



infra

We Dream... So We Achieve...



J.KUMAR INFRAPROJECTS LTD.

ANNUAL REPORT 2008-2009



# The Pillars of The Company



Mr. Jagdishkumar Gupta  
Chairman & Managing Director



Mr. Kamal J. Gupta  
Executive Director

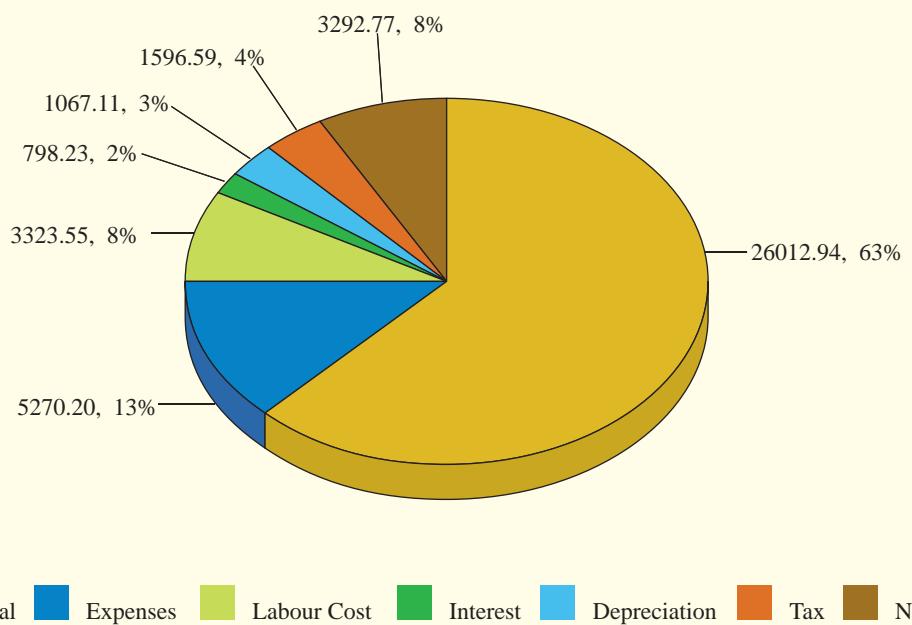


Mr. Nalin J. Gupta  
Executive Director

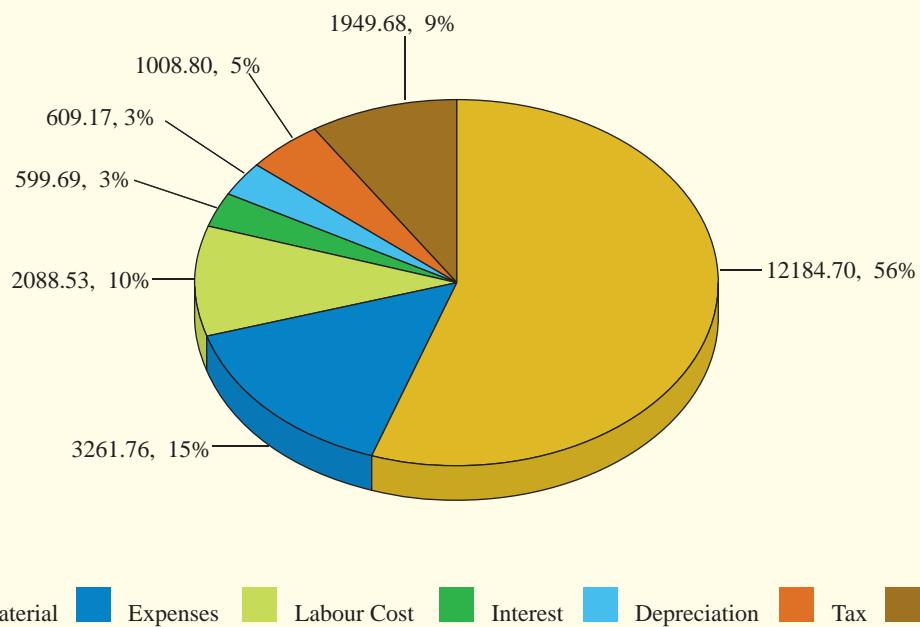
## Our Team



## Revenue Distribution 2008-09



## Revenue Distribution 2007-08



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## BOARD OF DIRECTORS

**Mr. Jagdishkumar Gupta**, *Chairman Cum Managing Director*  
**Mr. Kamal J. Gupta**, *Executive Director*  
**Mr. Nalin J. Gupta**, *Executive Director*  
**Dr. R. Srinivasan**, *Independent Director*  
**Mr. Roshan Khan H. Tadvi**, *Independent Director*  
**Mr. Padmanabh P. Vora**, *Independent Director*

## AUDITORS :

**Gupta Saharia & Co.**  
Chartered Accountants  
4, Atlanta Evershine Nagar, Malad (West), Mumbai - 400 064.

**COMPANY SECRETARY & COMPLIANCE OFFICER :**  
Mrs. Poornima Reddy

**PRINCIPAL BANKER :**  
Bank of India

**OTHER BANKERS :**  
Yes Bank  
Citi Bank

**REGISTERED OFFICE :**  
J. KUMAR INFRAPROJECTS LTD.  
16 - A, Andheri Industrial Estate, Veera Desai Road,  
Andheri (W), Mumbai - 400 053.  
email : jknc@vsnl.net

## NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Members of **J. Kumar Infraprojects Limited** will be held at 'GMS Community Hall Center', Sitladev Complex, 1st floor, D. N. Nagar, opp. Indian Oil Nagar on link road, Andheri (W), Mumbai 400 053. Maharashtra on Wednesday, the 9<sup>th</sup> September, 2009 at 11.00 a.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31<sup>st</sup> March 2009 and the Reports of the Directors and the Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Shri R.H. Tadvi, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri P.P.Vora, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint M/s. Gupta Saharia & Co., Chartered Accountants, 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 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 1000 Crore (Rupees Thousand 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 1000 crores (Rupees Thousand Crores Only)".

8. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory amendments, modification(s) or re-enactment thereof, for the time being in force) as also the provisions of Chapter XIII-A of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (SEBI (DIP) Guidelines) as in force and subject to all other applicable rules, regulations and guidelines of SEBI, the applicable provisions of Foreign

Exchange Management Act, 1999 (FEMA) as amended, and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchanges where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and / or sanctions of Securities and Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and Promotion, Ministry of Commerce (DIPP) and all other authorities as may be required (hereinafter collectively referred to as "the Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as "the requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be authorized to create, offer, issue and allot, from time to time in one or more tranches, in the course of domestic or international offerings or qualified institutional placements, with or without an over allotment/green shoe option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of Chapter XIII-A of the SEBI Guidelines and/or preferential issue and/or any other kind of public issue and/or private placement with or without an overallotment/green shoe option, equity shares, secured or unsecured debentures, bonds or any other securities whether convertible into equity shares or not, including, but not limited to, equity shares / Fully Convertible Debentures (FCDs) / Partly Convertible Debentures (PCDs)/ Bonds with share warrants attached, Global Depository Receipts (GDRs"), American Depository Receipts ("ADRs") and Mandatory Convertible Preference Shares ("MCPS"), Foreign Currency Convertible Bonds ('FCCBs'), or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with Bonds and/or any other securities as shall be set out in the explanatory statement to the notice convening the general meeting whether convertible into equity shares or not (hereinafter referred to as "securities"), whether secured or unsecured, to be listed on any stock exchange inside India or any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee- denominated or denominated in foreign currency, upto Rs. 200 Crores (Rupees Two Hundred Crores)."

**"RESOLVED FURTHER THAT** in the event of issue of securities by way of QIP Issue:

1. the 'Relevant Date' on the basis of which the price of the securities shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of the securities or in the case of securities convertible into or exchangeable with equity shares it shall be the date on which the holder of the securities becomes entitled to apply for the said shares;
2. the allotment of securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the SEBI Guidelines from time to time; and
3. the securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange in India or except as may be permitted from time to time by the SEBI Guidelines;

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the securities during the duration of the securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the securities that are not subscribed;

**"RESOLVED FURTHER THAT** in the event of issue of securities by way of Global Depository Receipts and/or American Depository Receipts and/or FCCBs, the 'Relevant Date' on the basis of which price of the resultant shares shall be determined as specified under applicable law.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid equity shares and listing thereof with the stock exchange(s) as appropriate and to resolve and settle

all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said equity shares or other convertible securities (other than warrants), utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any security or as may be necessary in accordance with the terms of the offering, all such equity shares ranking pari passu with the then existing equity shares of the Company in all respect;

**“RESOLVED FURTHER THAT** such of these securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the prevailing law, rules, regulations and guidelines;

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the Issue(s), including but not limited to finalization and approval of the preliminary as well as the final offer document(s), the class of investors to whom the securities are to be allotted, number of securities to be allotted in each tranches, issue price, face value, premium amount on issue/conversion of securities/exercise of warrants/redemption of securities, rate of interest, redemption period, creation of mortgage/charge in accordance with the provisions of Section 293 (1) (a) of the said Act, in respect of any securities, either on pari-passu basis or otherwise, relevant date for pricing, listing on one or more stock exchange in India and/or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all such acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issues(s) without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the securities and to give effect to these resolutions, including, without limitation, the following :

- i. sign, execute and issue all documents necessary in connection with the issue of securities, including listing applications to stock exchanges (whether in India or abroad) and various agreements, declarations, deeds and undertakings;
- ii. seeking if required, consent of the Company’s lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consent that may be required in connection with the issue and allotment of the securities;
- iii. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- iv. settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of securities as it may in its absolute discretion deem fit;

**“RESOLVED FURTHER THAT** the Board be authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.”

**“RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorised to finalise and approve the placement document for the proposed issue of the securities and to authorise any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits certificates, consents and/or authorities as may, in the opinion of such authorized person be required from time to time, and to arrange for submission of the placement document, and any amendment(s) and supplement(s) thereto, with the stock exchanges, where the shares of the company are listed, government, and regulatory authorities, institutions or bodies, as may be required.”

**“RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorised to appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, in connection with the proposed offering of the securities and to negotiate and finalise the terms and conditions (including the payment of fees, commission, out of pocket expenses and their charges subject to requisite approvals of Reserve Bank of India, if any) of the aforesaid appointments and also to, in its absolute discretion, renew or terminate the appointments so made. “

**9. To consider and if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:**

**“RESOLVED THAT** in partial modification of the resolution passed at the Extraordinary General Meeting held on 24<sup>th</sup> May 2007 and pursuant to the provisions of Section 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and subject to such other consents/approvals as may be required, the remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) payable to Sri. Jagdishkumar Gupta, who was appointed as a Managing Director of the Company for a period of 5 Years with effect from 1<sup>st</sup> April 2005 and redesignated as Chairman cum Managing Director with effect from 1<sup>st</sup> July 2007 be and is hereby revised with effect from 1<sup>st</sup> April 2009 to Rs 3,50,000/- per Month including all other allowances and perquisites.

**FURTHER RESOLVED THAT** notwithstanding any thing to the contrary herein contained, where in any financial year during the currency of the tenure of Shri Jagdishkumar Gupta, Chairman cum Managing Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites with the limits as laid down under sections 198,309,310 and all other applicable provisions, if any, of the Act read with schedule XIII of the Act as in force from time to time.

**10. To consider and if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:**

**“RESOLVED THAT** in partial modification of the resolution passed at the Extraordinary General Meeting held on 24<sup>th</sup> May 2007 and pursuant to the provisions of Section 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and subject to such other consents/approvals as may be required, the remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) payable to Sri. Kamal J Gupta, who was appointed as a Whole time Director of the Company for a period of 5 Years with effect from 1<sup>st</sup> April 2005 and redesignated as Executive Director with effect from 1<sup>st</sup> July 2007 be and is hereby revised with effect from 01.04.2009 to Rs. 3,00,000/- per Month including all other allowances and perquisites.

**FURTHER RESOLVED THAT** notwithstanding any thing to the contrary herein contained, where in any financial year during the currency of the tenure of Shri Kamal J Gupta, Executive Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites with the limits as laid down under sections 198,309,310 and all other applicable provisions, if any, of the Act read with schedule XIII of the Act as in force from time to time.

**11. To consider and if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:**

**“RESOLVED THAT** in partial modification of the resolution passed at the Extraordinary General Meeting held on 24<sup>th</sup> May 2007 and pursuant to the provisions of Section 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and subject to such other consents/approvals as may be required, the remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) payable to Sri. Nalin J Gupta, who was appointed as a Whole Time Director of the Company for a period of 5 Years with effect from 1<sup>st</sup> April 2005 and redesignated as Executive Director with effect from 1<sup>st</sup> July 2007 be and is hereby revised with effect from 1<sup>st</sup> April 2009 to Rs 3,00,000/- per Month including all other allowances and perquisites.

**FURTHER RESOLVED THAT** notwithstanding any thing to the contrary herein contained, where in any financial year during the currency of the tenure of Shri Nalin J Gupta, Executive Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites with the limits as laid down under sections 198,309,310 and all other applicable provisions, if any, of the Act read with schedule XIII of the Act as in force from time to time.

**12. To Consider and if thought fit, to pass with or without modifications(s), the following resolution as an **Ordinary Resolution**:**

**“RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased by adding thereto 1,50,00,000 Equity Shares of Rs 10/- each and the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows:-

The Authorised Share Capital of the Company is 4,00,00,000 Equity Shares of Rs 10/- each

**“RESOLVED FURTHER** that Mrs Poornima Reddy Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

By order of Board of Directors

Place: Mumbai  
Date: July 30, 2009

Jagdishkumar M. Gupta  
Chairman and Managing Director

## 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. The Register of Members and Share transfer Books of the Company will remain closed from Tuesday, 1st September, 2009 to Wednesday, 9th September, 2009.
- III. Dividend as recommended by the Directors, if declared at the Annual General Meeting will be paid on or after 9th September, 2009, to the members whose names appear in the Company's Register of Members as on 9th September, 2009 (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 1st September, 2009(in respect of shares held in electric form).
- IV. 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.
- V. Members are requested to bring their attendance slip and copy of the Annual Report to the Meeting.
- VI. 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:
  - (i) Any change in their address/mandate/bank details.
  - (ii) 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
  - (iii) 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.
- VII. 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.
- VIII. 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.
- IX. Members, who have not encashed the dividend warrants for the financial year 2007-08, 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: krishnan@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.

- X. 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 Extraordinary General Meeting of the company held on 24<sup>th</sup> May 2007, has accorded their consent to the Board of Directors for borrowing up to Rs 500 Crores ( Rupees Five Hundred 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 Rs 500 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 1,000 Crores (Rupees One thousand 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 1,000 Crores (Rupees One Thousand 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.

### **Item No 8:**

Taking into account the improved performance and positive outlook of the Company, exploit opportunities in existing business and/or explore the scope of any new business opportunities including business acquisitions, capital expenditures, financing new business initiatives, meeting additional working capital requirements arising out of growth in operations, investments in / loans / advances to subsidiaries / joint ventures / associates and for other corporate purposes, the Board of Directors of the Company propose to raise funds by way of Securities upto an amount of Rs. 200 Crores (Rupees Two Hundred Crores) and subject to compliance of with other applicable enactments, rules, regulations and guidelines.

According to the SEBI (DIP) Guidelines allotment of securities to QIBs will have to be made pursuant to Chapter XIII-A of the SEBI (DIP) Guidelines concerning QIPs and the same has to be specified in the resolution to be passed by the shareholders authorizing such an issue. Furthermore the said Guidelines also require that the "relevant date" in terms of Clause 13A.3 of the SEBI (DIP) Guidelines based on which the price of the issue shall be determined, shall also be included in the shareholder's resolution. The relevant date for the purpose of which shall be the date of the meeting in which the Board or the committee of directors duly authorized by the Board decides to open the proposed issue of securities, or in the case of securities convertible into or exchangeable with equity shares it shall be the date on which the holder of the securities becomes entitled to apply for the said shares.

The detailed terms and conditions for the QIP Issue will be determined in consultation with the Lead Managers, other advisors and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Special Resolution seeks to give the Board powers to issue the Securities to 'Qualified Institutional Buyers' as permitted under Chapter XIII-A of SEBI (Disclosure and investor Protection) Guidelines, 2000.

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in the Company to persons other than the Members of the Company, requires prior approval of the Members vide a Special Resolution. In addition to this the Board seeks the authority of members to carry out various actions for the purpose of giving effect to this Resolution. The members are therefore requested to grant their approval and accordingly authorise the Board.

None of the Directors are in any way concerned or interested in the above referred Resolution, except to the extent of shares being held by them in the Company.

**Item No 9:**

Shri Jagdishkumar Gupta is a Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> April 2005 and redesignated as Chairman cum Managing Director with effect from 1<sup>st</sup> July 2007. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company. Hence, the upward revision in the remuneration is commensurate with the responsibilities shouldered by him. Therefore, the Board proposes to increase his remuneration with effect from 1<sup>st</sup> April 2009 on such terms and conditions as set out in the proposed Resolution.

Under the provisions of Section 198, 310,311 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the Members of the Company is required for increase in remuneration payable to Shri Jagdishkumar Gupta in modification of the resolution passed at the Extraordinary General Meeting held on 24<sup>th</sup> May 2007. The Board of Directors is of the view that the remuneration package is commensurate with the operations of the Company.

**Further,** the same may be treated as abstract of the Contract pursuant to Section 302(1)(b) of the Companies Act, 1956.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Shri Jagdishkumar Gupta, Chairman cum Managing Director Shri Kamal J Gupta, Executive Director , Shri Nalin J Gupta Executive Director being a relative, may be deemed to be concerned or interested in the resolution.

**Item No 10:**

Shri Kamal J Gupta is a Wholetime Director of the Company for a period of five years with effect from 1<sup>st</sup> April 2005 and redesignated as Executive Director with effect from 1<sup>st</sup> July 2007. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company. Hence, the upward revision in the remuneration is commensurate with the responsibilities shouldered by him. Therefore, the Board proposes to increase his remuneration with effect from 1<sup>st</sup> April 2009 on such terms and conditions as set out in the proposed Resolution.

Under the provisions of Section 198, 310,311 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the Members of the Company is required for increase in remuneration payable to Shri Kamal J Gupta in modification of the resolution passed at the Extraordinary General Meeting held on 24<sup>th</sup> May 2007. The Board of Directors is of the view that the remuneration package is commensurate with the operations of the Company.

**Further,** the same may be treated as abstract of the Contract pursuant to Section 302(1)(b) of the Companies Act, 1956.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Shri Jagdishkumar Guta, Chairman cum Managing Director Shri Kamal J Gupta, Executive Director , Shri Nalin J Gupta Executive Director being a relative, may be deemed to be concerned or interested in the resolution.

**Item No 11:**

Shri Nalin J Gupta is a Whole time Director of the Company for a period of five years with effect from 1<sup>st</sup> April 2005 and redesignated as Executive Director with effect from 1<sup>st</sup> July 2007. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company. Hence, the upward revision in the remuneration is commensurate with the responsibilities shouldered by him. Therefore, the Board proposes to increase his remuneration with effect from 1<sup>st</sup> April 2009 on such terms and conditions as set out in the proposed Resolution.

Under the provisions of Section 198, 310,311 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the Members of the Company is required for increase in remuneration payable to Shri Nalin J Gupta in modification of the resolution passed at the Extraordinary General Meeting held on 24<sup>th</sup> May 2007. The Board of Directors, is of the view that the remuneration package is commensurate with the operations of the Company.

**Further,** the same may be treated as abstract of the Contract pursuant to Section 302(1)(b) of the Companies Act, 1956.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Shri Jagdishkumar Gupta, Chairman cum Managing Director Shri Kamal J Gupta, Executive Director , Shri Nalin J Gupta Executive Director being a relative, may be deemed to be concerned or interested in the resolution.

**Item No 12:**

At present the authorised capital of the company is Rs 25,00,00,000/- comprising 2,50,00,000 Equity Shares of Rs 10/- each. Of these 2,07,24,420 equity shares of Rs 10/- each have been allotted as fully paid up. In order to facilitate raising funds through issuance of securities, it is proposed to increase the authorised capital of the Company.

The Board recommends the resolution as an ordinary resolution.

None of the Directors is concerned or interested in this resolution.

**Details of Directors seeking appointment / re-appointment at Annual General Meeting to held on 9th September, 2009 pursuant to Clause 49 of the Listing Agreement**

| Name of Director  | Mr. P.P. Vora   | Mr.R.H. Tadvi  |
|---|---|--|
| Date of Birth   | 1 <sup>st</sup> Oct, 1943   | 15 Non, 1944   |
| Date of Initial appointment   | 16 <sup>th</sup> July, 2007   | 16 <sup>th</sup> July, 2007  |
| Qualifications  | Chartered Accountant  | B.E.(Civil)  |
| Expertise in Specific functional field  | Mr.P.p.Vora has over 30 years of experience in finance, banking and management. He has held several prestigious positions in the Industry such as serving as the Chairman & Managing Director of the Institutional Development Bank of India. | Mr Rosankhan H. Tadvi is a B.E.(Civil). He has served in the in the Public Works Department for more than 30 years in the Capacity of Dy Engineer, Executive Engineer, Chief Engineer and Secretary. |
| No. of Shares held in the Company   | Nil   | Nil  |
| List of other Public Limited Company in which hold Directorship as on 31.03.2009                                      | 1. Reliance Capital Trustee Co. Limited<br>2. National Securities Deposits Limited<br>3. Omaxe Limited<br>4. Zandu Phamaceutical Works Limited<br>5. Reliance Consumer Finance Limited  | Nil  |
| Chairman Member of the Committee(s) of Board of Directors of other Public Limited Companies in which he is a Director | Audit Committee<br>Chairman-2<br>Member-3<br>Shareholders Grievance Committee<br>Remuneration Committee<br>Member-3   | <b>Audit Committee Nil</b><br><b>Shareholders Grievance Committee Nil</b><br><b>Remuneration Committee Nil</b>   |

## DIRECTORS' REPORT

### **TO THE MEMBERS:**

Your Directors have great pleasure in presenting this Tenth Annual Report on the business and operations of your Company with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2009.

### **FINANCIAL PERFORMANCE:**

|  | <b>Rs. in Lacs<br/>2008-2009</b> | <b>Rs. in Lacs<br/>2007-2008</b> |
|--|----------------------------------|----------------------------------|
| Sales and Other Income                             | 41361.40                         | 21702.33                         |
| Profit before Interest,<br>Depreciation & Tax      | 6754.70                          | 4167.34                          |
| Less: Interest                                     | 798.23                           | 599.69                           |
| Profit before Depreciation & Tax                   | 5956.47                          | 3567.65                          |
| Less: Depreciation                                 | 1067.11                          | 609.17                           |
| Profit before Taxation                             | 4889.36                          | 2958.48                          |
| Less: Provisions for Taxation                      | 1596.59                          | 1008.80                          |
| Profit for the Year                                | 3292.77                          | 1949.68                          |
| Add: Balance brought forward from<br>previous year | 2487.18                          | 901.21                           |
| Profit available for appropriations                | 5779.95                          | 2850.89                          |
| <b>Appropriations</b>                              |                                  |                                  |
| Proposed Dividend on Equity shares                 | 414.49                           | 310.87                           |
| Dividend Tax                                       | 70.46                            | 52.85                            |
| Balance carried to Balance Sheet                   | 5294.99                          | 2487.17                          |
| Earning Per Shares (in Rs.)                        | 15.89                            | 6.41                             |

\* Figures regrouped wherever necessary.

### **Business Review:**

During the year under review, your Company has posted a turnover of Rs. 40646.07 lakhs, an increase of about 90% as compared to Rs.21424.26 lakhs in the previous Financial Year. The Company recorded a net profit of Rs.3292.77 lakhs as against Rs.1949.68 lakhs in the corresponding previous financial year depicting a rise of 68.89%. Your Company could achieve a rise in overall profitability through a judicious mix of strategies and cost control measures.

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

| <b>Sr.<br/>No.</b> | <b>Name of Work</b>   | <b>Nature of<br/>Work</b> | <b>Amount of<br/>Contract<br/>(Rs. In Lacs)</b> |
|--------------------|---|---------------------------|---|
| 1                  | W-246 Concreting of SAB TV, Andheri (West) and other roads in Paver Blocks in K/West Ward   | Roads                     | 2101.00   |
| 2                  | W-248 Concreting of Filmcity Road Goregaon (E) from Walbhat Bridge to Filmcity Gate (B) Non MUIP-Improvement of various roads in paver blocks in P/South Ward | Roads                     | 1568.40   |
| 3                  | Construction of Bridge and Flyover on Mula River Holkar Bridge Pune   | Bridge                    | 6157.34   |
| 4                  | Augementaion of SWD system catchment No.117, BPT Colony, Rialway yard and Training of Kharoo Creek Nalla  | Drainage<br>Work          | 3181.32   |
| 5                  | Development of Sky-Walk at various Railway Stations in Mumubai and Subrubs of Mumbai  | Skywalk                   | 55945.00  |
| 6                  | W.S.- 27 Training and construction work of MHADA Nalla & Avinash Building Nalla at 7 Bungalow, Andheri (W)  | Drainage<br>Work          | 1874.34   |
| 7                  | ES-60 Training/ widening/ Deepening/ Reconstruction/ of Mankhurd Children/ Aid Nalla system in M/East Ward, chembhur,CA No,313, 314 (Brimstoward Project)     | Drainage<br>Work          | 4278.00   |
| 8                  | Construction of ROB at Jogeshwari (South) in lieu of L.C.No. 24 & 25.   | Railway<br>Overbridge     | 6947.00   |
| 9                  | Piling Works from different parties   |                           | 3329.48   |
| <b>Total</b>       |   |                           | <b>85381.88</b>                                 |

The total balance value of works on hand as on March 31, 2009 is Rs 121904 Lakhs including the Company's share in integrated joint venture projects.

#### **ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS:**

Your Company had issued and allotted 40,00,000 Convertible warrants to the Individuals and/or corporates belonging and /or not belonging to the Promoter/Promoter Group of the Company convertible into 40,00,000 Equity Shares at a price of Rs 60/- per Equity Share (including premium of Rs 50/- per Equity Share) on preferential basis on 20<sup>th</sup> May 2009. These warrants are convertible to Equity Shares, any time, after their date of allotment but before the expiry of 18 months from the date of allotment i.e. on or before 19<sup>th</sup> Nov 2010. The main purpose of issue of convertible warrants are to increase the net worth of the Company for bidding of the high value projects.

#### **THE DETAILS OF UTILISATION OF THE NET IPO PROCEEDS ARE AS STATED BELOW:**

(Rs. In Lakhs)

| Particulars                              | As Projected<br>in the<br>Prospectus | As on<br>31 <sup>st</sup> March,<br>2009 |
|--|--------------------------------------|--|
| Investment in capital Equipments         | 5084.23                              | 5084.23                                  |
| Funding our Working Capital Requirements | 1552.67                              | 1552.67                                  |
| Public Issue Expenses                    | 513.10                               | 513.10                                   |
| <b>Total</b>                             | <b>7150.00</b>                       | <b>7150.00</b>                           |

Your Company has fully utilised IPO proceeds as stated in the Prospectus at the time of the Public issue through book building process.

#### **DIVIDEND:**

Your Directors are pleased to recommend a dividend of Re 2/- per Equity Share on the 2,07,24,420 fully paid Equity Shares of Rs 10/- each for the financial year ended March 31, 2009 (Previous year – Re 1.50 per Equity Share of Re 10/- each).

#### **DIRECTORS:**

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, & Shri. R.H.Tadvi 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, & Shri. R.H. Tadvi 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.

#### **AUDITORS:**

M/s. Gupta Saharia & Co. Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and have consented for their re-appointment.

Your Directors recommend their appointment as the Auditors of the Company for the current year and fix their remuneration.

#### **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 Directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit or loss of the company for that period;
- iii. the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE**

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance. A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under the clause 49 of the listing agreement forms part of this Annual Report.

#### **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 9001:2000.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The "Management Discussion and Analysis" of operations for the year under review, as stipulated under Clause 49 of the listing

agreement with the stock exchanges, is provided in annexure attached to 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.

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

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.

Your Board of Directors take this opportunity to express their grateful appreciation for the encouragement and support received by the Company from the local authorities, bankers, customers, suppliers and business associates.

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 and Managing Director

Place : Mumbai

Date : July 30, 2009

#### 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, readwith Companies (particulars of employees) Rules, 1975 and forming part of the Director's Report for the year ended 31<sup>st</sup> March 2009 is contained in Annexure to this Report.
- 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)

|          | 2008-09 | 2007-08 |
|----------|---------|---------|
| Earnings | NIL     | NIL     |
| Outgo    | 1877.69 | 0.90    |

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

#### ANNEXURE

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, 2009

| Sr. No. | Name               | Designation                    | Age (Years) | Joining Date*       | Experience | Gross Remuneration (Rs.in lakhs) | Last Employment |
|---------|--------------------|--------------------------------|-------------|---------------------|------------|----------------------------------|-----------------|
| 1       | Jagdishkumar Gupta | Chairman Cum Managing Director | 61          | Since Incorporation | 35         | 27                               | N/A             |
| 2       | Kamal Gupta        | Executive Director             | 36          | Since Incorporation | 13         | 24                               | N/A             |
| 3       | Nalin Gupta        | Executive Director             | 34          | Since Incorporation | 11         | 24                               | N/A             |

\*Company has been converted to Public Ltd on 31<sup>st</sup> January 2007 and got listed with Stock Exchange on February 2008.

## MANAGEMENT DISCUSSION & ANALYSIS

### **Economic Front...**

The resilience of Indian enterprise was very much visible during the fiscal year that went by, for the investments remained buoyant despite massive increase in global uncertainty and risk aversion thereby freezing even the highly developed financial markets.

Sample this: the ratio of fixed investment to GDP actually increased to 32.2 per cent of GDP in 2008-09 as against 31.6 per cent in the year before.

However, a decline in all major elements of private demand, including exports and consumption, necessitated a compensating widening of the fiscal deficit above the Fiscal Responsibility and Budget

The new, higher expenditures announced during the 2008-09 budget, which would have been offset by greater revenue mobilization, had to be supplemented by an additional fiscal expansion. This got reflected in an increase of 20.2 per cent in government final consumption expenditure during 2008-09.

#### **Ratio of savings and investment to GDP (% at current market prices)**

|                                      | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Gross domestic saving                | 29.8    | 31.7    | 34.2    | 35.7    | 37.7    |
| Gross capital formation (investment) | 27.6    | 32.1    | 35.5    | 36.9    | 39.1    |
| Gross fixed capital formation        | 25      | 28.4    | 31      | 32.5    | 34      |

The effect of this and subsequent fiscal stimuli (e.g. excise and service tax reduction) on private demand would be expected to appear gradually with a lag.

### **Industry Front...**

Infrastructure development will have twin advantage: to reduce the supply side bottlenecks to growth, and also provide the requisite demand side stimulus to growth. The construction of highways facilitates human and material movement country-wide, thereby improving connectivity.

The development of secondary and tertiary roads can open up hitherto unconnected regions to trade and investment and step up access to goods, services and employment opportunities. The capacity creation in infrastructure sectors presented a mixed picture in 2008-09.

### **Roads**

India's road network comprises national highways, state highways, major district roads, other district roads and village roads. Out of the total length of national highways, about 30 per cent length is single lane/intermediate lane, about 53 per cent is two-lane standard and the remaining 17 per cent is four-lane or more standard.

#### **PPP projects In Maharashtra (Projects based on value of contracts)**

| Total Number | Upto 250 crore | Above 250 crore | Value of contacts |
|--------------|----------------|-----------------|-------------------|
| 25           | 7              | 18              | 31,142.0          |

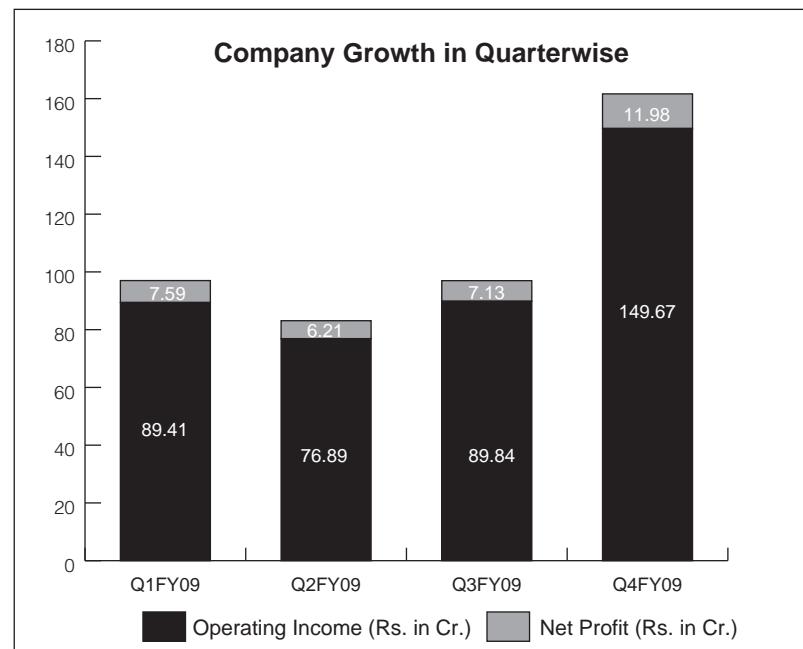
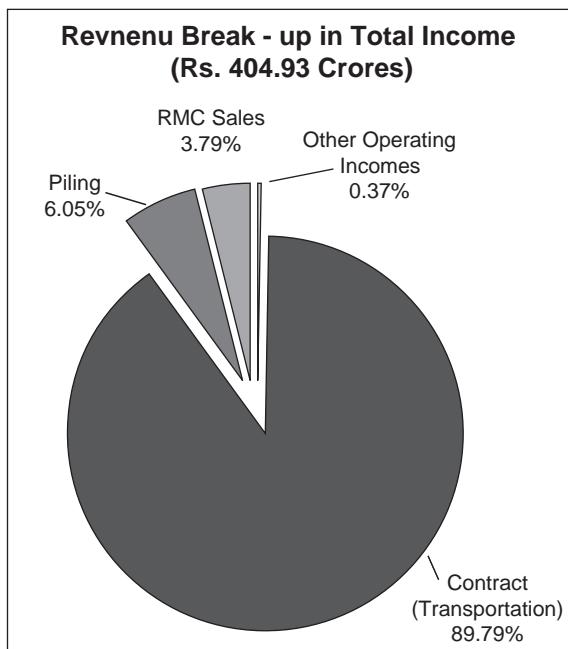
Though national highways comprise only about 2 per cent of the total length of roads, they account for about 40 per cent of the total traffic. As of March 31, 2009, 11,037 km of national highways under NHDP has been completed, the bulk of which lies on the GQ. Nearly 98 percent works on GQ were completed and the NS and EW corridors are expected to be completed by December 2009.

Interestingly, out of the total private sector infrastructure investment of Rs. 6,19,591 crore projected during the Eleventh Five Year Plan, Rs. 1,85,877 crore (30per cent) is expected from internal accruals/equity financing, with Rs. 23,450 crore and 28,276 crore expected to realize in 2007-08 and 2008-09 respectively.

### **When the 'Going gets Tough.....we get going.....**

It is said "when the going gets tough, only the tough gets going." And, we are proud to announce that during the recession when things were going slow, we did well and have also crossed Rs 400 crore in terms of revenue.

Since infrastructure projects have long gestation periods, there is a possibility of projects getting delayed leading to time-overruns and cost-overruns.



But at J Kumar we adopt a process of risk assessment comprising risk identification and analysis, followed by the designing of a suitable control environment covering control activities. We employ a series of governance and activity level controls to ensure that the financial statements are free from material misstatement.

During the year under review, J Kumar has posted a turnover of Rs. 406.46 crore, an increase of about 90% as compared to Rs. 214.24 crore in the previous Financial Year. The Company recorded a net profit of Rs. 32.93 Crore as against Rs 19.50 crores in the corresponding previous financial year depicting a rise of 68.89% that the Company could achieve a rise in overall profitability through a judicious mix of strategies and cost control measures.

**Earnings per Share (EPS):** The Company's Earnings per Share (EPS) during the current year is Rs. 15.89/- (Rs. 9.41/- in the preceding year) registering a growth of 68.86%.

Our Strategy has been to participate all over the country by active participation in the bidding of Government Projects .The following are the key elements for our future growth:

- ☛ Increasing the scope of work for each order and associating with larger projects via JVs
- ☛ Undertaking projects in a variety of sectors
- ☛ Execute the projects with the available resources to give the maximum operating margins
- ☛ Develop and maintain strong relationships with the existing clients and to secure projects from private firms through strategic partnership.

#### **Segment wise performance**

The management Information System of the Company recognizes and monitors 'construction' as the Business segment hence requirement of disclosure of segment wise performance is not applicable to the Company as required under Clause 41 of the Listing Agreement.

#### **Human Resources and Industrial Relations:**

Human resources continued to be one of the biggest assets of the Company. The management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year. The total employee strength as of 31<sup>st</sup> March, 2009 stood at 507.

#### **Internal control systems:**

The Company has put in place internal control systems and processes with its size and scale of operations. As said in the last year in the Annual Report your Company has been implementing the ERP software and much of the efforts during the year were on implementing

which may take some time, in future which helps your Company to take care of various control and audit requirements. In addition, the Company has internal audit function, which oversees the implementation and adherence to various systems and processes and preparation of Financial Statements as per the Accounting Standards Principles and Practices. Further, the internal audit group also appoints reputed external audit firms to undertake the exercise of conduct of internal audit at various locations. The report of the internal auditors is place before the audit committee meetings.

**Cautionary Statement:**

Statement in the management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities, laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions finished goods prices, changes in government regulations and tax regim etc. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance

J. Kumar believes in transparency, empowerment, accountability and integrity in its operations. 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. 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 31<sup>st</sup> March 2009 is as follows:

#### I) Board of Directors

Board of Directors of the Company comprises of 6 Directors. The composition of the Board as on 31<sup>st</sup> March 2009, J. Kumar's Board consists of 6 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 three Non-Executive Directors, all the three 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               | 50%                            |                                      |
| Independent Non-Executive Directors | 3               | 50%                            | 50%                                  |
| Total                               | 6               | 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 four meetings during Fy 2008-09 on April 26, 2008, July 23, 2008, October 21, 2008 and January 22, 2009.

#### (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:

| 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 |   |
| Jagdishkumar Gupta | Promoter, Chairman cum Managing Director | 4             | 4                 | Yes                       | Nil  | -                    | -      | N.A   |
| Kamal J Gupta      | Promoter, Executive Director             | 4             | 4                 | Yes                       | Nil  | -                    | -      | NA  |
| Nalin J Gupta      | Promoter, Executive Director             | 4             | 4                 | Yes                       | Nil  | -                    | -      | NA  |
| P P Vora           | Independent Director                     | 4             | 4                 | Yes                       | 5  | 2                    | 3      | None  |
| Dr. Srinivasan     | Independent Director                     | 4             | 4                 | Yes                       | 8  | 6                    | 8      | None  |
| R.H.Tadvi          | Independent Director                     | 3             | 3                 | Yes                       | Nil  | -                    | -      | 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.

**(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.
- 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/sitting fees paid to the Directors in 2008-09

(Amount in Rs)

| Name of Directors      | Sitting fees | Salaries & Perquisites | Commission | Total     |
|------------------------|--------------|------------------------|------------|-----------|
| Mr. Jagdishkumar Gupta | Nil          | 27,00,000              | Nil        | 27,00,000 |
| Mr. Kamal J Gupta      | Nil          | 24,00,000              | Nil        | 24,00,000 |
| Mr. Nalin J Gupta      | Nil          | 24,00,000              | Nil        | 24,00,000 |
| Mr. P.P.Vora           | 40,000       | Nil                    | Nil        | 40,000    |
| Mr. R. H. Tadvi        | 30,000       | Nil                    | Nil        | 30,000    |
| Dr. R. Srinivasan      | 40,000       | Nil                    | Nil        | 40,000    |

**Notes:**

- Sitting fees includes payment to the Directors for attending meetings of Board Committee.
- Perquisites do not include usage of Car and telephone for the purpose of Company business.

## 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 shall be as follows:

1. 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.
2. 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.
3. The finance head and the auditors of our Company shall attend and at the meetings without right to vote.
4. 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.
  - § 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 2008-09, Four Audit Committee Meeting's was held on April 26, 2008, July 23, 2008, October 21, 2008 and January 22, 2009 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 |
|--------------------|------------------------------|----------|---------------------|-------------------------|
| P P 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. Tadvi | Member   |

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

1. The Remuneration Committee shall meet as when required.
2. The Remuneration Committee shall determine remuneration packages for executive Directors including pension rights and any compensation payment.

There was no Remuneration Committee Meeting held during the Financial Year 2008-09.

**(c) Share Transfer & Shareholders/Investors Grievance Committee**

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

1. Mr. Roshankhan H. Tadvi 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 2008-09, the Committee met four times on April 26, 2008, July 23, 2008, October 21, 2008 and January 22, 2009. 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 |
|--------------------|----------------------|----------|---------------------|-------------------------|
| R.H. Tadvi         | Independent Director | Chairman | 4                   | 3                       |
| Kamal J Gupta      | Executive Director   | Member   | 4                   | 4                       |
| Nalin J Gupta      | Executive Director   | Member   | 4                   | 4                       |

A total of 81 queries/complaints were received by the Company from shareholders/investors during 2008-09 as detailed below. All the complaints were resolved by the Company to the satisfaction of the investors and as on 31<sup>st</sup> March 2009, 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:**

There are no materially significant related party transactions entered by the Company with the related parties that may have a potential conflict with the interest of the Company.

**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](http://www.jkumar.com).

**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:

| <b>Particulars</b>   | <b>No. of Cases</b> | <b>No. of Shares</b> |
|--|---------------------|----------------------|
| Number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the Year i.e. as on 1 <sup>st</sup> April, 2008. | 69                  | 13362                |
| Number of Shareholders who approached for Issuer/Registrar for transfer of shares from suspense account during the year 2008-09.                     | 47                  | 9908                 |
| Number of shareholders wo whom shares were transferred from suspense account during the year 2008-09.  | 46                  | 9853                 |
| Number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e as on 31 <sup>st</sup> March, 2009.       | 23                  | 3509                 |

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 20,25,000 Equity Shares with Bank of India as on 31<sup>st</sup> March 2009.

The aggregate shareholdings of the Promoters and persons belonging to the Promoter Group as on March 31, 2009 comprised of 1,27,55,920 Equity Shares of Rs 10/- each representing 61.55% of the Paid up Equity Share Capital of the Company.

**IV) SHAREHOLDERS INFORMATION:**
**Disclosures regarding appointment & re-appointment of Directors:**

At the ensuing Annual General Meeting, Mr. P.P.Vora and Mr. R. H. Tadvi Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

A brief profile of the Directors who are coming up for re-appointment is given below.

Mr.P.P.Vora has over 30 years of experience in finance, banking and management. He has held several prestigious positions in the Industry such as serving as the Chairman & Managing Director of the Institutional Development Bank of India.

Mr Rosankhan H. Tadvi is a B.E.(Civil).He has served in the in the Public Works Department for more than 30 years in the Capacity of Dy Engineer, Executive Engineer, Chief Engineer and Secretary.

**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 "Financial Express" 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](http://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  |
|---------|-----------|--|--|
| 2007-08 | 9         | Tuesday, 9 <sup>th</sup> September 2008, 11.00 A.M   | The Club, Colonial Hall, Opp; D.N. Nagar Police Station, Link Road, Andheri (W) Mumbai 400053. |
| 2006-07 | 8         | Wednesday, 8 <sup>th</sup> August 2007, 11.00A.M     | 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumbai-400053.                 |
| 2005-06 | 7         | Saturday, 30 <sup>th</sup> September 2006, at 11.A.M | 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumbai-400053.                 |

**Extra Ordinary General Meeting**

An Extraordinary General Meetings held during the last three years are as follows on 28<sup>th</sup> February 2006, 8<sup>th</sup> January,2007 , 31<sup>st</sup> January,2007, 10th March,2007, 24<sup>th</sup> May 2007 and the following Special Resolutions were passed:

- 1) Resolution u/s 94 of the Companies Act 1956 for increase of Authorised Share capital from 5 lacs i.e 50000 Equity Shares of Rs 10/- each to 10 Crores i.e 1,00,00,000 Equity shares of Rs 10/- each.
- 2) Resolution u/s 21/44 of the Companies Act, 1956 for change of name of the company from J. Kumar And Company (India) Private Limited to J. Kumar Infraprojects Private Limited.
- 3) Resolution u/s 21/44 of the Companies Act, 1956 for change of name of the company from J. Kumar Infraprojects Private Limited to J. Kumar Infraprojects Limited.
- 4) Resolution u/s 94 of the Companies Act 1956 for increase of Authorised Share capital from 10 Crore i.e 1,00,00,000 Equity Shares of Rs 10/- each to 25 Crores i.e 2,50,00,000 Equity shares of Rs 10/- each.
- 5) Resolution u/s 81(1A) of the Companies Act, 1956 for Initial Public Offering (IPO).
- 6) Resolution u/s 269 for Revision in Salaries of Mr. Jagdishkumar M. Gupta, Mr. Kamal Gupta and Mr. Nalin Gupta.

**Postal Ballot:**

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

**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 annexued 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.

**General Shareholders' Information:**
**Information to Shareholders of 10<sup>th</sup> Annual General Meeting:**

- 1. Date:** 9<sup>th</sup> September 2009
- 2. Time:** 11.00 A.M
- 3. Venue:** GMS Community Centre Hall, Sithadevi Complex, 1st Floor, D.N. Nagar Opp: Indian Oil Nagar, On Link Road, Andheri (W), Mumbai - 400053
- 4. Financial Year:** 1<sup>st</sup> April to 31<sup>st</sup> March
- 5. Date of Book Closure:** 1<sup>st</sup> September 2009 to 9<sup>th</sup> September 2009  
(both days inclusive)
- 6. Dividend:** The Board of Directors have recommended a dividend of 2 Rs 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 9th September 2009.
- 7. Registered Office:** 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumabi – 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 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 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009 was as follows:

| Month & Year | BSE Price |          | NSE Price |          |
|--------------|-----------|----------|-----------|----------|
|              | JKIL High | JKIL Low | JKIL High | JKIL Low |
| Apr-08       | 110.85    | 78.55    | 111.2     | 78.1     |
| May-08       | 131.45    | 98.75    | 131.7     | 93.65    |
| Jun-08       | 109.70    | 79.90    | 111.00    | 80.00    |
| Jul-08       | 106.90    | 70.55    | 94.00     | 71.15    |
| Aug-08       | 99.90     | 84.15    | 104.70    | 76.30    |
| Sep-08       | 96.00     | 70.00    | 95.00     | 73.15    |
| Oct-08       | 87.90     | 56.15    | 88.00     | 54.50    |
| Nov-08       | 75.50     | 65.00    | 77.00     | 60.05    |
| Dec-08       | 74.10     | 56.00    | 74.45     | 55.60    |
| Jan-09       | 68.85     | 54.05    | 68.50     | 51.00    |
| Feb-09       | 68.75     | 54.10    | 64.50     | 51.00    |
| Mar-09       | 55.40     | 39.05    | 61.50     | 35.20    |

**12. Dematerialisation of Shares:**

The ISIN for the Equity Shares of the Company is INE576I01014. 20668407 total of Equity Shares aggregating to 99.73% of the total shares of the Company are in dematerialized form as on 31<sup>st</sup> March 2009.

**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 31<sup>st</sup> March 2009**

| <b>Category (Amount)</b> | <b>No. of Cases</b> | <b>% of Cases</b> | <b>Total Shares</b> |
|--------------------------|---------------------|-------------------|---------------------|
| 1 - 5000                 | 8819                | 88.83%            | 1051178             |
| 5001 - 10000             | 838                 | 8.44%             | 546840              |
| 10001 - 20000            | 92                  | 0.93%             | 135351              |
| 20001 - 30000            | 36                  | 0.36%             | 89323               |
| 30001 - 40000            | 23                  | 0.23%             | 80599               |
| 40001 - 50000            | 26                  | 0.26%             | 126209              |
| 50001 - 100000           | 29                  | 0.29%             | 215210              |
| 100001 & Above           | 65                  | 0.65%             | 18479710            |
| <b>Total</b>             | <b>9928</b>         | <b>100%</b>       | <b>20724420</b>     |

**15. Categories of Shareholders as on 31<sup>st</sup> March 2009**

| <b>Categories</b>   | <b>As on 31st March, 2009</b> |                   | <b>As on 31st March, 2008</b> |                   |
|---|-------------------------------|-------------------|-------------------------------|-------------------|
|   | <b>No. of Shares</b>          | <b>Percentage</b> | <b>No. of Shares</b>          | <b>Percentage</b> |
| Promoters, Directors, Relatives and Associates                                | 12755920                      | 61.55             | 12755920                      | 61.55             |
| Foreign Institutional Investors/ Mutual Funds                                 | 0                             | 0.00              | 10000                         | 0.05              |
| Public Financial Institutions/State Financial Corporation/Insurance Companies | 0                             | 0.00              | 0                             | 0.00              |
| Mutual Funds (Indian) / UTI Mutual Fund                                       | 1928849                       | 9.31              | 2009923                       | 9.70              |
| Nationalized and Other banks  | 0                             | 0.00              | 0                             | 0.00              |
| Clearing Members & Trusts   | 373923                        | 1.80              | 431370                        | 2.08              |
| NRIs  | 728645                        | 3.52              | 793890                        | 3.83              |
| Bodies Corporate  | 1765130                       | 8.52              | 1452303                       | 7.01              |
| Public  | 3171953                       | 15.31             | 3271014                       | 15.78             |
| <b>Total</b>  | <b>20724420</b>               | <b>100.00</b>     | <b>20724420</b>               | <b>100.00</b>     |

## Top 10 Shareholders as on 31st March, 2009

| Sr. No. | Name  | Shares          | % to Equity  | Category |
|---------|---|-----------------|--------------|----------|
| 1       | Jagdishkummar Madanlal Gupta                          | 5093980         | 24.58        | PD       |
| 2       | J.Kumar Software Systems (I) Private Limited          | 2200000         | 10.62        | GOC      |
| 3       | Kusum Jagdish Gupta                                   | 1224510         | 5.91         | PG       |
| 4       | Kamal Jagdish Gupta                                   | 1222500         | 5.90         | PD       |
| 5       | Nalin Jagdish Gupta                                   | 1207000         | 5.82         | PD       |
| 6       | Shalini Nalin Gupta                                   | 935910          | 4.52         | PG       |
| 7       | Sonal Kamal Gupta                                     | 872010          | 4.21         | PG       |
| 8       | Sundaram BNP Paribas Mutual Fund A/C<br>SundaramBNP P | 569529          | 2.75         | MUT      |
| 9       | Pan Emami Cosmed Limited                              | 507649          | 2.45         | LTD      |
| 10      | Reliance Capital Trustee Co Ltd- Reliance             | 500661          | 2.42         | MUT      |
|         | <b>Total</b>  | <b>14333749</b> | <b>69.16</b> |          |

## 16. Financial Release Dates for 2009-10

| Quarter  | Release date (tentative & subject to change) |
|--|--|
| 1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June 2009      | Fourth week of July 2009                     |
| 2 <sup>nd</sup> Quarter ending 30 <sup>th</sup> September 2009 | Fourth week of October 2009                  |
| 3rd Quarter ending 31st December 2009                          | Fourth week of January 2010                  |
| 4 <sup>th</sup> Quarter ending 31 <sup>st</sup> March 2010     | Fourth week of April 2010                    |

## 17. 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](mailto:investors.grievances@jkumar.com). All the investors are requested to avail this facility.



## 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 2009 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

Pawan Gupta  
Partner  
Membership No: 71471

Date: July 30, 2009  
Place: Mumbai

### **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

We have reviewed the financial statements, read with the cash flow statement of J. Kumar Infraprojects Ltd for the year ended March 31, 2009 and that to the best of our knowledge and belief, we state that:

- a) (i) These statements do not contain any materially untrue statement or omit any 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting. We 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 we are aware and the steps we have taken or proposed to be taken for rectifying these deficiencies.

Place: Mumbai  
Date: July 30, 2009

Jagdishkumar 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 31st March 2009 and also Profit and Loss Account 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 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex 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 Paragraph 3 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 purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of Sec. 211 of the Companies Act, 1956.
  - e) On the Basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of section 274(1)(g) 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 accounts read together with other notes 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:
    1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
    2. In the case of Profit and Loss Account, of the Profit for the Company for the year ended on that date.
    3. In the case of Cash Flow Statement, of the Cash Flows for the Company for the year ended 31st March 2009.

For Gupta Saharia & Co.  
Chartered Accountants

Place: Mumbai  
Date: July 30, 2009

Pawan Gupta  
(Partner)  
M. No. 071471

**Annexure referred to in paragraph 3 of the Auditor's report to the members of J. KUMAR  
INFRAPROJECTS LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2009.**

**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;
- (b) In our opinion and according to the information and explanations given to us, the procedures for 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. No material discrepancies between the physical stocks and the book records were found.

**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, the provision of Clause (iii) (b), (iii) (c), (iii)(d), (iii) (e), (iii) (f), (iii) (g), of the Order are not applicable to the Company.

**4. TRANSACTIONS WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT 1956.**

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 have been properly entered in the said register;

**5. 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 audit, we have not observed any major weakness in internal control system.

**5. DEPOSITS:**

The Company has not accepted any deposits within purview of Sec.58A of the Companies Act, 1956.

**6. INTERNAL AUDIT**

The Company has a system of internal audit which, in our opinion is commensurate with its size and nature of its business.

**7. COST RECORDS:**

Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act 1956

**8. STATUTORY DUES:**

According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, Employee State Insurance Scheme, Income tax, sales-tax, Service Tax, Excise duty, Custom duty, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as 31st March 2009 for a period of more than six months from the date they became payable.

**9. NET WORTH/CASH LOSSES:**

The Company does not have 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.

**10. REPAYMENT OF DUES:**

The Company has not defaulted in repayment of any dues to financial institutions or banks or debenture holders.

**11. ADVANCES AGAINST SHARES :**

In our opinion , the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**12. CHIT FUND/ NIDHI FUND**

The Company is not chit/nidhi/ mutul benefit fund/society and hence clause 4(xiii) of the order is not applicable.

**13. TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS**

The Company is not dealing or trading in shares, securities, debentures and other investments.

**14. GUARANTEES**

On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions

**15. TERM LOANS:**

On the basis of the information and explanations given to us the Company has applied the term loans for the purpose for which the same was obtained;

**16. SOURCE AND APPLICATION OF FUNDS:**

On the basis of our examination of the books of accounts and the information and explanation given to us, in our opinion, the funds raised for short-term basis have not been used for long-term investment, and vice versa.

**17. PREFERENTIAL ALLOTMENT OF SHARES TO PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTON 301 OF THE COMPANIES ACT 1950**

During the 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.

**18. MISCELLANEOUS:**

- i. The Company does not have any outstanding debenture during the year.
- ii. 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

Pawan Gupta  
(Partner)  
M.No.071471

Place: Mumbai

Date: July 30, 2009

## **BALANCE SHEET AS AT 31ST MARCH, 2009**

| PARTICULARS                                    | SCHEDULE          | As at 31.03.2009<br>Rs. | As at 31.3.2008<br>Rs. |
|--|-------------------|-------------------------|------------------------|
| <b>SOURCES OF FUNDS :</b>                      |                   |                         |                        |
| <b>1. SHAREHOLDER'S FUNDS :</b>                |                   |                         |                        |
| (a) SHARE CAPITAL                              | A                 | 207,244,200             | 207,244,200            |
| (b) RESERVES & SURPLUS                         | B                 | 1,300,529,725           | 1,019,748,357          |
| <b>2. LOAN FUNDS</b>                           |                   |                         |                        |
| (a) SECURED LOAN                               | C                 | 485,078,395             | 382,613,815            |
| (b) UNSECURED LOAN                             | D                 | -                       | -                      |
| <b>3. Deferred Tax Liability</b>               |                   | 24,999,466              | 11,385,624             |
|  |                   | <u>2,017,851,786</u>    | <u>1,620,991,996</u>   |
| <b>APPLICATION OF FUNDS :</b>                  |                   |                         |                        |
| <b>1. FIXED ASSETS</b>                         | E                 |                         |                        |
| GROSS BLOCK                                    |                   | 1,212,509,325           | 673,314,105            |
| LESS : ACCUMULATED DEPRECIATION                |                   | 201,756,439             | 95,503,602             |
| NET BLOCK                                      |                   | 1,010,752,886           | 577,810,503            |
| <b>2. INVESTMENT</b>                           | F                 | 9,524,847               | 184,107,558            |
| <b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b> |                   |                         |                        |
| INVENTORIES                                    | G                 | 362,322,154             | 61,588,681             |
| SUNDRY DEBTORS                                 | H                 | 296,664,973             | 149,703,710            |
| CASH & BANK BALANCE                            | I                 | 242,494,493             | 442,488,680            |
| OTHER CURRENT ASSETS                           | J                 | 151,680,701             | 78,959,552             |
| LOANS & ADVANCES                               | K                 | 749,940,945             | 417,198,045            |
|  | <b>Total (I)</b>  | <u>1,803,103,267</u>    | <u>1,149,938,668</u>   |
| LESS :   |                   |                         |                        |
| <b>4. CURRENT LIABILITIES &amp; PROVISIONS</b> |                   |                         |                        |
| CURRENT LIABILITIES                            | L                 | 521,541,231             | 174,489,968            |
| PROVISIONS                                     | M                 | 330,869,978             | 172,700,944            |
|  | <b>Total (II)</b> | <u>852,411,209</u>      | <u>347,190,912</u>     |
| <b>NET CURRENT ASSETS (I) - (II)</b>           |                   | 950,692,057             | 802,747,756            |
| <b>5. MISCELLANEOUS EXPENSES</b>               |                   | 46,881,996              | 56,326,179             |
| (To the extent not written off or adjusted)    |                   |                         |                        |
|  |                   | <u>2,017,851,786</u>    | <u>1,620,991,996</u>   |
| <b>NOTES TO ACCOUNTS</b>                       | T                 |                         |                        |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per report of even date.

**For Gupta Saharia & Co.  
Chartered Accountants**

Pawan Gupta  
Partner  
Membership No.71471

Place : Mumbai  
Date : July 30, 2009

For and on behalf of Board of Directors of  
**J. Kumar Infraprojects Limited**

Jagdishkumar M. Gupta  
Chairman & Managing Director

Nalin J. Gupta  
Executive Director

Poornima Reddy  
Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

| PARTICULARS   | SCHEDULE | As at 31.03.2009<br>Rs. | As at 31.3.2008<br>Rs. |
|---|----------|-------------------------|------------------------|
| <b>INCOME</b>                                       |          |                         |                        |
| INCOME FROM OPERATION                               | N        | 4,064,606,575           | 2,142,425,687          |
| OTHER INCOME  | O        | 71,533,171              | 27,807,385             |
| <b>Total 1 :</b>                                    |          | <u>4,136,139,746</u>    | <u>2,170,233,072</u>   |
| <b>EXPENDITURE</b>                                  |          |                         |                        |
| CONSTRUCTION EXPENSES                               | P        | 3,139,457,040           | 1,593,132,961          |
| EMPLOYEE'S REMUNERATION & BENEFITS                  | Q        | 87,967,069              | 39,531,949             |
| ADMINISTRATION, SELLING & OTHER EXPENSES            | R        | 233,245,465             | 120,833,816            |
| INTEREST & FINANCIAL CHARGES                        | S        | 79,823,454              | 59,969,176             |
| DEPRECIATION  |          | 106,711,117             | 60,916,581             |
| <b>Total 2 :</b>                                    |          | <u>3,647,204,145</u>    | <u>1,874,384,483</u>   |
| <b>PROFIT/LOSS BEFORE TAXATION (1-2)</b>            |          | 488,935,601             | 295,848,589            |
| LESS: PROVISION FOR TAXATION                        |          |                         |                        |
| CURRENT   |          | 144,583,205             | 95,129,423             |
| DEFERRED TAX LIABILITY                              |          | 13,613,842              | 4,453,212              |
| FRINGE BENEFIT TAX                                  |          | 1,462,043               | 1,297,648              |
| <b>PROFIT/LOSS AFTER TAXATION</b>                   |          | <u>329,276,511</u>      | <u>194,968,306</u>     |
| <b>LESS: APPROPRIATIONS</b>                         |          |                         |                        |
| PROPOSED DIVIDEND ON EQUITY SHARES                  |          | 41,448,840              | 31,086,630             |
| CORPORATE TAX ON PROPOSED DIVIDEND ON EQUITY SHARES |          | 7,046,303               | 5,284,727              |
| <b>BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>   |          | <u>280,781,368</u>      | <u>158,596,949</u>     |
| <b>NOTES TO ACCOUNTS</b>                            | T        |                         |                        |

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss A/c.

As per report of even date.

**For Gupta Saharia & Co.**  
Chartered Accountants

Pawan Gupta  
Partner  
Membership No.71471

Place : Mumbai  
Date : July 30, 2009

For and on behalf of Board of Directors of  
**J. Kumar Infraprojects Limited**

|   |                                      |
|---|--------------------------------------|
| Jagdishkumar M. Gupta<br>Chairman & Managing Director | Kamal J. Gupta<br>Executive Director |
|---|--------------------------------------|

|                                      |                                     |
|--------------------------------------|-------------------------------------|
| Nalin J. Gupta<br>Executive Director | Poornima Reddy<br>Company Secretary |
|--------------------------------------|-------------------------------------|

**Annexure- III  
CASH FLOW STATEMENTS**

| <b>Particulars</b>  | <b>31.03.2009</b><br><b>Rs.</b> | <b>31.03.08</b><br><b>Rs.</b> |
|---|---------------------------------|-------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                                 |                               |
| Net Operating Profit before Taxation & Extraordinary Item             | 488,935,601                     | 295,848,589                   |
| Adjustment for:   |                                 |                               |
| Depreciation (net)  | 106,252,837                     | 60,722,722                    |
| Dividend Received   | (9,849,873)                     | (423,054)                     |
| Interest & Rent Received  | (28,971,895)                    | (17,852,308)                  |
| Preliminary Expenses W/off  | 11,713,425                      | -                             |
| Interest & Finance Charges paid                                       | 79,823,454                      | 59,969,176                    |
| <b>Operating Profit before working capital changes</b>                | <b>647,903,549</b>              | <b>398,265,125</b>            |
| <b>Adjustment for changes in Working Capital:</b>                     |                                 |                               |
| Inventories   | (300,733,474)                   | (28,713,821)                  |
| Debtors   | (146,956,855)                   | (136,913,313)                 |
| Loans & Advances  | (332,747,306)                   | (298,707,618)                 |
| Other Current Assets  | (72,721,149)                    | (69,620,981)                  |
| Current Liabilities & Provision                                       | 347,051,263                     | 66,108,879                    |
| <b>Movement in Working capital limits</b>                             | <b>(506,107,521)</b>            | <b>(467,846,854)</b>          |
| Cash generated from operation   | 141,796,028                     | (69,581,729)                  |
| <b>Net Cash from Operating Activities (A)</b>                         | <b>141,796,028</b>              | <b>(69,581,729)</b>           |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                                 |                               |
| Purchase of Fixed Assets  | (539,195,220)                   | (287,923,452)                 |
| Investment in Joint Venture   | (5,417,289)                     | (3,907,558)                   |
| (Purchase)/Redemption of Investment                                   | 180,000,000                     | (180,200,000)                 |
| Dividend Received   | 9,849,873                       | 423,054                       |
| Interest & Rent Received  | 28,971,895                      | 17,852,308                    |
| <b>Net Cash from Investing Activities (B)</b>                         | <b>(325,790,741)</b>            | <b>(453,755,648)</b>          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                                 |                               |
| Dividend Paid   | (36,371,357)                    | -                             |
| Increase in Long Term Borrowing                                       | 102,464,580                     | 118,162,941                   |
| Decrease in Unsecured Loan  | -                               | (1,000,000)                   |
| Increase in Share Capital   | -                               | 82,290,000                    |
| Increase in Share Premium   | -                               | 771,030,000                   |
| Increase in Share Application   | -                               | -                             |
| Interest & Finance charges paid                                       | (79,823,454)                    | (59,969,176)                  |
| IPO Expenses/ Preliminary Expenses                                    | (2,269,243)                     | (54,965,059)                  |
| <b>Net Cash from Financing Activities (C)</b>                         | <b>(15,999,474)</b>             | <b>855,548,706</b>            |
| <b>Net Increase/( Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b> | <b>(199,994,187)</b>            | <b>332,211,329</b>            |
| <b>Cash &amp; Cash Equivalent at the beginning of the year</b>        | <b>442,488,680</b>              | <b>110,277,351</b>            |
| <b>Cash &amp; Cash Equivalent at the end of year</b>                  | <b>242,494,493</b>              | <b>442,488,680</b>            |

Note:All figures have been rounded off to the nearest decimal.

As per report of even date.

**For Gupta Saharia & Co.  
Chartered Accountants**

Pawan Gupta  
Partner  
Membership No.71471

Place : Mumbai  
Date : July 30, 2009

For and on behalf of Board of Directors of  
**J. Kumar InfraProjects Limited**

Jagdishkumar M. Gupta  
Chairman & Managing Director

Kamal J. Gupta  
Executive Director

Nalin J. Gupta  
Executive Director

Poornima Reddy  
Company Secretary

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

|   | As at 31.03.2009<br>Rs. | As at 31.3.2008<br>Rs. |
|---|-------------------------|------------------------|
| <b>SCHEDULE : A</b>   |                         |                        |
| <b>SHARE CAPITAL</b>  |                         |                        |
| <b>AUTHORIZED</b>   |                         |                        |
| 2,50,00,000 Equity Shares of Rs.10/-each  | 250,000,000             | <u>250,000,000</u>     |
| (Previous Year : 2,50,00,000 Equity Shares of Rs. 10/- each)                                      |                         |                        |
| <b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>   |                         |                        |
| 2,07,24,420 Equity Shares of Rs. 10 each  | 207,244,200             | 207,244,200            |
| (Previous Year : 2,07,24,420 Equity Shares of Rs. 10/- each)                                      |                         |                        |
|   | <u>207,244,200</u>      | <u>207,244,200</u>     |
| <b>SCHEDULE : B</b>   |                         |                        |
| <b>RESERVES &amp; SURPLUS</b>   |                         |                        |
| <b>Profit &amp; Loss Account</b>  |                         |                        |
| Op. Balance   | 248,718,357             | 90,121,408             |
| Add(Less) : Profit(Loss) during the year  | 280,781,368             | 158,596,949            |
| Closing Balance   | A                       | 529,499,725            |
| <b>Share Premium</b>  |                         |                        |
| Op. Balance   | 771,030,000             | -                      |
| Add: Addition during the year   | -                       | 771,030,000            |
| Closing Balance   | B                       | 771,030,000            |
|   | <b>Total (A+B)</b>      | <b>1,019,748,357</b>   |
| <u>1,300,529,725</u>  |                         |                        |
| <b>SCHEDULE : C</b>   |                         |                        |
| <b>SECURED LOAN</b>   |                         |                        |
| From Banks and Financial Institutions for :   |                         |                        |
| <b>Working Capital</b>  |                         |                        |
| Cash Credit From Bank Of India  | 283,937,409             | 50,965,893             |
| (Secured by hypothecation of stock, book debts & pledge of shares)                                |                         |                        |
| Bank Over Draft Facility From Bank Of India   | 59,941,887              | 46,817,346             |
| (Secured by Fixed Deposits)   |                         |                        |
| <b>Term Loan</b>  |                         |                        |
| Term Loan From UTI Bank   | 2,135,882               | 44,430,984             |
| (Secured by first charge on immovable property of the company)                                    |                         |                        |
| <b>Other Term Loans</b>   |                         |                        |
| (Secured by hypothecation of Plant & Machinery)   | 139,063,218             | 240,399,592            |
|   | <u>485,078,395</u>      | <u>382,613,815</u>     |
| (All Loans are Secured by Personal guarantee of Jagdishkumar Gupta,<br>Kamal Gupta & Nalin Gupta) |                         |                        |
| <b>SCHEDULE : D</b>   |                         |                        |
| <b>UNSECURED LOAN:-</b>   |                         |                        |
|   | -                       | -                      |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**
**SCHEDULE : E  
FIXED ASSETS SCHEDULE**

| Particulars       | Gross Block                       |                                 |                                  |                      | Depreciation                      |                           |  |                    | Net Block            |                     |
|-------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------|-----------------------------------|---------------------------|--|--------------------|----------------------|---------------------|
|                   | Op. balance<br>as on<br>1.04.2008 | Additions<br>during<br>the year | Deductions<br>during<br>the year | Total                | Op. balance<br>as on<br>1.04.2008 | Amount<br>Written<br>Back | For the<br>Period<br>up to<br>31.03.2009 | Total              | As on<br>31.03.2009  | As on<br>31.03.2008 |
| Land Building     | 12,886,866                        | 496,000                         | -                                | 13,382,866           | -                                 | -                         | -  | -                  | 13,382,866           | 12,886,866          |
| Computers         | 2,234,360                         | 2,499,432                       | 221,233                          | 4,512,559            | 712,725                           | 65,233                    | 1,022,581                                | 1,670,073          | 2,842,486            | 1,521,635           |
| Furniture Fixture | 6,600,810                         | 11,725,550                      | -                                | 18,326,360           | 813,453                           | -                         | 1,855,959                                | 2,669,412          | 15,656,948           | 5,787,357           |
| Plant&Machinery   | 647,904,050                       | 522,934,263                     | 6,417,311                        | 1,164,421,002        | 92,665,122                        | 393,047                   | 102,454,509                              | 194,726,584        | 969,694,419          | 555,238,928         |
| Vehicles          | 3,688,019                         | 8,178,519                       | -                                | 11,866,538           | 1,312,302                         | -                         | 1,378,069                                | 2,690,371          | 9,176,167            | 2,375,717           |
|                   | <b>673,314,105</b>                | <b>545,833,764</b>              | <b>6,638,544</b>                 | <b>1,212,509,325</b> | <b>95,503,602</b>                 | <b>458,280</b>            | <b>106,711,117</b>                       | <b>201,756,439</b> | <b>1,010,752,886</b> | <b>577,810,503</b>  |
| Previous Year     | 385,390,653                       | 288,895,610                     | 972,158                          | 673,314,105          | 34,780,880                        | 193,859                   | 60,916,581                               | 95,503,602         | 577,810,503          |                     |

|                                     | As at 31.03.2009<br>Rs. | As at 31.3.2008<br>Rs. |
|-------------------------------------|-------------------------|------------------------|
| <b>SCHEDULE : F<br/>INVESTMENTS</b> |                         |                        |
| Shiva Engineering Construction      | 4,000,000               | -                      |
| A.D. & J. Kumar Infra. J.V.         | 5,324,847               | 3,907,558              |
| HDFC 90 D FMP                       | -                       | 30,000,000             |
| HDFC Infrastructure Fund            | 200,000                 | 200,000                |
| ICICI Prudential Flexible Income    | -                       | 50,000,000             |
| Lotus India FMP Common              | -                       | 20,000,000             |
| Reliance Liquid Plus Fund           | -                       | 50,000,000             |
| SBI Debt Fund Services              | -                       | 10,000,000             |
| Tata FIPF A3                        | -                       | 10,000,000             |
| UTI Fixed Maturity Plan             | -                       | 10,000,000             |
|                                     | <b>9,524,847</b>        | <b>184,107,558</b>     |

**SCHEDULE : G  
INVENTORIES(at lower of cost and net realizable value)**

|                  |                    |                   |
|------------------|--------------------|-------------------|
| Raw Material     | 118,422,154        | 41,056,878        |
| Work in Progress | 243,900,000        | 20,531,803        |
|                  | <b>362,322,154</b> | <b>61,588,681</b> |

**SCHEDULE : H  
SUNDRY DEBTORS**

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Outstanding for more than six Month</b> |                    |                    |
| Considered good                            | 3,443,668          | 1,878,353          |
| Considered Doubtful                        | 1,788,843          | -                  |
| <b>Others Debts</b>                        |                    |                    |
| Considered good                            | 291,432,462        | 147,825,357        |
|  | <b>296,664,973</b> | <b>149,703,710</b> |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

|  | As at 31.03.2009<br>Rs. | As at 31.3.2008<br>Rs. |
|--|-------------------------|------------------------|
| <b>SCHEDULE: I</b>   |                         |                        |
| <b>CASH &amp; BANK BALANCE</b>   |                         |                        |
| Cash on Hand   | 1,989,779               | 2,665,683              |
| Balances with Scheduled Banks  | 60,773,097              | 71,837,848             |
| On Current accounts  | 179,731,617             | 367,985,149            |
| On Fixed Deposits accounts   | <u>242,494,493</u>      | <u>442,488,680</u>     |
| <b>SCHEDULE: J</b>   |                         |                        |
| <b>OTHER CURRENT ASSETS</b>  |                         |                        |
| Accrued Interest On FDR  | 23,621,011              | 11,123,617             |
| Excise Duty Receivable   | 13,818,739              | 43,663,009             |
| Withheld by Customer   | 38,176,737              | 22,033,682             |
| Work Contract Tax (ADJK)   | 4,532,181               | 2,139,244              |
| Cenvat Available   | 32,980,496              | -                      |
| Prepaid Land Rent  | 23,371,596              | -                      |
| Other Current Assets   | <u>15,179,941</u>       | -                      |
|  | <u>151,680,701</u>      | <u>78,959,552</u>      |
| <b>SCHEDULE: K</b>   |                         |                        |
| <b>LOAN &amp; ADVANCES</b>   |                         |                        |
| Advances recoverable in Cash or in Kind or<br>for value to be received | 150,545,565             | 137,272,260            |
| Advance Tax (07-08)  | 69,459,212              | 69,459,212             |
| Advance Tax (08-09)  | 19,962,043              | -                      |
| <b>Deposits</b>  |                         |                        |
| TDS (07-08)  | 65,452,837              | 65,452,837             |
| TDS (08-09)  | 81,826,570              | -                      |
| Others   | <u>362,694,718</u>      | <u>145,013,736</u>     |
|  | <u>749,940,945</u>      | <u>417,198,045</u>     |
| <b>SCHEDULE: L</b>   |                         |                        |
| <b>CURRENT LIABILITIES</b>   |                         |                        |
| <b>Sundry Creditors :</b>  |                         |                        |
| For Transport  | 4,668,264               | 2,699,744              |
| Goods  | 340,381,860             | 77,197,082             |
| <b>Loans &amp; Advances</b>  |                         |                        |
| Material Advance   | 80,040,880              | 48,228,033             |
| Deposits   | 47,996,532              | 38,928,538             |
| Landmark Corporation (S.D. & ASD)                                      | 24,999,722              | -                      |
| <b>Others Liabilities</b>  | <u>23,453,973</u>       | <u>7,436,571</u>       |
|  | <u>521,541,231</u>      | <u>174,489,968</u>     |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

|   | <b>As at 31.03.2009<br/>Rs.</b> | <b>As at 31.3.2008<br/>Rs.</b> |
|---|---------------------------------|--------------------------------|
| <b>SCHEDULE: M</b>  |                                 |                                |
| <b>PROVISION</b>  |                                 |                                |
| Provision for Income Tax (Financial Year 04-05)                 | 253,418                         | 253,418                        |
| Provision for Income Tax (Financial Year 05-06)                 | 3,727,824                       | 3,727,824                      |
| Provision for FBT (Financial Year 05-06)                        | 131,730                         | 131,730                        |
| Provision for Income Tax (Financial Year 06-07)                 | 35,205,848                      | 35,205,848                     |
| Provision for FBT (Financial Year 06-07)                        | 583,696                         | 583,696                        |
| Provision for Income Tax ( Financial Year 07-08)                | 95,129,423                      | 95,129,423                     |
| Provision for FBT (Financial Year 07-08 )                       | 1,297,648                       | 1,297,648                      |
| Proposed Dividend on Equity Shares (F.Y.07-08)                  | -                               | 31,086,630                     |
| Corporate Tax on Proposed Dividend on Equity Shares (F.Y.07-08) | -                               | 5,284,727                      |
| Provision for Income Tax ( Financial Year 08-09)                | 144,583,205                     | -                              |
| Provision for FBT (Financial Year 08-09)                        | 1,462,043                       | -                              |
| Proposed Dividend on Equity Shares (F.Y.08-09)                  | 41,448,840                      | -                              |
| Corporate Tax on Proposed Dividend on Equity Shares (F.Y.08-09) | 7,046,303                       | -                              |
|   | 330,869,978                     | 172,700,944                    |

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

|  | <b>31.03.2009</b><br><b>Rs.</b> | <b>31.3.2008</b><br><b>Rs.</b> |
|--|---------------------------------|--------------------------------|
| <b>SCHEDULE: N</b>                       |                                 |                                |
| <b>INCOME FROM OPERATIONS</b>            |                                 |                                |
| Contract Revenue                         | 3,649,596,674                   | 1,852,067,966                  |
| Boring, Chiseling and Hiring Charges     | 245,773,941                     | 245,778,771                    |
| RMC Sales                                | 154,020,387                     | 42,331,174                     |
| Profit from Joint Venture                | 15,215,573                      | 2,247,776                      |
|  | 4,064,606,575                   | 2,142,425,687                  |
| <b>SCHEDULE: O</b>                       |                                 |                                |
| <b>OTHER INCOME</b>                      |                                 |                                |
| Dividend Received                        | 9,849,873                       | 423,054                        |
| Discount Received                        | 934,748                         | 1,124,064                      |
| Interest On FDR                          | 28,971,895                      | 12,845,324                     |
| Miscellaneous income                     | 22,055,735                      | 4,311,743                      |
| Lease & License                          | 9,720,920                       | 7,555,200                      |
| Rent Received                            | -                               | 1,548,000                      |
|  | 71,533,171                      | 27,807,385                     |
| <b>SCHEDULE: P</b>                       |                                 |                                |
| <b>CONSTRUCTION EXPENSES</b>             |                                 |                                |
| (Increase) / Decrease In Stock Of WIP    |                                 |                                |
| Opening Stock of WIP                     | 20,531,803                      | 9,075,000                      |
| Closing Stock of WIP                     | (243,900,000)                   | (20,531,803)                   |
|  | (223,368,197)                   | (11,456,803)                   |
| Material Cost                            |                                 |                                |
| Opening stock of Raw Material            | 41,056,878                      | 23,799,860                     |
| Add: Purchases                           | 2,902,027,348                   | 1,247,183,465                  |
| Less: Closing stock of Raw Material      | (118,422,154)                   | (41,056,878)                   |
|  | 2,824,662,072                   | 1,229,926,447                  |
| Other Direct Expenses                    |                                 |                                |
| Anti Treatment                           | 41,145,120                      | 24,324,225                     |
| Blasting Charges                         | -                               | 60,720                         |
| Material Supplied by Party               | 4,508,402                       | 8,746,012                      |
| Royalty                                  | 1,131,431                       | 2,267,862                      |
| Soil Investigation Charges               | 11,577,177                      | 5,775,015                      |
| Soil Excavation                          | 5,456,320                       | 3,685,122                      |
| Hire Charges for Machine                 | 21,750,779                      | 17,296,854                     |
| Labour Charges                           | 24,286,921                      | 9,790,340                      |
| Water charges                            | 3,170,443                       | 1,715,240                      |
| Tree Plantation & Water Proofing charges | 336,702                         | 1,041,207                      |
| Dewatering & Fabrication Charges         | 6,495,930                       | -                              |
|  | 119,859,226                     | 74,702,597                     |
| Construction Site Workers Wages          |                                 |                                |
| Sub Contract                             | 332,355,484                     | 208,852,720                    |
| Transport Charges                        | 55,470,559                      | 58,036,002                     |
|  | 30,477,896                      | 33,071,998                     |
| <b>Grand Total</b>                       | <b>3,139,457,040</b>            | <b>1,593,132,961</b>           |

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

|   | <b>31.03.2009</b><br><b>Rs.</b> | <b>31.3.2008</b><br><b>Rs.</b> |
|---|---------------------------------|--------------------------------|
| <b>SCHEDULE : Q</b>                                 |                                 |                                |
| <b>EMPLOYEES' REMUNERATION &amp; BENEFITS</b>       |                                 |                                |
| Salary  | 71,150,853                      | 29,589,009                     |
| Bonus   | 4,405,600                       | 1,446,530                      |
| Staff Welfare                                       | 6,973,145                       | 5,578,228                      |
| Leave Encashment                                    | 166,748                         | -                              |
| Medical Exp.  | 438,912                         | 295,463                        |
| Workmen Compensation Insurance                      | 1,798,795                       | 1,601,786                      |
| Labour Welfare Fund                                 | 276,378                         | 15,876                         |
| Provident Fund                                      | 2,074,304                       | 670,711                        |
| E.S.I.C   | 682,334                         | 334,346                        |
|   | <b>87,967,069</b>               | <b>39,531,949</b>              |
| <b>SCHEDULE: R</b>                                  |                                 |                                |
| <b>ADMINISTRATION, SELLING &amp; OTHER EXPENSES</b> |                                 |                                |
| Advertisement                                       | 2,440,037                       | 654,003                        |
| Consultancy Charges                                 | 19,599,122                      | 9,413,391                      |
| Insurance   | 22,259,679                      | 11,063,329                     |
| Directors Remuneration                              | 7,500,000                       | 5,890,000                      |
| Electricity Charges                                 | 16,769,834                      | 11,701,267                     |
| General Expenses                                    | 10,891,580                      | 3,367,324                      |
| Loss on sale of Fixed Assets                        | 2,139,592                       | -                              |
| Maintenance Charges                                 | -                               | 117,301                        |
| M.Vat Paid  | 15,668,574                      | 3,078,863                      |
| Octroi Charges                                      | 18,415,279                      |                                |
| Operating & Other Exp.                              | 32,557,760                      | 17,771,540                     |
| Preliminary Exp. W/o                                | 11,713,425                      | -                              |
| Printing & Stationary                               | 1,732,394                       | 1,546,360                      |
| Professional Charges                                | 4,630,095                       | 2,088,428                      |
| Rent & Taxes  | 56,554,016                      | 46,616,483                     |
| Repairs&Maintaenance                                | 2,791,521                       | 2,272,128                      |
| Telephone Expenses                                  | 3,203,889                       | 2,227,662                      |
| Traveling Expenses                                  | 4,378,668                       | 3,025,737                      |
|   | <b>233,245,465</b>              | <b>120,833,816</b>             |
| <b>SCHEDULE: S</b>                                  |                                 |                                |
| <b>INTEREST AND FINANCIAL CHARGES</b>               |                                 |                                |
| Bank Guarantee Commission and L.C Charges           | 29,958,736                      | 17,184,523                     |
| Bank Interest                                       | 24,479,777                      | 7,015,050                      |
| Interest on term loan                               | 24,188,500                      | 27,582,869                     |
| Interest On Mobilization Advance                    | 474,580                         | 1,346,677                      |
| Other Interest / Financial Charges                  | 721,861                         | 6,840,057                      |
|   | <b>79,823,454</b>               | <b>59,969,176</b>              |

## **SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

##### **(A) Significant Accounting Policies:**

###### **1. Accounting Concepts:**

- a) The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable mandatory Accounting Standards issued by the Institute Of Chartered Accountants of India (ICAI) and relevant provision of Companies Act, 1956.
- b) Accounting policies have been consistently applied by the company.

###### **2. Revenue Recognition:**

The Company follows the percentage completion method, 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.

###### **3. Fixed Assets:**

- a) Fixed Assets are valued at cost (including other expenses related to acquisitions and installation) less accumulated depreciation/amortization.
- b) The cost of an assets comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use.

###### **4. Depreciation:**

- a) Depreciation on Fixed Assets is being provided on Written Down value Method as specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation in respect of additions or deletions to fixed assets is provided on pro-rata basis from the date on which such assets are acquired/ put to use.

###### **5. 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.

###### **6. Investments:**

Investment are classified as Current Investment and carried in the books at Cost.

###### **7. Provision for Taxes:**

###### **• Current Tax:**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

###### **• Deferred Tax:**

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.

The Break up of Deferred Tax Asset / Liabilities is as under:

(Rs. In Lacs)

| Particulars   | 31.03.2009 | 31.03.2008 |
|---|------------|------------|
| <b>Deferred Tax Liabilities:</b> Difference between Book and Tax Depreciation | 136.14     | 44.53      |
| <b>Deferred Tax Assets:</b>   | Nil        | Nil        |

- Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

## **SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.**

### **8. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction of a qualifying assets are capitalized. Other borrowing costs are charged as expenses.

### **9. Accounting for Joint Venture Contracts:**

In respect of contracts executed in integrated joint venture under profit sharing arrangements (assessed as Partnership Firm under the Income Tax laws) 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.

The List of Joint Venture entities:

| <b>Sr no.</b> | <b>Name of the Joint Venture</b>                                | <b>Name of the Venture Partner</b>                                  | <b>Proportion of Our interest in JV</b> |
|---------------|---|---|---|
| 1             | J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.) | M/s Chirag Construction Company                                     | 55%                                     |
| 2             | J.Kumar-Chirag-Babulal (Consortium)                             | M/s Babulal Uttamchand & Co.<br>M/s Chirag Construction Company     | 51%                                     |
| 3             | J.Kumar-Chirag-Navdeep (Consortium)                             | M/s Navdeep Construction Company<br>M/s Chirag Construction Company | 51%                                     |
| 4             | J.Kumar-Chirag-Jkin (Consortium)                                | M/s Jekin Enterprise<br>M/s Chirag Construction Company             | 51%                                     |
| 5             | J.Kumar-Chirag-API (Consortium)                                 | M/s API Construction<br>M/s Chirag Construction Company             | 51%                                     |
| 6             | NCC-J.Kumar J.V   | M/s Nagarjuna Construction Company                                  | 50%                                     |
| 7             | Ameya Developers & J. Kumar (J.V)                               | M/s Ameya Developers Pvt Ltd  | 50%                                     |
| 8             | J.Kumar-Shiva Engineering                                       | M/s Shiva Engineering Construction                                  | 50%                                     |
| 9             | J. Kumar-RPS JV   | M/s RPS Infraprojects Private Limited                               | 51%                                     |
| 10            | J.Kumar-Mukesh Brothers   | M/s Mukesh Brothers   | 80%                                     |

### **10. Foreign Exchange Transaction:**

Transaction denominated in foreign currencies is normally at the exchange rate prevailing at the time of the transaction.

### **11. Earning Per Share:**

Basic EPS is computed using the weighted average number of equity share outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the result would be anti- dilutive.

(Rs. in Lacs)

| <b>Basic &amp; Diluted EPS</b>  | <b>31.03.2009</b> | <b>31.03.2008</b> |
|---|-------------------|-------------------|
| Net Profit as per Profit & Loss account available for equity shareholders | 3292.77           | 1949.68           |
| Weighted average number of Equity shares                                  | 2,07,24,420       | 2,07,24,420       |
| Basic & Diluted EPS (before and after Extraordinary item)                 | Rs.15.89/-        | Rs.9.41/-         |

### **12. Provision, Contingent Liabilities Contingent Asset:**

Provision involving substantial degree of estimation in measurement is recognize when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined based on Management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimate.

Contingent liabilities are not recognize but are disclosed in the notes. Contingent asset are neither recognized nor disclosed in the financial statements. Outstanding Bank Guarantee as on 31<sup>st</sup> March 2009 is Rs.6202.72 lacs.

## SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

### 13. Retirement Benefits to Employees:

The Company is not making any provision in the books of account for Gratuity, Leave Encashment and Superannuation however Provident Fund contributions are made to the Government administered provident fund. The Company has no further obligations in respect of provident fund beyond the contribution charged in the financial statements.

### 14. 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.

### 15. Lease Transactions:

Leases, where significant portion of risk and reward of ownership are retained by the lesser, are classified as Operating Leases and lease rentals thereon are charged to the Profit and Loss Account.

### 16. Segmental Reporting:

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

**17.** In the opinion of the Management, the balance shown under sundry debtors & loans & advances have approximately the same realisable value as shown in accounts.

**18.** The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence, the need to provide for impairment loss does not arise.

**19.** The Income-Tax assessments of the Company have been completed up to the accounting year ended 31<sup>st</sup>March, 2007.

**20.** Figures of previous year have been regrouped / rearranged wherever necessary.

### B) Managerial Remuneration:

(Rs. In Lacs)

| Particulars     | For the year ended<br>on 31/03/09 | For the year ended<br>on 31/03/08 |
|-----------------|-----------------------------------|-----------------------------------|
| 1) Salary       | 75.00                             | 58.90                             |
| 2) Sitting Fees | 1.10                              | 0.60                              |

### C) Payments to Auditors:

(Rs. In Lacs)

| Particulars                          | For the year ended<br>on 31/03/2009 | For the year ended<br>on 31/03/2008 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Audit Fees                           | 12.50                               | 10.00                               |
| Taxation matters                     | 2.00                                | 2.00                                |
| For Certification and other Services | 1.00                                | 1.00                                |

### D) Disclosure as per Accounting Standards – 7:

(Rs. In Lacs)

| Particulars  | For the year ended<br>on 31/03/09 | For the year ended<br>on 31/03/08 |
|--|-----------------------------------|-----------------------------------|
| 1) Amount of Contract revenue recognized as revenue in the period                                  | 36495.97                          | 18520.68                          |
| 2) Contract Cost incurred and recognized Profits(less recognized losses) up to the reporting date. | 31391.40                          | 15931.33                          |
| 3) Advances Received from Customer for Contract Work   | 800.40                            | 473.58                            |

**SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.**
**E) Secured Loans:**

- i) **Working Capital Limits:** The Company has taken Working Capital Limits against hypothecation of Stock and Book Debt from Bank Of India details of which is as follows:

| Particulars                  | Working Capital Facility   |
|------------------------------|--|
| Cash Credit                  | Rs.3000 Lacs   |
| BG Limit                     | Rs.7000 Lacs   |
| Collateral Security          | (1) Pledge of 20.25 lacs Company's shares from Promoter's holding.<br>(2) E.M. of open plot at Thane.<br>(3) E.M. of Unit No. 14, at Andheri Industrial Estate, Andheri (W)<br>(4) Hypothecation of unencumbered plant & machinary amounting to Rs.43 lacs as per list given by the company. |
| Guarantor                    | Personal guarantees of Directors Mr.Jagdishkumar M.Gupta, Mr.Kamal J Gupta, Mr.Nalin J Gupta and Mrs. Kusum J. Gupta & J.Kumar & Co.   |
| Outstanding as on 31.03.2009 | Rs.2839.37 lacs  |

ii) **Overdraft against FDR:**

The Company has taken Overdraft Facility against Fixed Deposit Receipts from Bank Of India and the outstanding balance as at 31<sup>st</sup> March,2009 was Rs.599.42 Lacs

iii) **Term Loan:**

The Company has taken Term Loan for the Purchase of Plant & Machinery from Several financial institutions and Banks and secured by way first charge on such Plant & Machinery. The Outstanding balance as at 31<sup>st</sup> March,2009 is Rs. 1411.99 lacs. The Company has also taken a loan from UTI Bank against mortgage of Immovable Properties.

**F) Quantitative Details:**

The Company is engaged in the business of Construction contract. Such activity can not be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under paragraph 3, 4C and 4D of part II of schedule VI of the Companies Act,1956.

**G) RELATED PARTY TRANSACTIONS**
**Disclosure of Related Parties & Related Party Transactions**

| Proprietary Concern                  | Joint Venture   | Key Managerial Personnel   | Relative of Key Managerial Personnel                                     | Group Company   |
|--------------------------------------|---|--|--|---|
| J.Kumar & Co.<br>Goldline Advertisor | J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)<br><br>J.Kumar-Chirag-Babulal (Consortium)<br><br>J.Kumar-Chirag-Navdeep (Consortium)<br><br>J.Kumar-Chirag-Jkin (Consortium)<br>J.Kumar-Chirag-API (Consortium)<br>NCC-J.Kumar J.V<br>Ameya Developers & J. Kumar (J.V)<br>J. Kumar-Shiva Engineering Construction<br>J. Kumar-RPS Infraprojects<br>J. Kumar - Mukesh Brothers | Jagdishkumar M. Gupta<br><br>Kamal J Gupta<br>Nalin J Gupta<br>Poornima Reddy<br>S.M.Thorat<br>Hiralal Poddar<br><br>Mohammad Fahim<br>P. K. Prabhakaran<br>Nalin M. Gupta<br>Shirish A Kulkarni | Kusum J Gupta<br><br>Sonal K Gupta<br>Shalini N Gupta<br>Govind Dabriwal | J. Kumar Software<br><br>System (India)<br>Private Limited<br><br>J. Kumar Minerals & Mines Private Limited |

**SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.**
**Year Ended 2008 – 2009**
**(Rs. In Lacs)**

| <b>Particulars</b>      | <b>Proprietary Concern</b> | <b>Joint Venture</b> | <b>Key Managerial Personnel</b> | <b>Relative of Key Managerial Personnel</b> | <b>Associate Company</b> |
|-------------------------|----------------------------|----------------------|---------------------------------|---|--------------------------|
| Investment              | -                          | 40.00                | -                               | -   | -                        |
| Remuneration Paid       | -                          | -                    | 75.00                           | -   | -                        |
| Loan taken              | -                          | 4437.01              | -                               | 100.49                                      | 243.25                   |
| Loan Repaid             | -                          | (3888.74)            | -                               | (100.49)                                    | (243.25)                 |
| Account Receivable      | 990.55                     | 889.93               | 6.82                            | -   | -                        |
| Account Receivable Paid | (990.55)                   | -                    | -                               | -   | -                        |

**H) Details of Investment Purchased and redeemed during the year :-**

| <b>Sr.No</b> | <b>Name of the fund</b>                     | <b>Opening balance of Units as on 01.04.2008</b> |                    | <b>Purchased during the year</b> |                    | <b>Sold during the year</b> |                    | <b>Balance as on 31.03.2009</b> |                |
|--------------|---|--|--------------------|----------------------------------|--------------------|-----------------------------|--------------------|---------------------------------|----------------|
|              |   | <b>No. of units</b>                              | <b>Rs.</b>         | <b>No.of units</b>               | <b>Rs.</b>         | <b>No.of units</b>          | <b>Rs.</b>         | <b>No.of units</b>              | <b>Rs.</b>     |
| 1            | Birla Cash plus Liquid Fund                 | -  | -                  | 925,729                          | 10,000,000         | 1,027,588                   | 10,275,877         | -                               | -              |
| 2            | Birla Sun life Short term fund              | -  | -                  | 5,000,000                        | 50,000,000         | 5,019,676                   | 50,224,372         | -                               | -              |
| 3            | HDFC 90D FMP                                | 3,000,000  | 30,000,000         | -                                | -                  | 3,000,000                   | 30,000,000         | -                               | -              |
| 4            | HDFC Infrastructure Fund                    | 20,000   | 200,000            | -                                | -                  | -                           | -                  | 20,000                          | 200,000        |
| 5            | ICICI Prudential Flexible Income            | 4,218,875  | 50,000,000         | -                                | -                  | 4,789,546                   | 50,642,268         | -                               | -              |
| 6            | LIC MF Floating Rate Fund                   | -  | -                  | 3,007,279                        | 30,000,000         | 3,007,279                   | 30,539,216         | -                               | -              |
| 7            | Lotus India FMP Common                      | 2,000,000  | 20,000,000         | -                                | -                  | 2,015,676                   | 20,161,198         | -                               | -              |
| 8            | Institutional Option Daily dividend plan    | -  | -                  | 4,996,203                        | 50,000,000         | 50,807                      | 51,864,243         | -                               | -              |
| 9            | Fixed horizon Fund -VIII-Series -12         | 1,091,720  | 10,000,000         | -                                | -                  | 1,091,720                   | 10,917,198         | -                               | -              |
| 10           | Monthly Interval Fund series-II Growth Plan | 1,806,130  | 20,000,000         | -                                | -                  | 1,346,051                   | 20,577,351         | -                               | -              |
| 11           | Quarterly Interval Fund series-III          | 999,930  | 10,000,000         | -                                | -                  | 1,041,712                   | 10,426,492         | -                               | -              |
| 12           | Monthly Interval Fund                       | 999,161  | 10,000,000         | -                                | -                  | 1,038,466                   | 10,392,450         | -                               | -              |
| 13           | SBI Debt Fund                               | 1,000,000  | 10,000,000         | -                                | -                  | 1,008,269                   | 10,082,687         | -                               | -              |
| 14           | Tata FIPF A3                                | 10,050   | 10,000,000         | -                                | -                  | 10,128                      | 10,168,196         | -                               | -              |
| 15           | Tata Floater fund                           | -  | -                  | 996,453                          | 10,000,000         | 1,013,545                   | 10,171,532         | -                               | -              |
| 16           | UTI Fixed Maturity Plan                     | 1,000,000  | 10,000,000         | -                                | -                  | 1022240                     | 10224755           | -                               | -              |
|              | <b>Total</b>                                | <b>16,145,866</b>                                | <b>180,200,000</b> | <b>14,925,663</b>                | <b>150,000,000</b> | <b>26,482,703</b>           | <b>336,667,834</b> | <b>20,000</b>                   | <b>200,000</b> |

**SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.**
**I) DETAILS OF UTILISATION OF THE NET IPO PROCEEDS:**
**(Rs. In Lacs)**

| <b>Particulars</b>                       | <b>As Projected in the Prospectus</b> | <b>As on 31<sup>st</sup> March, 2009</b> |
|--|---------------------------------------|--|
| Investment in Capital Equipments         | 5084.23                               | 5084.23                                  |
| Funding our Working Capital Requirements | 1552.67                               | 1552.67                                  |
| Public Issue Expenses                    | 513.10                                | 513.10                                   |
| <b>Total</b>                             | <b>7150.00</b>                        | <b>7150.00</b>                           |

**J) EVENT OCCURRING AFTER THE BALANCE SHEET DATE:**
**1. Issue of Convertible Warrants on Preferential basis to the parties covered under section 301 of the Companies Act 1956.**

The Company has issued and allotted 40,00,000 Convertible warrants to the individuals and/or corporate belonging and/or not belonging to the Promoter/Promoter Group of the Company convertible into 40,00,000 Equity Shares at a price of Rs.60/-per equity shares (including premium of Rs.50/-per equity share) on preferential basis on 20<sup>th</sup> May,2009.

**2. To meet the working capital requirements, the Company has obtained the approval from various Bank s, sanctions for fund based and non fund based limits and collateral security offered by the Company as follows:-**
**(Rs. in Lacs)**

| <b>Sr. No.</b> | <b>Name of the Bank</b> | <b>Fund Based</b> | <b>Non Fund Based</b> | <b>Total</b> |
|----------------|-------------------------|-------------------|-----------------------|--------------|
| 1              | Bank Of India           | 3000              | 10000                 | 13000        |
| 2              | Central Bank of India   | 2000              | 7500                  | 9500         |
| 3              | Allahabad Bank          | 1000              | 6000                  | 7000         |
| 4              | Bank of Baroda          | 1500              | 3000                  | 4500         |
| 5              | Yes Bank                | -                 | 3500                  | 3500         |
| 6              | Citi Bank               | 2500              | -                     | 2500         |
|                | <b>Total</b>            | <b>10000</b>      | <b>30000</b>          | <b>40000</b> |

| <b>Particulars</b>  | <b>Working Capital Facility</b>  |
|---------------------|--|
| Cash Credit         | Rs.10000 Lacs  |
| BG Limit            | Rs.30000 Lacs  |
| Collateral Security | (1) Pledge of 40 lacs Company's shares from Promoter's holding.<br>(2) E.M. of open plot at Thane.<br>(3) E.M. of Unit No. 14, at Andheri Industrial Estate, Andheri (W)<br>(4) Hypothecation of unencumbered plant & machinary. |
| Guarantor           | Personal guarantees of Directors Mr.Jagdishkumar M.Gupta, Mr.Kamal J Gupta, Mr.Nalin J Gupta and Mrs. Kusum J. Gupta & J.Kumar & Co.   |

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details:-

|                       |            |
|-----------------------|------------|
| a) Registration No.   | 122886     |
| b) State Code         | 11         |
| c) Balance Sheet Date | 31.03.2009 |

### II. Capital Raised during the Year

|                       |     |
|-----------------------|-----|
| a) Public Issue       | NIL |
| b) Preferential Issue | NIL |
| c) Bonus Issue        | NIL |
| d) Private Placement  | NIL |

### III. Position of Mobilization and Development Of Funds

|                      |                    |
|----------------------|--------------------|
| a) Total Liabilities | Rs. 2,01,78,51,786 |
| b) Total Assets      | Rs. 2,01,78,51,786 |

#### Sources of Funds

|                      |                    |
|----------------------|--------------------|
| • Paid-up Capital    | Rs. 20,72,44,200   |
| • Reserves & Surplus | Rs. 1,30,05,29,725 |
| • Secured Loans      | Rs. 48,50,78,395   |
| • Unsecured Loans    | NIL                |

#### Application of Funds

|                             |                    |
|-----------------------------|--------------------|
| • Net Fixed Assets          | Rs. 1,01,07,52,886 |
| • Investments               | Rs. 95,24,847      |
| • Net Current Assets**      | Rs. 92,56,92,591   |
| • Miscellaneous Expenditure | Rs. 4,68,81,996    |

\*\* Net of Deferred Tax Liability

### IV. Performance of Company

|                     |                    |
|---------------------|--------------------|
| • Turnover          | Rs. 4,13,61,39,746 |
| • Total Expenditure | Rs. 3,64,72,04,145 |
| • Profit Before Tax | Rs. 48,89,35,601   |
| • Profit After Tax  | Rs. 32,92,76,511   |
| • Earning per Share | Rs. 15.89          |
| • Dividend Rate %   | 20%                |

### V. Generic Names of Three Principal Products / Services of Company (as per Monetary Terms)

|                            |                       |
|----------------------------|-----------------------|
| • Item Code No. (ITC Code) | NA                    |
| • Product Description      | Construction Activity |

**For Gupta Saharia & Co.**  
Chartered Accountants

Pawan Gupta  
Partner  
Membership No.71471

Place : Mumbai  
Date : July 30, 2009

For and on behalf of Board of Directors of  
**J. Kumar InfraProjects Limited**

|   |                                      |
|---|--------------------------------------|
| Jagdishkumar M. Gupta<br>Chairman & Managing Director | Kamal J. Gupta<br>Executive Director |
|---|--------------------------------------|

|                                      |                                     |
|--------------------------------------|-------------------------------------|
| Nalin J. Gupta<br>Executive Director | Poornima Reddy<br>Company Secretary |
|--------------------------------------|-------------------------------------|

## NOTES

**J.KUMAR INFRAPROJECTS LIMITED**

16 A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumbai – 400 058

10<sup>th</sup> ANNUAL GENERAL MEETING- 09/09/2009 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 10th Annual General Meeting of the Company being held on Wednesday, 9th September 2009 at 11.00 a.m.

---

Name of Member (in BLOCK letters)

Signature of Member

**J.KUMAR INFRAPROJECTS LIMITED**

16 A, Andheri Industrial Estate, Veera Desai Road, Andheri (W), Mumbai – 400 058

10<sup>th</sup> ANNUAL GENERAL MEETING- 09/09/2009 at 11.00 a.m.

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---

Name of Member (in BLOCK letters)

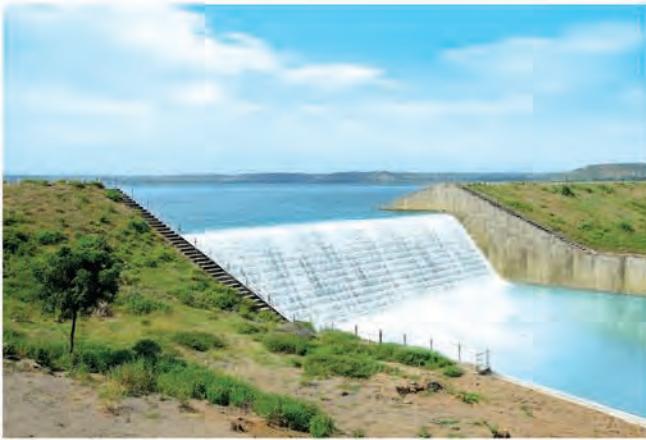
Signature of Member

# Financial Highlights (Balance Sheet)

|  | Rs. in Lacs |           |           |           |
|--|-------------|-----------|-----------|-----------|
| Financial Highlights                             | 2005-06     | 2006-07   | 2007-08   | 2008-09   |
|  | 12 Months   | 12 Months | 12 Months | 12 Months |
| Total Income (Contract Receipts & Other Income)  | 2303.28     | 11336.00  | 21702.33  | 41361.40  |
| Growth %   | 659%        | 79.68%    | 91.45%    | 90.59%    |
| Total Expenditure                                | 2069.16     | 9590.93   | 17534.99  | 34606.70  |
| Operating Profit(PBDIT)                          | 234.12      | 1745.06   | 4167.34   | 6754.70   |
| Interest   | 39.76       | 228.97    | 599.69    | 798.23    |
| Profit before depreciation and tax(PBDT)         | 194.36      | 1516.09   | 3567.65   | 5956.47   |
| Depreciation                                     | 83.61       | 300.15    | 609.17    | 1067.11   |
| Profit before tax(PBT)                           | 110.75      | 1215.94   | 2958.49   | 4889.36   |
| Provision before Income Tax / FBT / Deferred Tax | 38.28       | 415.12    | 1008.80   | 1596.59   |
| Profit after Tax(PAT)                            | 72.47       | 800.82    | 1949.68   | 3292.77   |
| Equity Share Capital                             | 1249.54     | 1249.54   | 2072.44   | 2072.44   |
| Net Worth *                                      | 1322.47     | 2137.14   | 11706.66  | 14608.92  |
| Long Term Borrowings                             | 1151.04     | 2644.51   | 3826.14   | 4850.78   |
| Short Term Borrowings                            | 10.00       | 10.00     | -         | -         |
| Total Borrowings                                 | 1161.04     | 2654.51   | 3826.14   | 4850.78   |
| Capital Employed (Net Worth + Total Borrowings)  | 2483.51     | 4791.65   | 15532.80  | 19459.70  |
| Debt Equity Ratio(Long Term)                     | 0.87:1      | 1.24:1    | 0.33:1    | 0.33:1    |
| Book Value per Equity Share (Rs.)                | 10.58       | 17.10     | 56.49     | 70.49     |
| Earning per Equity Share (Rs.)                   | 0.58        | 6.41      | 9.41      | 15.89     |
| Equity Dividend %                                | -           | -         | 15%       | 20%       |
| Operating Profit %                               | 10%         | 15%       | 19%       | 17%       |
| Profit Before Tax %                              | 5%          | 11%       | 14%       | 12%       |
| Profit after Tax %                               | 3%          | 7%        | 9%        | 8%        |
| Return on Equity Shareholder Fund%               | 5%          | 37%       | 17%       | 23%       |
| Return on Equity Shareholder Capital%            | 6%          | 64%       | 94%       | 159%      |
| Return on Capital Employed **                    | 6%          | 30%       | 22%       | 29%       |

\* After adjustment of Misc. expenditure to the extent not written off.

\*\* For calculating Return, interest is added back in Profit Before Tax.





CONCEPT, CONTENT & DESIGN BY



Karvy Computershare Private Limited

(A 50:50 JV Between Computershare, Australia and Karvy, India)



**J. Kumar**

J.Kumar Infraprojects Ltd.

**Registered Address**

16-A, Andheri Industrial Estate, Veera Desai Road,  
Andheri (W), Mumbai - 400058. India.

Tel.: +91-22-2673 0291 / 0848 / 67743555; Fax : +91-22-2673 0814

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