity Shares of `10/- each	2,78,01,205	2,780.12	2,78,01,205	2,780.12
Total	2,78,01,205	2,780.12	2,78,01,205	2,780.12

The company has only one class of shares referred to as Equity Shares having a face value of ₹ 10/- each. Each Equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of number of shares outstanding is set out below:

Particulars	Equity Shares As at 31 March, 2013		Equity Shares As at 31 March, 2012	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	2,78,01,205	2,780.12	2,78,01,205	2,780.12
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	2,78,01,205	2,780.12	2,78,01,205	2,780.12

Below are the name of the shareholders holding more than 5% of Shares

Name of Shareholder	Equity Shares As at 31 March, 2013		Equity Shares As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jagdishkumar Madanlal Gupta	53,91,525	19.39%	52,93,980	19.04%
J. Kumar Software Systems (I) Private Limited	32,45,977	11.68%	30,00,000	10.79%
Kusum Jagdish Gupta	14,24,510	5.12%	14,24,510	5.12%

Name of Shareholder	Equity Shares As at 31 March, 2013		Equity Shares As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kamal Jagdish Gupta	14,22,500	5.12%	1,322,500	4.76%
Nalin Jagdish Gupta	14,07,000	5.06%	1,307,000	4.70%

NOTE 2: RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
a. Securities Premium Account		
Opening Balance	14,948.53	14,948.53
Add : Additions in current year	-	-
Closing Balance	14,948.53	14,948.53
b. General Reserve		
Opening Balance	4,396.82	3,716.16
Add : Current Year Transfer	757.43	680.66
Less : Written Back in Current Year	-	-
Closing Balance	5,154.25	4,396.82
c. Surplus statement of Profit and Loss		
Opening balance	21,774.59	16,375.68
Add : Profit / (Loss) for the current year	7,574.29	6,806.57
Amount available for appropriation	29,348.88	23,182.25
Less : Appropriation		
Transfer to General Reserve	757.43	680.66
Proposed Dividends	973.04	625.53
Corporate tax on Proposed Dividend	157.85	101.48
Interim Dividends	-	-
Transfer to Reserves	-	-
Closing Balance	27,460.55	21,774.59
Total	**47,563.33**	**41,119.94**

NOTE 3: LONG TERM BORROWINGS

(₹ in lacs)

Particulars	Non - Current Portions		Current Maturity	
	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2013	As at 31 March, 2012
Secured Term Loans				
ECB Loan	4,804.85	4,214.55	1,040.70	-
Byers Credit	2,464.80	-	434.96	-
HDFC Loan	1,259.70	-	580.58	-
ICICI Bank	61.50	66.76	81.40	52.23
	8,590.85	**4,281.31**	**2,137.64**	**52.23**
Unsecured Loan				
Tata Capital Ltd.	-	461.54	461.54	1,038.47
Total	**8,590.85**	**4,742.85**	**2,599.18**	**1,090.70**

ECB Loan of USD 10 Million from Standard Chartered Bank carries interest rate from 8.50% to 11.20% p.a. on fully hedged. The loans are repayable in 4 years in quarterly installments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdish Kumar M. Gupta and Mr. Nalin J. Gupta.

ECB Loan of USD 2 Million from Standard Chartered Bank carries interest rate 12.70% p.a. on fully hedged. The loans are repayable in 5 years in quarterly installments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdish Kumar M.Gupta and Mr. Nalin J. Gupta.

Buyers Credit of USD 5.33 Million from Yes Bank carries interest rate 3.25% p.a. unhedged. The loans are repayable in 3 Years in Quarterly installment from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdish Kumar M.Gupta and Mr. Nalin J. Gupta.

Term Loan from HDFC Bank carries interest rate 10 % to 11% p.a. The loans are repayable in 36 months in monthly installments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of Mr. Jagdish Kumar M.Gupta.

Term Loan from ICICI Bank carries interest rate 8.45% p.a. The loans are repayable in 29 months in monthly installments from the respective dates of disbursement of loans. The above loans are secured by hypothecation of Plant & Machinery.

Term Loan from Tata Capital Ltd. carries interest rate 13.75% p.a. The loans are repayable in 18 months in monthly installments from the respective dates of disbursement of loans after considering moratorium period. The said loans are unsecured and backed by Personal guarantee of Mr. Jagdish Kumar M.Gupta.

NOTE 4: Deferred Tax Liability

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Related to Fixed Assets		
Opening Balance	424.72	363.32
Addition during the year	88.83	61.41
Total	**513.55**	**424.72**

Note 5: LONG TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Provision for employee benefits		
Gratuity (Funded)	16.39	85.00
(b) Others (Specify nature)	-	-
Total	**16.39**	**85.00**

Note 6: SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Working Capital Loans From Consortium of Banks	3,602.05	4,262.43
Overdraft facility from Banks	4,249.88	2,463.95
FCNR Loan from Bank	4,500.00	4,500.00
Others	91.02	-
Total	**12,442.94**	**11,226.38**

Working Capital Loan (Cash credit) from banks under consortium limit is secured against hypothecation of stock and book debts and are backed by personal guarantee of promoters and details of security and limits refer Note 24 The interest rate from 12% to 13.75 % p.a. The loans are repayable on demand.

Overdraft from banks is secured against Fixed Deposit receipts and are backed by personal guarantee of promoters. The interest rate from 8% to 10.25% p.a. The loans are repayable on demand.

FCNR Loan from Citi Bank carries interest rate from 12% to 12.20% p.a. on fully hedge. The loans are repayable in 1 year from the respective dates of disbursement of loans. The above loans are backed by personal guarantee of promoters for details of security and limits refer Note 24 (B) (8).

Others: Buyers Credit of Euro 1, 30,886 carries interest rate of 4.30% p.a. The loans are repayable to Yes Bank in 6 Month from the respective dates of disbursement of loans. The above loans are backed by personal guarantee of promoters for details of security and limits refer Note 24 (B) (8).

Note 7: OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Other Liability		
Current maturities of long term borrowings	2,599.18	1,090.70
(b) Other payables		
i) Security Deposits	1,206.69	971.35
ii) Unclaimed Dividend	3.74	3.76
iii) Salary and Employee Benefits	285.74	200.70
iv) Other Current Liabilities	28,931.32	15,647.82
v) Duties and Taxes	665.93	607.89
Total	**33,692.60**	**18,522.22**

Note 8: SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
i) Proposed Dividend	973.04	625.53
ii) Tax on Proposed Dividend	157.85	101.48
iii) Provision for Income Tax (Net of Advance Taxes)	-	626.75
Total	**1,130.89**	**1,353.75**

Note 9: FIXED ASSETS

(₹ in lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 01.04.2012	For the year	Deduction	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets (At Cost):										
Land and Building	281.74	1,681.30	-	1,963.04	-	-	-	-	1,963.04	281.74
Computers	200.10	89.18	0.72	288.56	101.97	55.23	0.34	156.86	131.70	98.13
Furniture and Fixture	370.01	215.43	-	585.44	131.42	58.15	-	189.57	395.87	238.59
Plant and Machinery	20,043.18	6,230.56	-	26,273.74	6,357.25	2,210.82	-	8,568.07	17,705.67	13,685.93
Vehicles	548.31	430.67	-	978.98	169.82	116.86	-	286.68	692.30	378.49
	21,443.34	**8,647.14**	**0.72**	**30,089.76**	**6,760.46**	**2,441.06**	**0.34**	**9,201.18**	**20,888.58**	**14,682.88**
Previous Year	16,281.56	5,165.78	4.00	21,443.34	4,874.28	1,888.29	2.11	6,760.46	14,682.88	

Note 10: NON CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
HDFC Infrastructure Fund – Growth	2.00	2.00
(20,000 (P.Y. 20,000) Units of `10/- each)		
Kisan Vikas Patra	7.50	7.50
(15 (P.Y. 15) KVP of ` 50,000 each)		
Total	**9.50**	**9.50**

Note 11: OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Miscellaneous expenditure (to the extent not written-off or adjusted)	87.15	174.30
Security Deposits	10,674.93	8,163.10
Other Deposits	1,164.60	778.40
Total	**11,926.68**	**9,115.80**

Note 12: INVENTORIES

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
a. Raw Materials and components (Valued at Cost or Market Price whichever is less)	7,835.74	7,529.63
b. Work-in-progress (Valued at Cost)	31,659.82	20,000.00
Total	**39,495.56**	**27,529.63**

Note 13: TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	10,381.90	7,996.08
Less: Provision for doubtful debts	-	-
	10,381.90	7,996.08
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,088.99	888.46
Less: Provision for doubtful debts	-	-
	1,088.99	888.46
Total	**11,470.89**	**8,884.54**

Note 14: CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Cash and Cash Equivalents		
Cash in hand	30.55	22.99
Balance with Banks		
Current Accounts	2,312.71	4,558.95
Un - Claimed Dividend	3.75	3.77
FDR to be matured within 3 months with various banks	-	510.11
	2,347.01	5,095.82
Other Bank Balances		
Fixed Deposit Receipts (FDR) with original maturity for more than 3 months with various banks		
a) Margin money deposit against guarantees	4,286.83	2,430.84
b) FDR against Overdraft Facility	4,033.60	3,459.87

Particulars	As at 31 March, 2013	As at 31 March, 2012
c) Margin money against Earnest Money Deposit	443.82	336.40
d) Other FDR	75.58	65.00
Total	**11,186.84**	**11,387.93**

Note 15: SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Advances recoverable in Cash or in Kind or for a value to be received	7,794.08	5,093.22
Advance Income Tax (Net of Provision)	90.56	-
Advance Fringe Benefit Tax (Net of Provision)	0.67	0.67
Advance Wealth Tax	0.71	-
Total	**7,886.02**	**5,093.89**

Note 16: OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Accrued Interest on Fixed Deposits	1,001.23	822.14
Duties and Taxes	799.87	813.53
Other Current Assets	1,035.87	1,000.93
Total	**2,836.97**	**2,636.60**

Note 17: REVENUE FROM OPERATIONS

(₹ In lacs)

Particulars	2012-2013	2011-2012
Contract Revenue	95,472.13	87,925.33
Boring, Chiseling and Hiring Charges	2,089.16	2,150.38
RMC Sales	2,336.97	2,913.70
Profit from Joint Venture	214.69	197.35
Total	**1,00,112.95**	**93,186.76**

Note 18: OTHER INCOME

(₹ In lacs)

Particulars	2012-2013	2011-2012
Interest on FDR	686.83	468.31
Interest Received from Others	48.70	114.08
Lease and License	94.58	32.99
Miscellaneous Income	55.26	57.21
Total	**885.37**	**672.59**

Note 19: COST OF RAW MATERIALS CONSUMED

(₹ In lacs)

Particulars	2012-2013	2011-2012
Inventory at the beginning of the year	7,529.63	2,522.72
Add: Purchases during the Year	74,605.01	70,377.82
	82,134.63	72,900.54
Less: Inventory at the end of the year	7,835.74	7,529.63
Total	**74,298.90**	**65,370.91**

Note 20: CHANGES IN INENTORY OF WORK IN PROGRESS

(₹ in lacs)

Particulars	2012-2013	2011-2012
(Increase) / Decrease in Stock of Work-In-Progress		
Opening Stock of Work-In-Progress	20,000.00	13,100.00
Closing Stock of Work-In-Progress	(31,659.82)	(20,000.00)

Particulars	2012-2013	2011-2012
Total	**(11,659.82)**	**(6,900.00)**

Note 21: EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	2012-2013	2011-2012
Salary, Bonus & Gratuity	4,279.25	2,483.14
Leave Encashment	160.77	83.57
Provident Fund & Other Fund	127.90	85.34
Staff Welfare	167.13	138.85
Total	**4,735.04**	**2,790.90**

Note 22: FINANCE COSTS

(₹ in lacs)

Particulars	2012-2013	2011-2012
Bank Guarantee Commission and L.C Charges	613.48	994.99
Bank Interest	3,006.63	2,113.97
Interest on Term Loan	28.37	1.89
Financial and Other Charges	415.27	550.99
Total	**4,063.75**	**3,661.84**

Note 23: OTHER EXPENSES

(₹ in lacs)

Particulars	2012-2013	2011-2012
Other Direct Expenses		
Dewatering & Fabrication Charges	148.58	15.89
Sub Contract and Labour Charges	197.04	5,402.30
Royalty	151.70	95.70
Soil Excavation and Other Expenses	1,064.93	600.05
Soil Investigation Charges	46.14	46.07
Water Charges	48.86	31.30
Construction Site Workers Wages	7,788.42	5,703.63
Transport Charges	838.89	765.84
	10,284.56	**12,660.78**
Administration, Selling & Other Expenses		
Insurance	274.32	194.59
Directors Remuneration	132.00	132.00
Directors Sitting Fees	2.82	1.20
Donation	70.22	33.30
Electricity Charges	779.10	383.81
General Expenses	509.27	260.22
Operating & Other Expenses	2,355.42	1,111.49
Preliminary Expenses w/o	87.15	87.15
Rates & Taxes	926.64	1,469.68
Rent Paid	163.18	169.34
Repairs & Maintenance		
- Plant & Machinery	98.82	105.81
- Others	53.21	64.85
Telephone Expenses	59.58	85.57
Traveling Expenses	160.11	138.35
	5,671.86	4,237.36
Total	**15,956.42**	**16,898.14**

Note 24: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. **Corporate Information**

J. Kumar Infraprojects Limited (the Company) is a public Limited Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the two stock exchanges in India. The Company is engaged in execution of contracts of various infrastructure projects including Transportation Engineering, Irrigation Projects, Civil Construction and Piling Work etc.

2. **Accounting Concepts:**

The Financial Statement of the Company has been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial Statement to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules , 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statement has been prepared on an accrual basis and under historical cost convention.

3. **Use of Estimates:**

The preparation of the financial statement is in conformity with the generally accepted accounting principle requiring estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

4. **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend is recognized as and when the right to receive payment is established by the Balance Sheet date.

The Company follows the percentage completion method as mentioned in Revised Accounting Standard (AS) 7 “Construction Contracts” on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of actual work done. Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

5. **Fixed Assets:**

(A) **Tangible Assets:**

Tangible Assets are recorded at their cost of acquisition, net of modvat / cenvat , less accumulated depreciation and impairment losses , if any.

(B) **Intangible Assets:**

Intangible Assets are recorded at their cost of acquisition less accumulated amortization / depletion . And impairment losses , if any .

6. **Depreciation:**

Depreciation on Fixed Assets is being provided on Written Down Value Method as specified in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of additions to fixed assets is provided on pro-rata basis from the date on which such assets are acquired/ put to use.

Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata up to the date on which such assets are sold, discarded or demolished

7. **Impairment of Assets:**

The Company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. According to AS - 28 on "Impairment of Assets" an Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

Impairment Loss is charged to Profit & Loss a/c in the year in which impairment is identified.

8. **Valuation of Inventories:**

Inventories are valued at the lower of cost or net realizable value except waste/scrap which is valued at net realizable value. The cost is computed on FIFO basis.

Work in Progress on construction contracts reflect the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

9. **Investments:**

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

10. **Taxes on Income:**

Tax expense comprises both current and deferred tax . Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rate as on the balance sheet date , to the extent the timing differences are expected to crystallize. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The company reassesses recognized deferred tax assets and liabilities and recognizes in recognized deferred tax assets to the extent they become reasonably certain or virtually certain of realization , as the case may be.

11. **Foreign Exchange Transaction:**

- Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions.
- Monetary assets and liabilities denominated in foreign currency are restated at the prevailing rates at the year end.
- Non monetary foreign currency items are carried at cost.

- Any gain/loss upon such transaction on account of foreign currency are accounted in the Statement of Profit & Loss.

12. **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the assets is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account as period costs.

13. **Earnings Per Share:**

Basic EPS is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year. The number of shares used for computing diluted EPS is the weighted average number of outstanding during the year after considering the potential equity shares.

14. **Provision, Contingent Liabilities and Contingent Assets:**

Provision involving substantial degree of estimation in measurement is recognize when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined based on Management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimate. Contingent liabilities are not recognize but are disclosed in the notes. Contingent asset are neither recognized nor disclosed in the financial statements. Outstanding Bank Guarantee as on 31st March, 2013 is ` 746.81 Crores and outstanding Letter of Credit (L.C.) is ` 34.06 Crores as on 31st March, 2013.

The Block assessment order under section 153 A has been completed and assessment order has been received and the total liability raised by the CIT (A) for the Assessment Year 2004 - 05 to 2010 - 11 is ₹ 569.18 lacs and the same has been paid by the company against which the company has gone in to appeal with Income Tax Appelate Tribunal.

15. **Segmental Reporting:**

As the Management information system of the Company recognises and monitors “Construction” as the only business segment, the accounting standards “Segmental Reporting” does not apply.

16. **Employee Benefits:**

- Contribution to Provident Fund is charged to the profit and loss account. Provident Fund contribution is made to the Government Administered Provident Fund. Company has no further obligation beyond this contribution charged in financial statement.
- Company also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for based on valuation on projected unit credit method made by independent actuaries as at the Balance Sheet date.
- Leave encashment is paid to employees on annual basis and recognized as expenses when it is incurred

17. **Accounting for Joint Venture Contracts:**

In respect of contracts executed in integrated joint venture under profit sharing arrangements the profit or loss is accounted for, as when it is determined by the joint venture and the net investment in the joint venture is reflected as Current Assets.

(B) ADDITIONAL NOTES TO ACCOUNTS

1 **Disclosure required pursuant to Accounting Standards – 28 "Impairment of Assets" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard - 28 on Impairment of Assets.

2 **Payments to Auditors:**

(₹ in lacs)

Particulars	2012 - 2013	2011 - 2012
Audit Fees	20.34	12.50
Taxation Matters	3.50	2.00
For Certification and Other Services	4.25	3.75
Total	**28.09**	**18.25**

3 **Directors Remuneration:**

(₹ in lacs)

Particulars	2012 – 2013	2011 - 2012
Salary	132.00	132.00

4 **Disclosure required pursuant to Accounting Standards – 22 "Accounting for Taxes on Income" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

(₹ in lacs)

Particulars	2012 – 2013	2011 - 2012
Deferred Tax Liabilities arise during the year		
Due to difference in Depreciation	88.83	61.41
Net Deferred Tax Liabilities	88.83	61.41
Balance Carried Forward to Balance Sheet	513.55	424.72
Charge to Profit and Loss Account	88.83	61.41

5 **Disclosure required pursuant to Accounting Standards – 20 "Earning Per Share" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

Basic & Diluted EPS	2012 – 2013	2011 – 2012
Net Profit as per Profit & Loss account available for equity shareholders(₹ in lacs)	7,574.29	6,806.57
Weighted average number of equity shares	2,78,01,205	2,78,01,205
Basic & Diluted EPS (before and after extraordinary item)	₹ 27.24	₹ 24.48

6 **Disclosure required pursuant to Accounting Standards – 7 "Construction Contract" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

(₹ in lacs)

	Particulars	2012 – 2013	2011 – 2012
1	Amount of contract revenue recognized as revenue in the period	95,472.13	87,925.33
2	Contract cost incurred and recognized Profits (less recognized losses) up to the reporting date.	72,923.64	71,131.69
3	Advances received from customer for contract work	27,240.10	13,078.44
4	Amount of Retention	10,674.93	5,200.27
5	Gross amount due from customer for contract work	5,119.35	7,156.43

7 **Disclosure required pursuant to Accounting Standards – 15 "Employee Benefits" prescribed by Companies (Accounting Standard s) Rules, 2006 is as follows:-**

The Companies defined benefit plan consists of gratuity as per the Gratuity Act, 1972. Disclosure required as per Accounting Standard 15 in respect of defined benefit plan is as under:-

(₹ in lacs)

	Accounting Disclosures Statement	**GRATUITY**
	Period of accounting	**01-04-2012 to 31-03-2013**
I	Assumptions as at	
	Mortality	LIC (1994-96) Ult.
	Interest / Discount Rate	8.06%
	Rate of increase in compensation	15.00%
	Rate of return (expected) on plan assets	9.15%
	Employee Attrition Rate (Past Service (PS))	PS: 0 to 42: 30%
	Expected average remaining service	2.25
II	Changes in present value of obligations	
	PVO at beginning of period	102.57
	Interest cost	8.87
	Current Service Cost	72.44
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Benefits Paid	-
	Actuarial Gain/(Loss) on obligation	(24.08)
	PVO at end of period	159.80
III	Changes in fair value of plan assets	
	Fair Value of Plan Assets at beginning of period	25.40
	Expected Return on Plan Assets	7.75
	Contributions	118.66
	Benefit Paid	-
	Actuarial Gain/(Loss) on plan assets	(5.34)
	Fair Value of Plan Assets at end of period	146.47
IV	Fair Value of Plan Assets	
	Fair Value of Plan Assets at beginning of period	25.40
	Adjustment to Opening Balance	-
	Actual Return on Plan Assets	2.41
	Contributions	118.66
	Benefit Paid	-
	Fair Value of Plan Assets at end of period	146.47
	Funded Status (including unrecognised past service cost)	(13.33)
	Excess of actual over estimated return on Plan Assets	(5.34)
V	Experience History	31/03/2013
	Gain/(Loss) on obligation due to change in Assumption	(3.19)
	Experience Gain/(Loss) on obligation	(27.27)
	Actuarial Gain/(Loss) on plan assets	(5.34)
VI	Actuarial Gain/(Loss) Recognized	
	Actuarial Gain/(Loss) for the period (Obligation)	24.08
	Actuarial Gain/(Loss) for the period (Plan Assets)	(5.34)
	Total Gain/(Loss) for the period	18.74
	Actuarial Gain/(Loss) recognized for the period	18.74
	Unrecognized Actuarial Gain/(Loss) at end of period	-
VII	Past Service Cost Recognised	
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Average remaining future service till vesting of the benefit	-

	Accounting Disclosures Statement	GRATUITY
	Period of accounting	**01-04-2012 to 31-03-2013**
	Recognised Past service Cost- (non vested benefits)	-
	Recognised Past service Cost- (vested benefits)	-
	Unrecognised Past Service Cost- (non vested benefits)	-
VIII	Amounts to be recognized in the balance sheet and statement of profit & loss account	
	PVO at end of period	159.80
	Fair Value of Plan Assets at end of period	146.47
	Funded Status	(13.33)
	Unrecognized Actuarial Gain/(Loss)	-
	Unrecognised Past Service Cost- non vested benefits	-
	Net Asset/(Liability) recognized in the balance sheet	(13.33)
IX	Expense recognized in the statement of Profit & Loss A/C	
	Current Service Cost	72.44
	Interest cost	8.87
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Unrecognised Past Service Cost- non vested benefits	-
	Expected Return on Plan Assets	(7.75)
	Net Actuarial Gain/(Loss) recognized for the period	(18.74)
	Expense recognized in the statement of P & L A/C	54.82
X	Movements in the Liability recognized in Balance Sheet	
	Opening Net Liability	77.17
	Adjustment to Opening Balance	-
	Expenses as above	54.82
	Contribution paid	(118.66)
	Closing Net Liability	13.33
XI	Revised Schedule IV	
	Current Liabilty	13.33
	Non Current Liabilty	146.47

8 **Working Capital Limits:** The Company has taken Working Capital Limits against hypothecation of Stock and Book Debt under consortium agreement with several banks and Bank of India is a lead member, The details of security and limit is as follows:

Particulars	Working Capital Facility
Cash Credit	₹ 22,000 Lacs
BG Limit	₹ 63,300 Lacs
Principal Security	(a) Pari Passu first charge on Current Assets
	(b) Non Fund Based: Margin by way of Pledge of TDR @ 5% on B.G. and 5% Cash Margin on financial guarantees.
Collateral Security	(a) Pari Passu first charge by way of Legal mortgage of open plot at Thane admeasuring situated at survey no.144, H. No. Nil at village Chene, Taluka & District Thane.
	(b) Pari Passu first charge by way of Legal mortgage of unit no.14, in Andheri Industrial Premises C.H.S. in Amboli, Andheri (w), Mumbai. Estimated at ₹ 0.71 Crores.
	(c) Pari Passu first charge by way of hypothecation of unencumbered plant & machinery worth ₹ 3.62 Crores.
	(d) Pari Passu first charge by way of pledge of 40 Lacs company's shares from promoter's holding.
	(e) Exclusive charge – Pledge of TDR for ₹ 0.35 Crore.

Particulars	Working Capital Facility
Guarantor	Personal guarantees of Directors Jagdishkumar M. Gupta, Kamal J. Gupta, Nalin J. Gupta and Kusum J. Gupta and J. Kumar & Co.
Outstanding as on 31.03.2013	₹ 3,602.05 Lacs

9 **Other facilities provided by Bank**

The Company has taken Working Capital & Term Loans Limits for Project Finance under consortium agreement with several banks and YES Bank is a lead member, The details of security and limit is as follows:

Particulars	Working Capital Facility
Cash Credit	₹ 10,500 Lacs
BG Limit	₹ 32,500 Lacs
Term Loan / LC - Buyers' Credit	₹ 17,000 Lacs
Term Loan - ECB	₹ 5,000 Lacs
Principal Security	(a) Pari Passu first charge on Current Assets of the Project
	(b) Pari Passu first charge on Fixed Assets of the Project present and future
Collateral Security	(a) Personal Guarantee of Promoter Directors Mr. Jagdishkumar M Gupta and Mr. Nalin J. Gupta
Guarantor	
Term Loan as on 31.03.2013	₹ 2,899.76 Lacs

10 **Disclosure required pursuant to Accounting Standards – 18 "Related Party Disclosure" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
J. Kumar & Co.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	Jagdishkumar M. Gupta	Kusum J. Gupta	J. Kumar Software Systems (India) Private Limited
Goldline Advertiser	J. Kumar – Chirag –Babulal (Consortium)	Kamal J. Gupta	Sonal K. Gupta	J. Kumar Minerals & Mines (India) Private Limited
	J. Kumar – Chirag -Navdeep (Consortium)	Nalin J. Gupta	Shalini N. Gupta	J. Kumar Developers Limited
	J. Kumar – Chirag - JEKIN (Consortium)		Govind Dabriwal	
	J. Kumar – Chirag - API (Consortium)			
	NCC - J. Kumar J.V.			
	Ameya Developers & J. Kumar (J.V.)			
	J. Kumar - Shiva Engineering			

Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
	Construction			
	J. Kumar - RPS Infraprojects			
	J. Kumar - Mukesh Brothers			
	J. Kumar R.K. Indra (Consortium)			
	J. Kumar PBA J.V.			
	J. Kumar - CRTG J.V.			

Year Ended 2012 – 2013

(₹ in lacs)

Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
Remuneration Paid	-	-	132.00	-	-
Rent Paid	-	-	-	-	-
Contract Revenue	-	13,940.77	-	-	-
Dividend Paid	-	-	178.29	77.23	95.41
Membership Fees paid	-	-	3.93	-	-
Profit from JV	-	214.69	-	-	-
Sub Contract given	-	-	-	311.09	-
Capital Work in Progress	-	-	-	-	5,976.30

11 **Details of Investment purchased and redeemed during the year :-**

S.N.	Name of the fund	Opening balance as on 01.04.2012		Purchased during the year		Sold during the year		Balance as on 31.03.2013	
		No. of Units	₹	No. of Units	₹	No. of Units	₹	No. of Units	₹
1	HDFC Infrastructure Fund	20,000	2,00,000	-	-	-	-	20,000	2,00,000
2	Kishan Vikas Patra	15	7,50,000	-	-	-	-	15	7,50,000
	Total	**20,015**	**9,50,000**	**-**	**-**	**-**	**-**	**20,015**	**9,50,000**

12 **Quantitative Details:**

The Company is engaged in the business of Construction Contract. Such activity cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of Sales and the information as required under revised schedule VI of the Companies Act, 1956.

13 **Disclosure required pursuant to Accounting Standards – 27 "Financial Reporting of Interest in Joint Venture" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

S. No.	Name of the Joint Venture	Name of the Venture Partner	Proportion of Our interest in JV	Country of Incorporation
1.	J. Kumar - Mukesh Brothers J.V.	M/s Mukesh Brothers	80%	India
2.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	M/s Chirag Construction Company	55%	India
3.	J. Kumar – Chirag - Babulal (Consortium)	M/s Babulal Uttamchand & Co. M/s Chirag Construction Company	51%	India
4.	J. Kumar – Chirag - Navdeep (Consortium)	M/s Navdeep Construction Company M/s Chirag Construction Company	51%	India
5.	J. Kumar – Chirag - API (Consortium)	M/s API Construction M/s Chirag Construction Company	51%	India
6.	J. Kumar – Chirag - JEKIN (Consortium)	M/s JKIN Enterprise M/s Chirag Construction Company	51%	India
7.	J. Kumar - RPS J.V.	M/s RPS Infraprojects Private Limited	51%	India
8.	NCC - J. Kumar J.V.	M/s NCC Ltd	50%	India
9.	Ameya J. Kumar Construction (J.V.)	M/s Ameya Developers Pvt. Ltd	50%	India
10.	J. Kumar-Shiva Engineering	M/s Shiva Engineering Construction	50%	India
11.	J. Kumar PBA J.V.	M/s PBA Infrastructure Limited	50%	India
12.	J. Kumar R.K. Indra (Consortium)	M/s Indra Construction Co. M/s Ramesh Kumar & Co.	50%	India
13.	J. Kumar - CRTG J.V.	China Railway No. 3 Group Co. Ltd.	74%	India

In our opinion and according to the information and explanation given to us, contract which has been awarded in the name of Joint Venture were executed by the joint venture. The company neither deploys any of its assets nor it incurs any liabilities, it books only its share of profit as per JV agreements between the venture partners.

14 In the opinion of the Management, the balance shown under Sundry Debtors and Loans & Advances have approximately the same realizable value as shown in accounts.

15 During the year 2012-13, the company has transferred ₹ 757.43 lacs from Profit and Loss account to General Reserve to comply with the provision under section 205(2) of the Companies Act 1956.

16 **Micro & Small Enterprises:**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

17 Disclosure required pursuant to Accounting Standards – 19 "Accounting for Leases" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-

The Company has taken various residential premises under cancellable operating leases.
Operating Lease Payment:

Lease rental expense in respect of operating leases: ₹ 163.18 Lacs (P.Y. ₹ 169.34 Lacs)
Operating Lease Receivables:
Lease rental income in respect of operating lease: ₹ 94.58 Lacs (P.Y. ₹ 69.14 Lacs)

18 The company's operations predominantly consist of construction activities. Hence there are no reportable segments under Accounting Standard-17 "Segment Reporting" during the year under report, the company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.

19 The Company is maintaining accounts in ERP (Far vision)

20 Figures of previous year have been regrouped / rearranged wherever necessary. All figures have been given in Rupees in lakhs.

21 Value of Imports calculated on CIF basis: ₹ 4,455.45 Lacs (P.Y. ₹ 224.25 Lacs)

22 Forward Cover Contracts (Disclosure as required by AS - 11 The Effect of changes in Foreign Exchange Rates) :

The company has used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign rates fluctuations, and is not used by the company for trading or speculation purposes.

Buyers' Credit is not hedged by the Company as its exposure to the movements in foreign currency exchange rates is adjusted against inflows.

23 **Expenditure in Foreign Currency:**

(₹ in lacs)

Particulars	2012 - 13	2011 - 12
Import of Machinery	4,286.26	193.99
Import of Stores and Spares	169.19	30.26
Foreign Travel	18.19	7.96
Professional/ Consultancy Fees	48.82	31.95
Interest	457.04	50.21
Total	**4,979.50**	**314.37**

Independent Auditor's Report

To
The Members,
J. Kumar Infraprojects Limited

1. We have audited the attached Balance Sheet of J. Kumar Infraprojects Limited, as at March 31, 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;

   (e) On the basis of written representations received from the Directors, as on March 31, 2012, and taken on record by the Board of Directors we report that none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies in Notes 24 appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      (ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

(iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Gupta Saharia & Co.
Chartered Accountants
Firm Reg. No. 103446W

Pawan Gupta
(Partner)

Place: Mumbai

Date: 14th August, 2012

M. No. : 071471

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of Our Report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. FIXED ASSETS:

(a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets;

(b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification;

(c) Fixed assets disposed of during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company;

2. INVENTORIES:

(a) The inventory have been physically verified by the management at reasonable intervals during the financial year;

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory 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 the Company has maintained proper records of inventory and no material discrepancies were noticed between the physical verification of inventory and the book records.

3. LOANS AND ADVANCES :

(a) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured from the Companies , firms and other parties mentioned in the Register maintained under section 301 of the Companies Act,1956.

(b) Since the Company has neither granted nor taken any loans, hence paragraph 4(iii)(b), (iii) (c), (iii)(d), (iii)(e), (iii)(f), (iii)(g), of the Order are not applicable to the Company.

4. INTERNAL CONTROL:

In our Opinion and according to information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventory and fixed assets and for the work done. During the course of our audit, we have not observed any major weakness in internal control system.

5. TRANSACTIONS WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT 1956:

(a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been properly entered in the said register;

(b) In our opinion and according to the information and explanations given to us, the transactions

made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rupees 5 Lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. DEPOSITS:

The Company has not accepted any deposits from the public within the purview of Sec.58A and 58AA of the Companies Act, 1956.

7. INTERNAL AUDIT:

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. COST RECORDS:

The Central Government has prescribed the statutory compliance under Section 209 (1) (d) of the Companies Act, 1956, for the carrying out the cost accordingly compliance as ordered under notification dated 03.06.2011 for the financial year 2011 – 12 and the same is compiled by the Company (RMC Sales).

9. STATUTORY DUES:

According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, Employee State Insurance Scheme, Income tax, sales-tax, Service Tax, Excise duty, Custom duty, Cess and other statutory dues applicable to it and no undisputed amounts payable are outstanding as at March 31, 2012 for a period of more than six months from the date when they became payable.

10. NET WORTH/CASH LOSSES:

The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

11. REPAYMENT OF DUES:

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

12. ADVANCES AGAINST SHARES :

In our opinion and according to the information and explanation 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.

13. CHIT FUND/ NIDHI FUND :

The Company is not a chit fund or a Nidhi/ Mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14. TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS :

In our opinion, The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15. GUARANTEES :

In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

16. TERM LOANS :

According to the information and explanations given to us the Company has applied the term loans applied for the purpose for which the same was obtained;

17. SOURCE AND APPLICATION OF FUNDS :

According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long-term investment.

18. PREFERENTAL ALLOTMENT OF SHARES TO PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTON 301 OF THE COMPANIES ACT 1950 AND RAISING OF FUNDS THROUGH QUALIFIED INSTITUTIONAL PLACEMENT:

During the current financial year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. MISCELLANEOUS :

(a) The Company does not have any outstanding debenture during the year.

(b) Based on the audit procedure performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Gupta Saharia & Co.
Chartered Accountants
Firm Reg. No. 103446W

Pawan Gupta
(Partner)
M. No.: 071471

Place: Mumbai
Date: 14th August, 2012

Balance Sheet as at 31st March, 2012

(₹ in lacs)

	Particulars		Note No.	As at 31st March,2012	As at 31st March,2011
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a)	Share capital	1	2,780.12	2,780.12
	(b)	Reserves and surplus	2	41,119.94	35,040.37
	(c)	Money received against share warrants		-	-
2	**Share application money pending allotment**			-	-
3	**Non-current liabilities**				
	(a)	Long-term borrowings	3	4,742.85	901.00
	(b)	Deferred tax liabilities (Net)	4	424.72	363.32
	(c)	Other Long term liabilities		-	-
	(d)	Long-term provisions	5	85.00	40.00
4	**Current liabilities**				
	(a)	Short-term borrowings	6	9,726.38	14,308.99
	(b)	Trade payables		5,094.05	3,576.76
	(c)	Other current liabilities	7	20,248.47	6,583.14
	(d)	Short-term provisions	8	1,353.75	1,544.34
	TOTAL			**85,575.28**	**65,138.04**
II.	**ASSETS**				
1	**Non-current assets**				
	(a)	Fixed assets	9		
		(i) Tangible assets		14,682.87	11,407.27
		(ii) Intangible assets		-	-
		(iii) Capital work-in-progress		5,976.30	5,976.30
		(iv) Intangible assets under development		-	-
		Non-current investments	10	9.50	9.50
		Other non-current assets	11	9,202.95	6,833.88
2	**Current assets**				
	(a)	Inventories	12	27,529.63	15,622.72
	(b)	Trade receivables	13	8,884.54	10,184.15
	(c)	Cash and Bank balance	14	11,387.93	4,683.34
	(d)	Short-term loans and advances	15	5,352.13	8,904.23
	(e)	Other current assets	16	2,549.45	1,516.64
	TOTAL			**85,575.28**	**65,138.04**

Significant Accounting Policies and Notes to Financial Statements 24

The notes referred to above and notes to accounts form an integral part of the financial statements.

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

(₹ in lacs)

	Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I	Revenue From Operations(gross)	17	93,186.76	94,920.70
	Less: Excise Duty		31.29	1.91
			93,155.47	94,918.79
II	Other income	18	672.59	708.59
	Total Revenue (I + II)		**93,828.05**	**95,627.38**
IV	Expenses:			
	Cost of materials consumed	19	65,370.91	66,722.66
	Changes in inventories of work in progress	20	(6,900.00)	(4,350.00)
	Employee benefits expense	21	2,790.90	2,245.51
	Finance costs	22	3,661.84	2,771.27
	Depreciation and amortization expense		1,888.29	1,585.11
	Other expenses	23	16,898.14	15,956.49
	Total expenses		**83,710.08**	**84,931.04**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		**10,117.97**	**10,696.34**
VI	Exceptional items		-	-
VII	**Profit before extraordinary items and tax (V - VI)**		10,117.97	10,696.34
VIII	Extraordinary Items		-	-
IX	**Profit before tax (VII- VIII)**		10,117.97	10,696.34
X	Tax expense:			
	(1) Current tax		3,250.00	3,260.00
	(2) Deferred tax		61.41	44.76
XI	**Profit (Loss) for the period from continuing operations (IX-X)**		6,806.57	7,391.58
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		-	-
XV	**Profit (Loss) for the period (XI + XIV)**		6,806.57	7,391.58
XVI	Earnings per equity share:			
	(1) Basic		24.48	26.59
	(2) Diluted		24.48	26.59
	Significant Accounting Policies and Notes to Financial Statements	24		

The notes referred to above and notes to accounts form an integral part of the financial statements

Cash Flow Statement for the year ended 31st March, 2012

(₹ in lacs)

PARTICULARS	2011 - 2012	2010 - 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item	10,117.97	10,696.34
Adjustment for:		
Depreciation	1,888.29	1,585.11
Loss on Sale of Fixed Assets	-	1.20
Profit on Sale of Fixed Assets	(0.36)	(1.43)
Dividend Received	-	(1.86)
Interest & Rent Received	(615.38)	(672.58)
Preliminary Expenses W/off	87.15	87.15
Provision for Gratuity	45.00	40.00
Interest & Finance Charges paid	3,661.84	2,771.27
Operating Profit before Working Capital Changes	**15,184.51**	**14,505.19**
Adjustments for Changes in Working Capital		
Inventories	(11,906.9)	(4,297.72)
Trade Receivables	1,299.62	(3,351.49)
Short Term Loans and Advances	3,552.11	(6,734.95)
Other Current Assets	(1,032.81)	(29.93)
Other Non Current Assets	(2,456.22)	4,359.51
Current Liabilities and short term borrowings	10,600.01	(3,553.28)
Movement in Working Capital Limits	**55.81**	**(13,607.86)**
Cash Generated from Operations	15,240.32	897.33
Extra ordinary items	-	-
Direct Taxes refund/ (paid) - net	(3,438.10)	(3,696.29)
Net Cash From Operating Activities (A)	**11,802.22**	**(2,798.97)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,165.78)	(8,850.58)
Sale of Fixed Assets	2.25	175.31
Increase in Investments	-	(7.50)
Dividend Received	-	1.86
Interest & Rent Received	615.38	672.58
Net Cash From Investing Activities (B)	**(4,548.15)**	**(8,008.32)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(729.49)	(729.42)
Share issue expenses	-	40.20
Increase in Long Term Borrowing	3,841.85	11,217.03
Decrease in Unsecured Loan	-	(189.12)
Interest & Finance charges paid	(3,661.84)	(2,771.27)
Net Cash From Financing Activities (C)	**(549.48)**	**7,567.43**
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	6,704.59	(3,239.85)
Cash and Cash Equivalent at the Beginning of the year	4,683.34	7,923.19
Cash and Cash Equivalent at the End of the year	**11,387.93**	**4,683.34**

Note : Previous year Figures have been regrouped/reclassified whereever applicable.

Notes forming part of the Financial Statements

Note 1: SHARE CAPITAL

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Authorised				
Equity Shares of ₹10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Issued ,Subscribed & fully Paid up				
Equity Shares of ₹10/- each	2,78,01,205	2,780.12	2,78,01,205	2,780.12
Total	2,78,01,205	2,780.12	2,78,01,205	2,780.12

The company has only one class of shares referred to as Equity Shares having a face value of ₹ 10/- each. Each Equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after disribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of number of shares outstanding is set out below:

Particulars	Equity Shares As at 31 March, 2012		Equity Shares As at 31 March, 2011	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Shares outstanding at the beginning of the year	2,78,01,205	2,780.12	2,78,01,205	2,780.12
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	2,78,01,205	2,780.12	2,78,01,205	2,780.12

Below are the name of the shareholders holding more than 5% of Shares

Name of Shareholder	Equity Shares As at 31 March, 2012		Equity Shares As at 31 March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jagdishkumar Madanlal Gupta	52,93,980	19%	52,93,980	19%
J. Kumar Software Systems (I) Private Limited	30,00,000	11%	30,00,000	11%
Kusum Jagdish Gupta	14,24,510	5%	14,24,510	5%

NOTE 2: RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
a. Securities Premium Account		
Opening Balance	14,948.53	14,948.53
Add : Additions in current year	-	-
Closing Balance	14,948.53	14,948.53
b. General Reserve		
Opening Balance	3,716.16	1,961.00
Add : Current Year Transfer	680.66	1,755.16
Less : Written Back in Current Year	-	-

Particulars	As at 31 March, 2012	As at 31 March, 2011
Closing Balance	4,396.82	3,716.16
c. Surplus statement of Profit and Loss		
Opening balance	16,375.68	11,468.75
Add : Profit / (Loss) for the current year	6,806.57	7,391.58
Amount available for appropriation	23,182.25	18,860.34
Less : Appropriation		
Transfer to General Reserve	680.66	1,755.16
Proposed Dividends	625.53	625.53
Corporate tax in Proposed Dividend	101.48	103.96
Interim Dividends	-	-
Transfer to Reserves	-	-
Closing Balance	21,774.59	16,375.68
Total	**41,119.94**	**35,040.37**

NOTE 3: LONG TERM BORROWINGS

(₹ in lacs)

Particulars	Non - Current Portions		Current Maturity	
	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2012	As at 31 March, 2011
Secured Term Loans				
ECB Loan	4,214.55	901.00	-	-
FCNR Loan	-	-	1,500.00	1,500.00
ICICI Bank	66.76	-	52.23	-
Other Term Loans	-	-	-	29.63
	4,281.31	901.00	1,552.23	1,529.63
Unsecured Loan				
Tata Capital Ltd.	461.54	-	1,038.47	-
Total	**4,742.85**	**901.00**	**2,590.70**	**1,529.63**

ECB Loan from Standered Chartered Bank carries interest rate from 8.50% to 11.20% p.a. on fully hedged. The loans are repayable in 4 years in quarterely instalments from the respective dates of disbursement of loans after considering moratorium period. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of promoters.

FCNR Loan from Citi Bank carries interest rate from 12% to 12.25% p.a. on fully hedge. The loans are repayable in 1 year from the respective dates of disbursement of loans. The above loans are backed by personal guarantee of promoters.

Term Loan from ICICI Bank carries interest rate 8.45% p.a.. The loans are repayable in 29 months in monthly instalments from the respective dates of disbursement of loans. The above loans are secured by hypothecation of Plant & Machinery and backed by personal guarantee of promoters.

Term Loan from Tata Capital Ltd. carries interest rate 13.75% p.a.. The loans are repayable in 18 months in monthly instalments from the respective dates of disbursement of loans after considering moratorium period. The said loans are unsecured and backed by Personal guarantee of promoter.

NOTE 4: Deferred Tax Liability **(₹ in lacs)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Related to Fixed Assets		
Opening Balance	363.32	318.56
Addition during the year	61.41	44.76
Total	**424.72**	**363.32**

NOTE 5: LONG TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits		
Gratuity (Funded)	85.00	40.00
(b) Others (Specify nature)	-	-
Total	**85.00**	**40.00**

NOTE 6 SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Working Capital Loans From Consortium of Banks	7,262.43	12,557.00
Overdraft facility from Banks	2,463.94	1,751.99
Total	**9,726.38**	**14,308.99**

Cash credit from banks under consortium limit is secured against hypothecation of stock and book debts and are backed by personal guarantee of promoters and details of security and limits refer Note 24 (B) (8). The interest rate from 12% to 14.50% p.a. The loans are repayable on demand.

Overdraft from banks is secured against Fixed Deposit receipts and are backed by personal guarantee of promoters. The interest rate from 8% to 10.50% p.a.. The loans are repayable on demand.

NOTE 7: OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Other Liability		
Current maturities of long term borrowings	2,590.70	1,529.63
(b) Other payables		
i) Security Deposits	971.16	1,058.51
ii) Unclaimed Dividend	3.77	5.55
iii) Salary and Employee Benefits	200.70	135.79
iv) Other Current Liabilities	15,874.28	3,451.36
v) Duties and Taxes	607.89	402.30
Total	**20,248.47**	**6,583.14**

NOTE 8: SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
i) Proposed Dividend	625.53	625.53
ii) Tax on Proposed Dividend	101.48	103.96
iii) Provision for Income Tax (Net of Advance Taxes)	626.75	814.85
Total	**1,353.75**	**1,544.34**

J. KUMAR INFRAPROJECTS LIMITED

NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 9: FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2011	Additions	Deductions	Total	Upto 01.04.2011	For the year	Deduction	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Asset (At Cost):										
Land and Building	281.74	-	-	281.74	-	-	-	-	281.74	281.74
Computers	119.32	80.77	-	200.10	66.70	35.28	-	101.97	98.12	52.63
Furniture and Fixture	261.12	108.88	-	370.01	92.25	39.17	-	131.42	238.59	168.88
Plant and Machinery	15,338.84	4,708.35	4.00	20,043.18	4,611.37	1,747.98	2.11	6,357.25	13,685.94	10,727.47
Vehicles	280.53	267.78	-	548.31	103.97	65.86	-	169.83	378.49	176.56
	16,281.55	**5,165.78**	**4.00**	**21,443.34**	**4,874.28**	**1,888.29**	**2.11**	**6,760.46**	**14,682.87**	**11,407.27**
Previous Year	13,685.63	2,874.28	278.35	16,281.55	3,392.45	1,585.11	103.28	4,874.28	11,407.27	

NOTE 10: NON CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
HDFC Infrastructure Fund – Growth	2.00	2.00
(20,000 (P.Y. 20,000) Units of ₹10/- each)		
Kisan Vikas Patra	7.50	7.50
(15 (P.Y. 15) KVP of ₹50,000 each)		
Total	**9.50**	**9.50**

NOTE 11: OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Miscellaneous expenditure (to the extent not written-off or adjusted)	261.45	348.61
Security Deposits	5,056.48	4,651.80
Other Deposits	3,885.01	1,833.48
Total	**9,202.95**	**6,833.88**

NOTE 12: INVENTORIES

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
a Raw Materials and components (Valued at Cost or Market Price whichever is less)	7,529.63	2,522.72
b. Work-in-progress (Valued at Cost)	20,000.00	13,100.00
Total	**27,529.63**	**15,622.72**

NOTE 13: TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	7,996.08	8,267.71
Less: Provision for doubtful debts	-	-
	7,996.08	8,267.71
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	888.45	1,916.44
Less: Provision for doubtful debts	-	-
	888.45	1,916.44
Total	**8,884.54**	**10,184.15**

NOTE 14: CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Cash and Cash Equivalents		
Cash in hand	22.99	37.49
Balance with Banks		
Current Accounts	4,558.95	714.18
Un - Claimed Dividend	3.77	5.55
FDR to be matured within 3 months with various banks	510.11	453.38
	5,095.82	1,210.60
Other Bank Balances		
Fixed Deposit Receipts (FDR) with original maturity for more then 3 months with various banks		

Particulars	As at 31 March, 2012	As at 31 March, 2011
a) Margin money deposit against guarantees	2,430.84	786.27
b) FDR against Overdraft Facility	3,459.87	1,993.38
c) Margin money against Earnest Money Deposit	336.40	658.10
d) Other FDR	65.00	35.00
Total	**11,387.93**	**4,683.34**

NOTE 15: SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Advances recoverable in Cash or in Kind or for a value to be received	5,351.46	8,903.56
Advance Fringe Benefit Tax (Net of Provision)	0.67	0.67
Total	**5,352.13**	**8,904.23**

NOTE 16: OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Accrued Interest on Fixed Deposits	822.14	454.51
Duties and Taxes	813.53	814.16
Other Current Assets	913.78	247.97
Total	**2,549.45**	**1,516.64**

NOTE 17: REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2011 - 2012	2010 - 2011
Contract Revenue	87,925.33	87,797.34
Boring, Chiseling and Hiring Charges	2,150.38	3,245.71
Sales - Ready Mix Concrete (RMC)	2,913.70	2,934.19
Profit from Joint Venture	197.35	943.46
Total	**93,186.76**	**94,920.70**

NOTE 18: OTHER INCOME

(₹ in lacs)

Particulars	2011 - 2012	2010 - 2011
Discount Received	1.21	6.40
Dividend Received	-	1.86
Interest on FDR	468.31	296.40
Interest Received from Others	114.08	223.93
Lease and License	32.99	65.56
Miscellaneous Income	56.00	114.44
Total	**672.59**	**708.59**

NOTE 19: COST OF RAW MATERIALS CONSUMED

(₹ in lacs)

Particulars	2011 - 2012	2010 - 2011
Inventory at the beginning of the year	2,522.72	2,575.00
Add: Purchases	70,377.82	66,670.38
	72,900.54	69,245.38
Less: Inventory at the end of the year	7,529.63	2,522.72
Total	**65,370.91**	**66,722.66**

NOTE 20: CHANGES IN INENTORIES OF WORK IN PROGRESS

(₹ in lacs)

Particulars	2011 - 2012	2010 - 2011
(Increase) / Decrease in Stock of Work in Progress		
Opening Stock of Work in Progress	13,100.00	8,750.00
Closing Stock of Work in Progress	(20,000.00)	(13,100.00)
Total	**(6,900.00)**	**(4,350.00)**

NOTE 21: EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	2011 - 2012	2010 - 2011
Salary, Bonus & Gratuity	2,483.14	1,932.86
Leave Encashment	83.57	75.08
Provident Fund & Other Fund	85.34	75.74
Staff Welfare	138.85	161.82
Total	**2,790.90**	**2,245.51**

NOTE 22: FINANCE COSTS

(₹ in lacs)

Particulars	2011 - 2012	2010 - 2011
Bank Commission and Other Charges	2,045.98	1,987.33
Bank Interest	1,615.86	783.94
Total	**3,661.84**	**2,771.27**

NOTE 23: OTHER EXPENSES **(₹ in lacs)**

Particulars	2011 - 2012	2010 - 2011
Other Direct Expenses		
Dewatering & Fabrication Charges	15.89	23.49
Sub Contract and Labour Charges	5,402.30	5,351.90
Soil Excavation and Other Expenses	695.75	655.24
Soil Investigation Charges	46.07	140.48
Water Charges	31.30	54.18
Construction Site Workers Wages	5,703.63	4,516.58
Transport Charges	765.84	402.81
	12,660.78	**11,144.68**
Administration, Selling & Other Expenses		
Insurance	194.59	145.18
Directors Remuneration	132.00	132.00
Directors Sitting Fees	1.20	1.65
Donation	33.30	29.94
Electricity Charges	383.81	335.43
General Expenses	260.22	181.30
Loss on Sale of Fixed Assets	-	1.20
Operating & Other Expenses	1,111.49	2,407.17
Preliminary Expenses w/o	87.15	87.15
Rates & Taxes	1,469.68	1,149.41
Rent Paid	169.34	89.18
Repairs & Maintaenance		
- Plant & Machinary	105.81	64.00
- Others	64.85	39.23
Telephone Expenses	85.57	47.56
Traveling Expenses	138.36	101.42
	4,237.36	4,811.81
Total	**16,898.14**	**15,956.49**

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

J. Kumar Infraprojects Limted (the Company) is a public Limited Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the two stock exchanges in India. The Company is engaged in execution of contracts of various infrastructure projects including Transportaion Engineering, Irrigation Projects, Civil Construction and Piling Work etc.

2 Accounting Concepts:

The accompanying financial statements have been prepared to comply in all material respects with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3 Presentation and Disclosure of Finacial Statements

During the year ended March 31st, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

4 Use of Estimates :

The Management makes estimates and technical and other assumptions regarding the amounts of income and expenses in accordance with Indian GAAP in the preparation of the financial statements. Difference between the actual results and estimates are recognised in the period in which they are determined.

5 Accounting of Construction Contract:

The Company follows the percentage completion method as mentioned in Revised Accounting Standard (AS) 7 “Construction Contracts” on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of actual work done.Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

6 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend is recognized as and when the right to receive payment is established by the Balance Sheet date.

7 Fixed Assets:

Fixed Assets are valued at cost less accumulated depreciation / amortization. Cost comprises the purchase price and any other expenses related to acquisitions and installation and any attributable cost

of bringing the asset to its working condition for its intended use.

8 **Depreciation:**

(a) Depreciation on Fixed Assets is being provided on Written Down Value Method as specified in Schedule XIV to the Companies Act, 1956.

(b) Depreciation in respect of additions to fixed assets is provided on pro-rata basis from the date on which such assets are acquired/ put to use.

(c) Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata up to the date on which such assets are sold, discarded or demolished

9 **Impairment of Assets:**

The Company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. According to AS - 28 on "Impairment of Assets" an Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Impairment Loss is charged to Profit & Loss a/c in the year in which impairment is identified.

10 **Valuation of Inventories:**

(a) Inventories are valued at the lower of cost or net realizable value except waste/scrap which is valued at net realizable value. The cost is computed on FIFO basis.

(b) Work in Progress on construction contracts reflect the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

11 **Investments:**

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments

12 **Provision for Taxes:**

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year, as per the provisions of Income Tax Act, 1961. Deferred Tax resulting from timing difference between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.

13 **Foreign Exchange Transaction:**

Transactions in foreign currency are recorded in the books of accounts in Indian rupees at the rate of exchange prevailing on the date of transaction.

14 **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the assets is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account as period costs.

15 **Earnings Per Share:**

Basic EPS is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year. Diluted EPS is computed using the weighted average number of equity shares and diluted equity equivalent shares

outstanding during the year except where the result would be anti- dilutive.

16 **Provision, Contingent Liabilities and Contingent Assets:**

Provision involving substantial degree of estimation in measurement is recognize when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined based on Management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimate. Contingent liabilities are not recognise but are disclosed in the notes. Contingent asset are neither recognized nor disclosed in the financial statements. Outstanding Bank Guarantee as on 31st March 2012 is ₹ 43,414.03 Lacs and outstanding Letter of Credit (L.C.) is ₹ 2,311.37 Lacs as on 31st March , 2012.

The Block assessment order under section 153 A has been completed and assessment order has been received and the total liability raised by the CIT (A) for the Assessment Year 2004 - 05 to 2010 - 11 is ₹ 569.18 lacs against which the company has gone in to appeal with Income Tax Appelate Tribunal.

17 **Segmental Reporting:**

As the Management information system of the Company recognises and monitors "Construction" as the only business segment, the accounting standards "Segmental Reporting" does not apply.

18 **Retirement Benefits:**

(a) Contribution to Provident Fund is charged to the profit and loss account. Provident Fund contribution is made to the Government Administered Provident Fund. Company has no further obligation beyond this contribution charged in financial statement.

(b) Company also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for based on valuation on projected unit credit method made by independent actuaries as at the Balance Sheet date.

(c) Leave encashment is paid to employees on annual basis and recognized as expenses when it is incurred

19 **Accounting for Joint Venture Contracts:**

In respect of contracts executed in integrated joint venture under profit sharing arrangements the profit or loss is accounted for, as when it is determined by the joint venture and the net investment in the joint venture is reflected as Investments / Current Assets.

(B) **ADDITIONAL NOTES TO ACCOUNTS**

1 **Disclosure required pursuant to Accounting Standards – 28 "Impairment of Assets" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard - 28 on Impairment of Assets.

2 **Payments to Auditors:**

(₹ In Lacs)

Particulars	2011-2012	2010-2011
Audit Fees	12.50	12.50
Taxation Matters	2.00	2.00
For Certification and Other Services	3.75	1.00
Total	**18.25**	**15.50**

3 **Directors Remuneration:**

(₹ In Lacs)

Particulars	2011-2012	2010-2011
Salary	132.00	132.00

4 **Disclosure required pursuant to Accounting Standards – 22 "Accounting for Taxes on Income" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

(₹ In Lacs)

Particulars	2011-2012	2010-2011
Deferred Tax Liabilities arise during the year		
Due to difference in Depreciation	61.41	44.76
Net Deferred Tax Liabilities	61.41	44.76
Balance Carried Forward to Balance Sheet	424.72	363.32
Charge to Profit and Loss Account	61.41	44.76

5 **Disclosure required pursuant to Accounting Standards – 20 "Earning Per Share" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

Basic & Diluted EPS	2011-2012	2010-2011
Net Profit as per Profit & Loss account available for equity shareholders (₹ In Lacs)	6,806.57	7,391.58
Weighted average number of equity shares	2,78,01,205	2,78,01,205
Basic & Diluted EPS (before and after extraordinary item)	₹ 24.48	₹ 26.59

6 **Disclosure required pursuant to Accounting Standards – 7 "Construction Contract" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

(₹ In Lacs)

	Particulars	2011-2012	2010-2011
1	Amount of contract revenue recognized as revenue in the period	87,925.33	87,797.34
2	Contract cost incurred and recognized Profits (less recognized losses) up to the reporting date.	71,131.69	73,517.34
3	Advances received from customer for contract work	13,078.44	1,193.28
4	Amount of Retention	5,200.27	5,108.06
5	Gross amount due from customer for contract work	7,156.43	5,724.79

7 **Disclosure required pursuant to Accounting Standards – 15 "Employee Benefits" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

The Companies defined benefit plan consists of gratuity as per the Gratuity Act, 1972. Disclosure required as per Accounting Standard 15 in respect of defined benefit plan is as under:-

(₹ In Lacs)

	Accounting Disclosures Statement Period of accounting	GRATUITY 01-04-2011 to 31-03-2012
I.	Assumptions as at	
	Mortality	LIC (1994-96) Ult.
	Interest / Discount Rate	8.65%
	Rate of increase in compensation	15.00
	Rate of return (expected) on plan assets	
	Employee Attrition Rate (Past Service (PS))	PS: 0 to 42: 30%
	Expected average remaining service	2.19
II.	Changes in present value of obligations	

	Accounting Disclosures Statement Period of accounting	GRATUITY 01-04-2011 to 31-03-2012
	PVO at beginning of period	59.46
	Interest cost	4.86
	Current Service Cost	46.86
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Benefits Paid	-
	Actuarial Gain/(Loss) on obligation	(8.62)
	PVO at end of period	102.57
III.	Changes in fair value of plan assets	
	Fair Value of Plan Assets at beginning of period	21.73
	Expected Return on Plan Assets	1.78
	Contributions	1.88
	Benefit Paid	-
	Actuarial Gain/(Loss) on plan assets	-
	Fair Value of Plan Assets at end of period	25.40
IV.	Fair Value of Plan Assets	
	Fair Value of Plan Assets at beginning of period	21.73
	Adjustment to Opening Balance	1.78
	Actual Return on Plan Assets	1.88
	Contributions	-
	Benefit Paid	-
	Fair Value of Plan Assets at end of period	25.40
	Funded Status (including unrecognised past service cost)	(77.17)
	Excess of actual over estimated return on Plan Assets	-
V.	Experience History	31/03/2012
	Gain/(Loss) on obligation due to change in Assumption	(1.74)
	Experience Gain/(Loss) on obligation	(6.88)
	Actuarial Gain/(Loss) on plan assets	-
VI.	Actuarial Gain/(Loss) Recognized	
	Actuarial Gain/(Loss) for the period (Obligation)	8.62
	Actuarial Gain/(Loss) for the period (Plan Assets)	-
	Total Gain/(Loss) for the period	8.62
	Actuarial Gain/(Loss) recognized for the period	8.62
	Unrecognized Actuarial Gain/(Loss) at end of period	-
VII.	Past Service Cost Recognised	
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Average remaining future service till vesting of the benefit	-
	Recognised Past service Cost- (non vested benefits)	-
	Recognised Past service Cost- (vested benefits)	-
	Unrecognised Past Service Cost- (non vested benefits)	-
VIII.	Amounts to be recognized in the balance sheet and statement of profit & loss account	
	PVO at end of period	102.57
	Fair Value of Plan Assets at end of period	25.40
	Funded Status	(77.17)
	Unrecognized Actuarial Gain/(Loss)	-
	Unrecognised Past Service Cost- non vested benefits	-
	Net Asset/(Liability) recognized in the balance sheet	(77.17)
IX	Expense recognized in the statement of Profit & Loss A/C	
	Current Service Cost	46.86
	Interest cost	4.86
	Past Service Cost- (non vested benefits)	-

	Accounting Disclosures Statement Period of accounting	GRATUITY 01-04-2011 to 31-03-2012
	Past Service Cost -(vested benefits)	-
	Unrecognised Past Service Cost- non vested benefits	-
	Expected Return on Plan Assets	(1.88)
	Net Actuarial Gain/(Loss) recognized for the period	(8.62)
	Expense recognized in the statement of P & L A/C	41.22
X	Movements in the Liability recognized in Balance Sheet	
	Opening Net Liability	37.73
	Adjustment to Opening Balance	(1.78)
	Expenses as above	41.22
	Contribution paid	-
	Closing Net Liability	77.17
XI	Revised Schedule IV	
	Current Liabilty	77.17
	Non Current Liabilty	25.40

8 **Working Capital Limits:**

The Company has taken Working Capital Limits against hypothecation of Stock and Book Debt under consortium agreement with several banks and Bank of India is a lead member. The details of security and limit is as follows:

Particulars	Working Capital Facility
Cash Credit	₹ 22,000 Lacs
BG Limit	₹ 53,000 Lacs
Principal Security	(a) Pari Passu first charge on Current Assets
	(b) Non Fund Based: Margin by way of Pledge of TDR @ 5% on B.G. and 10% Cash Margin on financial guarantees.
Collateral Security	(a) Pari Passu first charge by way of Legal mortgage of open plot at Thane admeasuring situated at survey no.144, H. No. Nil at village Chene, Taluka & District Thane.
	(b) Pari Passu first charge by way of Legal mortgage of unit no.14, in Andheri Industrial Premises C.H.S. in Amboli, Andheri (w), Mumbai. Estimated at ₹ 0.71 Crores.
	(c) Pari Passu first charge by way of hypothecation of unencumbered plant & machinery worth ₹ 3.62 Crores.
	(d) Pari Passu first charge by way of pledge of 40 Lacs company's shares from promoter's holding.
	(e) Exclusive charge – Pledge of TDR for ₹ 0.35 Crore.
Guarantor	Personal guarantees of Directors Jagdishkumar M. Gupta, Kamal J. Gupta, Nalin J. Gupta and Kusum J. Gupta and J. Kumar & Co.
Outstanding as on 31.03.2012	₹ 7,262.43 Lacs

9 Disclosure required pursuant to Accounting Standards – 18 "Related Party Disclosure" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-

Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
J. Kumar & Co.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	Jagdishkumar M. Gupta	Kusum J. Gupta	J. Kumar Software Systems (India) Private Limited
Goldline Advertiser	J. Kumar – Chirag – Babulal (Consortium)	Kamal J. Gupta	Sonal K. Gupta	J. Kumar Minerals & Mines (India) Private Limited
	J. Kumar – Chirag - Navdeep (Consortium)	Nalin J. Gupta	Shalini N. Gupta	J. Kumar Developers Limited
	J. Kumar – Chirag - JEKIN (Consortium)		Govind Dabriwal	
	J. Kumar – Chirag - API (Consortium)			
	NCC - J. Kumar J.V.			
	Ameya Developers & J. Kumar (J.V.)			
	J. Kumar - Shiva Engineering Construction			
	J. Kumar - RPS JV			
	J. Kumar - Mukesh Brothers			
	J. Kumar R.K. Indra (Consortium)			
	J. Kumar PBA J.V.			

Year Ended 2011-2012

(₹ In Lacs)

Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
Remuneration Paid	-	-	132.00	-	-
Rent Paid	13.10	-	-	-	-
Contract Revenue	-	17,546.71	-	-	-
Dividend Paid	-	-	178.28	255.51	85.50
Membership Fees paid	-	-	1.02	-	-
Profit from JV	-	197.35	-	-	-
Sub Contract given	-	-	-	229.21	-
Capital Work in Progress	-	-	-	-	5,976.30

10 **Details of Investment purchased and redeemed during the year :-**

S.N.	Name of the fund	Opening balance as on 01.04.2011		Purchased during the year		Sold during the year		Balance as on 31.03.2012	
		No. of units	₹.	No. of units	₹	No. of units	₹	No. of units	₹
1	HDFC Infrastructure Fund	20,000	2,00,000	-	-	-	-	20,000	2,00,000
2	Kishan Vikas Patra	15	7,50,000	-	-	-	-	15	7,50,000
	Total	**20,015**	**9,50,000**	**-**	**-**	**-**	**-**	**20,015**	**9,50,000**

11 **Quantitative Details:**

The Company is engaged in the business of Construction Contract. Such activity cannot be expressed in any generic unit. Hence , it is not possible to give the quantitative details of Sales and the information as required under revised schedule VI of the Companies Act, 1956**.**

12 **Disclosure required pursuant to Accounting Standards – 27 "Financial Reporting of Interest in Joint Venture" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

S. No.	Name of the Joint Venture	Name of the Venture Partner	Proportion of Our interest in JV	Country of Incorporation
1.	J. Kumar - Mukesh Brothers J.V.	M/s Mukesh Brothers	80%	India
2.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	M/s Chirag Construction Company	55%	India
3.	J. Kumar – Chirag - Babulal (Consortium)	M/s Babulal Uttamchand & Co. M/s Chirag Construction Company	51%	India
4.	J. Kumar – Chirag - Navdeep (Consortium)	M/s Navdeep Construction Company M/s Chirag Construction Company	51%	India
5.	J. Kumar – Chirag - API (Consortium)	M/s API Construction M/s Chirag Construction Company	51%	India
6.	J. Kumar – Chirag - JEKIN (Consortium)	M/s JKIN Enterprise M/s Chirag Construction Company	51%	India
7.	J. Kumar - RPS J.V.	M/s RPS Infraprojects Private Limited	51%	India
8.	NCC - J. Kumar J.V.	M/s NCC Ltd	50%	India
9.	Ameya J. Kumar Construction (J.V.)	M/s Ameya Developers Pvt. Ltd	50%	India
10.	J. Kumar-Shiva Engineering Construction	M/s Shiva Engineering Construction	50%	India
11.	J. Kumar PBA J.V.	M/s PBA Infrastructure Limited	50%	India
12.	J. Kumar R.K. Indra (Consortium)	M/s Indra Construction Co. M/s Ramesh Kumar & Co.	50%	India

In our opinion and according to the information and explanation given to us, contract which has been awarded in the name of Joint Venture were executed by the joint venture. The company neither deploys any of its assets nor it incurs any liabilities, it books only its share of profit as per JV agreements between the venture partners.

13 In the opinion of the Management, the balance shown under Sundry Debtors and Loans & Advances have approximately the same realizable value as shown in accounts.

14 During the year 2011-12, the company has transferred ₹ 680.66 lacs from Profit and Loss account to General Reserve to comply with the provision under section 205(2) of the Companies Act 1956

15 **Micro & Small Enterprises:**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

16 **Disclosure required pursuant to Accounting Standards – 19 "Accounting for Leases" prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-**

(a) The Company has taken various residential premises under cancellable operating leases.

Operating Lease Payment:

Lease rental expense in respect of operating leases: ₹ 169.34 Lacs (P.Y. ₹ 89.18 Lacs)

Operating Lease Receivables:

Lease rental income in respect of operating lease: ₹ 69.14 Lacs (P.Y. ₹140.25 Lacs)

17 The company's operations predominantly consist of construction activities. Hence there are no reportable segments under Accounting Standard-17 " Segment Reporting" during the year under report, the company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.

18 The Company is maintaining accounts in ERP (Farvision) from 01.04.2011 earlier the company was using Tally 9 version.

19 Figures of previous year have been regrouped / rearranged wherever necessary. All figures have been given in Rupess in lakhs.

20 Value of Imports calculated on CIF basis: ₹ 224.25 Lacs (P.Y. ₹ 790.16 Lacs)

21 **Forward Cover Contracts (Disclosure as required by AS - 11 The Effect of changes in Foreign Exchange Rates) :**

The company has used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign rates fluctuations, and is not used by the company for trading or speculation purposes.

22 **Expenditure in Foreign Currency**:

(₹ In Lacs)

Particulars	2011-12	2010-11
Import of Machinery	193.99	692.72
Import of Stores and Spares	30.26	97.44
Foreign Travel	7.96	0.80
Professional/ Consultancy Fees	31.95	3.34
Interest	50.21	-
Total	**314.37**	**794.30**

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

Mr. Jagdishkumar Gupta

Chairman cum Managing Director

Date: July 18, 2014 Place: Mumbai

DECLARATION IN ACCORDANCE WITH FORM PAS-4

We, the Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act and the rules made thereunder;

(ii) the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

_____
Director

I am authorized by the QIP Issue Committee, a committee of the Board of Directors of the Company, pursuant to resolution number 03 dated July 18, 2014 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Date:

Place:

Managing Director

Date: July 18, 2014

Place: Mumbai

ISSUER
J. Kumar Infraprojects Limited

Registered And Corporate Office Of The Issuer
16-A, Andheri Industrial Estate
Veera Desai Road
Andheri (West)
Mumbai – 400058
India
Website:www.jkumar.com; **CIN** L74210MH1999PLC122886
Contact Person: Mrs. Poornima Reddy, Company Secretary and Compliance Officer

Details of Compliance Officer
Ms. Poornima Reddy
16-A, Andheri Industrial Estate
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Andheri (West)
Mumbai – 400058
India
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INTERNATIONAL LEGAL COUNSEL TO THE COMPANY WITH RESPECT TO INTERNATIONAL SELLING AND TRANSFER RESTRICTIONS

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