



## **Independent Auditors' Report**

**To the Members of NKG Infrastructure Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of NKG Infrastructure Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Basis for Qualified Opinion**

(1) During the year, the Company has adjusted Bad Debts written off amounting to ₹ 31,26,31,694/- directly against Reserves. This constitute departure from Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act 1956 read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013. Accordingly profit for the year is stated higher by ₹ 31,26,31,694/-.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;



- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. *Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.; and*
  - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S.K. MEHTA & CO.**  
Chartered Accountants  
(Firm Reg. No. 000478N)

**S.K.Mehta**  
Partner

Membership No. 10870



Place of Signature: New Delhi  
Date: 05.09.2014

## ANNEXURE TO THE AUDITOR'S REPORT

### STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF EVEN DATE.

1.
  - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
  - b) According to information and explanations given to us, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
  - c) Substantial part of fixed assets has not been disposed off during the year.
2.
  - a) As explained to us the inventories have been physically verified by the management on periodic basis.
  - b) In our opinion, procedure of physical verification is reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) The Company has maintained proper records of the inventory and no material discrepancies were noticed on physical verification.
3.
  - a) The Company has not granted any loans secured or unsecured to any Company, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. In view of clause (3)(a) above, the clauses (3)(b), (3)(c) and (3)(d) are not applicable.

- b) The Company has taken loans from its Directors covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 5,94,65,124/- and balance of loan outstanding at year end is ₹ 5,15,35,133/-.

In our opinion terms and conditions of above deposit are not, prima facie prejudicial to the interest of the company. The company is regular in the payment of principal and interest as stipulated.

4. In our opinion and according to information and explanations provided to us there are adequate internal control procedures regarding purchase of inventory and fixed assets and for the sale of goods. During the course of audit we have not observed any continuing failure to correct major weakness in internal control system.
5. As explained to us, transactions that need to be entered into register in pursuance of section 301 of Act have been entered. In our opinion transactions have been made at reasonable price considering the prevailing market prices.
6. During the year no deposits u/s 58A of the Companies (Act) 1956, were accepted from the public. However Company has taken unsecured loans from Directors during the year and the amount of outstanding loan from Directors as on 31<sup>st</sup> March, 2014 is ₹ 5,15,35,133/-. In our opinion acceptance of such deposits are not in accordance with provisions of Section 58A of the Act and rules framed u/s 58A.
7. Company has Internal Audit System, which in our opinion is commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company and we are of the opinion that prima facie the prescribed records have been made and maintained. However we have not made detailed examination of those cost records.
9.
  - a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to the company and that

there are no undisputed statutory dues outstanding as on 31st March, 2014 for a period of more than six months from the date they became payable *except tax deducted at source of ₹ 35,91,631/-, which has been since deposited.*

- b) According to information and explanation given to us, there is no disputed demand of income tax/ sales tax / customs duty / wealth tax / service tax / excise duty / cess dues which have not been deposited:-
10. The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
  11. In our opinion and according to information and explanations provided to us the company has not defaulted in the repayment of dues to financial institution or banks.
  12. In our opinion and according to information and explanations provided to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a Chit fund, Nidhi or mutual benefit society. Hence requirements of clause (xiii) are not applicable to the company.
  14. The Company is not dealing or trading in shares, securities, debentures and other investments.
  15. The Company has not given any guarantee for the loans taken by others.
  16. As per information and explanations given to us, term loans were applied for the purpose of which loans were obtained.
  17. According to information and explanations provided to us and on the overall examination of balance sheet of the company, in our opinion no fund raised on short-term basis has been used for long-term investment. Similarly no funds raised on long-term basis have been used for short-term investment.
  18. According to information and explanations given to us, no preferential allotment of shares has been made by the company to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
  19. The Company has not issued any debentures. Therefore clause (xix) of the order is not applicable.
  20. During the year no money is raised by the Company by way of public issues
  21. Based on audit procedures performed and according to the information and explanation given to us, fraud on or by the Company has not been noticed or reported during the year.

Place: New Delhi  
Dated: 05.09.2014

**For S.K.MEHTA & CO.**  
Chartered Accountants  
(Firm Reg. No. 00047855)

(S.K.Mehta)  
Partner  
Membership No. 10870



**NKG INFRASTRUCTURE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

(Amount in ₹)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	564,600,120	555,870,120
Reserves and Surplus	2.2	5,181,521,631	4,725,878,067
		<b>5,746,121,751</b>	<b>5,281,748,187</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	2.3	883,466,928	1,085,928,815
Deferred Tax Liabilities (Net)	2.4	356,849,860	270,710,039
Other Long Term Liabilities	2.5	880,881,064	447,978,940
Long-Term Provisions	2.6	16,909,383	15,547,094
		<b>2,138,107,235</b>	<b>1,820,164,888</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	2.7	2,366,057,510	2,656,069,008
Trade Payables		1,332,675,922	633,157,396
Other Current Liabilities	2.8	2,097,370,268	2,197,357,201
Short-Term Provisions	2.9	227,698	845,367
		<b>5,796,331,398</b>	<b>5,487,428,972</b>
<b>TOTAL</b>		<b>13,680,560,384</b>	<b>12,589,342,047</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	2.10	4,145,122,956	3,017,299,544
Intangible Assets	2.10	1,125,023	1,525,023
Capital Work-in-Progress		-	21,022,756
Non-Current Investments	2.11	-	59,945,029
Long-Term Loans and Advances	2.12	511,394,609	335,427,220
		<b>4,657,642,588</b>	<b>3,435,219,572</b>
<b>Current Assets</b>			
Current Investments	2.13	500,000.00	-
Inventories	2.14	4,222,246,263	4,436,769,962
Trade Receivables	2.15	1,717,906,068	1,707,234,332
Cash and Bank Balances	2.16	762,045,814	742,823,064
Short-Term Loans and Advances	2.17	2,285,479,406	2,242,342,592
Other Current Assets	2.18	34,740,245	24,952,525
		<b>9,022,917,796</b>	<b>9,154,122,475</b>
<b>TOTAL</b>		<b>13,680,560,384</b>	<b>12,589,342,047</b>
Significant Accounting Policies	1		
Notes on Accounts	2		

Notes referred above form an integral part of the Balance Sheet

As per our report of even date attached

For S.K.Mehta & Co.  
Chartered Accountants

S.K.Mehta  
Partner  
Membership No. 10870

Place : New Delhi  
Date : 05/04/2014



For and on behalf of the Board of Directors

Pradeep Kumar Garg  
Managing Director

Rakesh Kumar  
Executive Director

Rakhi Singh  
(M.No. ACS 31522)



**NKG INFRASTRUCTURE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

		(Amount in ₹)	
Particulars	Note	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from Operations	2.19	18,363,419,289	15,153,001,380
Other Income	2.20	85,564,513	69,294,842
<b>Total Revenue</b>		<b>18,448,983,802</b>	<b>15,222,296,222</b>
<b>Expenses:</b>			
Purchases	2.21	15,096,881,333	12,045,605,551
Changes in Inventories	2.22	214,523,699	(127,365,461)
Employee Benefits Expense	2.23	263,174,864	264,912,048
Finance Costs	2.24	512,753,355	541,604,307
Depreciation and Amortization Expense		241,367,540	206,592,436
Operating, Administration and Other Expenses	2.25	1,219,637,932	1,375,262,806
<b>Total Expenses</b>		<b>17,548,138,723</b>	<b>14,306,611,687</b>
Profit Before Tax		900,845,079	915,684,535
<b>Tax Expense:</b>			
Current Tax		125,000,000	184,900,000
Deferred Tax		86,139,821	174,434,239
MAT Credit entitelment		-	(121,100,000)
<b>Profit for the year</b>		<b>211,139,821</b>	<b>238,234,239</b>
		<b>689,705,258</b>	<b>677,450,296</b>
Earning per Equity share :			
Basic		13.67	13.42
Diluted		12.40	13.42
Significant Accounting Policies	1		
Notes on Accounts	2		

Notes referred above form an integral part of the Statement of Profit and Loss

As per our report of even date attached

For S.K.Mehta & Co.  
Chartered Accountants

S.K.Mehta  
Partner  
Membership No. 10870

Place : New Delhi

Date : 05/04/2014



For and on behalf of the Board of Directors

Pradeep Kumar Garg  
Managing Director

Rakesh Kumar  
Executive Director

Rakhi Singh  
(M.No. ACS 31522)





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

(Amount in ₹)

Sr. No.	Particulars	As at 31 st March 2014	As at 31 st March 2013
(A)	<b>CASH FLOW STATEMENT FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Taxation	900,845,079	915,684,535
	Adjustments for :		
	Depreciation	241,367,540	206,592,436
	Interest Paid	512,753,355	541,604,307
	Bad- Debts written off	(312,631,694)	-
	Loss on sale of Fixed Assets	2,002,874	1,517,183
	Diminution in value of current Investments	-	-
	Interest Income	(85,564,513)	(62,404,143)
	<b>Operating Profit Before Working Capital Changes</b>	<b>1,258,772,641</b>	<b>1,602,994,318</b>
	Adjustments for :-		
	<b>Current Assets and Loans &amp; Advances</b>		
	Change in Debtors	10,671,736	116,517,665
	Change in Inventories	(214,523,699)	127,365,461
	Change in Loans & Advances	208,843,023	497,446,078
	<b>Increase/(decrease) in Current Assets and Loans &amp; Advances</b>	<b>4,991,060</b>	<b>741,329,204</b>
	<b>Current Liabilities &amp; Provisions</b>		
	Increase/(decrease) in Current Liabilities & Provisions	1,039,134,395	(387,509,739)
	<b>Net Increase/(Decrease) in Working Capital</b>	<b>(1,034,143,335)</b>	<b>1,128,838,943</b>
	<b>Cash Generated from Operations</b>	<b>2,292,915,976</b>	<b>474,155,375</b>
	Direct Taxes Paid	135,261,180	142,925,777
	<b>Total Cash Flow from Operation (A)</b>	<b>2,157,654,796</b>	<b>331,229,598</b>
(B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	1,360,610,594	156,727,898
	Disposal of Fixed Assets	(10,839,524)	(8,024,843)
	Interest Received	(75,776,793)	(48,951,410)
	Purchase / (Sale) of Investments	(59,445,029)	49,509,029
	Refund of Share Application Money paid for purchase of Investments	-	-
	<b>Net Cash Used in Investing Activities (B)</b>	<b>1,214,549,248</b>	<b>149,260,674</b>
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of Share Capital		
	(a) Share Capital	8,730,000.00	51,250,000.00
	(b) Share Premium	78,570,000.00	461,250,000.00
	Proceeds from Borrowings	(524,879,749)	(112,719,300)
	Interest Paid	(486,303,049)	(541,772,467)
	<b>Net Cash From Financing Activities (C)</b>	<b>(923,882,798)</b>	<b>(141,991,767)</b>
(D)	<b>Net Increase/ Decrease in Cash &amp; Cash Equivalents (A-B+C)</b>	<b>19,222,750</b>	<b>39,977,157</b>
	Opening Balance of Cash & Cash Equivalents	742,823,064	702,845,907
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>762,045,814</b>	<b>742,823,064</b>
	Cash/ Cheques in hand	17,218,827	14,497,601
	Balance with Banks		
	In Current Account	18,744,357	23,272,413
	In Fixed Deposit*	726,082,630	705,053,050

\* Includes ₹ 72,60,82,630 ( Previous Year ₹ 70,46,44,202 ) held as margin money with Banks against limits.

As per our report of even date attached

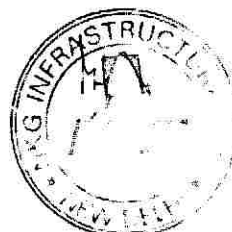
For S.K.Mehta & Co.  
Chartered AccountantsS.K.Mehta  
Partner  
Membership No. 10870

Place : New Delhi

Date : 15.04.2014



For and on behalf of the Board of Directors

Pradeep Kumar Garg  
Managing DirectorRakesh Kumar  
Executive DirectorRakhi Singh  
(M.No. ACS 31522)

**NKG INFRASTRUCTURE LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount	Number of shares	Amount
<b>NOTE NO.2.1 - SHARE CAPITAL</b>				
Equity Share Capital:				
<b>AUTHORISED</b>				
Equity Shares of ₹ 10/- each	64,000,000	640,000,000	64,000,000	640,000,000
Convertible Preference Shares of ₹ 10/- each	6,000,000	60,000,000	6,000,000	60,000,000
<b>TOTAL</b>		<b>700,000,000</b>		<b>700,000,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>				
Equity Shares of ₹ 10/- each fully paid up	50,462,012	504,620,120	50,462,012	504,620,120
0% Convertible Preference Shares of ₹ 10/- each	5,998,000	59,980,000	5,125,000	51,250,000
<b>TOTAL</b>		<b>564,600,120</b>		<b>555,870,120</b>

**Further Notes:**

(a) Reconciliation of number of shares outstanding and amount of share capital is set out as follow:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Equity shares	Amount	Number of Equity shares	Amount
Opening Balance	50,462,012	504,620,120	50,462,012	504,620,120
Closing Balance	50,462,012	504,620,120	50,462,012	504,620,120
Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of 0% Preference shares	Amount	Number of 0% Preference shares	Amount
Opening Balance	5,125,000	51,250,000	5,125,000	51,250,000
Add: 0% Convertible Preference shares Issued during the year	873,000	8,730,000		
Closing Balance	5,998,000	59,980,000	5,125,000	51,250,000

(b) Details of Shareholders who are holding more than 5% of Share Capital :

**(i) Equity Shares**

Name of Shareholders	As at 31 March, 2014		As at 31 March, 2013	
	Number of Equity shares	% Holding	Number of Equity shares	% Holding
Pradeep Kumar Garg	19,417,432	38.48	19,417,432	38.48
Archit Steels Pvt. Ltd.	15,129,664	29.98	15,129,664	29.98
Pradeep Sons Pvt. Ltd.	7,509,984	14.88	7,509,984	14.88
Aman Promoters Pvt. Ltd.	4,913,332	9.74	4,913,332	9.74
<b>Total</b>	<b>46,970,412</b>	<b>93.08</b>	<b>46,970,412</b>	<b>93.08</b>

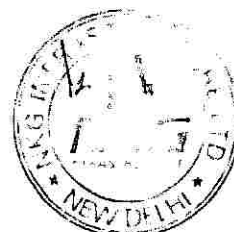
**(ii) 0% Convertible Preference Shares**

Name of Shareholders	As at 31 March, 2014		As at 31 March, 2013	
	Number of Convertible Preference shares	% Holding	Number of Convertible Preference shares	% Holding
Navya Projects Pvt. Ltd.	2,175,000	36.26	2,175,000	42.44
Elegant Infraworld Pvt. Ltd.	1,475,000	24.59	1,475,000	28.78
Jai Shree Radhey Land & Estate Developers Pvt. Ltd.	750,000	12.50	750,000	14.63
NKG Infrastructure IT Ltd.	725,000	12.09	725,000	14.15
GNG Steels Pvt. Ltd.	873,000	14.55		
<b>Total</b>	<b>5,998,000</b>	<b>100.00</b>	<b>5,125,000</b>	<b>100.00</b>

(c) Bonus Shares for ₹ 37,84,65,090/- ( 3,78,46,509 no. of shares of Rs. 10/- each ) have been issued on 4th June 2010 by way of Capitalization of Securities Premium account.

(d) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per Share at the meetings of the Company

(e) Company had allotted 8,73,000 0% Cumulative Preference Shares of ₹ 10/- each in the month of March 2014 at a premium of ₹ 90/- per share. These shares are compulsorily convertible into equity shares at the premium of ₹ 90/- per share at the expiry of ten years pursuant to approval of shareholders at the Extra Ordinary General meetings of the Company held in the month of March 2014.





(Amount in ₹)

PARTICULARS		AS At 31st March 2014		AS At 31st March 2013
<b>NOTE NO.2.2 - RESERVES &amp; SURPLUS</b>				
<b>General Reserve</b>				
As at the beginning of the year	3,481,048,987		2,803,598,691	
Add Transfer from Surplus account	377,073,564	3,858,122,551	677,450,296	3,481,048,987
<b>Securities Premium Reserve</b>				
As at the beginning of the year	1,244,829,080		783,579,080	
Add: Premium on issue of 0% Preference Shares	78,570,000	1,323,399,080	461,250,000	1,244,829,080
<b>Surplus ( Balance in Statement of Profit &amp; Loss)</b>				
As at the beginning of the year	-		-	
Add : Amount of Profit for the year	689,705,258		677,450,296	
	689,705,258		677,450,296	
Less :				
: Bad Debts written off	312,631,694		-	
: Amount transferred to General Reserve	377,073,564		677,450,296	
<b>TOTAL</b>		<b>5,181,521,631</b>		<b>4,725,878,067</b>
<b>Note No. 2.3 - LONG TERM BORROWINGS</b>				
<b>Term Loans</b>				
<b>(a) Secured</b>				
(i) From Banks		699,840,622		771,884,593
( Secured against hypothecation of specific Machineries, vehicles & equitable mortgage of Land of Solar Plant )		132,091,173		76,308,222
(ii) From Others				
( Secured against hypothecation of specific Machineries & vehicles/Other Assets )				
<b>(b) Unsecured</b>				
From Directors		51,535,133		237,736,000
Inter Corporate Loans				
<b>TOTAL</b>		<b>883,466,928</b>		<b>1,085,928,815</b>
<b>Note No. 2.4 - DEFERRED TAX LIABILITIES (NET)</b>				
<b>Deferred Tax Liability</b>				
Difference on account of depreciation (a)		362,674,750		276,281,839
<b>Deferred Tax Assets</b>				
Expenditure disallowed under Income Tax Act allowable on payment basis (b)		5,824,890		5,571,800
<b>TOTAL - Deferred Tax Liability (Net)- (a-b)</b>		<b>356,849,860</b>		<b>270,710,039</b>
(i) During the year net increase in deferred tax liability of ₹8,61,39,821/- is being recognised in the Statement of Profit & Loss (Previous Year increase ₹17,44,34,239/-)				
(ii) Deferred tax liability is not being recognised for timing difference on account of depreciation in respect of Company's Solar Plant, which is eligible for deduction under section 80 I of Income Tax Act 1961 which will be reversed during the tax holiday period in terms of Accounting Standard Interpretation ( ASI-3) issued for Accounting Standard (AS-22) " Accounting for Taxes on Income" notified under Companies (Accounting Standards) Rules 2006.				



**NKG INFRASTRUCTURE LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

PARTICULARS		AS At 31st March 2014	AS At 31st March 2013
<b>Note No. 2.5 - OTHER LONG TERM LIABILITIES</b>			
Mobilisation & Other Advances from Customers		2,181,268,978	1,877,417,941
Less: Amount reflected under Other Current Liabilities in Note No. 2.8		1,300,387,914	1,429,439,001
		880,881,064	447,978,940
<b>Note :</b> Mobilization and other advances received from customers are segregated between Long Term Liabilities and other Current Liabilities based on expected turnover in subsequent years for such contracts as evaluated by Management.			
<b>TOTAL</b>		<b>880,881,064</b>	<b>447,978,940</b>
<b>Note No. 2.6 - LONG TERM PROVISIONS</b>			
Employee Benefits		16,909,383	15,547,094
<b>TOTAL</b>		<b>16,909,383</b>	<b>15,547,094</b>
<b>Note No. 2.7 - SHORT TERM BORROWINGS</b>			
<b>Cash Credit ( Including Working Capital Demand Loans)</b>			
<b>(Secured)</b>			
From Banks			
(Secured by way of pari-passu first charge on the current assets and moveable fixed assets excluding those specifically charged to other bankers, equitable mortgage of immovable properties in the name of Company, directors/ relatives/ associate companies and by way of guarantees of directors/ relatives/ associate companies)		2,366,057,510	2,656,069,008
<b>TOTAL</b>		<b>2,366,057,510</b>	<b>2,656,069,008</b>

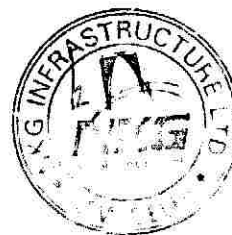


## NKG INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

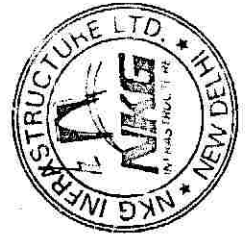
(Amount in ₹)

PARTICULARS		As At 31st March 2014	As At 31st March 2013
<b>NOTE NO.2.8 - OTHER CURRENT LIABILITIES</b>			
Current maturities of long term debts		460,232,493	492,638,857
Dues for Capital expenditure		29,165,113	21,600,000
Mobilisation & Other Advances from customers (Due for recovery within 12 months)		1,300,387,914	1,429,439,001
Statutory Dues		24,882,556	26,680,113
Other Liabilities		25,880,644	47,769,149
Security Deposits		198,631,056	147,489,895
Interest accrued but not due		58,190,492	31,740,186
<b>TOTAL</b>		<b>2,097,370,268</b>	<b>2,197,357,201</b>
<b>NOTE NO.2.9 - SHORT TERM PROVISIONS</b>			
Employee Benefits		227,698	845,367
<b>TOTAL</b>		<b>227,698</b>	<b>845,367</b>



Particulars	Gross Block				Depreciation/Amortisation				Net Block			
	Cost as on 01.04.2013	Additions during the year	Sale/ Disposal	Adjustment	Total as on 31.3.2014	Upto 31.03.2013	During the Year	Sale/ Disposal	Adjustment	Total as on 31.03.2014	As on 31.3.2014	As on 31.3.2013
(1) Tangible Assets												
(A) Construction Division												
Land	329,750			-	329,750		-				329,750	329,750
Building *	20,886,573		-	-	20,886,573	1,489,534	340,451			1,829,985	19,056,588	19,397,039
Plant & Machinery	1,372,463,905	1,304,544,923	1,428,978	-	2,675,579,850	203,222,756	94,276,773	355,182	-	297,144,347	2,378,435,503	1,169,241,149
Vehicles	122,027,006	3,396,496	19,069,781	-	106,353,721	28,721,885	10,740,669	7,391,007	-	32,071,547	74,282,174	93,305,121
Furniture & Fixtures	3,232,754	125,628	-	-	3,358,382	821,118	231,103	-	-	1,052,221	2,306,161	2,411,636
Office Equipment	21,087,810	2,037,371	32,250	-	23,092,931	6,780,863	2,199,544	6,674	-	8,973,733	14,119,198	14,306,947
Earth Moving Machine	414,364,472	5,449,516	-	-	419,813,988	203,815,449	46,981,720	-	-	250,797,169	169,016,819	210,549,023
(B) Solar Division												
Leasehold Land	58,330,998	37,214,615	-	-	95,545,613	2,191,631	3,364,111		-	5,555,742	89,889,871	56,139,367
Building	374,930			-	374,930	17,451	16,212		-	33,663	341,267	357,479
Office Equipment	1,260,120			-	1,260,120	74,254	72,806		-	147,060	1,113,080	1,185,866
Plant & Machinery	1,537,459,555	28,800,549			1,566,260,104	87,383,388	82,744,151		-	170,127,539	1,396,132,565	1,450,076,167
Total	3,551,817,873	1,381,569,098	20,531,009	-	4,912,855,962	534,518,329	240,987,540	7,752,864	-	767,733,005	4,145,122,956	3,017,299,544
Previous Year	3,424,256,157	125,376,026	7,831,397	10,017,087	3,551,817,873	331,331,640	206,210,902	3,024,213	-	534,518,329	3,017,299,544	
(2) Intangible Assets												
Software Licences	2,000,000				2,000,000	474,977	400,000			874,977	1,125,023	1,525,023
Previous Year	1,900,000	100,000		-	2,000,000	93,443	381,534			474,977	1,525,023	-
Grand Total	3,553,817,873		20,531,009	-	4,914,855,962	534,993,306	241,367,540	7,752,864	-	768,607,982	4,146,247,979	3,018,824,567
Previous year	3,426,155,157	125,476,026	7,831,397	10,017,087	3,553,817,873	331,425,083	206,592,436	3,024,213	-	534,993,306	3,018,824,567	

\* Represent Capital expenditure incurred on properties acquired on lease basis



**NKG INFRASTRUCTURE LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

PARTICULARS		AS At 31st March 2014	AS At 31st March 2013
<b><u>NOTE NO.2.11 - NON CURRENT INVESTMENTS</u></b>			
<b><u>INVESTMENTS</u></b> (Unquoted)			
<b><u>Long Term ( At Cost)</u></b>			
(a) Equity Shares in Subsidiary Company: Nil (Previous year 51,800) Shares of ₹ 10/- each fully paid up in NKG- Infra Power Ltd.		-	8,750,000
(b) Gold Coins ( 500 Gms of Gold )		-	1,592,034
( c ) Capital Investment in AOP (Bharat NKG JV)		-	49,602,995
<b>TOTAL</b>		-	59,945,029
<b><u>NOTE NO.2.12 - LONG TERM LOANS AND ADVANCES</u></b>			
( Unsecured & Considered Good)			
Prepaid Expenses		23,174,141	18,003,717
Security Deposit / Retention Money		488,220,468	317,423,503
<b>TOTAL</b>		511,394,609	335,427,220
<b><u>NOTE NO.2.13 - CURRENT INVESTMENTS</u></b>			
<b><u>Current Investments</u></b>			
Equity Shares: Shares in Euphoria Sports City Private Limited 50,000 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid up		500,000	-
<b>TOTAL</b>		500,000	-
<b><u>NOTE NO.2.14 - INVENTORIES</u></b>			
(Refer Note No. 1 (8) for valuation of Inventory)			
As taken, valued and certified by Management of the Company- Including Goods in transit ₹ 5,23,99,113/- ( Previous Year ₹ 2,26,96,927)			
Work-in-Progress ( Including stock at sites )		4,222,246,263	4,436,769,962
<b>TOTAL</b>		4,222,246,263	4,436,769,962



**NKG INFRASTRUCTURE LIMITED**
**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

PARTICULARS		AS At 31st March 2014	AS At 31st March 2013
<b>NOTE NO.2.15 - TRADE RECEIVABLES</b>			
(Unsecured & Considered good)			
Debts outstanding for a period exceeding six months		46,199,170	41,401,818
Other Debts		1,671,706,898	1,665,832,514
<b>TOTAL</b>		<b>1,717,906,068</b>	<b>1,707,234,332</b>
<b>NOTE NO.2.16 - CASH &amp; BANK BALANCES</b>			
<b>Cash &amp; Cash Equivalents:</b>			
Cash in hand		17,218,827	14,497,601
Balance with Scheduled Banks :			
In Current Accounts		18,744,357	23,272,413
<b>Other Bank Balances:</b>			
In Fixed Deposit Account ( Including ₹ 72,60,82,630/- ( Previous Year ₹ 70,46,44,202) pledged with Banks/ Govt. Deptts.)		726,082,630	705,053,050
<b>TOTAL</b>		<b>762,045,814</b>	<b>742,823,064</b>
<b>NOTE NO. 2.17 -SHORT TERM LOANS &amp; ADVANCES</b>			
( Unsecured & Considered good)			
Advances recoverable in cash or in kind or for value to be received		407,846,290	392,542,098
Security deposits / Retention Money held with customers		1,413,065,388	1,401,589,843
Prepaid Expenses		62,419,187	63,318,601
Other recoverables		8,638,954	1,643,643
Advance Tax (Net of Provisions)		147,089,587	136,828,407
Mat Credit Entitelment		246,420,000	246,420,000
<b>TOTAL</b>		<b>2,285,479,406</b>	<b>2,242,342,592</b>
<b>NOTE NO. 2.18 - OTHER CURRENT ASSETS</b>			
Interest accrued but not due on fixed deposits		34,740,245	24,952,525
<b>TOTAL</b>		<b>34,740,245</b>	<b>24,952,525</b>





**NKG INFRASTRUCTURE LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

PARTICULARS		For Year ending 31st March 2014	For Year ending 31st March 2013
<b><u>NOTE NO.2.19 - REVENUE FROM OPERATIONS</u></b>			
Revenue from Construction Activities		18,103,584,429	14,645,240,180
Revenue from sale of electricity		259,834,860	257,761,200
Others		-	250,000,000
<b>TOTAL</b>		<b>18,363,419,289</b>	<b>15,153,001,380</b>
<b><u>NOTE NO.2.20 - OTHER INCOME</u></b>			
Interest received		85,564,513	62,404,143
Misc.Receipt		-	6,871,283
Exchange Rate Variation ( Net )		-	19,416
<b>TOTAL</b>		<b>85,564,513</b>	<b>69,294,842</b>
<b><u>NOTE NO.2.21 - PURCHASES</u></b>			
Purchases (Including Job Work)		15,096,681,269	12,045,605,551
<b>TOTAL</b>		<b>15,096,681,269</b>	<b>12,045,605,551</b>



**NKG INFRASTRUCTURE LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

PARTICULARS		For Year ended 31st March 2014	For Year ended 31st March 2013
<b><u>NOTE NO.2.22 - CHANGE IN INVENTORIES</u></b>			
Opening Work-in Progress ( Including stock at sites)		4,436,769,962	4,309,404,501
Less :Closing Work-in- progress ( Including stock at sites )		4,222,246,263	4,436,769,962
<b>Net (Accretion)/Decretion</b>		<b>214,523,699</b>	<b>(127,365,461)</b>
<b><u>NOTE NO.2.23 - EMPLOYEE BENEFITS EXPENSE</u></b>			
Salary & other benefits		246,109,181	254,036,146
Contribution to Provident & Other Funds		2,960,203	2,814,779
Staff Welfare		14,105,480	8,061,123
<b>TOTAL</b>		<b>263,174,864</b>	<b>264,912,048</b>
<b><u>NOTE NO.2.24 - FINANCE COSTS</u></b>			
Interest on :			
Term Loans		139,713,400	155,446,096
Cash Credit and Short Term Loans		273,678,852	309,070,884
Others		99,361,103	77,087,327
<b>TOTAL</b>		<b>512,753,355</b>	<b>541,604,307</b>



**NKG INFRASTRUCTURE LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS**

(Amount in ₹)

PARTICULARS		For year ended 31st March 2014	For year ended 31st March 2013
<b>Note No. 2.25 - Operating, Administration and Other Expenses</b>			
Wages & Labour		551,716,005	648,942,437
Cartage & Hire charges		153,144,136	154,264,570
Contract expenses		200,159,559	233,908,949
Rent, Rates & Taxes		10,815,038	10,494,383
Postage, Telephone & Telegram		3,924,850	5,779,414
Power, Electricity & Water charges		28,390,807	28,001,707
Travelling & Conveyance		9,342,855	12,145,646
Printing & Stationery		2,933,683	3,714,531
Repair & Maintenance - Vehicles		6,055,566	18,663,466
- Others		29,026,438	44,601,364
Insurance		20,487,689	13,712,797
Advertisement & Business Promotion		404,481	585,455
Legal & Professional charges		31,026,040	48,285,862
Service Tax		22,761,300	27,267,468
Auditors' Remuneration		1,011,240	1,011,240
Donation		526,100	943,800
Tender Expenses		2,369,034	2,000,988
Loss on sale/disposal of Fixed Assets		2,002,874	1,517,183
Loss on Sale of Investments		575,168	-
Bank & other finance charges		140,898,045	115,503,020
Miscellaneous expenses		2,067,024	3,918,526
<b>TOTAL</b>		<b>1,219,637,932</b>	<b>1,375,262,806</b>



## **NKG INFRASTRUCTURE LTD**

### **Note No. 1**

## **SIGNIFICANT ACCOUNTING POLICIES**

### **ACCOUNTING POLICIES**

**1. Basis of Preparation:**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with the generally accepted accounting principles and relevant provisions of the Companies Act, 1956 (to the extent applicable) & the Companies Act, 2013 (to the extent notified) including Accounting Standards notified there under.

**2. Use of Estimates:**

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

**3. Revenue Recognition:**

- a) Contract revenue is recognized using the percentage completion method on the basis of physical measurement of work actually completed on the balance sheet date.
- b) Interest income is recognized on the time basis determined by the amount outstanding and rates applicable.

**4. Operating Lease:**

Leases where the lessor effectively retains substantially all the risks and benefit of ownership of the leased items are considered as operating lease. Operating lease payments are recognized as an expense in the profit and loss account on straight line basis over lease term.

**5. Fixed Assets:**

- a) Fixed assets are valued at historical cost less accumulated depreciation/ amortisation. The cost of fixed assets comprises of purchase price and all other attributable cost of bringing the assets to its working condition.
- b) Intangible Assets:  
Intangible asset acquired for internal use and resulting in significant future economic benefits is recognised as Intangible assets at cost when the same is ready for its use.



**6. Investments:**

- a) Long Term Investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such Investments.
- b) Current Investments are valued at the lower of cost and fair value determined on an Individual Investment basis.

**7. Depreciation/Amortisation on Fixed Assets:**

The company has provided depreciation on fixed assets on straight line method on pro-rata basis at the rates provided in 'Schedule XIV' of the Companies Act, 1956 except :-

- a) Leasehold Land is amortized over the period of lease.
- b) Cost of software licenses is amortized over the period of five years on pro-rata basis.

**8. Inventories:**

- a) Raw material and stores are valued at lower of cost or net realizable value. The cost is arrived at by first in first out method.
- b) Work in progress is valued at Net realizable value determined on the basis of percentage of completion method.

**9. Current Tax and Deferred Tax:**

Tax expense for the period, comprising Current Tax and Deferred Tax is included in determining the Net Profit/ (Loss) for the year.

- a) Provision for Current Income Tax is made on the basis of assessable income as per Income Tax Act, 1961.
- b) Deferred Tax resulting from "timing differences" between taxable income and accounting income is determined by using the tax rates and the tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are carried forward to the extent it is reasonably/ virtually certain that future taxable profit will be available against which such deferred tax assets can be realized.

**10. Retirement Benefits:**

Company's contribution to Provident fund is provided at actual. Liability for gratuity and leave encashment has been provided on the basis of actuarial valuation at the year-end.

**11. Borrowing Cost:**

Borrowing cost that is attributable to acquisition or construction of qualifying assets is capitalized as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.



**12. Provisions, Contingent Liabilities and Contingent Assets:**

- a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:
  - i. The company has a present obligation as a result of a past event;
  - ii. A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - iii. The amount of the obligation can be reliably estimated.
- b) Contingent liability is disclosed in case of:
  - i. A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
  - ii. A possible obligation, unless the probability of outflow in settlement is remote.
- c) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- d) Contingent assets are neither recognized nor disclosed in the financial statements.

**13. Foreign Currency Transactions:**

Foreign currency transactions are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Foreign currency monetary items remaining unsettled at the end of the year are reported at year-end rates. Non Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Foreign Exchange Variation on the settlement / translation of monetary items are recognized in the Statement of Profit & Loss except for foreign exchange variation arising out of settlement / translation of long term monetary items related to fixed assets which is adjusted in the cost of related assets .

**14. Impairment of Assets:**

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of account.





## OTHER NOTES:

### 2.26 Contingent Liabilities :

- Disputed Income Tax Demands ₹ Nil ( Previous Year ₹ 11,51,01,289)

### 2.27 Segment Information:

#### a) Business Segments:

The Company's main business is construction activities and generation of solar electricity.

#### b) Segment Revenue and Expense:

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as Segment Expenses.

#### c) Segment Assets and Liabilities:

Segment assets include all operating assets in respective Segments comprising of net fixed assets and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

#### d) Details of Segment Revenue and Expenditure, Operating results, Segment Assets & Liabilities and other information as required under AS-17 "Segment Reporting" are given as below:

(Amount in ₹)			
	BUSINESS SEGMENTS		
	Construction	Power	Total
	Year ended 31.03.14	Year ended 31.03.14	Year ended 31.03.14
Revenue from Operations	1810,35,84,429 (1489,52,40,180)	25,98,34,860 (25,77,61,200)	1836,34,19,289 (1515,30,01,380)
Segment Results:	127,25,34,807 (131,55,55,515)	16,94,47,189 (16,36,27,589)	144,19,81,996 (147,91,83,104)
Unallocated Corporate expenses, Interest and finance charges			54,11,36,917 (56,34,98,569)
Profit before Tax			90,08,45,079 (91,56,84,535)
Income Tax ( Net)			21,11,39,821



			(23,82,34,239)
Profit after Tax			<b>68,97,05,258</b> (67,74,50,296)
<b>Other Information</b>			
Segment Assets	<b>1173,06,92,919</b> (1059,17,09,100)	<b>1,55,58,57,878</b> (155,44,39,517)	<b>1328,65,50,797</b> (1214,61,48,617)
Unallocated Corporate and other Assets			<b>39,40,09,587</b> (44,31,93,430)
Total assets			<b>1368,05,60,384</b> (1258,93,42,047)
			(1258,93,42,047)
Segment Liabilities	<b>380,26,02,610</b> (276,29,46,515)	<b>70,38,740</b> (75,60,440)	<b>380,96,41,350</b> (277,05,06,955)
Unallocated Corporate and other Liabilities			<b>4,12,47,97,283</b> (453,70,86,905)
Total Liabilities			<b>793,44,38,633</b> (730,75,93,860)
Depreciation/ Amortisation	<b>15,51,70,260</b> (12,32,68,144)	<b>8,61,97,280</b> (8,33,24,292)	<b>24,13,67,540</b> (20,65,92,436)
Capital Expenditure	<b>129,45,31,178</b> (14,12,19,469)	<b>6,60,15,164</b> (7,56,500)	<b>136,05,46,342</b> (14,19,75,969)

Previous year's figures are given in brackets.

## 2.28 Earning Per Share:

The elements considered for calculation of Earning per Share (Basic & Diluted) are as under:-

Particulars	Current Year	Previous Year
<b>Basic</b>		
Net Profit after tax used as numerator	₹ 689705258	₹ 67,74,50,296
Weighted average number of equity shares used as denominator	50462012	50462012
Face Value per Share	₹ 10.00	₹ 10.00
Earning Per Share (Basic)	₹ 13.67	₹ 13.42
<b>Diluted</b>		
Net Profit after tax used as numerator	₹ 689705258	₹ 67,74,50,296
Weighted average number of diluted equity shares used as denominator	55612031	50462012
Face Value per Share	₹ 10.00	₹ 10.00
Earning Per Share (Diluted)	₹ 12.40	₹ 13.42



**2.29** In terms of the disclosures required to be made under the Accounting Standard (AS) 7 notified under Companies (Accounting Standards) Rules, 2006, the amounts considered in the financial statements up to the date of Balance Sheet are as follows:

Particulars	(Amount in ₹)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Contact revenue recognized as revenue for the year	1161,39,25,271	777,55,48,265
Aggregate amount of contract cost incurred and recognized profits (less recognized losses) during the year for contracts in process as at the end of the financial year.	648,96,59,158	686,96,91,915
Amount of customer advances outstanding for contracts in process as at the end of the financial year.	218,12,68,978	187,74,17,941
Amount of retention due from customers for contracts in process as at the end of the financial year.	134,66,60,572	116,87,10,468

### 2.30 Related Parties Disclosure:

Information on Related Party Disclosures as per Accounting Standard (AS-18) on Related Party Disclosures is given below:

#### List of Related Parties

#### Key Management Personnel

- 1) Mr. Naresh Kumar Garg - Chairman
- 2) Mr. Devendra Kumar Garg – Joint Managing Director
- 3) Mr. Pradeep Kumar Garg – Managing Director
- 4) Mr. Rakesh Kumar – Executive Director



### Relatives of Key Management Personnel

- 1) Mrs. Suman Agarwal
- 2) Mrs. Meenu Garg
- 3) Mr. Archit Garg
- 4) Mr. Pramod Garg
- 5) Mr. Surendra Garg

### Subsidiary

- 1) N.K.G. Infra Power Limited ( Up to 27.02.2014)

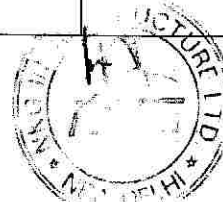
### Enterprises over which Key Management Personnel/Directors and their relatives are able to exercise significant influence

- 1) Aashiana Rolling Mills Ltd.
- 2) Aman Promotors Pvt. Ltd.
- 3) Expert Power System India Ltd.
- 4) Pradeep Kumar Garg ( HUF )
- 5) NKG Infrastructure IT Ltd.
- 6) GNG Steels Pvt. Ltd.

		(Amount in ₹)	
A.	0 % Convertible Preference Shares Allotted on Premium	Current Year	Previous Year
(i)	NKG Infrastructure IT Ltd.	Nil	7,25,00,000
(ii)	GNG Steels Private Ltd.	8,73,00,000	Nil
	TOTAL	8,73,00,000	7,25,00,000
B.	Unsecured Loans		
(i)	NKG Infrastructure IT Ltd.		
	Repayment of Loan during the year	75,00,000	13,25,00,000
	Closing Balance	Nil	75,00,000
(ii)	Mr. Naresh Kumar Garg		
	Closing Balance	108,80,000	Nil
(iii)	Mr. Pradeep Kumar Garg		



	Closing Balance	406,55,133	5,77,953
C.	Investment		
	Investment in Subsidiary Co.- NKG Infra Power Ltd.	Nil	84,00,000
D.	Purchase/Contract/ Other Charges		
	Aashiana Rolling Mills Ltd.	20,951	Nil
	Expert Power System India Ltd.	3,85,242	13,71,451
	TOTAL	4,06,193	13,71,451
E.	Directors sitting fees		
	Mr. Naresh Kumar Garg	Nil	40,000
F.	Remuneration		
	Mr. Surendra Garg	Nil	24,00,000
	Mr. Devendra Kumar Garg	Nil	24,00,000
	Mr. Pradeep Kumar Garg	1,00,00,000	2,22,00,000
	Mr. Rakesh Kumar	15,00,000	21,00,000
	Mr. Pramod Garg	Nil	24,00,000
	Mrs. Meenu Garg	Nil	5,40,000
	Mr. Sajal Garg	Nil	12,00,000
	TOTAL	1,13,75,000	3,32,40,000
G.	Rent		
	Mr. Pradeep Kumar Garg	1,20,000	1,20,000
	Mrs. Meenu Garg	1,20,000	1,20,000
	Pradeep Kumar Garg ( HUF )	12,00,000	12,00,000
	Mr. Naresh Kumar Garg	Nil	1,20,000
	Aman Promoters Pvt. Ltd.	7,20,000	7,20,000
	TOTAL	21,60,000	22,80,000
H.	Sale of Investments		
	Ms. Meenu Garg	87,50,000	Nil
I.	Balances Payable:		
(i)	Mr. Pramod Kumar Garg	23,00,000	Nil
(ii)	Mr. Devendra Kumar Garg	9,02,844	9,02,844
(iii)	Mrs. Meenu Garg	8,38.98,768	1,98,768



(iv)	Mr. Surendra Garg	5,68,695	6,93,695
(v)	Mr. Rakesh Kumar	4,25,920	6,76,703
(vi)	Aman Promotors Pvt. Ltd.	Nil	2,70,000
(vii)	Expert Power System India Ltd.	Nil	24,168
(viii)	Pradeep Kumar Garg ( HUF )	15,30,000	4,50,000

### 2.31 Employee Benefits:

The summarized position of Post-employment benefits and other long term employee benefits recognized in the Statement of Profit & Loss and the Balance Sheet as required in accordance with Accounting Standard – 15 ( Revised ) are as under

#### (a) Expenses recognized in Statement of Profit & Loss.

(Amount in ₹)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Current Service Cost	49,04,022	47,50,437	15,37,754	26,57,971
Interest Cost	10,16,429	9,89,119	2,94,968	2,67,161
Expected return on Plan Assets	Nil	Nil	Nil	Nil
Net actuarial (Gain)/ Loss recognized in the year	(24,07,034)	(53,98,182)	14,75,178	(19,61,609)
<b>Total expenses recognized in Profit &amp; Loss Account</b>	<b>35,13,417</b>	<b>3,41,374</b>	<b>33,07,900</b>	<b>19,03,517</b>

#### (b) Amount recognized in the Balance Sheet

(Amount in ₹)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Estimated Present value of obligations as at end of the year	1,42,12,626	127,05,367	29,24,455	36,87,094
Fair value of Plan Assets as at the end of the year	Nil	Nil	Nil	Nil
<b>Unfunded Net Asset /(Liability) recognized in Balance Sheet</b>	<b>(142,12,626)</b>	<b>(127,05,367)</b>	<b>(29,24,455)</b>	<b>(36,87,094)</b>





(c) Change in the present value of obligations

(Amount in ₹)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Present Value of obligation as at the beginning of the year	1,27,05,367	1,23,63,993	36,87,094	33,39,518
Interest Cost	10,16,429	9,89,119	2,94,968	2,67,161
Current service Cost	49,04,022	47,50,437	15,37,754	26,57,971
Benefits Paid	(20,06,158)	Nil	(40,70,539)	(6,15,947)
Actuarial loss/ (gain) on obligation	(24,07,034)	(53,98,182)	14,75,178	(19,61,609)
<b>Present value of obligation at the end of the year</b>	<b>142,12,626</b>	<b>1,27,05,367</b>	<b>29,24,455</b>	<b>36,87,094</b>

(d) Principal actuarial assumptions at the Balance Sheet Date

Method Used	Projected Unit Credit Method	
	2013-14	2012-13
Discount Rate	8.75%	8.00 %
Expected rate of salary increase	6.25%	5.50 %

Estimate of future salary increase takes into account inflation / seniority and other relevant factors..

- (e) Contribution to Provident Fund for the year ₹ 23,95,347/- (Previous year ₹ 23,31,004/- ) is recognized in the Statement of Profit & Loss.

**2.32** Company is Joint Venture partner in Joint Venture Entity M/s Dwarika-NKG where in NKG is entitled to have 25% share in the profits earned by Joint Venture company in lieu of management and technical services provided by the Company to Joint Venture Company. No equity is contributed by Company in Joint Venture Company and Company is entitled to only 25% of profits earned by JV Company. Pending receipt of financial accounts for the Financial years 2011-12 to 2013-14, Company's share in profit/loss of JV Company could not be determined and hence not accounted for.

**2.33** Sales Tax / VAT deducted by the customers wherever Company has opted for composition scheme under VAT Act are recognized as expenses. Liability/ refund if any will be recognized in the year of assessment.

**2.34** In the opinion of the Management, the value of any of the assets other than fixed assets and non-current investments on realization in the ordinary course of business will not be



less than the value at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess/short of the amount considered reasonable & necessary.

**2.35 Payment to Auditors  
(Excluding Service Tax)**

	(Amount in ₹)	
	Current Year	Previous Year
Audit Fee	7,50,000	7,50,000
Tax Audit Fee	1,50,000	1,50,000

**2.36 Foreign Exchange Variation :**

(i) Foreign exchange loss capitalized during the year is ₹ 2,88,00,550/- (Previous year Foreign Exchange Loss ₹ 1,47,51,929/-)

(ii) Foreign Exchange Gain /Loss recognized in Statement of Profit & loss is Nil ( Previous year Gain ₹ 19,416/- )

**2.37 Detail of expenditure incurred in foreign currency is given as under:**

Interest on Term Loan ₹ 4,88,16,424 (Previous year ₹3,51,87,591/-)

**2.38 Earning in foreign currency Nil (Previous year Nil)**

**2.39 Employee Remuneration and Benefits includes remuneration paid to managing director and other directors amounting to ₹ 1,00,00,000 and ₹ 13,75,000 respectively (previous year ₹ 2,22,00,000 and ₹ 65,26,668)**

**2.40 Contract expenses include cost of materials provided by the customers.**

**2.41 Purchases are net of returns.**

**2.42 All amounts in the financial statements are presented in Rupees. Figures of previous year have been re-grouped / re-arranged, wherever considered necessary.**

Place : New Delhi

Date : 09/05/2014

For and on behalf of the Board of Directors



Company  
Secretary



Managing Director