



J. KUMAR INFRAPROJECTS LIMITED



*We Dream
So We Achieve*

**ANNUAL REPORT
2011-2012**



PROJECTS



Kharghar Skywalk



Kopari ROB



Andheri Burfiwala Flyover



Holkar Flyover



Kaspate Vasti, Pune Road



Sion Flyover

PROJECTS



Ahemadabad BRTS



Milan ROB



Jogeshwari, Flyover



Mono Rail, Wadala



Panjarpol Flyover



Kapurbavadi Flyover

Chairman Speech



I am very pleased to extend a warm welcome to each one of you to 13th Annual General Meeting of your Company.

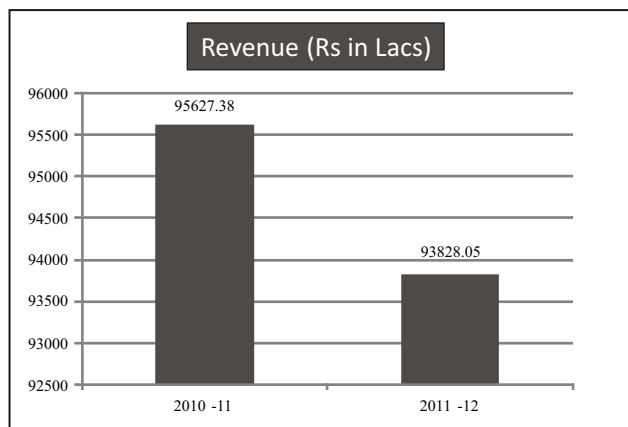
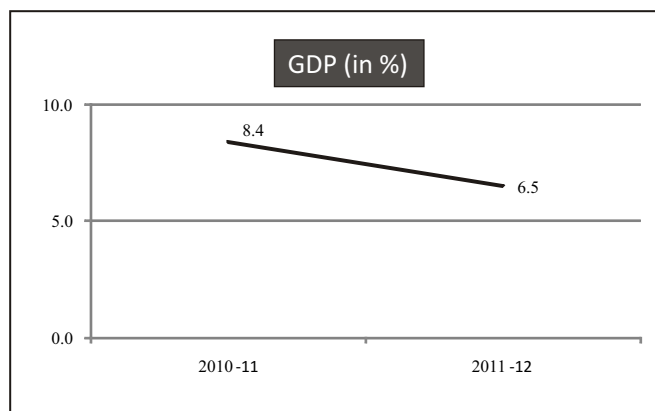
June this year witnessed series of measures that outlined the Government's agenda for pushing the infrastructure sector projects with specific targets for 2012-13 to take the GDP growth rate to 9 per cent at a high-level inter-ministerial meeting chaired by the Prime Minister himself.

The announcements include: 2 new major ports in Andhra Pradesh and West Bengal, 3-4 international airports, airline hub policy, elevated freight corridor in Mumbai, and bullet train from Mumbai to Ahmedabad, apart from that NHAI and DMRC had announced Rs 70,000 Cr of various works.

While things look rosy for the coming years if the Government's agenda gets implemented in full, the fact remains that the country's overall GDP has fallen 8.4% in FY'11 to 6.5% in FY'12.

The Eleventh Five Year Plan (2007-2012), for instance, anticipated at creating 78,700 MW of new power generating capacity however could achieve only 70% of it by FY'12. Similarly the projects of the National Highway Authority of India (NHAI) are running behind schedule.

As the macro economic outlook was dismal between FY11 and FY12, this had its bearing on your Company too. The revenues slipped from Rs. 95627.38 Lacs to Rs. 93828.05 Lacs, a fall of 1.88%.



Before concluding my speech, I would like to inform you that this is only a temporary blip as our order book is healthy at Rs. 2,51,253 lacs at the close of FY12. Our Company is also diversifying at other locations in order to tap upcoming opportunities in other states. Towards this end it has already bagged a few large sized projects in Delhi, Rajasthan and Gujarat and is also bidding in other states also.

I must express my profound gratitude to all of you for the steadfast confidence you have reposed in our Company and the Team J Kumar through all the times.

Dear Shareholders,

**Green Initiative in Corporate Governance
Issue copies of documents in Electronic Form**

We wish to inform you that the Ministry of Corporate Affairs, Govt of India(MCA) has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by the companies and has permitted companies vide their Circular No. 18/2011 dated 29.04.2011 to issue copies of Balance Sheets and Auditors' Report etc by e-mail to the shareholders.

SEBI vide it's circular ref No. CIR/CFD/DIL/2011, dated 5th October 2011 has directed listed companies to supply soft copies of full annual reports to all those shareholders who have registered their e-mail addresses for the purpose.

J. Kumar Infraprojects Limited, in its constant endeavour to enhance the sustainability of the environment and cutting down on consumption of paper, proposes to give an option to our shareholders to receive all documents like General Meeting Notices (Including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, ECS Intimations, etc, in electronic form at their e-mail addresses registered with their respective Depository Participant (DP) accounts {in the records of the Depositories, viz National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)}. Shareholders holding shares in physical form will receive the documents as stated above at their e-mail address registered with/provided to the Company's Registrar & Transfer Agent (RTA). If the e-mail id is not registered till now, please register the same thereby sending the information as given below.

We request you to join us in this noble initiative and look forward to your consent to receive the documents a stated above in electronic form. Please give your consent in the format given below, through e-mail to **investor.grievances@jkumar.com**

Dear Sir,

J. Kumar Infraprojects Limited: Consent of shareholder to receive documents like General Meeting Notices (Including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, ECS Intimations, etc. in Electronic Form

I refer to your circular dated 14.08.2012 on the above subject and give my consent to receive the documents as stated above in electronic form at my e-mail address registered with the Depository/RTA.

Name: _____

Folio No./DPID/Client ID: _____

E-mail ID: _____

In case of any updations/changes in your e-mail address, you are requested to promptly update the same with your DP. Shareholders holding shares in physical form have to send their updations/changes to the RTA, M/s Karvy Computershare Private Limited by sending e-mail to krishnans@karvy.com/investor.grievances@jkumar.com

Please note that the Annual Report will also be available on the Company's website www.jkumar.com for your ready reference. The shareholders of the Company are entitled to request and receive, free of cost, a printed copy of the annual report and other documents of the Company.

We are sure that you would appreciate the “Green Initiative' taken by your Company and opt for receiving documents as stated above in electronic form.

Poornima Reddy
Company Secretary

Place: Mumbai
Date: 14th August, 2012

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BOARD OF DIRECTORS

Directors

Mr. Jagdishkumar M. Gupta
Mr. Kamal J. Gupta
Mr. Nalin J. Gupta
Mr. P.P.Vora
Dr. R. Srinivasan
Mr. Ashwani Kumar

AUDIT COMMITTEE

Chairman

Members

Mr. P.P. Vora
Mr. Jagdishkumar M. Gupta
Dr. R. Srinivasan

SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

Chairman

Members

Mr. Ashwani Kumar
Mr. Kamal J. Gupta
Mr. Nalin J. Gupta

REMUNERATION COMMITTEE

Members

Dr. R. Srinivasan
Mr. P. P. Vora

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Poornima Reddy

AUDITORS

Gupta Saharia & Co.
Chartered Accountants

BANKERS

Bank of India, Bank of Baroda,
Allahabad Bank, Yes Bank,
Citi Bank, Standard Chartered Bank,
Axis Bank, IDBI

REGISTERED OFFICE

16-A, Andheri Industrial Estate,
Veera Desai Road, Andheri (West),
Mumbai 400 053
Tel: (91-22) 6774 3555
Fax: (91-22) 2673 0814
Website: www.jkumar.com

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Ltd.

Notice

Notice is hereby given that the 13th Annual General Meeting of the Members of **J. Kumar Infraprojects Limited** will be held at **GMS Community Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Opp Indian Oil Nagar on link Road, Andheri (W), Mumbai 400 053**, Maharashtra on Wednesday, the 26th September, 2012 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Directors Report, the Audited Statement of Profit and Loss Account and the Cash Flow Statement for the year ended 31st March 2012, and the Balance Sheet as at that date.
2. To Declare Dividend
3. To appoint a Director in place of Shri P.P. Vora who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ashwani Kumar, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint M/s. Gupta Saharia & Co , Chartered Accountants, bearing registration number of the firm 103446W with the Institute of Chartered Accountants of India as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company until conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification the following as **Ordinary Resolution**

“RESOLVED THAT in supersession of all earlier resolutions to the effect, consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of section of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the Board of Directors of the Company be and is hereby authorized to create such mortgages, charges and hypothecations, created/to be created by the Company in such form and manner as the Board may direct on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may direct of the Company in certain events in favour of Lender(s)/ Agents(s)/ Trustee(s)/ Financial Institutions/ Bank(s) and other investing agencies to secure Rupee/Foreign currency loans, bonds securities (Comprising full/partly Convertible Debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds) or other debt instruments of an equivalent aggregate value not exceeding Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only) together with interest thereon at the respective agreed rates, compounded rates, additional interest, liquidated damages, commitment charges, remuneration of Agents(s), Trustee(s), premium on pre-payment or on redemption, costs, charges, expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company to the Lender(s) / Agent(s) / Trustee(s) / Financial Institutions / Banks / other investing agencies under the arrangements entered into/to be entered by the Company in respect of the said loans, bonds, securities or other instruments.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions of the above mentioned loans, bonds securities, instruments and documents for creating the aforesaid mortgages, charges and hypothecations and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above resolution.”

7. To consider and if thought fit to pass with or without modification the following as **Ordinary Resolution.**

“RESOLVED THAT in supersession of all earlier resolutions to the effect, the consent of the Company under the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorized to borrow, from time to time, any sum or sums of monies, on such terms and conditions as the Board may deem fit, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of monies so borrowed by the Board shall not at any time exceed the limit of Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only)”.

By Order of the Board
For J. Kumar Infraprojects Limited

Place: Mumbai
Date : 14th August, 2012

Poornima Reddy
Company Secretary

Notes:

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.** Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of Meeting.
- II. As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief resume and functional expertise of the directors proposed for reappointment/appointment are furnished below along with the details of Companies in which they are directors and the Board Committees of which they are members.

i) Shri P.P.Vora

Shri P. P. Vora, aged 68 years is a Chartered Accountant by profession and has over 36 years experience in finance, banking and management. During his long and illustrious career as banker, he has held several prestigious positions in the industry such as serving as the Chairman and Managing Director of the Industrial Development Bank of India from which he retired in 2003. He is also associated currently with as Chairman/Director of several companies focussing in Real Estate, Manufacturing, and Finance etc.

Details of Shares held by Shri P. P. Vora in J. Kumar Infraprojects Limited.

No. of Shares NIL

Details of other Directorships held by him in other listed companies:

| | Name of Company | Designation (in Board) |
|----|----------------------------------------|-------------------------------|
| 1. | Halonix Limited | Director |
| 2. | Nakoda Limited | Director |
| 3. | National Securities Depository Limited | Director |
| 4. | Omaxe Limited | Director |
| 5. | Reliance Capital Trustee Co Ltd | Director |
| 6. | Reliance Home Finance Limited | Director |
| 7. | Sterling Add Life India Limited | Chairman |

ii) Shri Ashwani Kumar

Shri Ashwani Kumar, aged 63 years is an Independent Director. He is the retired Chief Commissioner of Income Tax from Chennai in the year 2008. He is a Post Graduate in Political Science from Allahabad University. He has joined Indian Revenue Service in November 1973, during the tenure worked in various capacities and at various places like Kolkata, Jaipur, Bhopal, Jodhpur, Mumbai etc.

Details of Shares held by Shri Ashwani Kumar in J. Kumar Infraprojects Limited.

No. of Shares Nil

Details of other Directorships held by him in other listed companies:

| | Name of Company | Designation (in Board) |
|----|--------------------------------|-------------------------------|
| 1. | ABG Shipyard Limited | Director |
| 2. | Western India Shipyard Limited | Director |

- III. The Register of Members and Share transfer Books of the Company will remain closed from Saturday, 15th September 2012 to Wednesday 26th September 2012 (Both days inclusive).
- IV. Dividend as recommended by the Directors, if declared at the Annual General Meeting will be paid on or after 26th September, 2012, to the members whose names appear in the Company's Register of Members as on 26th September, 2012 (In respect of shares held in physical form) and to those "deemed members" whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of Business hours of 14th September 2012 (In respect of shares held in electronic form).
- V. Members desirous of obtaining any information concerning the accounts and operations of the Company are request to the address their questions in writing to the Company Secretary at least seven days before the date of the meeting , so that the information required may be made available at the Meeting.

J. KUMAR INFRAPROJECTS LIMITED

- VI. Members are requested to bring their attendance slip and copy of the Annual Report to the Meeting.
- VII. Members holding shares in physical form are requested to notify /send the following to the Company's Registrar and Share Transfer Agent to facilitate better service:
- Any change in their address/mandate/bank details.
 - Particulars of their bank account, for printing on the dividend warrants (to help prevent fraudulent encashment), in case the same have not been sent earlier, and
 - Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
- VIII. Members holding shares in electronic form are advised that address/ bank details as furnished to the Company by the respective depositories, viz. NSDL and CDSL, will be printed on the dividend warrants. Members are requested to inform their respective Depository Participants of any change in address, bank details etc.
- IX. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as provided under section 190A of the Companies Act, 1956, are requested to submit the details to the Company's Registrar and Share Transfer Agent.
- X. Members, who have not encashed the dividend warrants for the financial year 2007-08, 2008-09, 2009-10 & 2010-11 are requested to write forthwith to the Company's Share Transfer Agent giving necessary details.
- Karvy Computershare Private Limited
Plot Nos 17 to 24, Vittalrao Nagar, madhapur,
Hyderabad-500081
Telephone No: 040-23420815 to 24
Fax No: 040-23420814
Email: krishnans@karvy.com
- Members are requested to quote their folio numbers /DPID and Client ID numbers in all correspondence with the Company and the Registrar and Share Transfer Agent.
- XI. Pursuant to the SEBI Circular No. MIRDS/DPS III/Cir -01/07 dated January 22, 2007; the Company has designated an exclusive e-mail ID viz investor.grievances@jkumar.com on which the investors would be able to register their complaints, if any.

EXPLANATORY STATEMENT:

Pursuant to Section 173(2) of the Companies Act, 1956:-

Item No: 6&7

Sections 293(1) (d) of the Companies Act, 1956, stipulates that Board of Directors of the Company cannot, except with the consent of the members in the General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, i.e to say, reserves not set apart for any specific purpose. The shareholders at the 10th Annual General Meeting of the company held on 9th September 2009, has accorded their consent to the Board of Directors for borrowing up to Rs 1000 Crores (Rupees One Thousand Crores Only)

Taking into consideration the requirements of the additional funds to meet the cost of Company's capital expenditure and also additional working capital requirements of the company, it is expected that the limit of Rs1000 Crores sanctioned by the shareholders is likely to be exceeded.

The consent of the shareholders is therefore sought in accordance with the provisions of Section 293 (1) (d) of the Act to enable the directors to borrow the moneys to the extent of Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only). The resolution under item no. 7 is to obtain the consent of the shareholders for this purpose.

The proposed borrowings of the company may, if necessary, be secured by way of Charge/Mortgage/Hypothecation of the Company's assets in favour of the lenders. As the documents to be executed between the proposed lenders and the company may contain the power to take over the management of the company in certain events, it is necessary to pass a resolution under section 293 (1) (a) of the Act, for creation of Charge/Mortgage/hypothecation for an amount not exceeding the borrowing limit of Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only).

The Proposed offers are in the interest of the company and your directors commend the resolution at item no 6 & 7 of the accompanying Notice for acceptance of the members.

None of the Directors of the Company are concerned or interested in the resolutions set out at the aforesaid items of the Notice.

Your Directors recommend passing of the resolution set out in the Notice.

Directors' Report

TO THE MEMBERS:

Your Directors have great pleasure in presenting this 13th Annual Report together with the Audited Accounts for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS:

| | (Rs. in Lacs) | |
|--------------------------------------------|----------------------|------------------|
| | 2011-2012 | 2010-2011 |
| Profit before Interest, Depreciation & Tax | 15,668.10 | 15,052.72 |
| Less: Depreciation | 1,888.29 | 1,585.11 |
| Interest | 3,661.84 | 2,771.27 |
| Profit before Tax | 10,117.97 | 10,696.34 |
| Less: Tax Expenses | | |
| Current Tax | 3,250.00 | 3,260.00 |
| Deferred Tax | 61.41 | 44.76 |
| Profit/Loss After Tax | 6,806.57 | 7,391.58 |
| Balance brought forward from previous year | 16,375.68 | 11,468.75 |
| Amount Available for Appropriation | 23,182.25 | 18,860.34 |
| Appropriations | | |
| Dividend on Equity shares | 625.53 | 625.53 |
| Tax on Dividend | 101.48 | 103.96 |
| Transfer to General Reserve | 680.66 | 1,755.16 |
| Balance Carried to Balance Sheet | 21,774.59 | 16,375.68 |
| Earnings per Share (In Rs.) | | |
| (Equity Shares of face value of Rs. 10/-) | 24.48 | 26.59 |

Business Review:

During the year under review, your Company has posted a revenue of Rs. 93,828.05 lacs, as compared to Rs. 95,627.38 lacs in the previous Financial Year. The Company recorded a net profit of Rs. 6,806.57 lacs as against Rs. 7,391.58 lacs in the corresponding previous financial year. The infrastructure industry had a setback owing to decelerated on the overall economy front. The overall GDP, for instance, fell from 8.4% in FY'11 to 6.5% in FY'12. Factors like tight monetary policy and hardening of international prices of crude oil etc too had a bearing on the industry. The Company's performance too moved in tandem with the fortunes of the infrastructure industry; however EBIDTA margin has improved by 16.70% to 15.74% compared to FY'11.

Your Directors are pleased to inform that during the year under report, the Company has secured the following major contracts:

| Sl. No. | Name of Work | Nature of Work | Amount of Contract (Rs. In Lacs) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------|
| 1 | Construction of 61m Railway span of Milan ROB Santacruz, Mumbai | ROB | 4,224.00 |
| 2 | Implementation of Mumbai Monorail Project from Gadge Maharaj Chowk to Chembur via Wadala. - Construction of Foundations & sub-structure etc including station buildings at Gadge Maharaj Chowk, Lower Parel and the Link way's Piling at Wadala Depot, Bhakti Park & Mysore Colony. | Monorail | 9,000.00 |
| 3 | Design & Construction of 4.91Km Elevated Viaduct for Navi Mumbai Metro Project between Chainage 5130m to Chainage 10740m excluding five stations viz Central Park, Pethapada, Sector-34 (Kharghar), Panchanand and Pendhar each of length 140m on Belapur - Taloja - Khandeshwar Corridor of Navi Mumbai Metro. | Navi Mumbai Metro | 14,596.35 |

J. KUMAR INFRAPROJECTS LIMITED

| Sl. No. | Name of Work | Nature of Work | Amount of Contract (Rs. In Lacs) |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------|
| 4 | Design and Construction of two flyover with Slip road on Shilphata Mahape road (SH 40) @ Ch. 0/000 to 1/500 (at pipe line junction) and Ch 5/000 to 6/800 (at Mahape) | Flyover | 7,180.00 |
| 5 | Contract CC-02: Design and Construction of viaduct and two elevated stations namely Rohini Sector-18 & Badli on Jahangirpuri-Badli Corridor (Extension of Line-2) of Delhi MRTS PH-III Project | Delhi Metro | 15,283.05 |
| 6 | Widening & Strengthening of Ambadi-Vashind (SH-40 and MDR-45) for 21.25 km length with bridges for 2+2 lanes (Package-II) | Road | 11,075.43 |
| 7 | Construction of ESIC Medical college, Alwar | Civil | 51,951.00 |
| 8 | Widening & Improvement to Sion Panvel Special Highway Road | Road | 60,000.00 |

The total balance value of works in hand as on March 31st, 2012 is Rs. 2,51,253 Lacs.

Decisions are awaited from various clients for tenders submitted by the Company (Directly or in JV) for 8 Projects amounting to about Rs. 4,262.71 Crores which are currently under evaluation. The Company is confident of securing a sizeable share of these new projects.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs. 2.25 per share i.e 22.50% (Previous year's dividend was 22.50%) on the Company's Equity Paid up share capital of Rs. 278,012,050/- (previous year's capital of Rs. 278,012,050/-).

DIRECTORS:

Retirement by rotation

In accordance with Section 255 & 256 of the Companies Act, 1956 read with Article of the Articles of Association of the Company, Shri P.P.Vora, and Shri Ashwani Kumar are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Your Directors recommend the re-appointment of Shri P.P.Vora, and Shri Ashwani Kumar as directors. None of these directors is disqualified as per the provisions of Section 274 (1) (g) of the Companies Act, 1956, to be re-appointed as directors of your Company.

A brief profile of the above Directors containing details of their qualifications, expertise, other directorships, committee memberships etc, has been given in the Report on the Corporate Governance as well as in the Notice of the ensuing Annual General Meeting.

Resignation of Directors

Mr. R. H. Tadvi, Independent Director of the Company had resigned from the Board and from the Share Transfer and Investor Grievances Committee w.e.f 2nd August, 2012 and the same is approved by the Board of Directors in its meeting held on 14th August, 2012.

AUDITORS:

M/s. Gupta Saharia & Co, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing annual general meeting, and being eligible, offer themselves for re-appointment.

Your Company has received a letter from M/s Gupta Saharia & Co, Chartered Accountants; to the effect that their re-appointment as statutory auditors, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

AUDITORS REPORT:

The Auditor's Report to the shareholders does not contain any qualification.

DEPOSITS:

The Company has not accepted deposits by way of invitation to the public and therefore, provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated in Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the Profits of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

ACCREDITIONS

Striving to maintain Design and Engineering Procurement, Construction, Consultancy and Related Services for Infrastructure Projects including Bridges, Flyovers, Buildings, Roads and structures according to the Client Specified Requirements. The Company has upgraded its Quality Management Systems to the international standards as per ISO 9001:2008. Apart from that company has got the ISO 14001:2004 and OHSAS 18001:2007 for Environmental Management System and Occupational Health and Safety Management Systems

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance forms part of this Report.

STATUTORY INFORMATION

The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are required to be annexed to the Directors' Report, however no such employee was in the receipt of remuneration as prescribed u/s 217(2A)(a).

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure to this Report.

INDUSTRIAL RELATIONS:

The Industrial relations of your Company have been cordial during the year. Your Directors wish to place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

ACKNOWLEDGEMENTS

Your Board of Directors would like to acknowledge and place on record their sincere appreciation to all the stake holders Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees

The Board of Directors is thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

For and on behalf of the Board of Directors

Jagdishkumar M. Gupta
Chairman cum Managing Director

Place : Mumbai

Date : 14th August, 2012

ANNEXURE - A

Information pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

- 1) Information as per section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March 2012.

During the year, no such employee was in the receipt of remuneration as prescribed u/s 217(2A)(a).

- 2) Conservation of Energy:

The particulars relating to conservation of energy, and technology absorption are not applicable to the Company. However, the Company is committed to energy conservation at every stage of its operations. Various steps have been taken to reduce consumption of electrical energy by monitoring the use of equipments, machinery etc. used in the construction. The Company is in tune with the changing trends of the modern technology/ machinery to be used in its business.

- 3) Foreign Exchange Earnings and Outgo:

(Rs. in lacs)

| | 2011-12 | 2010-11 |
|-----------|----------------|----------------|
| Earnings* | 3313.55 | 901.00 |
| Outgo | 314.37 | 794.30 |

* Earnings includes ECB Loan received fully hedged

- 4) Foreign Technical Collaboration and Technology absorption: **NIL**.

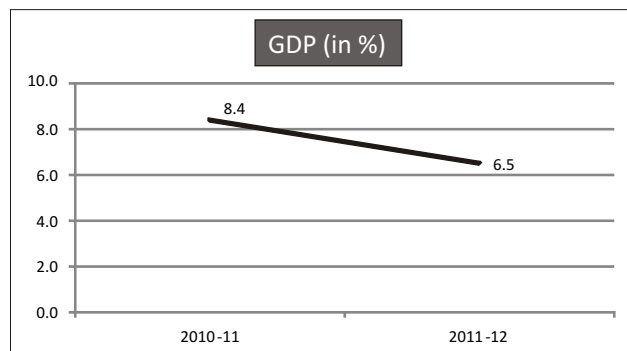
Management Discussion & Analysis Report

Economic overview

The smart recovery in 2010 could not be sustained and growth in global economic output slowed down considerably in 2011. IMF Report April 2012, for instance, says that against a growth rate of 5.3% recorded in 2010 and a forecast of 4.4%, global output actually grew by only 3.9% in 2011. Sovereign debt crisis in the euro zone, contraction of the Japanese economy, and slow recovery in the US, led to the slow down in advanced economies.

The growth rate in emerging economies like China, India, and Brazil, also fell from 7.5% in 2010 to 6.2% in 2011. Owing financial shakeouts in developed economies, capital inflows into emerging economies declined leading to exchange rate fluctuations as well.

Back home, the Indian economy decelerated considerably during the year. The overall GDP fell from 8.4% in FY'11 to 6.5% in FY'12. RBI had also adopted a tight monetary policy in order to balance the growth-inflation dynamics after considering factors like lower global demand and hardening international prices of crude oil etc. The Industrial sector's growth rate was below 4% - a 10 year low - reflected factors like higher interest rate regime and decline in business confidence. The Gross Fixed Capital Formation too dropped below 30% of GDP. While the fiscal deficit touched 5.9% of GDP, the current account deficit hovered around 4% of GDP. The overall Balance of Payment situation too turned negative. Factors like these led to depreciation of the Indian Rupee which fell to record lows.



Industry Overview

The Index of Eight core industriescrude oil, petroleum refinery products, coal, electricity, cement, steel, fertilizers and natural gashaving a combined weight of 37.90 per cent in the Index of Industrial Production (IIP) stood at 142.3 in April 2012, according to data released by the Union Ministry of Commerce and Industry. During 2011-12, the cumulative growth rate of the core industries was 4.4 per cent. The infrastructure sector accounts for 26.7 per cent of India's industrial output.

Further, India needs to spend US\$ 1.2 trillion by 2030 to meet the projected demand of its cities, according to a McKinsey Global Institute Report.

Investment Opportunities

Global private equity (PE) funds looking for high return on investments are going to target Indian infrastructure companies in the coming years, says a report by research agency Preqin. As per the study, India is attracting the highest number of unlisted, closed-end funds that focus on a single country, making it the most preferred choice among emerging markets. India is expected to require around US\$ 1 trillion worth of infrastructure investment over the next five years.

Infrastructure PE funds investing in India can choose from sub-sectors such as power, telecom, roads and ports. The Preqin report says 74 per cent of India-focused funds will invest in greenfield projects, 84 per cent in brownfield assets, and 42 per cent will buy out the stakes of other PE funds.

Investment Policy Updates

- FDI up to 100 per cent under the automatic route is permitted in exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products, actual trading and marketing of petroleum products, petroleum product pipelines, natural gas/LNG pipelines, market study and formulation and Petroleum refining in the private sector. This will be subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields of national oil companies.
- FDI up to 49 per cent is permitted under the Government route in petroleum refining by the Public Sector Undertakings (PSU). This should not involve any divestment or dilution of domestic equity in the existing PSUs.
- FDI up to 100 per cent under the automatic route is allowed both in setting up new and in established industrial parks.

Source: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP)

The infrastructure sector was one of the thrust areas in the Union Budget 2012-13, as Finance Minister Mr Pranab Mukherjee announced a slew of proposals, including allowing financial institutions to raise about INR 60,000 crore (US\$ 12 billion) from tax-free bonds and envisaging a greater private participation.

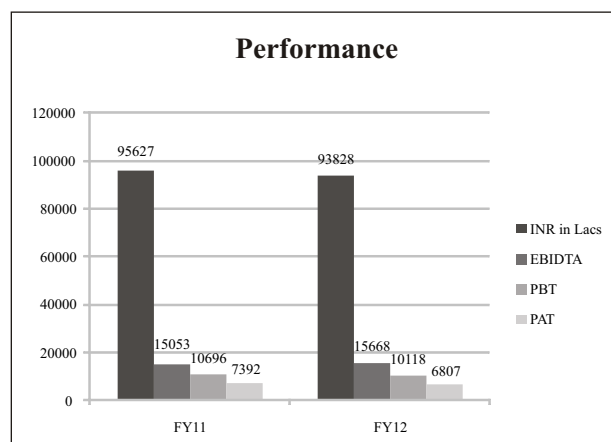
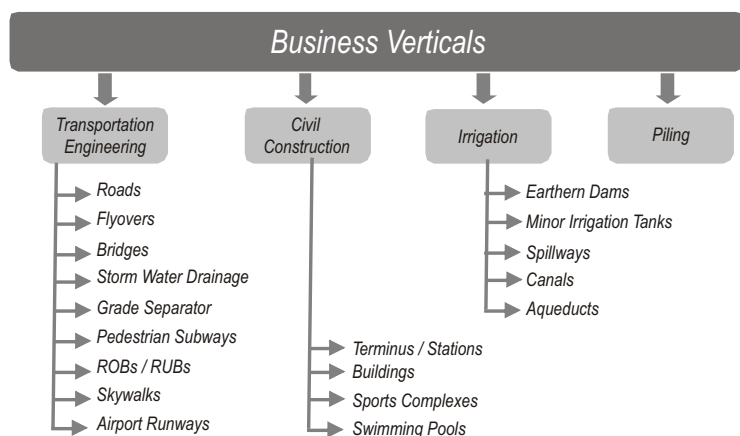
J. KUMAR INFRAPROJECTS LIMITED

Company Overview

The Company continues to indicate a positive outlook in its growth strategy. Its focus on urban infra, on geographical diversification, and a lean balance sheet. The Company is growing beyond Maharashtra and has recently bagged major portion of works in Delhi and Gujarat.

The infrastructure industry had a setback owing to decelerated on the overall economy front. The overall GDP, for instance, fell from 8.4% in FY'11 to 6.5% in FY'12. Factors like tight monetary policy in order to balance the growth-inflation dynamics and hardening of international prices of crude oil etc too had a bearing on the industry.

The Company's performance too moved in tandem with the fortunes of the infrastructure industry. The Company's net profits for FY12 fell by 7.91% percent at Rs. 6806.57 Lacs as against Rs. 7391.58 for FY11 on a lower revenue for FY12 at Rs. 93,828.05 Lacs as against Rs. 95,627.38 Lacs for FY11.



Transportation Engineering

This comprises a major chunk of business for J Kumar which consists of Flyovers, Bridges, Roads, skywalks Monorail, Metro rail etc.

In this segment the Company has recently bagged the prestigious Rs. 600 crore Sion Panvel Special State Highway and Navi Mumbai Metro Project worth Rs. 145 Crores etc.



Piling

Piling plays a crucial role when the soil near the ground surface is not strong enough and requires assistance of deeper soil layers to support the structure. J Kumar owns 22 piling rigs and several sub-equipment's for Piling like JCB Cranes, Dumper & tipper etc. The Company is doing piling works for major infra and real estate players in the country.

Irrigation

They are widely spread across the Maharashtra, mainly into Vidarbha Region. Company has successfully executed construction of various earth work and structures, and during the year bagged work order worth of Rs. 92.58 Crores of Lower Wardha main canal for construction of barrage at Pulgaon on Wardha river with mechanical gate, erection, survey design and all work and also bidding for more.



Civil Construction

The segment includes construction of corporate offices, building and transport terminals (airport & Railway). Company has executed various prominent projects and during the year has bagged the Rs. 520 crore ESIC Hospital & Medical College Project. The Employee's State Insurance Corporation came up with this project initiative. For taking this project forward, the ESI has appointed U. P. Rajkiya Nirman Nigam Ltd (A UP Govt. Public sector undertaking) as a construction agency to supervise the construction work and the tender for this project is awarded to us.



Order Book Position

The Company has strong order of around Rs. 2500 crore is based on good bid pipeline. Despite sizeable revenue growth, it has low gearing of 0.2x which would help to keep the interest rates competitive.

Business Drivers Audit and Systems

Your Company believes that the freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked environment of your Company, validation of IT security continues to receive focused attention of the internal audit team.

The Internal Audit function consisting of professionally qualified accountants, engineers and IT specialists reviews the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate to yield 'value for money'.

Your Company's Internal Audit function maintains quality standards in its processes. The Audit Committee of Board constantly reviewed factors like: the adequacy and effectiveness of the internal control environment and monitored implementation of internal audit recommendations including those relating to strengthening of your Company's risk management policies and systems.

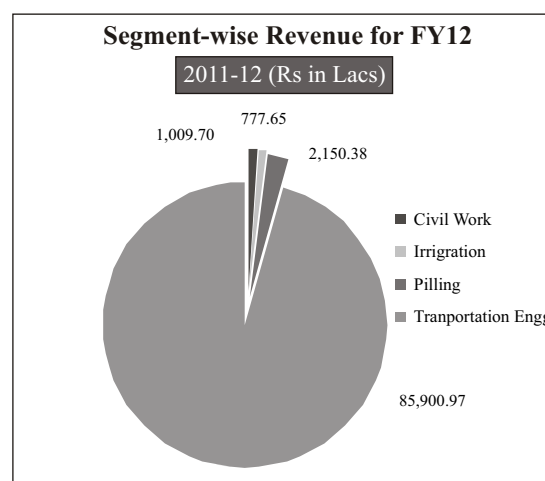
Business Drivers - Human Resource Development

Your Company's human resource management systems and processes are designed to enhance employee engagement, organizational capability and vitality so as to ensure that each of the businesses is positioned for competitive superiority and capable of achieving your Company's ambitious plans for growth.

It ensures that each business is enabled to focus on its own product market while at the same time, leverages the synergies of a multi-business conglomerate. This unique strategy of organization also focuses on developing and nurturing leadership and ensures that each of your Company's businesses is managed by a team of competent, passionate and inspiring leaders, capable of building a future through continuous learning, innovation and world class execution.

The human resource philosophy, strategy and processes of your Company have been designed to attract and retain quality talent and nurture workplace challenges that keep employees highly engaged, motivated and committed to innovation and customer delight. This talent has, through strong alignment with your Company's vision.

Your Company's belief in the mutuality of interests of stakeholders, binds all employees to a shared vision and purpose, thus providing it with the vital force to win in the market place.



J. KUMAR INFRAPROJECTS LIMITED

Risk Management

Your Company has a system-based approach to business risk management. Backed by strong internal control systems, the current risk management framework consists of the following elements:

The Corporate Governance Policy clearly lays down the roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from the strategic to the operational, is specified in the Governance Policy. These roles are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.

The Corporate Risk Management Cell works with the businesses to establish and monitor the specific profiles including both strategic risks and operational risks. The process includes the prioritization of risks, selection of appropriate mitigation strategies and periodic reviews of the progress on the management of risks.

A combination of centrally issued policies and divisionally-evolved procedures brings robustness to the process of ensuring business risks are effectively addressed.

Way Forward

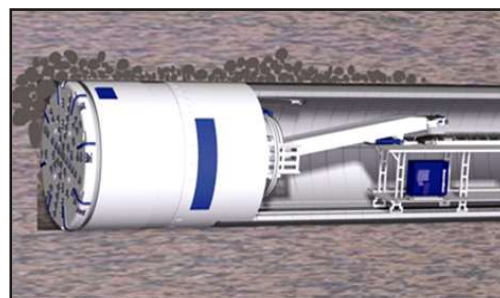
The Planning Commission has projected that investment in infrastructure would almost double at US\$ 1,025 billion in the Twelfth Five Year Plan (2012-17), compared to US\$ 514 billion in the Eleventh Plan. Of the US\$ 1,025 billion, 50 per cent is expected to come from private sector, whose investment has been 36 per cent in the Eleventh Plan.

SECTOR FACTS - India has

- ✓ 12 Major Ports
- ✓ Fifth largest electricity generation capacity in the world
- ✓ 454 airports and airstrips in India
- ✓ Fourth largest rail network in the world

According to investment banking company Goldman Sachs, India's infrastructure sector will require US\$ 1.7 trillion investment in the next 10-years. With a view to streamlining and simplifying the appraisal and approval process for public private partnership (PPP) projects, a Public Private Partnership Appraisal Committee (PPPAC) has been constituted under the chairmanship of Secretary, Department of Economic Affairs and Secretaries of Planning Commission, Department of Expenditure, Department of Legal Affairs and the concerned Administrative Department as its members. The project proposals are appraised by the Planning Commission and approved by the PPPAC.

Going forward we are quite excited about the fact that we have recently forayed into tunneling work in a big way. Towards this end, we have bagged underground works on Mukundpur-Yamun Vihar corridor and Lajpat Nagar-Hazrat Nizamuddin stations of Delhi MRTS Project of Phase-III.



Corporate Governance Report

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to efficiently and ethically generate long term wealth and create value for all its stakeholders. The Company places highest emphasis on business ethics and had adopted high standards of Corporate Governance practices across all its business activities. In this pursuit, the Company places highest emphasis on business ethics and had adopted high standards of Corporate Governance practices across all its business activities and has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities to provide management with the strategic direction needed to create long term shareholders value.

The detail report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges is set out below.

Company's Philosophy on Corporate Governance

J. Kumar Corporate Governance principles have a strong pedigree of fairness, transparency, ethical processes and good practices. The Core values of the organization include Quality, Trust, Leadership and Excellence. This commitment lays the foundation for its governance practices, which are geared to support a business model that focuses on creating sustainable long term shareholder value, while fulfilling the interests of all other stakeholders of the Company.

At J. Kumar, corporate governance practices are not merely a discipline imposed by the regulator, but an inherent culture that guides the Board of Directors, the management and the employees to function towards the best interest of all stakeholders. These efforts gives us the confidence of having put in place the right building blocks for future growth in a prudent and sustained manner. The Company complies with all the statutory and regulatory requirements prescribed by the Clause 49 of the Listing Agreement.

The Corporate Governance Report of the Company for the year ended 31st March 2012 is as follows:

I) Board of Directors

Board of Directors of the Company comprises of 7 Directors. The composition of the Board as on 31st March 2012, J. Kumar's Board consists of 7 members. Out of these, three are Executive Directors, including the Chairman and Managing Director, who is also the Promoter Director of the Company. Out of the four Non-Executive Directors, all the four are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least 50 percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

| Category | No. of Directors | % of Total Number of Directors | Minimum Requirement as per Clause 49 |
|-------------------------------------|------------------|--------------------------------|--------------------------------------|
| Executive Promoter Directors | 3 | 43% | |
| Independent Non-Executive Directors | 4 | 57% | 50% |
| Total | 7 | 100% | |

(a) Conduct of Board Proceedings:

The day to day business is conducted by the executives of J. Kumar Infraprojects under the direction of Executive Promoter Directors and the supervision of the Board. The Board holds periodic meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

(b) Board Meetings

The Board held Five meetings during FY 2011-12 on 6th April, 2011, 10th May, 2011, 9th August 2011, 8th November 2011, 9th February 2012.

(c) Director's attendance record and Directorships held.

As mandated by Clause 49, none of the Directors are members of more than ten Board-level committees nor are they Chairman of more than five such committees.

The attendance of the Directors in Board Meetings, previous Annual General Meeting, Directorships and committee positions held by them in other Companies are as follows:

J. KUMAR INFRAPROJECTS LIMITED

| Name of Directors | Position | Meetings held | Meetings attended | Whether attended last AGM | Number of Directorship of other Public Companies | Committee Positioned | | Pecuniary or business relation with the Company |
|---------------------------|------------------------------------------|---------------|-------------------|---------------------------|--------------------------------------------------|----------------------|--------|-------------------------------------------------|
| | | | | | | Chairman | Member | |
| Mr. Jagdishkumar N. Gupta | Promoter, Chairman cum Managing Director | 5 | 5 | Yes | Nil | - | - | N.A |
| Mr. Kamal J Gupta | Promoter, Executive Director | 5 | 5 | Yes | Nil | - | - | NA |
| Mr. Nalin J Gupta | Promoter, Executive Director | 5 | 5 | Yes | Nil | - | - | NA |
| Mr. P. P. Vora | Independent Director | 5 | 4 | Yes | 7 | 2 | 3 | None |
| Dr. Srinivasan | Independent Director | 5 | 4 | Yes | 4 | 4 | 7 | None |
| Mr. R. H. Tadv | Independent Director | 5 | 4 | Yes | Nil | - | - | None |
| Mr. Ashwani Kumar | Independent Director | 5 | 4 | Yes | 2 | 2 | - | None |

As mandated under Clause 49, the Independent Directors on J. Kumar Infraprojects Board:

- Do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its senior management or its Associates which may affect their independence as a Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
 - statutory audit firm or the internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e do not own two percent or more of the block of voting shares.
- Are not less than 21 years of age.

(d) Information placed before the Board

All major decisions involving new investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. The following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meetings.

- Capital budget-purchase and disposal of plant, machinery and equipment.
- Quarterly, half yearly and annual results of the Company
- Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- Details of any joint venture agreement or collaboration agreement.
- Materially important show cause, demand, notices and penalty notices, if any
- Non-compliance of any regulatory, statutory or listing requirement and shareholders service such as no-payment of dividend, delay in share transfer, etc.

(e) Directors with pecuniary relationship or business transaction with the Company

All Executive Directors receive salary, and perquisites, while all the Non-executive Directors receive sitting fees only.

(f) Remuneration to Directors

Details of the remuneration paid to the Directors in FY 2011-12

(Amount in Rs.)

| Name of Directors | Salaries & Perquisites | Commission | Total |
|------------------------|------------------------|------------|-----------|
| Mr. Jagdishkumar Gupta | 48,00,000 | Nil | 48,00,000 |
| Mr. Kamal J Gupta | 42,00,000 | Nil | 42,00,000 |
| Mr. Nalin J Gupta | 42,00,000 | Nil | 42,00,000 |
| Mr. P.P.Vora | Nil | Nil | Nil |
| Mr. R. H. Tadvi | Nil | Nil | Nil |
| Dr. R. Srinivasan | Nil | Nil | Nil |
| Mr. Ashwani Kumar | Nil | Nil | Nil |

Notes:

- Sitting fees of Rs. 5,000 per meeting been paid to all the independent directors for attending meetings of Board and Committee.
- Perquisites do not include usage of Car and telephone for the purpose of Company business.

(g) Code of Conduct

The Board of Directors has laid down the Policy on Code of Conduct for the Board of Directors and the Senior management/employees. Copy of the Code of Conduct is available on the website of the Company www.jkumar.com. All the Board Members and Senior Management/Employees of the Company have affirmed compliance with the Code of Conduct as applicable to them.

II) Board Committees

The Company has three Board-level Committees Audit Committee, Remuneration Committee, Share transfers & Shareholders/Investors Grievance Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(a) Audit Committee

The Audit Committee of the Company is in compliance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement.

The Scope of the Audit Committee is as follows:

- The Audit Committee shall have meetings periodically as it may deem fit with at least three meetings in a year, viz., one meeting before finalization of annual accounts and one every six months.
- The Audit Committee shall invite such of the executives (and in particular the head of the finance division), to be present at the meetings of the Committee whenever required by it.
- The finance head and the auditors of our Company shall attend and at the meetings without right to vote.
- The Audit Committee shall have the following powers:
 - It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
 - To investigate any activity within its terms of reference.
 - To seek information from any employee.
 - To obtain outside legal or other professional advice.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.

J. KUMAR INFRAPROJECTS LIMITED

- Oversight of our Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions, i.e. transaction of our Company which are of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.
- Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors and significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing our Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly, and annual financial statements before submission to the Board.
- It shall ensure compliance of internal control systems.
- The Chairman of the Audit Committee shall attend the Annual General Meetings of our Company to provide any clarification on matters relating to audit sought by the members of our Company.

Further, the Audit Committee shall also be responsible for monitoring of utilization of Issue Proceeds.

The Composition and attendance of the members for the Committee are as follows:

- | | |
|-----------------------------|-----------|
| 1. Mr. Padmanabh P. Vora | Chairman |
| 2. Dr. R. Srinivasan | Member |
| 3. Mr. Jagdishkumar M Gupta | Member |
| 4. Mrs. Poornima Reddy | Secretary |

During the financial year 2011-12, Four Audit Committee Meeting's was held on 10th May, 2011, 9th August 2011, 8th November 2011, 9th February 2012 which was attended by all the Members and the details are given below:

| Name of the Member | Category | Position | No of Meetings Held | No of Meetings attended |
|--------------------|------------------------------|----------|---------------------|-------------------------|
| PP Vora | Independent Director | Chairman | 4 | 4 |
| Dr. R. Srinivasan | Independent Director | Member | 4 | 4 |
| Jagdishkumar Gupta | Chairman & Managing Director | Member | 4 | 4 |

(b) Remuneration Committee

Although not mandated under Clause 49 of the Listing Agreement the Company has a Remuneration Committee.

The committee's goal is to ensure that our Company attracts and retains highly qualified employees in accordance with our business plans, that our Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate. The Remuneration Committee consists of the following members:

The Composition of the members for the Committee is as follows and all the three are independent directors of the company:

- | | |
|---------------------------|----------|
| 1. Dr. R. Srinivasan | Chairman |
| 2. Mr. Padmanabh P. Vora | Member |
| 3. Mr. Roshankhan H. Tadv | Member |

The terms of reference of the Remuneration Committee are as follows:

- The Remuneration Committee shall meet as when required.
- The Remuneration Committee shall determine remuneration packages for executive Directors and any compensation payment. The remuneration of the Executive Directors are within the limits laid down by Schedule XIII of the Companies Act 1956. The Non Executive Directors are paid sitting fees for attending the Meetings of the Board of Directors and Committees within the ceiling prescribed by the Central Government.

No Remuneration Committee was held during the financial year on 31st March 2012.

(c) Share Transfer & Shareholders/Investors Grievance Committee

The Share Transfer & Shareholders/Investors Grievance Committee comprises of three Directors namely ,

- | | |
|---------------------------|-----------------------------------------|
| 1. Mr. Roshankhan H. Tadv | Chairman and Independent Director |
| 2. Mr. Nalin J. Gupta | Executive Director, |
| 3. Mr. Kamal J. Gupta | Executive Director. |
| 4. Mrs Poornima Reddy | Company Secretary & Compliance Officer. |

The Share Transfer & Shareholders/Investors Grievance Committee deals with various matters relating to:

- Noting of transfer/transmission of shares
- Review of shares dematerialized/ rematerialized and all other related matters.
- Monitors expeditious redressal of Investor's grievance received from Stock exchanges. SEBI, ROC etc.
- Non-receipt pf Annual Reports and dividend.
- All other matters related to Shares.

During the year 2011-12, the Committee met four times on 10th May, 2011, 9th August 2011, 8th November 2011, 9th February 2012 The Minutes of the Share transfers & Shareholders/Investors Grievance Committee are reviewed and noted by the Board. The details of attendance at the Meetings of the Committee are given below:

| Name of the Member | Category | Position | No of Meetings Held | No of Meetings attended |
|---------------------|----------------------|----------|---------------------|-------------------------|
| Roshan Khan H. Tadv | Independent Director | Chairman | 4 | 3 |
| Kamal J. Gupta | Executive Director | Member | 4 | 4 |
| Nalin J. Gupta | Executive Director | Member | 4 | 4 |

A total of 2 queries/complaints were received by the Company from shareholders/investors during 2011-12. All the complaints were resolved by the Company to the satisfaction of the investors and as on 31st March 2012, there were no pending letters or complaints.

III) Management

A) Management Discussion and Analysis Report:

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

B) Subsidiaries:

The Company does not have any Subsidiary Companies.

C) Disclosures:

C.1) Related Party Transactions:

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their group companies or relatives, etc. are presented under notes to accounts note no 24(B)(9) of the Balance Sheet. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters.

C.2) Accounting treatment in preparation of financial statements:

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

C.3) Risk Management:

The Company is in the process of documentation of the risk management policy.

C.4) Code for Prevention of Insider Trading Practices:

The Company has adopted the code of conduct and ethics for directors and senior management. The code had been circulated to all the members of the Board and senior management and the same had been put on the Company's website www.jkumar.com. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is mandated. All the designated employees are also required to disclose related information periodically as defined in the Code of Conduct to the Compliance Officer of the Company.

C.5) CEO/CFO Certification:

The CEO/CFO certification of the financial statements for the year is appended at the end of the report.

C.6) Unclaimed Shares:

Clause 5A of the Listing Agreement, the Company is in process of crediting the shares allotted pursuant to the Initial Public Offering (IPO) of the Company completed in Feb, 2008 which are unclaimed and are lying in escrow account to a demat suspense account and the details are given below:

| Particulars | No. of Cases | No. of Shares |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the Year 2011-2012 i.e. as on 1 st April, 2011. | 17 | 1993 |
| Number of Shareholders who approached for Issuer/Registrar for transfer of shares from suspense account during the year 2011-12. | NIL | NIL |
| Number of shareholders whom shares were transferred from suspense account during the year 2011-12. | NIL | NIL |
| Number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e as on 31 st March, 2012. | 17 | 1993 |

The Voting Rights on the outstanding unclaimed shares lying in suspense account shall remain frozen till the rightful owner of such shares claims the shares.

C. 7) Pledge of Equity shares:

Promoters/Promoters Group of the company have pledge 40,00,000 Equity Shares with Bank of India under the consortium credit facilities as on 31st March 2012.

The aggregate shareholdings of the Promoters and persons belonging to the Promoters & Promoters Group as on March 31, 2012 comprised of 1,51,55,920 Equity Shares of Rs. 10/- each representing 54.51% of the Paid up Equity Share Capital of the Company.

IV) SHAREHOLDERS INFORMATION:

Disclosures regarding appointment & re-appointment of Directors:

Re-appointment of Directors

At the ensuing Annual General Meeting, Shri P.P.Vora and Shri Ashwani Kumar Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

The brief profiles of the re-appointment of the Directors are already provided in the notes of the explanatory statement in the notice.

Communication to Shareholders:

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors.

The results are normally published in “Economic Times” English Daily and “Mumbai Lakshdeep” Marathi Newspaper within 48 hours after the approval by the Board.

The details of the financial results and shareholding pattern are hosted on the Company's website: jkumar.com. All other official news are displayed on the same website.

General Meetings

The details of the Annual General Meetings held during the last three years are as follows:

| Year | No. of AGM | Day, Date and Time of AGM | Venue |
|---------|------------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 2010-11 | 12 | Tuesday, 27 th September 2011, 11.00 A.M | GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar Opp: Indian Oil Nagar On Link Road, Andheri (W), Mumbai 400053. |
| 2009-10 | 11 | Tuesday, 21st September 2010, 11.00 A.M | GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar Opp: Indian Oil Nagar On Link Road, Andheri (W), Mumbai 400053. |
| 2008-09 | 10 | Wednesday, 9 th September 2009, 11.00 A.M | GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar Opp: Indian Oil Nagar On Link Road, Andheri (W), Mumbai 400053. |

Extra Ordinary General Meeting

An Extraordinary General Meetings held during the last three years are as follows on, 20th May 2009 and the following Special Resolutions were passed:

- 1) Amendment of Articles of Association of the Company for conducting of Postal Ballot
- 2) Amendement of Articles of Association of the Company for issuing warrants to promoter/promoter Group Company/others on Preferential basis.
- 3) Preferential Issue of Warrants to individuals and / or corporates belonging and / or not belonging to the Promoter / Promoter Group.

Postal Ballot:

There were no Resolutions passed through postal ballot during the year under review.

J. KUMAR INFRAPROJECTS LIMITED

Compliance:

a) Mandatory requirements

Company is fully compliant with the applicable mandatory requirements of Clause 49 of the listing agreement executed with the Stock Exchanges

b) Adoption of non-mandatory requirements

Although it is not mandatory, the Board of J. Kumar Infraprojects has constituted a Remuneration Committee. Details of the Committee have been provided under Section "Remuneration Committee".

c) Auditors Qualification on Financial Statements:

The Company's financial statements are free from any qualifications by the Auditors.

d) Instances of non-compliance by the Company:

No penalty or stricture has been imposed on the Company by the stock exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 Years.

Auditors Certificate on Corporate Governance:

The Company has obtained a certificate from its Statutory Auditors testifying to its compliances with the provisions relating to Corporate Governance laid out in Clause 49 of the Listing Agreement executed with the Stock Exchanges. The certificate is annexed to the Directors Report and the same will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

Disclosure under Clause 53 of the Listing Agreement regarding certain agreements with the media companies:

Pursuant to the requirement of Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which as resulted/will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the company, any management control or potential conflict of interest arising out of such agreements, etc are not applicable. Nor has the Company entered into any other back to back treaties/contracts/agreements/MOUs or similar instruments with media companies and/or their associates.

General Shareholders' Information:

Information to Shareholders of 13th Annual General Meeting:

1. Date : 26th September 2012
2. Time : 11.00 A.M
3. Venue : GMS Community Centre Hall, Sitladevi Complex
1st Floor, D.N. Nagar, Opp. Indian Oil Nagar
On Link Road, Andheri (W), Mumbai - 400053
4. Financial Year : 1st April to 31st March
5. Date of Book Closure (both days inclusive) : 15th September 2012 to 26th September 2012
6. Dividend : The Board of Directors have recommended a dividend of Rs. 2.25 Per Share of Rs. 10/- each of the paid-up Equity Capital of the Company. Dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the Register of Members as on 26th September 2012
7. Registered Office : 16-A, Andheri Industrial Estate,
Veera Desai Road, Andheri (W)
Mumbai 400053

8. Listing in Stock exchanges : The Equity Shares of the Company are listed in the following Stock exchanges:
Bombay Stock Exchange Limited.
National Stock Exchange of India Limited
9. Stock Code : Bombay Stock Exchange Limited: 532940
National Stock Exchange Limited: JKIL
10. Listing Fees : Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed.
11. Stock Performance : The Performance of the Stock in the Bombay Stock Exchange Limited & National Stock Exchange of the India Limited for the period 1st April 2011 to 31st March 2012 was as follows:

| Month & Year | BSE Price | | NSE Price | |
|--------------|-----------------|----------------|-----------------|----------------|
| | JKIL High Price | JKIL Low Price | JKIL High Price | JKIL Low Price |
| Apr-11 | 157.60 | 130.05 | 157.50 | 130.50 |
| May-11 | 159.30 | 128.15 | 131.50 | 147.05 |
| Jun-11 | 143.50 | 125.00 | 130.50 | 139.00 |
| Jul-11 | 144.00 | 128.40 | 146.45 | 129.00 |
| Aug-11 | 137.00 | 79.45 | 84.40 | 129.30 |
| Sep-11 | 139.00 | 86.00 | 139.40 | 86.50 |
| Oct-11 | 160.80 | 125.25 | 160.80 | 124.00 |
| Nov-11 | 160.90 | 123.50 | 161.50 | 126.00 |
| Dec-11 | 174.15 | 146.00 | 174.00 | 145.05 |
| Jan-12 | 180.90 | 162.50 | 181.75 | 162.00 |
| Feb-12 | 185.00 | 167.60 | 185.00 | 169.35 |
| Mar-12 | 181.50 | 167.05 | 181.00 | 166.30 |

12. Dematerialisation of Shares : The ISIN for the Equity Shares of the Company is INE576I01014. 27752691 total of Equity Shares aggregating to 99.73% of the total shares of the Company are in dematerialized form as on 31st March 2012.
13. Share Transfer Agents : Karvy Computershare Private Limited,
Plot Nos 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad 500081
Telephone No: 040-23420815 to 24
Fax No: 040-23420814
E-mail: krishnan@karvy.com
14. Distribution of Shareholding as on 31st March 2012

| Category (Amount) | No. of Cases | % of Cases | Total Shares | % of Amount |
|-------------------|--------------|-----------------|-----------------|----------------|
| 1-5000 | 6119 | 88.06% | 655272 | 2.36% |
| 5001- 10000 | 417 | 6.00% | 297835 | 1.07% |
| 10001- 20000 | 123 | 1.77% | 184142 | 0.66% |
| 20001- 30000 | 43 | 0.62% | 111829 | 0.40% |
| 30001- 40000 | 32 | 0.46% | 113907 | 0.41% |
| 40001- 50000 | 39 | 0.56% | 189895 | 0.68% |
| 50001- 100000 | 39 | 0.56% | 313806 | 1.13% |
| 100001& Above | 137 | 1.97% | 25934519 | 93.29% |
| TOTAL | 6949 | 100.00 % | 27801205 | 100.00% |

J. KUMAR INFRAPROJECTS LIMITED

15 Categories of Shareholders as on 31st March 2012

| Categories | As on 31 st March, 2012 | | As on 31 st March, 2011 | |
|------------------------------------------------|------------------------------------|----------------|------------------------------------|----------------|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Promoters, Directors, Relatives and Associates | 15,156,020 | 54.52% | 15,155,920 | 54.52% |
| Foreign Institutional Investors / Mutual Funds | 1,231,780 | 4.43% | 1,360,406 | 4.89% |
| Mutual Funds (Indian) / UTI Mutual Fund | 5,000 | 0.02% | 1,100,236 | 3.96% |
| Trusts | 264,897 | 0.95% | 264,897 | 0.95% |
| NRIs/Any other | 124,046 | 0.45% | 152,943 | 0.55% |
| Bodies Corporate | 5,527,047 | 19.88% | 4,273,097 | 15.37% |
| Others | 5,492,415 | 19.76% | 5,493,706 | 19.76% |
| Total | 27,801,205 | 100.00% | 27,801,205 | 100.00% |

16 Top 10 Shareholders as on March 31, 2012

| Sl. No. | Name | Shares | % to Equity | Category |
|--------------|--------------------------------------------------|-------------------|---------------|----------|
| 1 | Jagdishkumar Madanlal Gupta | 5,293,980 | 19.04% | PD |
| 2 | J Kumar Software Systems (I) Private Limited | 3,000,000 | 10.79% | GOC |
| 3 | Kusum Jagdish Gupta | 1,424,510 | 5.12% | PD |
| 4 | Kamal Jagdish Gupta | 1,322,500 | 4.76% | PD |
| 5 | Nalin Jagdish Gupta | 1,307,000 | 4.70% | PD |
| 6 | Shalini Nalin Gupta | 1,035,910 | 3.73% | PD |
| 7 | Sonal Kamal Gupta | 972,010 | 3.50% | PD |
| 8 | J Kumar Minerals And Mines India Private Limited | 800,000 | 2.88% | GOC |
| 9 | Kishore Gavrichand Shah | 733,675 | 2.64% | PUB |
| 10 | Cresta Fund Limited | 630,827 | 2.27% | FII |
| Total | | 16,520,412 | 59.42% | |

17. Financial Release Dates for 2012-13

| Quarter | Release date(tentative & subject to change) |
|-----------------------------------------------------------------------------|----------------------------------------------|
| 1 st Quarter ending 30 th June 2012 | First week of August 2012 |
| 2 nd Quarter ending 30 th September 2012 | First week of November 2012 |
| 3 rd Quarter ending 31 st December 2012 | Fourth week of January 2013 |
| 4 th Quarter & Annual results ending 31 st March 2013 | First week of May 2013 |

18 Internet access: jkumar.com

The website of the Company contains all relevant information about the Company. The Annual Reports, Shareholding pattern, unaudited quarterly results and all other material information are hosted in this site.

Dedicated e-mail for Investor Grievance: For the convenience of our investors, the Company has designated an exclusive e-mail id i.e investors.grievances@jkumar.com. All the investors are requested to avail this facility.

Declaration on compliance of Code of Conduct of Board of Directors & Senior management:

I hereby confirm that:

Board members and Senior Management of the Company have affirmed compliance with the Code of Conduct laid down by the Board for the financial year April 2011- March 2012.

Place: Mumbai
Date: 14th August, 2012

Jagdishkumar M. Gupta
Chairman cum Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Shareholders of
J. Kumar Infraprojects Limited

We have examined the compliance of conditions of Corporate Governance by J. Kumar Infraprojects Limited for the year ended on March 31, 2012 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month except where disputed or sub-judice, as per the records maintained by Company's registrar and transfer agents and reviewed by the Board/Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gupta Saharia & Co
Chartered Accountants
Firm Registration no. 103446W

Pawan Gupta
Partner
Membership No: 071471

Place: Mumbai
Date: 14th August, 2012

CEO/CFO certification, issued pursuant to the provisions of Clause 49 of the Listing Agreement.

To the Board of Directors of J. Kumar Infraprojects Ltd.

Sub: CEO/CFO Certificate

I have reviewed the financial statements, read with the cash flow statement of J. Kumar Infraprojects Ltd for the year ended March 31, 2012 and that to the best of our knowledge and belief, I state that:

- a) (i) These statements do not contain any materially untrue statement or omit and material fact or contain statements that might be misleading.
(ii) These statements present true and fair view of the Company's affairs and are in compliance with current Accounting Standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which are aware and the steps I have taken or proposed to be taken for rectifying these deficiencies.

Place: Mumbai
Date: 14th August, 2012

Jagdishkumar M. Gupta
Chairman cum Managing Director

AUDITORS' REPORT

To
The Members,
J. Kumar Infraprojects Limited

1. We have audited the attached Balance Sheet of J. Kumar Infraprojects Limited, as at March 31st, 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 31st, 2012, and taken on record by the Board of Directors we report that none of the directors are disqualified as on March 31st, 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 31st, 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 Registration no. 103446W

Place: Mumbai
Date: 14th August, 2012

Pawan Gupta
Partner
M. No. : 071471

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

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 for Ready Mix Concrete (RMC) division.

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

J. KUMAR INFRAPROJECTS LIMITED

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. PREFERENTIAL ALLOTMENT OF SHARES TO PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTION 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 Registration no. 103446W

Pawan Gupta
Partner
M. No. : 071471

Place: Mumbai
Date: 14th August, 2012

Balance Sheet As At March 31, 2012

(Rs. 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 | | | |
| Non-current assets | | | |
| 1 (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 balances | 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 the above and notes to the accounts form an integral part of the financial statements

As per our report of even date

For Gupta Saharia & Co.

Chartered Accountants

Firm Reg. No.103446W

For and on behalf of the Board of Directors of

J. Kumar Infraprojects Limited

Pawan Gupta

Partner

Membership No. : 071471

Place : Mumbai

Date : 14th August, 2012

Jagdishkumar M. Gupta
Chairman cum Managing Director

Kamal J. Gupta
Executive Director

Poornima Reddy
Company Secretary

Nalin J. Gupta
Executive Director

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

(Rs. 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 |
| III. 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

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

As per our report of even date

For Gupta Saharia & Co.

Chartered Accountants

Firm Reg. No.103446W

For and on behalf of the Board of Directors of

J. Kumar Infraprojects Limited**Pawan Gupta**

Partner

Membership No. : 071471

Place : Mumbai

Date : 14th August, 2012

Jagdishkumar M. Gupta
Chairman cum Managing Director

Kamal J. Gupta
Executive Director

Poornima Reddy
Company Secretary

Nalin J. Gupta
Executive Director

Cash Flow Statement for the year ended 31st March, 2012

(Rs. 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 | (11,906.90) | (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 Beginnig 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.

As per our report of even date

For Gupta Saharia & Co.

Chartered Accountants

Firm Reg. No.103446W

Pawan Gupta

Partner

Membership No. : 071471

Place : Mumbai

Date : 14th August, 2012

Poornima Reddy
Company Secretary

For and on behalf of the Board of Directors of

J. Kumar Infraprojects Limited

Jagdishkumar M. Gupta
Chairman cum Managing Director

Kamal J. Gupta
Executive Director

Nalin J. Gupta
Executive Director

Notes forming part of the Financial Statements

NOTE 1 : SHARE CAPITAL

(Rs. in lacs)

| Particulars | As at 31 March, 2012 | | As at 31 March, 2011 | |
|--------------------------------------------------------------------------------|----------------------|----------|----------------------|----------|
| | Number | Rs. | Number | Rs. |
| Authorised Equity Shares of Rs.10/- each | 4,00,00,000 | 4,000.00 | 4,00,00,000 | 4,000.00 |
| Issued, Subscribed & fully Paid up Equity Shares of Rs.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 |

The company has only one class of shares referred to as Equity Shares having a face value of Rs. 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 ensuing 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 :

(Rs. in lacs)

| Particulars | Equity Shares | | Equity Shares | |
|-------------------------------------------------|----------------------|----------|----------------------|----------|
| | As at 31 March, 2012 | | As at 31 March, 2011 | |
| | Number | Rs. | Number | Rs. |
| 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

(Rs. in lacs)

| Name of Shareholder | Equity Shares | | Equity Shares | |
|-----------------------------------------------|----------------------|--------------|----------------------|--------------|
| | As at 31 March, 2012 | | As at 31 March, 2011 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Jagdishkumar M. Gupta | 52,93,800 | 19% | 52,93,800 | 19% |
| J. Kumar Software Systems (I) Private Limited | 30,00,000 | 11% | 30,00,000 | 11% |
| Kusum Jagdishkumar Gupta | 14,24,510 | 5% | 14,24,510 | 5% |

Notes forming part of the Financial Statements

NOTE 2 : RESERVES AND SURPLUS

(Rs. 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 | - | - |
| 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

(Rs. 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 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 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 loan is unsecured and backed by personal guarantee of promoter.

Notes forming part of the Financial Statements

NOTE 4 : Deferred Tax Liability

(Rs. 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

(Rs. 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

(Rs. 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 for details of security and limits refer Note No. 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

(Rs. 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 |

Notes forming part of the Financial Statements

NOTE 8 : SHORT TERM PROVISIONS

(Rs. 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 |

NOTE 9 : FIXED ASSETS

(Rs. in lacs)

| 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

(Rs. in lacs)

| Particulars | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|
| HDFC Infrastructure Fund – Growth (20,000 (P.Y. 20,000) Units of Rs.10/- each) | 2.00 | 2.00 |
| Kisan Vikas Patra (15 (P.Y. 15) KVP of Rs.50,000/- each) | 7.50 | 7.50 |
| Total | 9.50 | 9.50 |

NOTE 11 : OTHER NON CURRENT ASSETS

(Rs. 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 |

Notes forming part of the Financial Statements

NOTE 12 : INVENTORIES

(Rs. 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

(Rs. 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

(Rs. in lacs)

| Particulars | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash and Cash Equivalents | | |
| Cash on hand | 22.99 | 37.49 |
| Balance with Banks | | |
| Curent 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 | | |
| 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

(Rs. 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 |

Notes forming part of the Financial Statements

NOTE 16 : OTHER CURRENT ASSETS

(Rs. 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

(Rs. 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

(Rs. 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

(Rs. 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

(Rs. 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) |

Notes forming part of the Financial Statements

NOTE 21 : EMPLOYEE BENEFIT EXPENSES

(Rs. in lacs)

| | 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

(Rs. in lacs)

| | 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

(Rs. in lacs)

| | 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 & Maintenance | | |
| - Plant & Machinery | 105.81 | 64.00 |
| - Others | 64.85 | 39.23 |
| Telephone Expenses | 85.57 | 47.56 |
| Travelling Expenses | 138.36 | 101.42 |
| | 4,237.36 | 4,811.81 |
| Total | 16,898.14 | 15,956.49 |

Notes forming part of the Financial Statements

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 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 Financial 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:

- 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

Notes forming part of the Financial Statements

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 is Rs. 43,414.03 Lacs and outstanding Letter of Credit (L.C.) is Rs. 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 Rs. 569.18 Lacs against which the company has gone in to appeal with Income Tax Appellate Tribunal.

Notes forming part of the Financial Statements

17 Segmental Reporting:

As per 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:

- 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

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: (Rs. 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: (Rs. 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:-

| 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 |

Notes forming part of the Financial Statements

5 Disclosure required pursuant to Accounting Standards – 20 “Earning Per Share” prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-

(Rs. in lacs)

| Basic & Diluted EPS | 2011-2012 | 2010-2011 |
|---------------------------------------------------------------------------|-------------|-------------|
| Net Profit as per Profit & Loss account available for equity shareholders | 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) | Rs. 24.48 | Rs. 26.59 |

6 Disclosure required pursuant to Accounting Standards – 7 “Construction Contract” prescribed by Companies (Accounting Standards) Rules, 2006 is as follows:-

(Rs. 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:-

(Rs. in lacs)

| | |
|--------------------------------------------------|--------------------------|
| Accounting Disclosures Statement | GRATUITY |
| Period of accounting | 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 | |
| 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) | - |
| 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 & LA/C | 41.22 |
| X. Movements in the Liability recognized in Balance Sheet | |
| Opening Net Liability | 37.74 |
| Adjustment to Opening Balance | (1.78) |
| Expenss as above | 41.22 |
| Contribution paid | - |
| Closing Net Liability | 77.17 |
| XI. Revised Schedule IV | |
| Current Liabilty | 77.17 |
| Non Current Liabilty | 25.40 |

J. KUMAR INFRAPROJECTS LIMITED

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 | Rs. 22,000 Lacs |
| BG Limit | Rs. 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 5070 sq. meters 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 Rs. 0.71 Crores. c) Pari Passu first charge by way of hypothecation of unencumbered plant & machinery worth Rs. 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 Rs. 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 | Rs. 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 J.V. | | | |
| | J. Kumar - Mukesh Brothers | | | |
| | J. Kumar - R.K. Indra (Consortium) | | | |
| | J. Kumar - PBA J.V. | | | |

Year Ended 2011-2012

(Rs. 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 | Rs. | No. of units | Rs. | No. of units | Rs. | No. of units | Rs. |
| 1 | HDFC Infrastructure Fund | 20,000 | 200,000 | - | - | - | - | 20,000 | 200,000 |
| 2 | Kishan Vikas Patra | 15 | 750,000 | - | - | - | - | 15 | 750,000 |
| | Total | 20,015 | 950,000 | - | - | - | - | 20,015 | 950,000 |

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 |

J. KUMAR INFRAPROJECTS LIMITED

| | | | | |
|-----|-------------------------------------------|------------------------------------------------------|-----|-------|
| 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 Rs. 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: Rs. 169.34 Lacs (P.Y. Rs. 89.18 Lacs)

Operating Lease Receivables:

Lease rental income in respect of operating lease: Rs. 69.14 Lacs (P.Y. Rs. 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 Rupees in lacs.

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:

(Rs. 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 |

As per our report of even date

For Gupta Saharia & Co.

Chartered Accountants

Firm Reg. No.103446W

For and on behalf of the Board of Directors of

J. Kumar Infraprojects Limited

Pawan Gupta

Partner

Membership No. : 071471

Place : Mumbai

Date : 14th August, 2012

Poornima Reddy

Company Secretary

Jagdishkumar M. Gupta

Chairman cum Managing Director

Kamal J. Gupta

Executive Director

Nalin J. Gupta

Executive Director

Dear Shareholders,

Sub: Notice to Shareholders

Pursuant to Section 205A and 205C of the Companies Act, 1956, the dividend amounts remaining unpaid or unclaimed for a period of seven years from the date they became due for payment will be transferred to the credit of the Investor Education and Protection Fund established by the Central Government. Thereafter no claim shall lie against the Fund or the Company in respect of amounts so transferred.

In case you have not claimed any dividends of previous years, please arrange to send a letter duly signed by all the shareholder/s quoting your Folio No / DP ID / CL ID to our Registrars: Karvy Computershare Private Limited., Unit : J. Kumar Infraprojects Limited, Plot No 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500081.

The Company has designated an exclusive email id i.e investor.grievances@jkumar.com to enable investors to register their grievances. All the investors are request to avail of this facility.

Please inform us your PAN and E-Mail ID to update our records.

Poornima Reddy
Company Secretary

Place: Mumbai
Date: 14th August, 2012

[illegible]



J. KUMAR INFRAPROJECTS LIMITED

Regd. Off.: 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumbai - 400 053.

FORM OF PROXY

Regd. Folio No. : No. of shares

*DPID No. : *Client ID No.

I / We of being a member of J. Kumar Infraprojects Limited do hereby appoint of or failing him / her of or failing him / her of as my / our Proxy to attend and vote for me / us, on my / our behalf at the 13th Annual General Meeting of the members of the Company to be held on and / or at any adjournment thereof.

** I / We direct my / our proxy to vote on the resolution(s) in the manner as indicated below:

| SR. No. | Resolutions | For | Against |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1 | Adoption of Balance sheet as at March 31, 2012 and Statement of Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon. | | |
| 2 | Declare Dividend | | |
| 3 | Reappointment of Mr. P. P. Vora | | |
| 4 | Reappointment of Mr. Ashwani Kumar | | |
| 5 | Appointment of M/s. Gupta Saharia & Co Chartered Accountants as Statutory Auditors of the Company | | |

Signed this day of 2012

NOTES:

1. Revenue stamp of not less than 15 paise must be affixed on the form.
2. The form should be signed across the stamp as per specimen signature registered with the company.
3. The proxy form should be deposited at least 48 hours before the commencement of the meeting at the registered office of the company.
4. A proxy need not be a member of the company.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
6. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
7. In case a member wishes his/her votes to be used differently, he /she should indicate the number of shares under the column "For" or "Against" as appropriate.

* Applicable for the members holding shares in electronic form.

** This is optional. Please put a tick mark (P) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate.



Signature of Member



J. KUMAR INFRAPROJECTS LIMITED

Regd. Off.: 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumbai - 400 053.

13th ANNUAL GENERAL MEETING- Wednesday, 26/09/2012 at 11.00 a.m.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

CLID/ Folio No. : DPID:

No. of Shares held :

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 13th Annual General Meeting of the Company being held on Wednesday, 26th September 2012 at 11.00 a.m.

.....
Name of Member (in BLOCK letters)

.....
Signature of Member

Financial Highlights

Rs. in Lacs

| | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|-------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| A. Revenue From Operations (Net) | 93,155.47 | 94,918.79 | 76,423.97 | 40,646.07 | 21,424.26 | 11,265.61 | 2,266.99 |
| B. Other Income | 672.59 | 708.59 | 587.44 | 715.33 | 278.07 | 70.39 | 36.29 |
| Total Income (A+B) | 93,828.05 | 95,627.38 | 77,011.40 | 41,361.40 | 21,702.33 | 11,336.00 | 2,303.28 |
| Growth % | (1.88%) | 24.17% | 86.19% | 90.59% | 91.45% | 392.17% | 659.00% |
| Total Expenditure | 78,159.95 | 80,574.66 | 63,574.25 | 34,606.70 | 17,534.99 | 9,590.93 | 2,069.16 |
| Profit Before Depreciation, Finance Cost and Tax Expense (PBIDTA) | 15,668.10 | 15,052.72 | 13,437.15 | 6,754.70 | 4,167.34 | 1,745.06 | 234.12 |
| Depreciation | 1,888.29 | 1,585.11 | 1,446.87 | 1,067.11 | 609.17 | 300.15 | 83.61 |
| Profit Before Interest and Tax (PBIT) | 13,779.81 | 13,467.61 | 11,990.29 | 5,687.59 | 3,558.18 | 1,444.91 | 150.51 |
| Interest | 3,661.84 | 2,771.27 | 1,480.75 | 798.23 | 599.69 | 228.97 | 39.76 |
| Profit Before tax (PBT) | 10,117.97 | 10,696.34 | 10,509.53 | 4,889.36 | 2,958.49 | 1,215.94 | 110.75 |
| Tax Expenses (Income Tax / FBT / Deferred Tax) | 3,311.41 | 3,304.76 | 3,512.76 | 1,596.59 | 1,008.80 | 415.12 | 38.28 |
| Profit for the Year (PAT) | 6,806.57 | 7,391.58 | 6,996.78 | 3,292.77 | 1,949.68 | 800.82 | 72.47 |
| Equity Share Capital | 2,780.12 | 2,780.12 | 2,780.12 | 2,072.44 | 2,072.44 | 1,249.54 | 1,249.54 |
| Net Worth * (Equity Shareholders Fund) | 43,638.60 | 37,471.89 | 30,682.44 | 14,608.92 | 11,706.66 | 2,137.14 | 1,322.47 |
| Long Term Borrowings (Including Current Maturities) | 7,333.54 | 2,430.63 | 5,462.53 | 4,850.78 | 3,826.14 | 2,644.51 | 1,151.04 |
| Short Term Borrowings | 9,726.38 | 14,308.99 | 189.12 | - | - | 10.00 | 10.00 |
| Total Borrowings | 17,059.92 | 16,739.62 | 5,651.65 | 4,850.78 | 3,826.14 | 2,654.51 | 1,161.04 |
| Capital Employed (Net Worth + Total Borrowings) | 60,698.53 | 54,211.51 | 36,334.09 | 19,459.70 | 15,532.80 | 4,791.65 | 2,483.51 |

Key Indicators

| | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Debt Equity Ratio | 0.39 : 1 | 0.45 : 1 | 0.18 : 1 | 0.33 : 1 | 0.33 : 1 | 1.24 : 1 | 0.88 : 1 |
| Book Value per Equity Share (Rs.) | 156.97 | 134.79 | 110.36 | 70.49 | 56.49 | 17.10 | 10.58 |
| Earning per Equity Share (Rs.) | 24.48 | 26.59 | 29.04 | 15.89 | 9.41 | 6.41 | 0.58 |
| Equity Dividend % | 22.50% | 22.50% | 22.50% | 20.00% | 15.00% | - | - |
| PBIDTA / Turnover % | 16.82% | 15.86% | 17.58% | 16.62% | 19.45% | 15.49% | 10.33% |
| PBT Margin % | 10.86% | 11.27% | 13.75% | 12.03% | 13.81% | 10.79% | 4.89% |
| Net Profit Margin % | 7.31% | 7.79% | 9.16% | 8.10% | 9.10% | 7.11% | 3.20% |
| Return on Equity Shareholder Fund% | 15.60% | 19.73% | 22.80% | 22.54% | 16.65% | 37.47% | 5.48% |
| Return on Equity Shareholder Capital% | 244.83% | 265.87% | 251.67% | 158.88% | 94.08% | 64.09% | 5.80% |
| Return on Capital Employed% ** | 22.70% | 24.84% | 33.00% | 29.23% | 22.91% | 30.15% | 6.06% |

* After adjustment of Miscellaneous Expenditure to the extent not written off.

**Profit Before Interest and Taxes (PBIT) is considered as Return for ROCE.

FOUNDATION DAY



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