



KALPATARU POWER TRANSMISSION LIMITED

Regd. Office: Plot No. 101, Part III, G.I.D.C. Estate,
Sector - 28, Gandhinagar - 382 028, India

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that Thirty-first Annual General Meeting of the Shareholders of **KALPATARU POWER TRANSMISSION LIMITED** will be held on Saturday, 4th August, 2012 at 3.00 p.m. at KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2, GIDC Electronic Estate, Sector-25, Gandhinagar - 382 016 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Narayan K. Seshadri, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vimal Bhandari, who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Parag M. Munot, who retire by rotation and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad be and are hereby reappointed as Statutory Auditor of the Company under Section 224 and other applicable provisions, if any, of the Companies Act, 1956 to hold office as such from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, as may be decided by the Board / Audit Committee of the Board, plus reimbursement of out of pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section(s) 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby approves the reappointment of Mr. Pankaj Sachdeva as Managing Director of the Company for a period

beginning from April 01, 2012 to March 31, 2014 upon such terms and conditions including remuneration as set out below:

I. Salary & Allowances:

Basic Salary	: ₹ 8,50,000/- per month
Allowances	: ₹ 5,25,000/- per month
Total	: ₹ 13,75,000/- per month

The above remuneration is inclusive of Company's contribution towards provident fund.

II. Perquisites:

PART-A :

- i. Housing : Free, hard / semi furnished accommodation, at Ahmedabad owned or hired by the Company.
- ii. Medical Expenses : Reimbursement of actual expenses upto ₹ 15,000/- per annum and premium for mediclaim policy for self and family.
- iii. Club Fee : The Company will arrange for single membership of a club at Ahmedabad.
- iv. Electricity & Water : Actual costs would be paid by the company against bills upto ₹ 42,000/- per annum.
- v. Books / Periodicals : Reimbursement upto ₹ 10,000/- per annum.
- vi. Professional Bodies : Annual membership fees upto ₹ 10,000/- per annum.
- vii. Servant : Reimbursement of ₹ 2,000/- per month.

PART-B :

- (i) Gratuity will be payable as per Payment of Gratuity Act, 1972.

PART-C:

- (i) Company's chauffeur driven car will be provided for use of Company's business.
- (ii) Telephone will be provided at residence for business related use at company's expenses. Personal outstation calls shall be on personal account.
- (iii) Working hours/ days and leave rules would be as per company policy.

III. Performance Linked Incentive / Commission:

Such remuneration by way of profit linked incentive/commission, in addition to salary, perquisites and allowances calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Remuneration Committee and /or by the

Board of Directors of the Company, subject to the overall ceiling stipulated in Sections 198, 309 and schedule XIII of the Companies Act, 1956.

Minimum Remuneration

In the event of loss or inadequacy of profits in any Financial Year, Mr. Pankaj Sachdeva shall, subject to the approval of the Central Government, if any required, be paid remuneration by way of Salary and Perquisites as specified above subject to the restriction, if any, set out in Schedule XIII of the companies Act 1956, from time to time.

Termination

The appointment may be terminated by either party giving to the other 3 months notice in writing. However, the appointment may be terminated by less than 3 months notice by mutual agreement between the parties.

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

"RESOLVED THAT pursuant to the provisions of Section(s) 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby approves the reappointment of Mr. Manish Mohnot as Executive Director of the Company for a period beginning from April 01, 2012 to March 31, 2015 upon such terms and conditions including remuneration as set out below:

I. Salary & Allowances:

Basic Salary	: ₹ 7,75,000/- per month
Allowances	: ₹ 4,75,000/- per month
Total	: ₹ 12,50,000/- per month

The above remuneration is inclusive of Company's contribution towards provident fund.

II. Perquisites :

PART - A:

- | | |
|------------------------------|--|
| i. Medical Expenses | : Reimbursement of medical expenses upto ₹ 15,000/- per annum and premium for Medclaim policy for self and family. |
| ii. Club Fee | : The company shall pay membership fees of club at Mumbai. |
| iii. Books/ Periodicals | : Reimbursement upto ₹ 10,000/- per annum |
| iv. Professional Bodies fees | : Reimbursement upto ₹ 10,000/- per annum |

PART- B:

- (i) Gratuity will be payable as per Payment of Gratuity Act, 1972.

PART- C:

- (i) Company's chauffeur driven car will be provided for use of company's business.
- (ii) Telephone at residence shall be provided for business related use at company's expenses. Personal outstation calls shall be on personal account.
- (iii) Working hours/days and leaves would be as per company policy.

III. Profit Link Incentive / Commission:

Such remuneration by way of profit linked incentive/commission, in addition to salary, perquisites and allowances calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Remuneration Committee and /or by the Board of Directors of the Company, subject to the overall ceiling stipulated in Sections 198, 309 and schedule XIII of the Companies Act, 1956.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any Financial Year, Mr. Manish Mohnot shall, subject to the approval of the Central Government, if any required, be paid remuneration by way of Salary and Perquisites as specified above subject to the restriction, if any, set out in Schedule XIII of the Companies Act, 1956, from time to time.

Termination

The appointment may be terminated by either party giving to the other 3 months notice in writing. However, the appointment may be terminated by less than 3 months notice by mutual agreement between the parties.

9. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

Delegation of powers to the Board of Directors for creation of charge:

"RESOLVED THAT in suppression of the resolution passed by the members of the Company through Postal Ballot declared on 21st November, 2009, the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors to mortgage and/or charge, in addition to the mortgages and/or charges created/to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and/or immovable, tangible and/or intangible properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain event of default, in favour of the lender(s), agent(s), trustee(s)

for securing the borrowing of the Company availed / to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, not exceeding an amount of ₹ 7,500 Crore, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s)/ trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed or any other document entered into/to be entered into between the Company and the lender(s) / agent(s) / trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/agent(s)/ trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid."

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share Transfer Books of the Company will be closed from July 30, 2012 to August 03, 2012 (both days inclusive).
- c) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between August 06, 2012 and August 10, 2012 to those members whose names shall appear on the Company's Register of Members on July 30, 2012. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National

Securities Depository Limited and Central Depository Services(India) Limited as beneficial owners as on that date.

Pursuant to Section 205C of the Companies Act, 1956, all unpaid or unclaimed dividend, remaining unpaid or unclaimed for a period of seven years from the date they become due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government.

- d) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd., Unit No.303, 3rd Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad - 380 009.
- e) For any further information regarding the Annual Accounts, advance intimation be given at the Registered Office of the Company and the members should ensure that it reaches the Company at least seven days before the date of ensuing annual general meeting.
- f) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd., Unit No.303, 3rd Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad - 380 009.
- g) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Link Intime India Pvt. Ltd., Unit No.303, 3rd Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad - 380 009, for consolidation into a single folio.

By Order of the Board

For **KALPATARU POWER TRANSMISSION LIMITED**

Sd/-

Place : Gandhinagar

Bajrang Ramdharani

Date : June 25, 2012

AVP-Finance & Company
Secretary

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 7

The Board of Directors of the Company considered it appropriate and in the best interest of the Company to re-appoint Mr. Pankaj Sachdeva as the Managing Director of the Company for a period effective from 1st April, 2012 to 31st March 2014 upon the terms and conditions including the remuneration as set out in the agreement dated 1st April, 2012, entered into between the Company and Mr. Pankaj Sachdeva, subject to the approval of the Shareholder's of the company, is placed before this meeting. The appointment and remuneration payable to Mr. Pankaj Sachdeva as the Managing Director requires the approval of the Company in General Meeting in terms of Part III of Schedule XIII of the Companies Act, 1956.

The salary payable and other perquisites to Mr. Pankaj Sachdeva was communicated to the Members vide the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated 16th April, 2012 and is outlined in the Resolution before the Members.

The appointment of Mr. Pankaj Sachdeva on the terms proposed satisfies the conditions laid down in Schedule XIII of the Companies Act, 1956. The Resolution is set out at item no.7 of the Notice convening Annual General Meeting and accordingly, the Board recommends the same for your approval.

Except Mr. Pankaj Sachdeva, none of the other Directors of the Company is in any way concerned or interested in the said Resolution.

ITEM NO.8

The Board of Directors of the Company considered it appropriate and in the best interest of the Company to reappoint Mr. Manish Mohnot as an Executive Director of the Company for a period effective from 1st April, 2012 to 31st March, 2015 upon the terms and conditions including the remuneration as set out in the agreement dated 1st April, 2012, entered into between the Company and Mr. Manish Mohnot, subject to the approval of the Shareholder's of the company, is placed before this meeting. The appointment and remuneration payable to Mr. Manish Mohnot as the Executive Director requires the approval of the Company in General Meeting in terms of Part III of Schedule XIII of the Companies Act, 1956.

The salary payable and other perquisites to Mr. Manish Mohnot was communicated to the Members vide the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated 16th April, 2012 and is outlined in the Resolution before the Members.

The appointment of Mr. Manish Mohnot on the terms proposed satisfies the conditions laid down in Schedule XIII of the Companies Act, 1956. The Resolution is set out at item no. 8 of the Notice convening Annual General Meeting and accordingly, the Board recommends the same for your approval.

Except Mr. Manish Mohnot, none of the other Directors of the Company is in any way concerned or interested in the said Resolution.

ITEM NO.9

Presently your Company is in the business of providing integrated design, testing, fabrication, erection and

construction serves to the Power Transmission Industry in India as well as overseas. Your Company, in addition to the transmission industry also constructs cross-country oil and gas pipeline networks in India, generates biomass based energy and executing railway contracts.

Being an EPC Contracting Company, your Company will always need higher credit facilities to sustain the growth and execute high value contracts. Apart from regular working capital, Company has and will need long term debts for its ongoing capex requirement from time to time. These all credit facilities are secured by way of charge/ mortgage over the assets of the Company.

Members of the Company had given their permission under Section 293(1)(a) for creation of charge / mortgage / hypothecation on the Company's assets in favour of the lenders upto an amount of ₹ 5,000 crores through postal ballot on November 21, 2009. This limit is expected to fall short as increased business requirements warrants higher credit facilities from Banks and Financial Institutions from time to time and therefore new limit of ₹ 7,500 crores is sought for.

For securing the further borrowings of the company, the company will need to create charge/mortgage/hypothecation over the assets of the Company in their favour of the lenders. As per the provisions of Section 293(1)(a) of the Companies Act, 1956 to increase the limit for the creation of charge/ mortgage/ hypothecation, an approval of the members is required. Accordingly, the resolution at Item No.9 is proposed to seek your approval for the increasing the limit from ₹ 5,000 crore to ₹ 7,500 crores.

In accordance with the provisions of Section 293(1)(a) of the Companies Act, 1956, the resolution for giving effect to the creation of Charge on the properties of the Company, is to be passed as an ordinary resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LIMITED**
Sd/-

Place : Gandhinagar

Bajrang Ramdharani

Date : June 25, 2012

AVP-Finance & Company
Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with Depository through their concerned Depository Participants. Members who hold shares in Physical form, are requested to get their shares dematerialized.

**KALPATARU POWER TRANSMISSION LIMITED**REGISTERED OFFICE : 101, PART - III, GIDC ESTATE,
SECTOR - 28, GANDHINAGAR - 382 028**FORM OF PROXY**

I/We _____
of _____ in the district of _____
being member(s) of the above named Company, hereby appoint _____
of _____ or failing him _____
of _____

as my/our proxy to vote for me/us on my/our behalf at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held at 3.00 p.m. on Saturday, August 4, 2012 at KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2, GIDC Electronic Estate, Sector - 25, Gandhinagar - 382 016 and at any adjournment thereof.

Signed at _____ (Place) this _____ day of _____, 2012.

DP ID* _____

Folio No. _____

Client ID* _____

No. of Shares held _____

Affix
15 paise
revenue
Stamp

Note : This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

* Applicable for investor holding shares in electronic form.

✂ _____ ✂ **TEAR HERE** ✂ _____ ✂

ATTENDANCE SLIP**KALPATARU POWER TRANSMISSION LIMITED**REGISTERED OFFICE : 101, PART - III, GIDC ESTATE,
SECTOR - 28, GANDHINAGAR - 382 028

To be handed over at the entrance of the Meeting Hall.

NAME OF THE ATTENDING MEMBER (in Block Letters)	DP ID*
	Client ID*
NAME OF PROXY (in Block Letters)	Membership Folio No.
(To be filled in the Proxy attends instead of the member)	
	NO. OF SHARES HELD

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company at 3.00 p.m. on Saturday, August 4, 2012 at KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2, GIDC Electronic Estate, Sector - 25, Gandhinagar - 382 016.

Member's/Proxy's Signature
(To be signed at the time of handing over this Slip)

* Applicable for investors holding shares in electronic form.

**Focus
Pursue
Deliver**







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Board of Directors

Mr. Mofatraj P. Munot

Chairman

Founder, Promoter and Chairman of Kalpataru Group with five decades of experience in the field of real estate and property development, civil contracting and various other industries.

Mr. Sajjanraj Mehta

CA, Independent Director

An eminent professional with four decades of experience in the field of foreign exchange, taxation, corporate affairs and strategy.

Mr. S. P. Talwar

BA, LLB, Independent Director

An eminent banker who has served as chairman of Oriental Bank of Commerce, Union Bank of India and Bank of Baroda and RBI as Deputy Governor for a period of 7 Years. He is now serving as senior advisor to YES Bank and is on the Board of various well-known companies.

Mr. Parag Munot

MBA (Carnegie Mellon, USA), Promoter Director

He is the Managing Director of Kalpataru Ltd. and has been leading the Group's real estate development and property management business for two decades. At Group level, he drives new business initiatives and provides strategic support.

Mr. Mahendra G. Punatar

MS (University of Michigan), Independent Director

A veteran in the field of power transmission with over five decades of extensive technical, commercial and strategic expertise.

Mr. Vimal Bhandari

CA, Independent Director

A finance expert with more than 25 years of rich experience in the financial services industry. He is currently the CEO and Managing Director of Indostar Capital Finance, an NBFC sponsored by private equity houses like Everstone and Goldman Sachs. Before this, he was the Country Head - India of the Dutch insurance major AEGON N.V. He has also served IL&FS Ltd. as an executive director for a period of 12 years and is also on the Board of many prominent Indian companies.

Mr. Manish Mohnot

CA, ICWA, Executive Director

He possess an experience of more than 17 years in areas related to infrastructure, power, consulting, banking and business development. He is also on the Board of various subsidiaries of the Company namely JMC Projects (India) Ltd. and Shree Shubham Logistics Ltd. He has been associated with a reputed multinational bank and consulting firms before joining us as Executive Director in 2006.

Mr. K. V. Mani

BE, MBA (IMD Switzerland), Director

An expert in the T&D business with more than 45 years of experience across project management, marketing, construction and international business. He has been associated with the Company for more than a decade and served as the Managing Director during 2001 to 2009.

Mr. Narayan Seshadri

CA, Independent Director

An expert with over 25 years of consulting experience in the field of finance, accounts, tax and business strategy. He is the founder of Tranzmute Capital & Management Pvt. Ltd. established with objective of providing new ideas, management and capital to first generation entrepreneurs and family businesses. Before starting his own venture, he was the Managing Partner with KPMG for their advisory services. He is also on the Board of many prominent Indian companies.

Mr. Pankaj Sachdeva

BE, PGDM, Managing Director

A power sector expert with three decades of rich experience in power systems, transmission lines and project management. He has been associated with reputed multinational companies in various capacities.

Executive Management Team

Mr. Kamal K. Jain

President & CFO

Mr. Dinesh B. Patel

President & CEO (Domestic - TL Projects)

Mr. B. K. Satish

President & CEO (Distribution Projects)

Mr. Sanjay Dalmia

Group Head (International Business)

Mr. Gyan Prakash

President & CEO (Oil & Gas Infrastructure)

Mr. M. A. Baraiya

Head - HR & Admin

Auditors

M/s. Deloitte Haskins & Sells,
Ahmedabad

Factory and Registered Office

Plot No. 101, Part III, G.I.D.C. Estate,
Sector 28, Gandhinagar - 382 028,
Gujarat, India.

Tel No.: +91-79-2321 4000

Fax No.: +91-79-2321 1966 / 68 / 71

Email: kptl@kalpatarupower.com

Legal Advisor

M/s. Singhi & Co., Ahmedabad

Corporate Office

'Kalpataru Synergy', 7th Floor,
Opp. Grand Hyatt Hotel,
Vakola, Santacruz (E),
Mumbai - 400 055, India.

Tel. No.: +91-22-3064 5000

Fax No : +91-22-3064 3131

Company Secretary

Mr. Bajrang Ramdharani

Bankers

Indian Bank
Oriental Bank of Commerce
Union Bank of India
State Bank of India
EXIM Bank
ICICI Bank
IDBI Bank
Standard Chartered Bank
DBS Bank
BNP Paribas, Abu Dhabi
HSBC, Qatar

Website

www.kalpatarupower.com
www.jmcprojects.com
www.kalpataru.com
www.sssl.in

Focus. Pursue. Deliver.

We are **focussed on achieving excellence** in everything that we do.

It is this unrelenting commitment that is the basis of our business philosophy. It is through this focus that we have achieved consistent success across the most challenging terrains in infrastructure segments, where safety and care are sacrosanct and paramount.

It is this unwavering focus that has enabled us to grow our business from strength to strength, from power to infrastructure and beyond, from India to footprints in over **32 countries** across Asia, Middle East, Africa, America, Australia.





An unswerving focus that has ensured that each step of our business execution is well planned and delivery is consistent.

This enabled us to channelise our strategic direction with confidence and **pursue new business opportunities.**

From a regional player fabricating transmission towers in early 80's to recognised global infrastructure player offering integrated turnkey solutions in all high growth infrastructure segments like power transmission and distribution, oil and gas infrastructure, roads and bridges, railways and metros, factories and buildings, power plants, water pipelines.

Capitalising on our inherent capabilities, we have extended our offerings from construction to now partnering in India's modernisation progress by undertaking projects on BOOT model. Our efforts in the BOOT segment are vindicated by **the successful completion of our first transmission line BOOT**

project at Haryana in record time.

Our ability to identify and pursue unfolding opportunities has **delivered consistent growth**, as vindicated by our financial performance year-on-year.

From revenues of less than ₹ 3.60 billion just 10 years back to crossing a consolidated turnover of ₹ **53.67 billion or one billion USD** in year 2011-12.

With an order book of ₹ **117.00 billion or over two billion USD** the future beckons.

Hence our commitment to **"Focus", "Pursue" and "Deliver"** - three words that encapsulate the essence of our business strategy and trail our evolution. At Kalpataru Power Transmission, we dedicate our success to these well-defined fundamentals of business, providing the right growth impetus to our aspirations and ambitions.

Legacy of Excellence

1983

- Established tower manufacturing plant

1995

- First 800 KV tower supply order

2001

- First overseas turnkey contract of 380 KV in Turkey

2005

- Diversified into civil construction by acquiring 46% in JMC Projects
- Expanded fabrication capacity with EOU of 30,000 MT pa
- First cross country product pipeline project of 442 kms

Journey so far...



1986

- First turnkey transmission line project of 400 KV from NTPC

1998

- Setup captive state-of-the-art tower testing station

2004

- First 765 KV turnkey EPC contract
- First oil & gas infra contract for a gas terminal

2006

- Maiden QIP
- Issue of USD 75 million
- Issued 1:1 bonus to reward shareholders

2007

- Ventured into warehousing & logistics sector by acquiring Shree Shubham Logistics

2009

- Won first BOOT transmission project in Haryana
- Secured single largest pipeline laying order of 550 kms from HPCL-Mittal
- Won largest international transmission contract from MEW Kuwait worth USD 250 million

2011

- Entered into 3 new countries for turnkey - contracts - CIS (Ukraine), DR Congo & Tanzania
- Ventured into railway EPC contract by winning orders worth ₹ 5 billion
- Consolidated order book crossed ₹ 100 billion



2008

- Expanded fabrication capacity to 108,000 MTs
- Consolidated revenue crossed ₹ 25 billion

2010

- JMC won 2 road BOOT projects
- Won first EHV lines order from Kenya of 500 kms
- Raised ₹ 4.5 billion through QIP Issue
- First EPC oil & gas process plant contract

2012

- Entered into 2 new countries - Sri Lanka and Thailand
- Commissioned first transmission BOOT project at Jhajjar, Haryana
- Completed 2,500 kms of cross country pipelines projects
- Revenue crossed USD 1 billion landmark

Chairman's Letter



Dear Shareholders,


It gives me immense pleasure in presenting the 31st annual report of your Company which encapsulates the performance of the year under review. As we are all aware that the current operating environment is challenging and your Company is not isolated from it. Before elaborating on these challenges, I would like to showcase various strategic initiatives undertaken over the last few years that enabled us to focus, pursue and deliver results across various economic cycles:

- We have focused on long term sustainability and created a portfolio of road and transmission BOOT (Build, Own, Operate and Transfer) assets, which would provide steady cash flows over the next 15 to 25 years. I feel proud to announce that we have commenced commercial operations of the country's first of its kind transmission line BOOT project in Haryana. Further, your Company is also developing four road projects through its subsidiary JMC Projects with a project outlay of over ₹ 2,000 crores which would start generating revenues from next fiscal year onwards.
- We have continued our focus on our core transmission EPC business and expanded into other high growth business verticals such as oil & gas infrastructure, power distribution, water pipeline, power plants, urban infrastructure, roads and railways.
- We have focused to diversify our geographic base, client-mix and pursued opportunities in new countries. Currently your Company has footprints across 32 countries of the globe and 50% of the current order book comprises from overseas clients.
- We have also diversified client-mix in our domestic

transmission line business by securing good amount of orders from various private sector players and state electricity transmission utility companies.

- We have focused on cost as well as volume leadership position in tower manufacturing business and have increased manufacturing capacities on three occasions over the last 6 years from 54,000 MTs to 138,000 MTs in 2012, which includes planned expansion of 30,000 MTs at Raipur in 2012. The latest capacity at Raipur is strategically located which would bring cost efficiencies. Additionally, to strengthen our international presence we are also contemplating on expanding manufacturing capacities overseas.
- We remain focused on tower testing activity as a critical element in the value chain of EPC contracting and have a dedicated tower testing station with most advanced technologies. Till date, this station has tested over 250 towers of 400 KV to 1200 KV for both domestic and international clients.
- We have pursued high growth business opportunity in the warehousing and logistics sector through our subsidiary, Shree Shubham Logistics Limited. In just 4 years of entering into the business, your Company features amongst the largest private players in this sector with a capacity of around 600 thousand MTs. We further aim to expand this to around 1.3 million MTs in the next 2 to 3 years.

These focused initiatives have helped us deliver robust growth in past 5 years during which we achieved a three-



Focused initiatives have helped us deliver robust growth in past 5 years during which we achieved a three-fold increase in our consolidated revenues which crossed the USD 1 billion mark this year.

fold increase in our consolidated revenues which crossed the USD 1 billion mark this year. Additionally our consolidated order book witnessed an over four fold increase to cross USD 2 billion mark, which would provide steady growth in next few years. The other biggest enabler of such results is our employee strength of over 5,000 professionals. Apart from the number of employees, it is our ethos of employee engagement, empowerment and long term commitment which would enable similar growth trajectory.

Over the years, customers have continued to bestow their faith in your Company which is endorsed by securing high value orders. These include orders of USD 180 million each from Ukraine and Congo and USD 225 million from Kuwait which has been completed successfully in the previous year.

Challenges

The year under review was not short on challenges faced, which include stiff competition from local as well as global players, hardening interest rates, volatility in raw material prices, currency fluctuations, availability of labor and several execution challenges beyond our control.

Notwithstanding these challenges, your Company's topline has reached above USD 1 billion mark on consolidated basis. On standalone basis, the top line growth was not at par with expectations due to several external factors beyond our control. Although we still followed our core philosophy of bottom line driven approach and maintained our margin leadership position though stringent processes and

financial control which is aptly reflected in our well-funded balance sheet with among the lowest debt-equity ratio in the industry.

We always remain cautious on the associated risks in our businesses across varied sectors and geographies and pursue risk mitigation approach to the extent possible.

Future Outlook

Moving forward, given the changing business environment its imperative that we continue our focus on execution, cost reduction and enhancing productivity as these initiatives have always helped us maintain a competitive advantage. To capitalise on various large business opportunities, your Company is pursuing its strategy to partner with strong strategic and financial players. With our strong management bandwidth, sound balance sheet, rich experience in manufacturing and execution, undisputed reputation for quality and service, we are well placed than ever to face all upcoming challenges.

Acknowledgements

I take this opportunity to thank the shareholders for their valuable support, my colleagues on the Board for their enlightened counsel, all our prestigious clients for their faith, the Government and its various agencies and our lenders for their kind support. I place on record my appreciation for the dedication, commitment and hard work put in by the employees of the company at all levels.

Mofatraj P. Munot
Chairman

Focused on Core Business



Power transmission remains the core business at KPTL, which has recorded spectacular growth year on year and the progress achieved makes the Company amongst the top global EPC player in transmission sector. In this business, the Company offers integrated solutions right from the designing, testing, quality, fabrication and project execution and commissioning.

Landmark Projects:

- 750 KV turnkey order in Ukraine worth ₹ 850 crores
- India's largest power transmission EPC contract worth ₹ 1,100 crores for 400 KV from Kuwait

International Clients

Power Grid Corporation of India Ltd.

- Multiple 765 KV transmission line orders for PGCIL worth ₹ 780 crores
- India's first 800 KV HVDC line on EPC basis

Private Players

- 765 KV of 466 kms transmission line order from Adani Power worth ₹ 320 crores
- 400 KV of 432 kms transmission line order from Essar Power worth ₹ 340 crores

State Utilities

- 400 KV turnkey order from MSETCL worth ₹ 450 crores
- Largest domestic order of ₹ 1,200 crores from MSETCL in 2009

Focused on Core Business

To channelise its focus towards its power transmission business, the Company is continuously building up its infrastructure and project management skills to deliver turnkey solutions. This is ably backed by:

Design Centre

- State -of-the-art design capabilities with highly qualified & experienced engineering experts
- Access to the best of software's like PLS, STADD III, iTower for tower design PLS CADD for profiling, AutoCAD and BoCAD for drawing/detailing

Manufacturing

- Amongst the largest tower fabricator in the world leading to cost efficiency and economies of scale
- Integrated ISO certified manufacturing plant of 1,08,000 MTs in Gujarat
- Operating at full utilisation levels

R&D and Testing Centre

- Among the largest tower testing and R&D centre across the globe
- Testing capability of upto 1200 KV tower
- Helicopter simulation facility to test upto 85 meters tower

Turnkey Solutions

- Executed turnkey projects in 15 countries
- Proven track record in all difficult terrains
- Managing contract workforce of around 15,000 employees

A testing station plays a critical role in the power transmission business. Backing this is the Company's world class testing station which has tested over 250 towers for both domestic and international clients. The strategically located ISO certified plants have delivered over 40,000 towers across globe and also became the largest supplier of lattice towers to American markets by supplying over 15,000 MTs in a span of 2 years and over 30,000 MTs orders are in progress.

Further, endorsing the Company's capability to accept challenges is the timely completion of supplying and erecting one of its largest projects encompassing 1,000 kms of 400 KV line (Rihand) of 46,000 MTs for Power Grid, India. KPTL also secured and completed its highest value international power transmission contract worth over USD 225 million.

Apart from towers designing, testing, fabrication and supply, the Company has also proven its mettle in turnkey projects in over 15 countries. KPTL has successfully completed over 14,000 kms of extra-high voltage lines in India and international countries and has supplied and installed the country's first 800 KV HVDC line.

Over the years, the Company has also build capabilities to supply over 120,000 MTs of towers, erect over 100,000 MTs of transmission line towers and string over 2,500 CKM of conductors on transmission lines, on annual basis. This has helped the Company emerge as one of the largest power transmission EPC contractor. Adding to the Company's engineering feat is the qualification to execute projects upto 1200 KV in any kind of terrain.

The success in this business has moved a few notches higher on account of the completion of KPTL's first BOOT project at Jhajjar, Haryana. The project was completed in a record time of 15 months despite several execution challenges. This feat strongly endorses the Company's focus towards it power transmission business.



Power Distribution

Whilst the Company's achievements in the Indian and international markets for transmission lines are impressive, KPTL has also clocked remarkable success in the distribution sector. Over 300,000 BPL connections and more than 10,000 CKM of distribution lines have been laid out on EPC basis. New substations, augmentations of existing sub-stations and construction of bays to support these 10,000 CKM of distribution lines, have also been constructed by KPTL.

Execution

Another key aspect contributing towards the Company's success is focused execution which is an unrelenting commitment and foundation of the Company's business philosophy. This focus has helped KPTL in executing projects in a cost, quality and time effective manner, helping it feature as the most competitive player in the sector.

In a year packed with daunting challenges, it was the Company's focus on execution that ensured timely completion of projects and increase in order book to record levels.

The Company is conscious that human resources form the backbone of its execution capabilities. With this philosophy, the Company has built its team of professionals, attracting several industry stalwarts to steer its business odyssey to greater heights.

Lastly, complementing its transmission and distribution portfolio is its capability to design and execute turnkey solutions of EHV/HV substations. This makes KPTL a one stop shop for providing end to end solutions for transmission systems, covering transmission lines, substations and distribution systems globally.





Pursued Opportunities across Sectors



Over the years, exemplary growth in the infrastructure sector has triggered a wave of opportunities unfolding across key segments of infrastructure development. From Power T&D to Oil & Gas to Railways to Asset Ownership (BOOT & Warehousing), the potential for the next level of growth and progress is immense. Identifying this, the Company has expanded its presence across these high growth verticals. KPTL on account of its proactive management and judicious approach is ideally positioned to capitalise on the opportunities growing, across key segments of its business.

Diversified Infrastructure Presence:

EPC Business

- Power generation, transmission & distribution
- Oil & gas infrastructure
- Factories & buildings
- Roads
- Railways
- Urban infrastructure

Long-term Ownership Assets

- Biomass plant
- Transmission BOOT project
- Road BOOT projects
- Real estate developmental projects
- Agri-logistic parks & warehouses

Pursued Opportunities across Sectors



Oil & Gas

The production facilities, pipeline network and associated installations available in India today are inadequate to meet the demand to transport the natural gas and petroleum products to demand centres in an efficient, safe and environment friendly way. KPTL offers turnkey and EPC solutions in the oil and gas infrastructure space. It has a dedicated engineering and designing team responsible for complete end-to-end solutions in this field.

The Company owns seven spreads of state-of-the-art equipment and manpower to simultaneously execute several projects of cross country pipelines across various terrains. It has the capability to execute cross country pipelines of large size diameter. KPTL also has the ability to execute process plant projects like gas gathering stations & field gathering stations with process facilities, City Gas Distribution systems, HDD of rocky and sandy rivers with a span in excess of 1,000 meters. KPTL's oil and gas client list includes HPCL - Mittal, Gail, GSPL, IOC, BORL, Bharat Petroleum and Reliance Industries to name a few.

Railways

In its growth strategy, the Company further expanded its operations by foraying into the railway EPC business in 2010. KPTL's approach in this competitive business is to participate in domestic and international markets by utilising its expertise in project management, engineering and construction experience amalgamated with strong technical and financial support.

The solutions provided include new track laying, track renewal & gauge conversion and Overhead Electrification (OHE). KPTL also works on Signaling & Telecommunication (S&T), bridges and associated civil work pertaining to stations, platform building and traction substations. The Company is also gearing up to cater to the Dedicated Freight Corridor (DFC) opportunities.



Agri-logistics

Shree Shubham Logistics Ltd. (SSLL), a subsidiary of KPTL is focused on developing state-of-the-art agri-logistic parks in strategic locations across the country. The key objective is to offer one-stop solutions to all the intermediaries, farmers, corporates etc. KPTL is developing multi-function facilities equipped with ambient temperature warehousing, cold storage, processing units, auction yard, weigh bridges and other support amenities. Through this, KPTL aims to offer end-to-end logistics solutions with a pan-India presence.

Currently, SSLL manages a storage capacity of around 600 thousand MTs and expects to grow this to around 1.3 million MTs in the next 2 to 3 years.



Civil Construction

In line with KPTL's growth plans in the infrastructure sector, the Company through its subsidiary JMC Projects (India) Ltd. has established leadership presence in the civil construction space. JMC Projects is one of the leading players in the field of civil construction of buildings, industrial structures and infrastructure projects like roads, bridges, railways, water pipelines, metro projects etc across the country. With a track record of over two decades JMC Projects is well known for its high quality, timely deliveries and high customer satisfaction.

This strategic alliance entails tremendous benefits in terms of future business growth, given the magnitude of opportunities in the infrastructure and civil construction sector in the time to come.

With a focused strategy to grow in synergistic lines of business and to strategically expand geographic presence into important international markets of infrastructure growth, KPTL has built a repository of strengths that shall enable the Company to grab a large pie of available opportunities, going forward.



Delivered Consistent Results

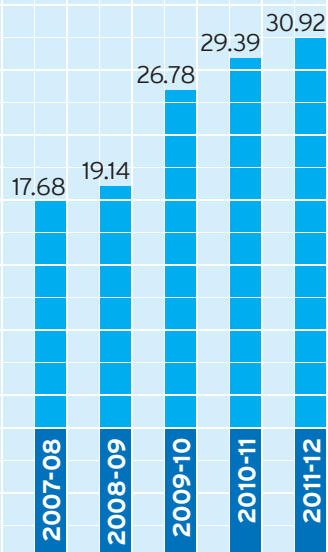
Standalone	₹ billion					USD million
	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12
Production in MTs	79,531	93,484	* 121,483	* 127,055	* 127,331	* 127,331
Gross Revenue	17.68	19.14	26.78	29.39	30.92	604.42
Sales Growth	12.8%	8.2%	40.0%	9.7%	5.2%	5.2%
International Revenue	5.01	5.19	11.58	9.70	9.10	177.89
Total Expenditure	15.30	17.08	23.75	26.03	27.70	541.48
Operating Profit (PBDIT & other income)	2.39	2.06	3.04	3.36	3.22	62.94
Other Income	0.21	0.31	0.35	0.47	0.51	9.98
Interest / Finance Cost	0.37	0.88	0.73	0.80	1.01	19.74
Profit before depreciation & tax (PBDT)	2.23	1.48	2.66	3.03	2.72	53.18
Depreciation and amortization	0.22	0.27	0.38	0.46	0.48	9.38
Profit before Tax	2.02	1.21	2.28	2.57	2.24	43.80
Provision for Taxation (Incl. FBT & Deferred Tax)	0.52	0.26	0.57	0.66	0.59	11.53
Profit after Tax (PAT)	1.50	0.94	1.70	1.91	1.65	32.27
Profit before Tax & Interest on Term Loans	2.08	1.34	2.44	2.74	2.43	47.52
Equity Share Capital	0.27	0.27	0.27	0.31	0.31	6.00
Net Worth (excluding Revaluation Reserve & Debenture Redemption Reserve)	7.67	8.33	9.76	15.71	17.17	335.64
Total Borrowings	3.26	6.54	6.04	4.46	4.47	87.38
Capital Employed (Net Worth + Term Borrowings)	8.38	9.68	11.57	17.27	19.27	376.69
Debt Equity Ratio (Total)	0.43:1	0.79:1	0.62:1	0.29:1	0.28:1	0.28:1
Book Value Per Equity Share (₹) (excluding Revaluation Reserve & Debenture Redemption Reserve)	57.90	62.90	73.67	102.37	111.89	2.19
Earnings per Equity Share (₹)	11.32	7.13	12.86	12.58	10.75	\$ 0.21
Operating Profit	13.5%	10.7%	11.3%	11.4%	10.4%	10.4%
Profit before Tax	11.3%	6.2%	8.4%	8.6%	7.1%	7.1%
Profit after Tax	8.4%	4.9%	6.3%	6.4%	5.3%	5.3%
Order Book at year end	23.57	43.70	50.15	55.00	61.00	1,192.42
Consolidated						
Gross Revenue	27.05	32.77	40.43	44.23	53.67	1,049.13
Profit after Tax (PAT)	1.65	1.11	1.78	1.99	1.89	36.95
Earnings per Equity Share (₹)	12.44	8.37	13.41	13.13	12.29	\$ 0.24
Consolidated Order Book at year end	44.42	65.70	76.86	96.50	117.00	2,267.55

* The quantity includes production, on jobwork basis and purchased from/got processed from third parties.

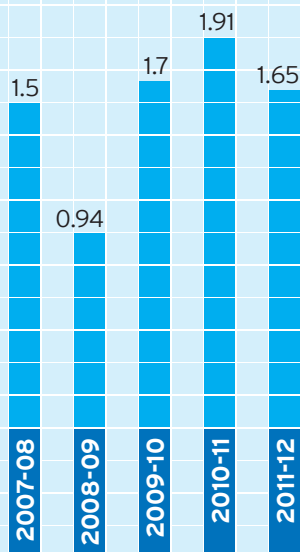
1 USD = ₹ 51.1565

Standalone

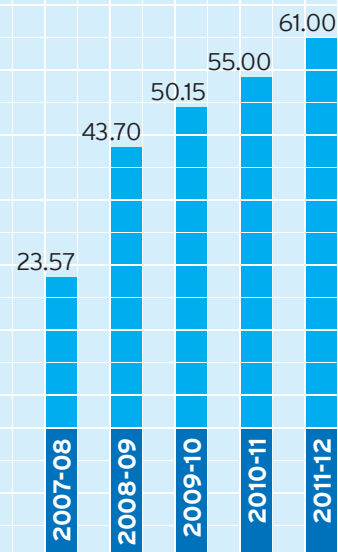
Gross revenues (₹ billion)



PAT (₹ billion)

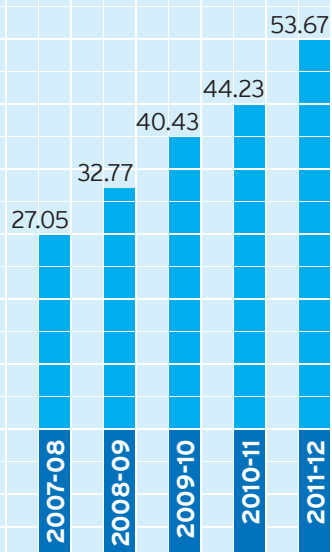


Order Book (₹ billion)

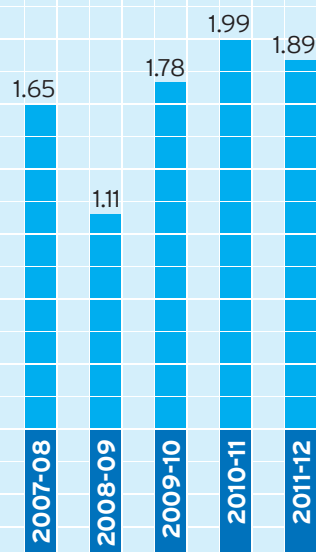


Consolidated

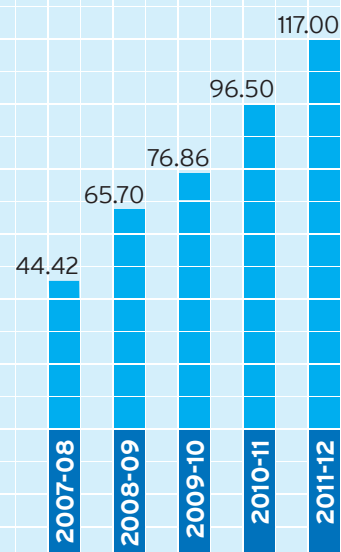
Gross revenues (₹ billion)



PAT (₹ billion)



Order Book (₹ billion)



Beyond Business

The Company strives towards maintaining a fine balance between growth and societal development and believes in the philosophy of “giving back to the society”. With an aim of overall development of the society, the Company has initiated various Corporate Social Responsibility and welfare activities. It has set up a trust called “Kalpataru Welfare Trust” for the benefit of the employees and society at large.



The focus areas include:

- Health
- Community Development and Services
- Education
- Sports
- Wild Life Conservation
- Environment

Driving its health focus is “Kalpa-Seva Arogya Kendra” - a multi-specialty dispensary, for the economically weaker sections of the society. This dispensary is equipped with ultra-modern facilities like x-ray, sonography, dental and latest equipment in pathological laboratory facilitates catering to the medical needs of the people. The dispensary also has eminent personalities from the medical fraternity of Gandhinagar rendering true professional, ethical, and selfless services.

As a part of its CSR initiatives, the Company also initiated bringing awareness on “save the tiger” movement.

Further, KPTL's efforts in going beyond business were recognised by International Pipe Line & Offshore Corporation Association and the Company was awarded the runner up 2011 Corporate Social Responsibility Award in recognition of exemplary success in voluntarily improving the quality of life for the local community and society at large.

Directors' Report

TO,

THE MEMBERS,

Your Directors have pleasure to present the 31st ANNUAL REPORT on the business and operations of your company together with the Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

(₹ in billion)

	2011-2012	2010-2011
Total Revenue	31.43	29.85
Profit before Depreciation	2.72	3.03
Less: Depreciation	0.48	0.46
Profit before Tax	2.24	2.57
Less: Provision for Tax including Deferred Tax	0.59	0.66
Net Profit after Tax	1.65	1.91
Add: Surplus brought forward from previous year	6.13	4.87
Profit available for appropriation:	7.78	6.78
APPROPRIATIONS :		
Transfer to General Reserve	0.30	0.30
Transfer to Debenture Redemption Reserve	0.07	0.09
Proposed Dividend on Equity Shares	0.23	0.23
Corporate Tax on Proposed Dividend	0.03	0.03
Balance carried to Balance Sheet	7.15	6.13
TOTAL	7.78	6.78

DIVIDEND

Your Directors are also pleased to recommend dividend for the year ended March 31, 2012 @ ₹ 1.50 (75%) per equity share of ₹2 each considering overall profitability and growth of Company.

FINANCIAL & OPERATIONS REVIEW

The gross revenue of the Company grew by 5.3% to ₹ 31.43 billion (USD 614 million) as against ₹ 29.85 billion (USD 584 million) in the previous year. Total Export Turnover (including overseas projects) was ₹ 9.10 billion (USD 178 million) or

approx.29% of revenues in 2011-12.

The net profit for the year stood at ₹ 1.65 billion (USD 32 million) as against ₹ 1.91 billion (USD 37 million) in 2010-11.

Your company has supplied 130,903 MTs of Transmission Line Towers as against 129,217 MTs in preceding year, which is higher by 1.3%.

Your company has an order book of over ₹ 61 billion (USD 1.17 billion) excluding fairly placed bids.

Having 108,000 MTs of production capacity at Gandhinagar, Gujarat, your company has planned to expand its capacity by further 30,000 MTs by creating ultra modern state of the art manufacturing capacity near Raipur in the state of Chhattisgarh to cater the demand in eastern and southern region of India having promising market going forward. It is expected to achieve the Commercial Production by October, 2012.

Transmission BOOT Project

Company has successfully completed and commissioned its first transmission BOOT project in the month of March, 2012, which was under SPV namely, Jhajjar KT Transco Pvt. Ltd. It is first state level DBFOT project, which is completed by your company in joint venture.

The project was completed in record time of 15 months, overcoming all site level execution challenges. SPV has initial concession period of 25 years with an options of extension for another 10 years. The SPV will receive terminal value equivalent to 30 months revenue i.e. approx. ₹ 1.35 billion at the end of 25th year of concession period in case the concession period does not get extended to 35 years.

SUBSIDIARIES

JMC Projects (India) Ltd. & its subsidiaries (JMC):

JMC has reported consolidated revenue of ₹ 20.83 billion (USD 407 million) as against ₹ 13.83 billion (USD 270 million), which is 51% higher than the previous year. Profit before tax as well as profit after tax stood at ₹ 576 million and ₹ 452 million as against ₹ 476 million and ₹ 355 million respectively.

JMC is executing 2 DBFOT basis road project for NHAI and also in receipt of two more DBFOT basis projects during reporting period which are 1. BOT Road project from Nagpur to Wainganga on Toll basis in Maharashtra for NHAI & 2. BOT Road project - 4 Laning of Rewa- MP /UP Border on NH7 Road in Madhya Pradesh for NHAI

JMC has a strong order book exceeding ₹ 56 billion (USD 1.09 billion). The company has invested ₹ 2.19 billion and holds 67.19% stake in JMC.

Shree Shubham Logistics Ltd (SSLL):

In reporting period, SSLL has achieved a turnover of ₹ 2.04 billion as against ₹ 1.36 billion, registering a growth of 49%. SSLL reported profit of ₹ 32 million as against ₹ 24 million.

SSLL has done financial closure of its 2nd phase of expansion in Rajasthan, Madhya Pradesh and Maharashtra at cost of around ₹ 2.80 billion, which is expected to be over by June, 2013.

At the year end, investment of your company in SSLL was ₹ 1.35 billion as equity shares, preference share capital and loan. SSLL is an 85% Subsidiary of your company.

Energylink (India) Ltd (ELL):

ELL plans to foray into real estate business and for which EIL has 100% subsidiary named, Saicharan Properties Limited which has land to implement commercial cum retail project in Indore. This project is expected to commence construction in 2013.

At the year end, investment of your company in ELL was ₹ 1.53 billion as capital and loan. ELL is a Wholly Owned Subsidiary of your company.

Amber Real Estate Ltd. (Amber):

Amber is in process of creating leasing space for IT/Software Technology park at Thane, Mumbai is expected to be completed by June, 2012. At year end, investment of your company in Amber was ₹ 523 million as capital and loan and it is a Wholly Owned Subsidiary of your company.

Adeshwar Infrabuild Ltd. (Adeshwar):

Adeshwar was incorporated as wholly owned subsidiary to venture into new areas of business which can be conveniently or advantageously run by company in the coming years which may include mining, cement etc. At the year end, investment of your company in Adeshwar was ₹ 2.55 million as capital and loan. It is a Wholly Owned Subsidiary of your company.

Jhajjar Power Transmission Private Ltd.(JPTPL)

JPTPL was incorporated as a subsidiary company for doing transmission project on BOOT, BOOM, DBFOT basis. At the year end, investment in JPTPL was ₹ 0.51 lacs as share capital. JPTPL is an 51% subsidiary of your company.

Kalpataru Power Transmission-USA, INC.

This company was incorporated as a 100% subsidiary of your company to increase its focus on American markets with local presence. Total income of the company for the year was ₹ 117 million with profit of ₹ 1.08 million. Your company has invested ₹ 22.8 million as capital and loan in this company.

Kalpataru SA (Proprietary) Ltd.:

This Company was formed in South Africa to bid for EPC Power Transmission jobs in South Africa. During the year, this Company become wholly owned subsidiary of your Company

on purchase of shares from erstwhile JV partner. Your company made investment of ₹ 6.4 million towards equity capital and other expenses.

Kalpataru Power Transmission Nigeria Ltd.:

This Company was incorporated as a 100% subsidiary of your Company to explore the Power Transmission market in Nigeria. Your company made an investment of ₹ 7.6 million towards equity capital and loan.

Kalpataru Power Transmission (Mauritius) Ltd.(KPTML):

This Company is a 100% subsidiary, in which your Company has invested ₹ 17 million as capital and loan.

During the year, this Company has incorporated a 100% wholly owned subsidiary in Dubai, namely Kalpataru Power JLT in DMCC of UAE, in which KPTML has invested ₹ 14 million as capital and loan.

Kalpataru Power Transmission Netherland International BV:

This company is incorporated as 100% subsidiary of your Company, in which your company has invested ₹ 1.2.million as capital and loan.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, Directors based on representations received from Operating Management, confirm:

- (i) That in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards had been followed;
- (ii) That Directors had 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 of the company for the year;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts for the financial year ended March 31, 2012 on a "going concern" basis.

Corporate Governance

As per Clause 49 of listing agreement with the Stock Exchanges, a separate section on Corporate Governance and Management Discussion and Analysis, confirming compliance is set out in Annexure forming part of this report.

Your company has been practicing principles of good corporate governance over the years. Your Board of Directors

supports broad principles of corporate governance. In addition to basic governance issues, Board lays strong emphasis on transparency, accountability and integrity.

DIRECTORS

In accordance with provisions of the Companies Act, 1956 and the Articles of Association of your company, Mr. Vimal Bhandari, Mr. Narayan Seshadri, Mr. Parag Munot are liable to retire by rotation at ensuing Annual General Meeting and being eligible they have offered themselves for re-appointment.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statements pursuant to Listing Agreement entered into with the Stock Exchanges and prepared in accordance with Accounting Standards prescribed by the Institute of Chartered Accountants of India.

SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies and jointly controlled entities.

AUDITORS AND AUDITORS' REPORT

Board of Directors have recommended appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as auditors of your company who retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

M/s. Deloitte Haskins & Sells, Chartered Accountants have given their consent to act as auditors, if re-appointed. Members are requested to consider their re-appointment. Auditors comments on your company's accounts for year ended March 31, 2012 are self explanatory in nature and do not require any explanation as per provisions of Section 217(3) of the Companies Act, 1956.

COST AUDITORS:

M/s. K.G. Goyal & Associates, Cost Accountants has been appointed as Cost Auditor of the Company in compliance with Central Government's order F. No.52/26/CAB-2010 dtd.

02/05/2011 and 30/06/2011, Notification No.G.S.R.429(E) dtd. 03/06/2011 and Circular No.15/2011 issued by Ministry of Corporate Affairs for conducting cost audit and issuance of compliance report respectively under the provisions of section 233B of the Companies Act, 1956 for the financial year 2011-12.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of employees are required to be set out in Annexure to the Directors' Report. However, as per provisions of Section 219(1) (b)(iv) of the said Act, the Annual Report excluding aforesaid information is being sent to all the Members of company and others entitled thereto. Members who are desirous of obtaining such particulars are requested to write to company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW

Information required under Section 217(1)(e) of the Companies Act, 1956 is annexed hereto and forms part of this Report.

DEPOSITS

Your company has not accepted deposits from the public within provisions of Section 58-A and 58-AA of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the shareholders of the Company, Banks, Financial Institutions, valued Customers, Suppliers, and Business Associates for their support and confidence in the Company.

Your Directors gratefully appreciate the co-operation and assistance extended by various Central and State Governmental Agencies. Your Directors also place on record their appreciation for overwhelming co-operation and assistance extended to your company by its employees.

On behalf of the Board of Directors

Place: Mumbai

Date: May 21, 2012

MOFATRAJ P. MUNOT

CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

Transmission & Distribution Division

Following measures taken by your Company from time to time has helped us maintaining energy consumption at optimum level:

1. Use of Voltage Stabilizer to regulate fluctuations in voltage of the Torrent Power Ltd. supply, which helps to reduce energy consumption and eliminates wastage.
2. Installed capacitors at electrical control panel boards to improve the overall power factor.
3. Implementation of recommendations made by the National Productivity Council while conducting energy audit.
4. Installed differential wound linear regulator, automatic voltage controller with advanced technology for energy saving.
5. Installed PNG Connection, an environment friendly fuel, for galvanizing plant and hot bending machine to conserve the energy.

Our total energy cost is less than 1% of our total turnover, which reflects success of your company's efforts in this direction.

Biomass Energy Division

Following measures taken by your company from time to time has helped us in maintaining the auxiliary consumption at optimum level.

1. Use of energy efficient motors for all auxiliaries of the plant has helped in reduction in Auxiliary consumption.
2. High capacity motors like boiler feed pump motor have been provided with soft Starters (electronic starters) to conserve energy.
3. Variable frequency drives (VFD's) have been provided for majority of continuous running auxiliaries which helps in conserving energy.

B. TECHNOLOGY ABSORPTION:

We have not imported or used any special technology which covered under this disclosure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in billion)

Foreign exchange earnings (including overseas projects)	7.02
Foreign exchange outgo	5.36

Management Discussion and Analysis

I. Economic Scenario

The global economy showcased a challenging operating environment over the last fiscal. This was characterized by Euro zone debt crisis coupled with the rising concerns in the Middle East leading to rising crude oil prices which were fuelled by uncertainties of supply. According to the International Monetary Fund (IMF), the global economy has grown at a modest pace of 3.9% in 2011, as compared to a robust growth of 5.2% in 2010.

This had its impact on the Indian economy as well, after clocking a growth rate of over 8% for the past two years the Indian economy did not grow to its full potential in 2011-12. Several external factors including a likely headwind of double-dip recession in Europe and US, hardening of international crude prices and high inflation resulted in the slowdown of the Indian economy, which resulted in GDP growth rate of 6.5% only for financial year 2012.

The threats to India's economy include a weakening global economy, slow progress on major reforms, depreciation of rupee and soaring inflation.

II. Industry Scenario

Planning Commission of India in its 11th five year plan (fiscal 2007 to 2011) emphasized on development of infrastructure to achieve high levels of economic growth, which accounts for over one-fourth of India's industrial output. The Commission has projected almost twice the investment in infrastructure space at USD 1,025 billion in the 12th five year plan, compared to USD 514 billion in the 11th five year plan of which 50% is expected to come from private sector, as against 36% in the 11th five year plan.

a. Transmission & Distribution

i. Domestic

Transmission and distribution capacity development need to keep pace with the rising demand for electricity in India. There is a pressing need for transmission and distribution networks to be expanded and strengthened and new technologies like smart grids needs to be implemented to deliver energy more efficiently and reliably.

During the 12th five year plan, inter-regional transmission capacity of 37,800 MW has been planned. This would include addition of 110,000 circuit kilometers (CKM) of transmission lines, 13,000 MW of HVDC terminal capacities and 270,000 MVA of AC transformation capacities. It requires an investment of ₹ 6,400 billion in the T&D space, which is a growth of 42% over the previous plan. This includes an investment of ₹ 2,400 billion in transmission lines, which is a growth of 71% over the previous plan. It includes planned investments from PGCIL of around ₹ 1,000 billion and a similar quantum is expected to be invested by the state transmission companies and ₹ 400 billion of investments could be expected from private players. Typically, 65% of the transmission investment flows into tower package and the remaining 35% into sub-stations, which brings in immense opportunities for transmission EPC players offering end to end solutions in the sector.

Source: Report of working group of power for 12th plan (GOI, Ministry of Power)

Indian electricity distribution network has more than 200 million consumers, one of the highest in the world. Though generation and transmission capacities have increased distribution is an area of concern with increasing gap in demand and supply with peak demand deficit is in excess of 10%. To address deficiencies in distribution, Government continues to focus on rural electrification with special schemes and increase in fund allocation.

Private sector participation in T&D sector is inevitable with such large requirement for investments. Various projects are getting executed under the PPP model.

ii. Global

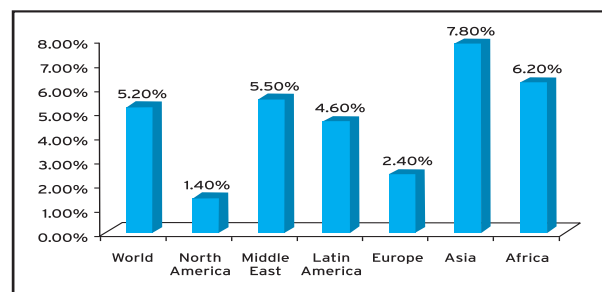
Countries across the globe are planning significant investment in their T&D network. The world's electricity generation capacity has been increased by about 22.8% during 2005 to 2010, which would lead to increased investments in T&D segments. In the developed economies, the focus has been on modernizing the transmission and distribution infrastructure and to integrate the decentralized renewable energy resources into the grid.

In the Middle East, rapid economic and population growth has led to a increase in the demand for power, which has necessitated the building of a strong electricity infrastructure to meet the demand.

Africa is largely under-electrified and needs to build transmission network.

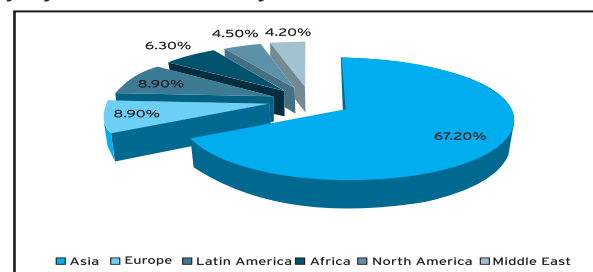
The global transmission sector is estimated to attract investments worth USD 1.5-2 trillion cumulatively worldwide between FY11 and FY30.

The expected growth in transmission line length by region, 2010-15 CAGR (%) as follows:



Source: Global Transmission Research

2011-15 Transmission line length addition by region (%) can be gauged from the following:



Source: Global Transmission Research

Global transmission and distribution, the demand is likely to remain healthy with an expected investment in the range of USD 400 billion in the next 5 years.

b. Oil & Gas

India has around 12,000 kms of gas transmission network and almost equivalent product pipe line network, which is below global standard. With increasing demand from power sector, fertilizer industry and domestic households there is increasing demand supply mismatch. To address the situation, over 20,000 kms of pipeline capacity is planned. According to estimates, the size of offshore pipeline industry in India is in the range of USD 10 billion. According to the International Oil & Gas Journal, USD 19 billion is expected to be invested in Middle East, Africa and South East Asia in the next 5 years.

c. Railways

India's Railway network among the largest and complex in the world, offers tremendous opportunities. Slow pace of reforms, low investment, project delays and populist policies hampered its growth and hindered private investment.

In the recent past there has been renewed focus on modernization and expansion of the rail network. Indian Railways plans to add 700 km of new rail lines in FY 13 at an investment of approximately ₹ 70 billion; ₹ 20 billion on gauge conversion (~ 800 kms); 1,100 route kms is proposed to be electrified and 84 stations and terminals to be modernized with ₹ 11 billion earmarked for improving passenger amenities. A total of 31 projects covering a length of more than 5,000 km in 10 states is being executed with contribution from state governments. India planned to invest USD 147 billion in the railways during the 12th plan period (2012 to 2017). In addition, the Government has increased the scope of public-private participation (PPP) with an estimated ₹ 1220 billion worth of projects to be awarded. This is a huge investment outlined by Government of India and even by the most conservative estimate, presents a huge opportunity.

e. Logistics & Warehousing

India is the third largest agricultural producer and at a time when the country is producing record 250 million MTs of food grains, a large quantity is lost during transportation and storage. An estimated 20% of food grains and 30% of perishables are wasted due to lack of modern storage and processing facilities near production centers. With the agricultural sector accounting for 18% of the GDP and considering that food grains are stored for 4-5 months, there is a large requirement for modern storage with other facilities under one roof encompassing like weighing, processing (cleaning & grading), testing & certification, easy finance against produce.

India has total agri-warehousing capacity of around 91 MMT at present to store and conserve such large quantities with state agencies owning 41% of the capacity and the balance distributed among private entrepreneurs, cooperative societies, farmers, etc. Driven by growth in the agricultural sector and deficit in space the agri-warehousing sector is expected to grow at CAGR of 11% to 110 MMT by FY12.

Shri Shubham Logistics Ltd, our 85% subsidiary has established its name in warehousing and agro commodity business and presently providing warehousing facilities of over 600,000 Mts at various locations in Gujarat

& Rajasthan. With 2nd phase of expansion, capacities would cross 1 Million MTs mark by next year. Company has accredited with ISO 22000:2005 and implemented ERP Software for on time & on line reporting.

Risks, Concerns & Threats

Each enterprise has its own risk, from which it cannot be fully isolated except through proper risk management. In the operations of its business, the Company foresees following areas of risk, concerns and threats:

- Company is exposed to variation in prices of commodities, foreign exchange and interest rate.
- Project execution is largely affected by availability of skilled and unskilled manpower. Hence, deployment, retention and competency growth of employees is vital.
- Company is exposed to risk of delay in execution due to external factors like right of way, obtaining of various approvals in time, etc.
- Company is exposed to unpredicted risk of changes in policies of Government and countries where it operates.
- Bio-mass power generation is exposed to risk of availability and pricing of its critical fuel (agriculture residue/waste) and availability of water.
- Although joint ventures/consortium are formed after proper due diligence, the risk of non performance of other can not be ruled out.
- DBFOT/BOOT projects have their own inherent risk related to execution and finance. Also Company has limited developmental experience and may face risk of operation & maintenance upon their commencement.

These risks are managed by the Company through a proper mix of orders across various countries, timely and adequate hedging of commodity and exchange exposure, optimization of working capital limits and efficient inventory management. The management keeps close watch on global developments and keeps on reviewing the risks and as far as possible mitigating the same with appropriate actions from time to time.

Segment Wise Operational Performance

The Company has four primary business segments: Power Transmission & Distribution, Bio-mass Energy, Infrastructure and Real Estate.

The revenue of company can be divided geographically in two different segments-sales within India and sales outside India. Out of total revenue (Net of Excise Duty) of ₹ 30.33 billion for FY 2012, revenue from India is ₹ 21.23 billion (70%) and revenue from outside India is ₹ 9.10 billion (30%).

Transmission & Distribution Segment (T & D):

Segment's revenue was higher by 4.1% at ₹26.40 billion.

T&D is core business segment of the company, contributing 87% of total revenue of the Company. Division has been performing consistently well and sustaining Company's growth trajectory. and going forward also, it will remain core area for growth.

At the operational level, the following are the major highlights for this segment:

- Production (including outsourced) and dispatches of transmission line towers were at an all-time high of 127,331 MT and 130,903 MT respectively.
- Over 100,000 MT of transmission towers were erected at various domestic and international sites.
- Over 1,600 CKM of stringing work done to connect the grid to

substation or sub-station to sub-station.

- Achieved commercial operation of first transmission BOOT project for Haryana Vidhyut Prasaran Nigham Ltd in joint venture. This is India's first intra state transmission BOOT project on VGF basis.
- Successful foundation lift test for a project in Kenya, which demonstrate the quality and capability of our execution.
- Demonstrated capabilities to work in severe climatic conditions by completing 1st stage work of our first CIS country project for UKRENGO in Ukraine.

The segment has secured following prestigious projects during the reporting period:

- Rehabilitation of 500 kv HVDC transmission line of 1,700 kms and 220 kv SC & DC transmission line of 713 kms from SNEL, D.R Congo, funded by IDA/World Bank. This is second funded project secured in D R Congo.
- Three orders of 765 kv S/C & D/C, 600 kms Power Transmission line in Central India region from PGCIL.
- 400 kv D/C, 39 kms Power Transmission EPC project for Navasari - Boisar from PGCIL, funded by ADB.
- 400 kv D/C, 125 Kms EPC Power Transmission project for Kayathar - Karaikudi from Tamil Nadu Transmission Corporation Ltd (TANTRANSCO).
- First Turnkey, 132 kv, 146 kms power transmission lines project from Ceylon Electricity Board, Sri Lanka, funded by ADB.
- 400 Kv S/C, 112 kms power transmission line project from Eskom Holdings Ltd, South Africa
- Power transmission tower supply orders over 40,000 MT from Australia, Canada and USA.

This business segment has secured orders worth ₹ 30 billion during year. The order book position can be divided into 50:50 for domestic and international. Out of this majority of orders are backed by price escalation clauses which will to a large extent protect us in the present uncertain market conditions.

Green field expansion of 30,000 MT of tower manufacturing capacity at Raipur is progressing as per schedule, which is expected to achieve commercial operation by Q3 FY 2013. This will take Company's total manufacturing to 138,000 MT and Company will become one of the largest tower manufacturer of the globe.

As previously reported, we are being selective on rural distribution business in India given the complexity and size. All existing projects have been completed.

The Company has also made successfully entry into new countries, namely Thailand & Sri Lanka and continues to keep its focus on new markets and territories to expand its presence.

Infrastructure Segment

The year remained challenging for this segment on account of intense competition in domestic market and limited number of tenders in international market.

Company's first Process Plant Contract on EPC basis from Oil India Ltd. worth ₹ 2.76 billion is progressing well and expected to be completed by Q3 FY 2013. During the year a contract for 18", 45 KM Cross country gas pipeline project from Pipavav to Gundala from GSPL was secured.

With competition being intense in core area of expertise, we have geared to enter into the promising work of submarine pipelines, floating production & storage systems, offshore pipeline services, process facilities & plants, fabrication yards, all of which will help

us in expanding our breadth and width in this business. Apart from the domestic market, we are continuously focusing on the overseas market.

Railways EPC contracting business which was started last year, has successfully secured contracts worth over ₹ 6.5 billion since inception under joint ventures/ consortium arrangements and includes contracts worth ₹ 3.60 billion secured in the reporting period.

This segment has achieved revenue growth of 15% at ₹ 3.39 billion as against ₹ 2.95 billion in previous fiscal year.

Bio-mass Energy Segment

Our two power generation plants of 7.8 MW each at Sri Ganganagar and Tonk District of Rajasthan, generating power from non conventional energy resources i.e. using agricultural waste as fuel. The plants have registered revenue of ₹ 533 million during the year as against ₹ 471 million in previous year, recorded a growth of 13%.

Both plants have been running at 93% PLF (excluding shut down) and have generated 103 million units, out of which 93 million units were sold to Rajasthan Vidyut Vitran Nigam Limited (RVVNL). Both plants are earning Certified Emission Reductions (CERs) on usage of agriculture residues and the CERs are being realised time to time after following stringent validation & approval process.

Financial Review

The consolidated revenue of the Company grew at 22%, with total revenue of ₹ 53.08 billion during the year. The consolidated order book of the Company is above ₹ 117 billion.

On a standalone basis, the Company reported net sales and service revenue of ₹ 30.26 billion, a growth of 5% over. Revenue of Power T&D segment grew by 4%, Infrastructure segment grew by 15% and bio-mass energy segment grew by 13%. On a standalone basis, the order book of the Company, as on March 31, 2012, stands at ₹ 61 billion, the break-up of which is as follows: -

- Transmission & Distribution - ₹ 54 billion
- Infra (Pipeline and Railways) - ₹ 7 billion

Exports revenue (including overseas projects) earnings during the year is ₹ 9.10 billion, representing over 30% of your Company's gross revenue.

The Company's profit after tax is at ₹ 1.65 billion as against ₹ 1.91 billion of the previous fiscal. The decline in profits is due to increase in input cost and higher finance cost.

Net fixed assets (including capital work in progress), as at March 31, 2012, is ₹ 4.53 billion as against ₹ 3.74 billion in the previous year, increase of ₹ 0.79 billion, mainly for construction equipments and under construction manufacturing facility at Raipur.

Fund raised through Qualified Institutional Placement (QIP) issue in May 2010, was utilized as per the objects of issue and unutilized funds have been temporarily deployed in mutual funds and Bank deposits. During the year company has raised ECB (External Commercial Borrowings) of US \$ 15 million for ongoing capex, on fully hedged basis.

Net current assets as at March 31, 2012 increased to ₹ 8.32 billion, as against ₹ 7.04 billion in the previous year. Current assets levels of the Company increased mainly on account of increased level of trade receivables due to milestone-based terms of payments.

The total debt/equity ratio currently stands at 0.29. The Company enjoys A1+ and AA rating for its short-term and long-term borrowing from CARE Ltd. and A1+ and AA rating from CRISIL. The Company has sufficient working capital limits to support its growth plan.

Internal Controls

The Company has an adequate system of internal controls implemented by the management towards achieving efficiency in operation, optimum utilization of the Company's resources and effective monitoring thereof, and compliance with applicable laws and regulations.

The Company's internal audit department and independent Internal Auditors conduct regular audits to ensure adequacy of internal control systems, adherence to management instructions and compliance with laws and regulations of the country, as well as to suggest improvements.

Audit plans, internal/external auditors' observations and recommendations, significant risk areas assessments and adequacy of internal controls are also periodically reviewed by the Audit Committee.

The Company has implemented global ERP system - SAP, to have better internal control systems and flow of information. Further, the Company has also adhered to the stringent rules and regulations of ISO guideline.

Corporate Social Responsibility

Safety

Company lays utmost importance to safety standards at all its working locations. At manufacturing units, power plants and all project sites, necessary procedures are in place to ensure safety of personnel and equipments. To ensure safety and health of work force and create awareness, company undertakes the following activities.

- a. Internal safety audits
- b. Safety week celebration to create awareness about safety
- c. Mock drills to access emergency / disaster management preparedness, etc.

Environment

Preservation and promotion of environment is of fundamental concern in all our business activities. The Company has installed flux regeneration plant, acid and white fume extractors, eco-ventilator fans, etc at its manufacturing facilities to maintain good working condition and to make it more environmental friendly. As per specific requirement of customers, company has started fumigation of its export supplies and dull finishing of products to avoid reflection when it is installed at site. The Company is also engaged in green area development for Gujarat Industrial Development Corporation (GIDC) and Gujarat Government.

The Company has been accredited with ISO 14001 for Environment Management Systems by Intertek Quality Registrar, PLC, U.K., for its Export Oriented Unit (EOU) Division.

Community Development

As a good corporate citizen, the Company undertakes various community welfare measures and environment friendly initiatives. The Company's social welfare and community development measures are focused on healthcare, child development and promotion of cultural activities.

The Company undertakes community development initiatives by sponsoring the various programs of government and non-government organizations such as Rotary Club of Gandhinagar, Gandhinagar Cultural Forum, Kalrav etc. in fields of healthcare, child development, cultural activities, youth development, women empowerment, medical check-up camp in nearby areas. Every year Company co-sponsor grand Garba celebration - a 9 night cultural dance program under the banner of Gujarat Cultural Forum, which

is being enjoyed by over 50,000 people across all culture.

Kalpataru Seva Kendra, a multi-specialty medical facility with ultra-modern facilities provides consultancy and routine health check-up facilities at almost free of cost with medicines. Over 100 patients benefits from this facility on daily basis. We are thankful to all well-known doctors of Gandhinagar, who are providing these services on honorary basis.

Company has organized several medical health check-up camps for economically weaker sections of the society, which has benefited to over 3,000 people

Company has also adopted 35 government schools in nearby area of Gandhinagar to conduct one time medical check-up of students in association with a social organization, under which more than 4,000 students got benefited and their individual medical reports were submitted to the State Government.

On social front, spouses of employees are always remain ahead to ensure that the bonding of family members made more strong and for which Ladies wing - Inner Circle organizes various welfare, entertaining and educative programs for ladies and children of staff which include sports days, movie show, medical check-up, outside educative visit, summer camps and many more such activities.

Our state of art training centre - "Kalpa Vriksh Learning Centre" is yielding desired results in line with our objectives. As Corporate, it has become our back bone and it is supporting us well by catering the organizational need by training and developing young generation as well as existing employees.

Company has entered into MOU with Government of Gujarat to train and develop young generation for their service oriented career. Under this, Company has selected a first batch of 25 young graduates to train them for commercial, accounting & stores fundamentals, under the guidance of Center for Entrepreneur Development and gave them training of almost 2 months with an aim to captivate them for various functions of organization.

Human resources

Human resources continued to be one of the biggest assets of the Company. Recruiting the best talent, motivating and retaining them and ensuring their development is a foremost challenge in today's business environment. The Company focuses on building an expert talent base by grooming existing talent as well as fresh recruits from reputed professional institutions in a variety of areas to enable them to take on positions of greater responsibility. The Company firmly recognizes that its human resources are the major source of strength to achieve its vision. There is a great team spirit amongst the member of staff. They are keys to achieving corporate objectives and are the primary source of competitive advantage. The company has strong workforce of around 2,000 people as on 31st March 2012.

Cautionary Statement

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forwarded looking within the meaning of applicable securities, law and regulations. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of subsequent event or development. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations affecting selling price of finished goods, input availability and price, changes in government regulations, tax laws, economic development within and outside the country and other factors such as litigation and industrial relations.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy of corporate governance stems from its belief of transparency, integrity and accountability towards all stockholders. Corporate Governance helps to achieve excellence to enhance stakeholders' value by focusing on long-term stakeholder value creation without compromising on integrity, social obligations and regulatory compliances.

At Kalpataru Power, our continuous endeavor is to achieve good governance, by way of a conscious and conscientious effort whereby ensuring the truth, transparency, accountability and responsibility in all our dealings with our employees, stakeholders, consumers and the community at large.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards.

We, at Kalpataru Power, believe that the constant effort to improve operational performance, guided by our values, forms the basis for good Corporate Governance. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation and integrity.

I. BOARD OF DIRECTORS

A. Composition of the Board

The Board of directors consists of 10 Directors as on March 31, 2012 of which 8 are Non-Executive Directors and 2 are Executive Directors. The Chairman is a Non-Executive Promoter Director, apart from him there is 1 Promoter Director and 5 Non-Executive Independent Directors. The Board structure is in compliance with Clause 49 of the Listing Agreement.

B. Meetings of Board of Directors

6 Board Meetings were held during the year ended on March 31, 2012 and the gap between any two meetings has not exceeded four months. The dates on which the Board Meetings were held are May 14, 2011, July 29, 2011, September 28, 2011, October 22, 2011, February 8, 2012 and March 26, 2012.

C. Directors' attendance and Directorships held

The names and category of Directors on the Board, their attendance at the Board meetings held during the year and also at the last Annual General Meeting, the number of Directorships and Committee Memberships and Chairmanships held by them in other companies are given below:

Name of the Directors	Category	Attendance at		No. of Directorships and Committee Memberships / Chairmanship (Other than Kalpataru Power Transmission Ltd.)**		
		Board Meetings	Last AGM	Directorship#	Committee Chairmanship	Committee Membership
Mr. Mofatraj P. Munot	Non - Executive (Promoter) Chairman	6	Yes	69	-	-
Mr. Pankaj Sachdeva	Managing Director	5	Yes	1	-	-
Mr. Parag M. Munot	Non - Executive (Promoter)	5	Yes	73	-	1
Mr. Manish Mohnot	Executive Director	5	Yes	8	-	-
Mr. Sajjanraj Mehta	Non - Executive (Independent)	6	Yes	2	1	1
Mr. Vimal Bhandari	Non - Executive (Independent)	6	Yes	10	3	3

Name of the Directors	Category	Attendance at		No. of Directorships and Committee Memberships / Chairmanship (Other than Kalpataru Power Transmission Ltd.)**		
		Board Meetings	Last AGM	Directorship#	Committee Chairmanship	Committee Membership
Mr. Narayan Seshadri	Non - Executive (Independent)	5	Yes	13	5	3
Mr. Mahendra G. Punatar	Non - Executive (Independent)	5	No	1	-	1
Mr. K. V. Mani	Non - Executive	5	No	-	-	-
Mr. S. P. Talwar	Non - Executive (Independent)	6	Yes	12	4	5

**Represent Memberships / Chairmanships of Audit Committee and Shareholders' Grievance Committee only.

Including Private Limited Companies.

None of the Directors of Board is a member of more than 10 Committees and no Director is the Chairman of more than 5 committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

D. Code of Conduct

The Board has laid down code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.kalpatarupower.com.

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director / Chief Executive Officer (CEO) has been obtained.

II. Audit Committee:

The Company has complied with the requirements of Clause 49 (II) (A) of the Listing Agreement relating to composition of Audit Committee.

The terms of reference of the Audit Committee are broadly as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor/s and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

- Reviewing the adequacy of internal audit function, if any, 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 regarding any significant findings and follow up there on.
- 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 statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue and preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in the matter.
- Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

The Audit Committee comprises of 5 Non-Executive Directors out of which 4 are independent directors. The Committee met 4 times during the year on May 14, 2011, July 29, 2011, October 22, 2011 and February 8, 2012 and the attendance of members at the meetings were as follows :

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Sajjanraj Mehta	Non Executive-Independent	Chairman	4 / 4
Mr. Mofatraj P. Munot	Non Executive-Promoter	Member	4 / 4
Mr. Vimal Bhandari	Non Executive-Independent	Member	4 / 4
Mr. Narayan K. Seshadri	Non Executive-Independent	Member	3 / 4
Mr. Mahendra G. Punatar	Non Executive-Independent	Member	3 / 4

The President & CFO and Statutory Auditors are regular invitee, and Internal Auditors are invited as and when required. The Company Secretary is the secretary of the committee.

The Audit Committee has reviewed financial condition and results of operations forming part of the management discussion and analysis and other information as mentioned in para II (E) of Clause 49 of the Listing Agreement.

III. Subsidiary Companies:

The company has the following subsidiaries:

1. JMC Projects (India) Ltd. (67.19% Subsidiary), Listed Company
2. Shree Shubham Logistics Ltd. (85.11% Subsidiary)
3. Energylink (India) Ltd. (100% Subsidiary)
4. Amber Real Estate Ltd. (100% Subsidiary)
5. Kalpataru Power Transmission USA INC. (100% Subsidiary)
6. Kalpataru Power Transmission (Mauritius) Ltd. (100% Subsidiary)
7. Kalpataru SA (Proprietary) Ltd. (100% Subsidiary)
8. Kalpataru Power Transmission Nigeria Ltd. (100% Subsidiary)
9. Adeshwar Infrabuild Ltd. (100% Subsidiary)

10. Jhajjar Power Transmission Pvt. Ltd. (51% Subsidiary)
11. Kalpataru Power Transmission International B. V. Netherlands (100% Subsidiary)
12. Kalpataru Power JLT. (a 100% Subsidiary of Kalpataru Power Transmission (Mauritius) Ltd.)
13. Saicharan Properties Ltd. (a 100% Subsidiary of Energylink (India) Ltd.)
14. JMC Mining & Quarries Ltd. (a 100% Subsidiary of JMC Projects (India) Ltd.)
15. Brij Bhoomi Expressway Pvt. Ltd.(a 100% Subsidiary of JMC Projects(India) Ltd.)
16. Wainganga Expressway Pvt. Ltd.(a 100% Subsidiary of JMC Projects(India) Ltd.)

Except JMC Projects (India) Ltd., all other subsidiaries are non-material non listed subsidiaries of the Company. The review of annual financial statement and investments, if any, made by these unlisted subsidiary companies is done by Audit Committee. The minutes of Board Meetings of unlisted subsidiary companies are being placed before the Board of Directors of the Company.

IV. Nomination and Compensation Committee:

Although non mandatory in terms of the listing agreement, the Company has Nomination & Compensation Committee to review, assess and recommend the appointment of executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revision to the Board.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The Components of the total remuneration vary for different cadres and are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

The Committee comprises of 3 Non-Executive Directors.

The Committee met on April 19, 2011 and March 26, 2012 to determine the commission/ incentives of Managing Director & Executive Director and revision of remuneration/promotion of top executives of the Company. The meeting was attended by following members of committee:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Mofatraj P. Munot	Non Executive-Promoter	Chairman	2/2
Mr. Sajjanraj Mehta	Non Executive-Independent	Member	2/2
Mr. Vimal Bhandari	Non Executive-Independent	Member	2/2

Remuneration paid or payable to Directors for the year 2011-012 (₹ In Lacs)

Name of Director	Sitting Fees	Commission	Salary	Contribution to PF	Perquisites	Total
Mr. Pankaj Sachdeva	-	20.00	138.12	11.88	8.80	178.80
Mr. Manish Mohnot	-	155.00	102.00	8.64	0.54	266.18
Mr. K. V. Mani	1.00	90.00	-	-	-	91.00
Mr. Mofatraj P. Munot	1.40	95.00	-	-	-	96.40
Mr. M. G. Punatar	1.15	6.50	-	-	-	7.65
Mr. Parag M. Munot	1.00	5.00	-	-	-	6.00
Mr. Sajjanraj Mehta	1.40	7.50	-	-	-	8.90
Mr. Vimal Bhandari	1.40	6.50	-	-	-	7.90
Mr. Narayan Seshadri	1.15	6.50	-	-	-	7.65
Mr. S. P. Talwar	1.20	5.00	-	-	-	6.20

In terms of agreement/appointment approved by members, commission/incentive to Mr. Pankaj Sachdeva, Managing Director & Mr. Manish Mohnot, Executive Director has been decided by Board of Directors on recommendation of nomination and compensation Committee.

The Board of Directors of the company approved payment of commission during the year to the Director(s) who were not in Whole-Time employment of the company in recognition of their performance during the year 2011-12

not exceeding in aggregate 1% of net profits for the financial year 2011-12, calculated under Section 198 and 309(5) of the Companies Act, after taking into account the qualifications, experience, directorship in other companies having diverse business, time spent on strategic matters and contribution to the company.

Information of Directors as on March 31, 2012 is as under:-

Name	Age	Designation	Date of initial appointment	Nature of employment	Shares held
Mr. Mofatraj P. Munot	67	Chairman	27.06.1989		10,669,130
Mr. K. V. Mani	68	Director	01.06.2009		Nil
Mr. Pankaj Sachdeva	50	Managing Director	09.07.2008	Contractual	Nil
Mr. Manish Mohnot	40	Executive Director	01.11.2006	Contractual	Nil
Mr. Parag M. Munot	42	Director	30.09.1991		10,947,970
Mr. Sajjanraj Mehta	60	Director	25.07.1998		10,000
Mr. Vimal Bhandari	53	Director	28.06.2002		Nil
Mr. Narayan Seshadri	54	Director	29.01.2007		Nil
Mr. S. P. Talwar	72	Director	30.01.2009		Nil
Mr. M. G. Punatar	76	Director	01.06.2009		7,000

The contractual agreements with Managing Director and Executive Director can be terminated by either party giving 3 months prior notice respectively.

There is no pecuniary relationship or transaction of the company with any Non-Executive Director. All related party transaction are disclosed in notes to accounts.

The Company does not pay any severance fee and no stock option is available to the directors.

V. Shareholders' Grievance Committee:

Committee's scope of work is to look into the shareholders' complaints, if any, and to redress the same expeditiously like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. The committees also review the issuance of duplicate share certificates, issue of certificates after split/consolidation/renewal and transmission of shares, done by the Share Transfer Committee.

The Shareholders' Grievance Committee comprises of Mr. K. V. Mani, Mr. Pankaj Sachdeva and Mr. Manish Mohnot. The Committee met two times during the year on October 22, 2011 and March 26, 2012 and the attendance of members at the meetings were as follows :

Name of Member	Capacity	Status	No. of Meetings attended / held
Mr. Pankaj Sachdeva	Managing Director	Chairman	2/2
Mr. K. V. Mani	Director	Member	2/2
Mr. Manish Mohnot	Executive Director	Member	2/2

Mr. Bajrang Ramdharani, Company Secretary is the Compliance Officer.

During the year company has received 8 Complaints which were resolved on time and no complaint remains pending at the year end. The status of complaints is periodically reported to the Committee and Board of Directors in their meetings.

The Board has delegated the powers of approving transfers and transmission of shares, issue of duplicate shares, issue of share certificates after split/consolidation/renewal and transmission of shares, to a Committee of senior executives. The Committee met 10 times during the year. There were no transfers pending as on March 31, 2012

VI. Disclosures:

I. Management Discussion and Analysis:

Annual Report has a detailed chapter on Management Discussions and Analysis.

II. Basis of Related Party Transaction:

All related party transactions are being placed before Audit Committee. There were no transactions with related parties, which are not on arm's length basis required to be placed before audit committee, together with Management's justification for the same.

For Related Party Transaction refer to Note No. 43 to the Statement of Account contained in separate Standalone Financial Statements in Annual Report of the Company.

Representation from Senior Management personnel has been received confirming no material financial and commercial transactions were entered by he/she or his/her relatives which may have personal interest, that may have a potential conflict with the interest of the Company at large.

III. Accounting treatment

The company has followed accounting treatment as prescribed in Accounting Standard applicable to the company.

IV. Risk Management

The Risk Management Committee is there to ascertain and minimize risk and to take appropriate decisions for regular assessment and minimization of risks. The working of this committee is being periodically reviewed by the Board.

V. Details of non-compliance by the Company

Company has complied with all the requirement of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

SHAREHOLDERS INFORMATION

Re-appointment/ Appointment of Directors:

Mr. Narayan K Seshadri - Independent Director

Chartered Accountant with an experience of 25 years in the field of finance, account, tax and business consulting. Presently, he is the Founder of Tranzmute Capital & Management Private Limited. He does not hold any Equity Shares of the Company.

List of other Directorship	Chairmanship/Membership of Committees of the Board of other Companies
Development Credit Bank Limited	Chairman of Audit Committee
SBI Capital Markets Limited	Member of Audit Committee
PI Industries Limited	Member of Audit Committee
Wabco India Limited	Chairman & Member of Audit Committee
	Chairman & Member of Investor Grievance & Share Transfer Committee
Magma Fincorp Limited	Chairman of Audit Committee
TVS Investments Limited	Chairman of Audit Committee
IRIS Business Services Limited	Member of Audit Committee

Mr. Vimal Bhandari - Independent Director

Chartered Accountant with an experience of more than 25 years in Financial Services sector. He is Managing Director and CEO of Indostar Capital Finance Pvt. Ltd. He does not hold any Equity Shares of the Company.

List of other Directorship	Chairmanship/Membership of Committees of the Board of other Companies
Mirc Electronics Limited	Chairman of Audit Committee
Bayer CropScience Limited	Member of Audit Committee
Patni Computer Systems Limited	Member of Audit Committee
	Member of Shareholders Investors Grievance Committee
The Ratnakar Bank Limited	Chairman of Audit Committee
Piramal Glass Limited	Chairman of Audit Committee

Mr. Parag M Munot – Promoter Director

MBA, Carnegie Mellon University, USA with two decades of experience, is responsible for the group Real Estate and Property Development business. Presently Managing Director of Kalpataru Ltd. He holds 10,947,970 Equity Shares of the Company

List of other Directorship	Chairmanship/Membership of Committees of the Board of other Companies
Kalpataru Limited	Member of Audit Committee

General Body Meeting

The details of last 3 Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Date	Time	Venue
2010-2011	29.07.2011	3.00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2009-2010	29.07.2010	4.30 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2008-2009	29.07.2009	4.30 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar

Special Resolution in Last 3 AGMs

In AGM held on July 29, 2011, No Special Resolution was passed.

In AGM held on July 29, 2010, a Special Resolution was passed to pay commission, not exceeding 1% of the net profits of Company to Non-Executive Directors, for a period of three years commencing from April 1, 2010, as may be determined by the board of directors from time to time under the provision of the Companies Act, 1956.

In AGM dated July 29, 2009 there were three Special Resolutions passed for appointment of Managing Director, change in terms of appointment of Executive Director and Commission to Non-Executive Directors (Other than Promoter Directors).

Postal Ballot

No Postal Ballot was conducted during the year. There is no Resolution which is proposed to be passed through Postal Ballot in the ensuing Annual General Meeting.

Means of Communication

The Company has published its Quarterly Results in Economic Times – English & Gujarati, Business Standard – English and Gandhinagar Samachar – Gujarati daily.

The Results of the Company were displayed on web site www.kalpatarupower.com and the same were also submitted to the Stock Exchanges after the conclusion of the Board Meeting. The official news releases are being placed on Company's website and simultaneously sent to Stock Exchanges where the shares of the Company are listed.

COMPLIANCE

The Company has regularly submitted its quarterly compliance report to the Stock Exchanges for compliance of requirements of corporate governance under Para VI(ii) of Clause-49 of the Listing Agreement.

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement.

ADDITIONAL SHAREHOLDERS INFORMATION

Annual General Meeting, Book Closure & Dividend Payment

The information of forthcoming Annual General Meeting, Book Closure and Dividend payment details have been provided in the Notice of Annual General Meeting enclosed alongwith this Annual Report and being mailed to all the shareholders separately.

Financial Calendar

Financial Year: 1st April to 31st March

Financial Results:

First Quarter Results	:	by 14th August
Half Year Results	:	by 14th November
Third Quarter Results	:	by 14th February
Annual Results	:	May End

Listing

At present, the equity shares of the Company are listed on the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE).

Name of Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	522287
National Stock Exchange of India Ltd.	KALPATPOWR
ISIN No. (Dematerialized Shares)	INE220B01022

The Company has already paid the listing fees for the year 2011-12 to both the Stock Exchanges.

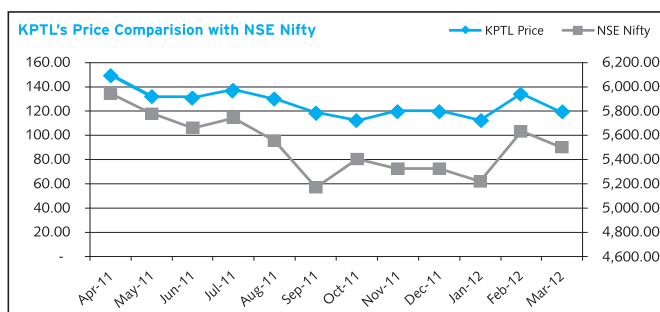
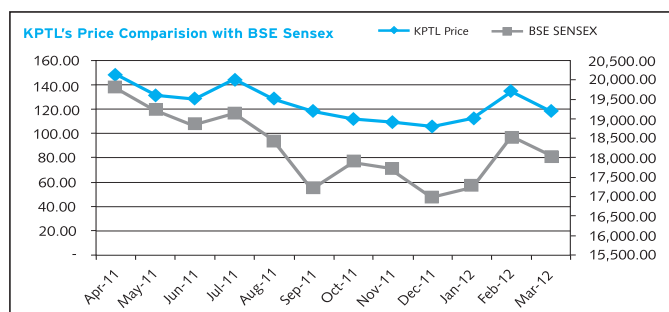
Stock Market Data

Monthly High and Low price of the Company's shares for 2011-2012 on BSE and NSE

Face value of Shares: ₹ 2 each.

The share prices are as under:

Month	Bombay Stock Exchange Ltd.				National Stock Exchange of India Ltd.			
	High Share Price ₹	Low Share Price ₹	Sensex during the Month		High Share Price ₹	Low Share Price ₹	Nifty during the Month	
			High	Low			High	Low
Apr-11	147.90	123.00	19,811.14	18,976.19	149.80	122.55	5,944.45	5,693.25
May-11	131.30	112.00	19,253.87	17,786.13	131.75	114.30	5,775.25	5,328.70
Jun-11	128.40	118.25	18,873.39	17,314.38	131.30	118.90	5,657.90	5,195.90
Jul-11	143.65	124.40	19,131.70	18,131.86	138.00	124.70	5,740.40	5,453.95
Aug-11	129.00	108.00	18,440.07	15,765.53	130.00	108.10	5,551.90	4,720.00
Sep-11	118.50	105.10	17,211.80	15,801.01	118.80	105.50	5,169.25	4,758.85
Oct-11	112.00	97.25	17,908.13	15,745.43	112.50	98.00	5,399.70	4,728.30
Nov-11	110.05	95.50	17,702.26	15,478.69	120.00	97.00	5,326.45	4,639.10
Dec-11	106.00	88.15	17,003.71	15,135.86	105.45	89.00	5,099.25	4,531.15
Jan-12	112.50	91.05	17,258.97	15,358.02	112.40	90.50	5,217.00	4,588.05
Feb-12	134.30	102.25	18,523.78	17,061.55	134.35	101.60	5,629.95	5,159.00
Mar-12	118.50	99.15	18,040.69	16,920.61	118.90	98.65	5,499.40	5,135.95



Distribution of Shareholding: (As on March 31, 2012)

No. of Shares of ₹ 2 each	Shareholders		No. of Share Held	
	Number	% of Total	Number	% of Total
Upto – 500	20,083	86.00	2,398,187	1.56
501 – 1000	1,982	8.49	1,769,661	1.15
1001 – 2000	560	2.40	894,168	0.58
2001 – 3000	204	0.87	526,200	0.34
3001 – 4000	105	0.45	390,741	0.26
4001 – 5000	70	0.30	332,261	0.22
5001 – 10000	130	0.56	956,865	0.62
10001 – And Above	219	0.94	146,192,487	95.26
TOTAL	25,353	100	153,460,570	100

Shareholding Pattern as on March 31, 2012

Sr. No.	Category	No. of Shares held	% of Shares held
A	Promoter & Promoter Group Share Holding :		
	Indian	85,351,326	55.62
	Foreign	300,000	0.20
B	Public Share Holding :		
	1. Institutional :		
	Mutual Funds & UTI	18,175,625	11.84
	Banks, Financial Inst.	506,615	0.33
	Venture Capital Fund	7,195,000	4.69
	Insurance Companies	9,598,297	6.25
	FII's	18,248,028	11.89
	Foreign Financial Institution	1,000	0.00
	Turster	23,463	0.02
	2. Non-Institutional :		
	Private Corporate Bodies	4,182,700	2.73
	NRIs / OCBs	876,479	0.57
	Indian Public	8,758,800	5.71
	Clearing Members	243,237	0.16
	TOTAL	153,460,570	100

*Out of above, Promoters & promoter group have pledged 37,475,000 Equity Shares constituting 43.75% of their holding in the Company and 24.42% of total equity of the Company.

Dematerialization of Shares and Liquidity

99.50% Shares are in demat form as on March 31, 2012

Outstanding GDRs/ADRs/Warrants/Options

The Company has No GDRs/ADRs/Warrants/Options outstanding as on March 31, 2012

Registrar & Transfer Agent

For Physical Mode & Depository Mode:

Link Intime India Private Limited
303 3rd Floor, Shoppers` s Plaza - 5
Near 5 Government Society
Opp - Municipal Market, C G Road
Navrangpura, Ahmedabad - 380009
Tel. & Fax: 91 79 26465179

Share Transfer System

Shareholders/Investors are requested to send share transfer related documents directly to our RTA whose address is given at the beginning of this section. A Committee of executives of the Company is authorised to approve transfer of shares. If the transfer documents are in order, the transfer of share(s) is registered within 15 days of receipt of transfer documents by our RTA.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Clause 47 (c) of the Listing Agreement of the Stock Exchanges. These certificates have been submitted to the Stock Exchanges. The Company has also carried out Quarterly Secretarial Audit for the reconciliation of Share Capital as required under SEBI circular No.16 dated December 31, 2002.

Plant Location

<u>Main Plant & Registered Office</u> (Address for Correspondence) Plot No.101, Part III, G.I.D.C. Estate, Sector - 28 GANDHINAGAR - 382 028 Tel : 079 - 23214000, Fax : 079- 23211966 & 68	<u>EOU Plant</u> Plot No. A-4/1, A-4/2, A-5, G.I.D.C. Electronic Estate, Sector - 25, Gandhinagar - 382 025 Tel.: 079-23214400 Fax : 079-23287215	<u>R & D Centre</u> Punadara Village Near Talod Dam Taluka - Prantij Dist. Sabarkatha (Gujarat) Tel : 02770- 255414
<u>Corporate Office</u> "Kalpataru Synergy" 7 th Floor, Opp. Grand Hyatt Hotel, Vakola, Santa Cruz (East), Mumbai - 400 055 Tel.: 022 - 30645000, Fax: 022 - 30643131	<u>Biomass Energy Division (Power Plant)</u> 1) 27BB, Tehsil Padampur, Dist. Sri Ganganagar (Rajasthan) Tel. : 0154 - 2473725, Fax : 0154 -2473724 2) Near Village Khatoli, Tehsil Uniara, Dist. Tonk, Rajasthan - 304 024 Tel.: 01436 - 260665, Fax.: 01436 - 260666	

Declaration

All Board members and senior management personnel have, for the year ended March 31, 2012 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

For **Kalpataru Power Transmission Limited**

Date: May 21, 2012
Place: Mumbai

Pankaj Sachdeva
Chief Executive Officer
Managing Director

CEO/CFO Certificate

Board of Directors

Kalpataru Power Transmission Limited

We, Pankaj Sachdeva, Managing Director and Kamal Jain, Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2012 and:
 - (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 together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transaction entered into by the Company during the years which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : May 21, 2012

Pankaj Sachdeva
Managing Director

Kamal Jain
Chief Financial Officer

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members of

Kalpataru Power Transmission Ltd.

We have examined the compliance of the conditions of Corporate Governance by Kalpataru Power Transmission Limited ('the Company') for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)

Partner

Membership No. 35701

Place: Mumbai

Date: May 21, 2012



Auditors' Report

TO
THE MEMBERS OF
KALPATARU POWER TRANSMISSION LIMITED

1. We have audited the attached Balance Sheet of **KALPATARU POWER TRANSMISSION LIMITED** ("the Company") as at March 31, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. 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, (CARO), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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 such books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, and subject to third party confirmations, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No 117365W)

Gaurav J. Shah

Partner
(Membership No. 35701)

Place: Mumbai

Date: May 21, 2012

Annexure to the Auditors' Report

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

1. In respect of its fixed assets :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, the assets have been physically verified by the management in accordance with a phased program of verification of its fixed assets adopted by the Company which, in our opinion, is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventory :

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has given loans to two companies. In respect of said loans the maximum amount involved during the year is ₹ 15,175.93 lacs and the year end balance is ₹ 15,175.93 lacs.
- (b) In our opinion, the rate of interest and other terms and conditions of the loans given by the Company are not prima facie prejudicial to the interest of the Company.
- (c) The said parties have been regular in the payment of principal and interest as per stipulation, if any.
- (d) In respect of the said loans and interest thereon, there are no overdue amounts.
- (e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal controls in respect of these areas.

5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance

of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the internal audit functions carried out during the year by firm(s) of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
9. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below:

Sr. No	Name of the statute	Nature of dues	Year	Amount (₹ In Lacs)	Forum where dispute is pending
1.	Finance Act, 1994	Service Tax	2003-04 & 2004-05	1,759.48	Customs, Excise and Service Tax Appellate Tribunal
		Penalty for Input service tax	2006-07	1.01	Commissioner (Appeals)
2.	Madhya Pradesh Entry Tax Act, 1976	Entry Tax	2005-06	6.54	Joint Commissioner (Appeals), Commercial Taxes
3.	Rajasthan VAT Act, 2003	VAT	2004-05	6.36	Deputy Commissioner, Commercial Taxes (Appeals)
4.	West Bengal VAT Act, 2003	VAT	2004-05	12.33	West Bengal VAT Appellate Tribunal
5.	Chattisgarh VAT Act,	VAT	2005-06	9.77	Assessing Officer
6.	West Bengal VAT Act, 2003	VAT	2008-09	192.73	Joint Commissioner (Appeals)
7.	Andhra Pradesh VAT Act, 2005	VAT	2006-07	10.56	Deputy Commissioner, Commercial Taxes
8.	Bihar VAT Act, 2005	VAT	2004-05, 2005-06, 2007-08, 2008-09 & 2011-12	109.56	Deputy Commissioner, Commercial Taxes
9.	Haryana VAT Act, 2003	VAT	2005-06 & 2006-07	19.27	Deputy Commissioner (Appeals)
			2007-08	37.38	Joint Commissioner (Appeals)

10. There are no accumulated losses of the Company as at March 31, 2012. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debentures holders.
12. The Company has not granted any loans or advances on the basis of security, by way of pledge of shares, debentures and other securities.
13. As per the information and explanations given to us, the Company is not a chit fund or nidhi mutual benefit fund/Society, therefore, the provisions of para 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. As per the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of para 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the letter of comfort given by the Company for loans taken by Company's subsidiary from banks are not prima facie prejudicial to the interests of the Company.
16. According to the information and explanations given to us, in our opinion, the term loans raised during the year have been applied for the purposes for which they were raised.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. We have verified the end use of money raised through Qualified Institutional Placement (QIP), as disclosed in note 40 to the Notes on Financial Statement. Pending utilisation of the funds raised through QIP, a sum of ₹ 9,500 lacs have been temporarily deployed in mutual funds and fixed deposit with banks.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during year.

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No 117365W)

Gaurav J. Shah

Partner
(Membership No. 35701)

Place: Mumbai

Date: May 21, 2012

Balance Sheet as at 31st March, 2012

(₹ in Lacs)

	Note	As at 31st March 2012		As at 31st March 2011	
EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	1	3,069.21	174,290.85	3,069.21	159,107.49
(b) Reserves and Surplus	2	171,221.64		156,038.28	
Non-Current Liabilities					
(a) Long Term Borrowings	3	20,961.55	28,226.55	15,617.02	22,066.84
(b) Deferred Tax Liabilities (Net)	4	981.51		1,066.51	
(c) Other Long Term Liabilities	5	95.10		82.38	
(d) Long Term Provisions	6	6,188.39		5,300.93	
Current Liabilities					
(a) Short Term Borrowings	7	23,656.78	187,575.93	29,033.48	167,410.74
(b) Trade Payables	8	104,847.80		89,425.77	
(c) Other Current Liabilities	9	51,159.40		39,297.53	
(d) Short Term Provisions	10	7,911.95		9,653.96	
TOTAL			390,093.33		348,585.07
ASSETS					
Non-current assets					
(a) Fixed assets	11		119,328.53		110,785.13
(i) Tangible assets		38,914.84		35,396.41	
(ii) Intangible assets		458.27		539.43	
(iii) Capital work-in-progress		5,914.93		1,462.59	
(b) Non-current Investments	12	32,879.57		29,933.43	
(c) Long Term Loans and Advances	13	35,259.27		36,431.19	
(d) Other Non-Current Assets	14	5,901.65		7,022.08	
Current Assets					
(a) Current Investments	15	7,613.97	270,764.80	9,624.54	237,799.94
(b) Inventories	16	32,115.49		24,103.72	
(c) Trade Receivables	17	151,338.65		134,826.50	
(d) Cash and Bank Balances	18	10,339.66		14,425.62	
(e) Short-Term Loans and Advances	19	29,942.06		12,991.86	
(f) Other Current Assets	20	39,414.97		41,827.70	
TOTAL			390,093.33		348,585.07
Significant Accounting Policies					
Notes to Financial Statement		1 to 52			

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner
(M. No. 35701)

MUMBAI : May 21, 2012

Kamal Jain
President & CFO

Bajrang Ramdharani
Company Secretary

For and on behalf of the Board

Pankaj Sachdeva
Managing Director

Manish Mohnot
Executive Director

MUMBAI : May 21, 2012

Statement of Profit and Loss

for the year ended 31st March, 2012

(₹ in Lacs)

	Note	2011 - 2012		2010 - 2011	
INCOME					
Revenue from Operations - Gross	21	309,219.20		293,856.57	
Less: Excise Duty		5,948.01		6,038.67	
Revenue from Operations - Net			303,271.19		287,817.90
Other Income	22		5,118.33		4,695.25
TOTAL REVENUE			308,389.52		292,513.15
EXPENSES					
Cost of Materials Consumed	23		148,857.98		127,679.63
(Increase) / Decrease in Stocks	24		1,434.16		1,254.15
Employee Benefit Expenses	25		17,023.11		18,706.01
Other Expenses	26		103,031.24		105,831.82
Financial costs	27		10,824.86		8,790.92
Depreciation and Amortization Expense	45		4,809.74		4,592.67
TOTAL EXPENSES			285,981.09		266,855.20
Profit Before Tax			22,408.43		25,657.95
Tax Expenses					
Current Tax			6,650.00		6,943.00
Excess Provision in prior year			(647.38)		-
Deferred Tax			(85.00)		(341.32)
Net Profit for the year			16,490.81		19,056.27
Earnings per Equity Share of ₹ 2 each					
Basic and Diluted (₹)	46		10.75		12.58
Significant Accounting Policies Notes to Financial Statement	1 to 52				

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner
(M. No. 35701)

MUMBAI : May 21, 2012

Kamal Jain
President & CFO

Bajrang Ramdharani
Company Secretary

For and on behalf of the Board

Pankaj Sachdeva
Managing Director

Manish Mohnot
Executive Director

MUMBAI : May 21, 2012

Cash Flow Statement

for the year ended 31st March 2012

(₹ in Lacs)

	2011-12	2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit for the year before tax	22,408.43	25,657.95
Adjustments for :		
Depreciation	4,809.74	4,592.66
Interest Paid	9,301.29	8,491.01
Dividend Received	(818.54)	(1,142.37)
Interest Received	(3,936.61)	(3,004.46)
Loss / (Profit) on sale of assets	21.23	(31.45)
Foreign Currency Translation Difference	836.68	(27.70)
Unrealised Foreign Exchange (gain) / Loss (net)	1,637.56	679.51
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	34,259.78	35,215.15
Adjustments for:		
Trade and Other Receivables	(27,161.64)	(23,125.57)
Inventories	(8,011.77)	2,788.41
Trade Payables	22,837.16	19,919.49
CASH GENERATED FROM OPERATIONS	21,923.53	34,797.48
Income Tax Paid	(6,307.20)	(6,540.97)
NET CASH FLOW FROM OPERATING ACTIVITIES	15,616.33	28,256.51
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(7,754.79)	(8,352.73)
Sale of Fixed Assets	85.29	236.29
Investment in Shares of Joint Venture	(1,500.00)	(3,815.00)
Investment in Mutual Funds	2,010.58	(9,624.55)
Investment in Subsidiaries	(1,446.14)	(13,467.02)
Loans to Subsidiaries and Joint Ventures	(2,311.98)	(1,954.98)
Interest Received on Loans	512.53	371.96
Dividend Received	818.54	1,142.37
Deposits with Banks	7,789.45	(9,500.00)
Balance under Lien with Banks	(337.93)	5.80
CASH USED IN INVESTING ACTIVITIES	(2,134.44)	(44,957.86)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceed from Issue of Equity Shares (net of issue expenses)	-	43,914.24
Proceed from Term Borrowings	7,989.89	213.85
Repayment of Term Loan	(715.97)	(2,088.75)
Short Term Borrowings	(5,614.98)	(13,104.78)
Interest Paid	(9,138.27)	(8,360.19)
Dividend Paid	(2,301.91)	(2,301.91)
Corporate Dividend Tax	(335.09)	(326.84)
CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(10,116.33)	17,945.62
D. NET INCREASE IN CASH AND CASH EQUIVALENTS	3,365.56	1,244.27
E. Opening Cash and Cash Equivalents	4,583.55	3,339.28
F. Closing Cash and Cash Equivalents	7,949.11	4,583.55
NOTES :	As at	As at
	31st March 2012	31st March 2011
Cash and Cash Equivalents		
Cash and Bank Balance (Note 18)	10,339.66	14,425.62
Deposits with Banks	(1,710.55)	(9,500.00)
Lien with Banks	(680.00)	(342.07)
Cash and Cash Equivalents as per Cash Flow Statement	7,949.11	4,583.55

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner
(M. No. 35701)

MUMBAI : May 21 , 2012

Kamal Jain
President & CFO

Bajrang Ramdharani
Company Secretary

For and on behalf of the Board

Pankaj Sachdeva
Managing Director

Manish Mohnot
Executive Director

MUMBAI : May 21 , 2012

Significant Accounting Policies

A. Basis of preparation of Financial Statement

The Financial Statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. Use of Estimates:

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Fixed Assets:

Fixed assets are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

D. Depreciation:

Depreciation is provided on the basis of straight-line method on all depreciable fixed assets at the rates prescribed in Schedule -XIV of the Companies Act, 1956, on pro-rata basis except:

- Depreciation pertaining to assets of Research and Development Centre and of the Export Oriented Unit is provided on the basis of written down value method.
- Depreciation on plant and machinery of bio-mass energy plants is provided at a higher rate at 7.5% instead of the prescribed rate for continuous process plant considering the useful life of plant supported by technical evaluation and report.
- In case of revalued assets, the difference between the depreciation based on revalued cost and the depreciation charged on historical cost is recouped out of revaluation reserve.
- Depreciation on assets of overseas projects is provided at the rates as per the requirement of laws of respective foreign countries. Such rates of depreciation in each overseas project are higher than the depreciation at prescribed rates under Schedule-XIV of the Companies Act, 1956.
- Depreciation on all the vehicles in the Company is provided at a higher rate at 15% instead of the prescribed rate, considering the useful life of vehicles based on technical evaluation of the management.
- Intangible assets are amortized over a period of five years on prorata basis.

E. Impairment of assets:

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with AS-28.

F. Investments:

Long term investments are stated at cost after deducting the provision for diminution in value, if any, other than of a temporary nature. Current investments are stated at lower of cost and fair value.

G. Inventories:

Raw materials, Fuel, Semi finished goods, Finished goods, scraps, construction work in progress, construction and other stores and spares, tools are stated at lower of cost and net estimated realizable value. The cost of inventories is computed on weighted average basis.

H. Revenue Recognition:

- Transmission & Distribution Division:

Sales are recognized on delivery of materials. Sales include excise duty, freight receipts and export benefits but exclude VAT.

Erection and works contract revenue for work completed is recognized on percentage of completion method based on completion of physical proportion of the contract work. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

(ii) Infrastructure Division:

Revenue is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

(iii) Bio-mass Energy Division:

Revenue is recognized on supply of electricity generated to the customer.

(iv) Others

Dividends are recorded when the right to receive payment is established. Interest income is recognized on time proportion basis.

I. Retirement Benefits:

(i) Gratuity liability is provided under a defined benefit plan, under Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary.

(ii) Contribution to Provident Fund, a defined contribution plan is charged to the Profit and Loss Account.

(iii) Provision for leave encashment liability is made on actuarial valuation as at the Balance Sheet date.

(iv) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

J. Excise/Custom Duty:

The liability for excise and custom duty in respect of materials lying in factory/bonded premises is accounted for as and when they are cleared / debonded.

K. Foreign Currency Transactions:

Foreign currency transactions are accounted during the year at the exchange rates prevailing for the month of transaction. Foreign currency assets and liabilities, remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year and difference is adjusted to respective accounts in profit & loss account.

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purpose, premium or discount are amortized as expenses or income over the life of the contract.

Any profit or losses arising on settlement or cancellation of foreign currency forward contracts or options are recognized in profit & loss account for year in which settlement or cancellation takes place.

Translation of overseas jobs / projects of non-integral foreign operations:

a) Assets and liabilities at the rates prevailing at the end of the year.

b) Income and expenses at the exchange rate prevailing for the month of transaction.

c) Resulting exchange differences are accumulated in foreign currency translation reserve account.

L. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

M. Taxes on Income:

a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

c) Deferred tax assets which arise mainly on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

N. Provisions, Contingent Liabilities and Contingent Assets:

i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.

ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Notes on Financial Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	As at 31st March 2012	As at 31st March 2011
1. SHARE CAPITAL		
AUTHORISED :		
175,000,000 (175,000,000) Equity Shares of ₹ 2 each	3,500.00	3,500.00
TOTAL	3,500.00	3,500.00
ISSUED, SUBSCRIBED and PAID-UP:		
153,460,570 (153,460,570) Equity Shares of ₹ 2 each fully paid up	3,069.21	3,069.21
TOTAL	3,069.21	3,069.21

1.1 Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March 2012		As at 31st March 2011	
	Numbers	₹ in Lacs	Numbers	₹ in Lacs
Shares outstanding at the beginning of the year	153,460,570	3,069.21	132,500,000	2,650.00
Add : Shares Issued during the year	-	-	20,960,570	419.21
Shares outstanding at the end of the year	153,460,570	3,069.21	153,460,570	3,069.21

1.2 Nil (54,307,500) Equity shares out of issued, subscribed and paid up capital allotted as fully paid up bonus shares by capitalisation of capital redemption reserve and share premium account during the period of five years immediately preceding the reporting date.

1.3 Details of shareholders holding more than 5% Equity Shares in the Company

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mofatraj P. Munot	10,669,130	6.95	9,820,930	6.40
Parag M. Munot	10,947,970	7.13	10,947,970	7.13
Kalpataru Construction Private Limited	23,350,000	15.22	23,350,000	15.22
K. C. Holding Private Limited	21,142,600	13.78	20,992,000	13.68
Kalpataru Properties Private Limited	13,646,196	8.89	13,375,000	8.72
ICICI Prudential Life Insurance Company	9,137,813	5.95	8,919,410	5.81
ICICI Prudential Child Care Plan - Gift Plan	8,984,709	5.85	-	-

(₹ in Lacs)

	As at 31 March 2012		As at 31 March 2011	
2. RESERVES AND SURPLUS				
REVALUATION RESERVE :				
As per last Balance Sheet	40.77		45.42	
Less: Transferred to Profit and Loss Account	4.65		4.65	
		36.12		40.77
SECURITIES PREMIUM ACCOUNT:				
As per last Balance Sheet	77,942.17		34,447.13	
Add : Premium on Equity shares issued during the year	-		44,612.48	
Less : Share issue expenses	-		1,117.44	
		77,942.17		77,942.17
FOREIGN CURRENCY TRANSLATION RESERVE :				
As per last Balance Sheet	413.34		441.04	
Add : During the year	1,315.60		(27.70)	
		1,728.94		413.34
DEBENTURES REDEMPTION RESERVE :				
As per last Balance Sheet	2,000.00		1,150.00	
Add : Transferred from Profit and Loss Account	650.00		850.00	
		2,650.00		2,000.00
GENERAL RESERVE :				
As per last Balance Sheet	14,333.02		11,333.02	
Add : Transferred from Profit and Loss Account	3,000.00		3,000.00	
		17,333.02		14,333.02
PROFIT AND LOSS :				
As per last Balance Sheet	61,308.98		48,739.71	
Net Profit after Tax During the year	16,490.81		19,056.27	
	77,799.79		67,795.98	
Less: Appropriations				
Proposed Dividend on Equity Shares	2,301.91		2,301.91	
[Dividend per Share ₹ 1.50 (Previous year ₹ 1.50)]				
Corporate Tax on Proposed Dividend	316.49		335.09	
Transfer to Debentures Redemption Reserve	650.00		850.00	
Transfer to General Reserve	3,000.00		3,000.00	
		71,531.39		61,308.98
TOTAL		171,221.64		156,038.28

(₹ in Lacs)

	As at 31 March 2012		As at 31 March 2011	
	Non-Current	Current	Non-Current	Current
3. LONG TERM BORROWINGS				
Secured				
Non-Convertible Redeemable Debentures	13,250.00	1,750.00	15,000.00	-
Term Loans				
Foreign Currency Loans				
From Banks	7,375.50	565.16	493.27	493.28
Rupee Loans				
From NBFC	196.72	155.05	-	-
From Banks	139.33	123.26	123.75	98.92
Amount disclosed under the head Others Current				
Liabilities (Note 9)		(2,593.47)		(592.20)
TOTAL	20,961.55	-	15,617.02	-

3.1 Details of Secured Non-Convertible Redeemable Debentures:

Face Value per Debentures (₹)	Redemption Profile	Amount ₹ Lacs	Interest	Date of Allotment
100,000	Redeemable at face value in 3 equal annual instalments at the end of 5th, 6th & 7th Year starting from 26.12.2013	8,000.00	12.50% p.a. payable annually	December 26, 2008
1,000,000	Redeemable at face value in 3 instalments - 25% each at the end of 3rd year and 4th year and 50% at the end of 5th year starting from 15.07.2012	7,000.00	9.55% p.a. payable semi annually	July 15, 2009

Security:

The debentures are secured by first exclusive charge on movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission & distribution division and infrastructure division of Company to the extent of 1.25 times of NCDs outstanding.

3.2 Foreign Currency Loans:

Loan Amount ₹ in Lacs	Security	Interest	Repayment Terms
565.16	Secured by charge over all the movable and immovable Plant and Machineries of Biomass Power Plant situated at Uniara	3 M \$ Libor + spread	Repayable in 21 equal instalments payable on quarterly basis starting from 04.01.2008
7,375.50	Secured by charge over specific movable fixed assets financed through this loan.	3M \$ Libor + spread	Repayable in 13 equal instalments payable on quarterly basis starting from 21.10.2013

3.3 Rupee Loans:

- Rupee loans from NBFC carries interest of 10.25% p.a. and is repayable in 35 equal monthly instalments along with interest. The loan is secured by hypothecation of specific movable fixed assets of the Company.
- Rupee loans from Bank carries interest in the range of 6.99% - 10.85% p.a. and is repayable in 35 / 36 equal monthly instalments along with interest. The loan is secured by hypothecation of Vehicles.

(₹ in Lacs)

	As at 31st March 2012	As at 31st March 2011
4. DEFERRED TAX LIABILITIES (NET)		
a) Deferred Tax Liability:		
Depreciation	1,328.01	1,249.01
b) Deferred Tax Assets:		
Expenses debited to Profit & Loss account allowable in subsequent years u/s 43 B of I.T. Act	346.50	182.50
Deferred Tax Liability (Net) (a-b)	981.51	1,066.51

4.1 In accordance with the AS-22, 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India, net deferred tax liability is accounted for using applicable current rate of tax.

	As at 31st March 2012	As at 31st March 2011
5. OTHER LONG TERM LIABILITIES		
Deposits	95.10	82.38
TOTAL	95.10	82.38

	As at 31st March 2012	As at 31st March 2011
6. LONG TERM PROVISIONS		
Provision for Employee Benefits	438.88	413.62
Provision for Performance Warranties	5,749.51	4,887.31
TOTAL	6,188.39	5,300.93

	As at 31st March 2012	As at 31st March 2011
7. SHORT TERM BORROWINGS		
Secured		
Working Capital Facilities from Banks	6,619.78	20,082.98
Unsecured		
Loans repayable on demand		
From a Company	-	5,825.56
From Banks	17,037.00	3,124.94
TOTAL	23,656.78	29,033.48

7.1 Working Capital Facilities from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivables and all other movable assets on pari passu basis. Also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission & distribution division and infrastructure division of Company, on which debenture holders have first exclusive charge to the extent of 1.25 times of outstanding NCDs.

	As at 31st March 2012	As at 31st March 2011
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises	4,327.21	2,724.21
Acceptances	20,456.95	22,154.06
Others	80,063.64	64,547.50
TOTAL	104,847.80	89,425.77

8.1 The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the Company. There are no overdue amount.

(₹ in Lacs)

	As at 31st March 2012	As at 31st March 2011
9. OTHER CURRENT LIABILITIES		
Current maturities of Long Term debts (refer note no. 3)	2,593.47	592.20
Interest accrued but not due on borrowings	512.94	362.97
Interest accrued and due on borrowings	78.71	65.66
Unclaimed Dividend *	26.72	23.33
Advance from Customers	42,831.24	34,345.05
Statutory Liabilities	2,331.49	3,394.70
Creditors for Capital Expenditure	2,784.83	513.62
TOTAL	51,159.40	39,297.53

* No amount is due for payment to Investor Education and Protection Fund

	As at 31st March 2012	As at 31st March 2011
10. SHORT TERM PROVISIONS		
Provision for Employee Benefits	115.14	66.42
Others		
Provision for Performance Warranties	5,178.41	6,950.54
Proposed Dividend	2,301.91	2,301.91
Corporate Tax on Proposed Dividend	316.49	335.09
TOTAL	7,911.95	9,653.96

11. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2011	Additions*	Deductions	As at 31st March 2012	As at 1st April 2011	During the Year *	Recouped	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
TANGIBLE ASSETS										
Leasehold Land	2,538.41	-	-	2,538.41	-	-	-	-	2,538.41	2,538.41
Freehold Land	2,717.19	943.36	-	3,660.55	-	-	-	-	3,660.55	2,717.19
Buildings	6,168.01	649.18	-	6,817.19	809.92	167.86	-	977.78	5,839.41	5,358.09
Plant and Equipment	35,816.41	5,132.85	49.18	40,900.08	14,444.17	4,022.64	37.85	18,428.96	22,471.12	21,372.24
Electric Installation	437.01	26.63	-	463.64	150.06	25.73	-	175.79	287.85	286.95
Furniture and Fixtures	1,394.96	403.19	31.21	1,766.94	389.66	113.19	13.53	489.32	1,277.62	1,005.30
Office Equipments	1,770.06	350.79	35.53	2,085.32	807.41	206.79	20.13	994.07	1,091.25	962.65
Vehicles	2,206.37	1,146.40	162.18	3,190.59	1,050.79	491.24	100.07	1,441.96	1,748.63	1,155.58
Total (A)	53,048.42	8,652.40	278.10	61,422.72	17,652.01	5,027.45	171.58	22,507.88	38,914.84	35,396.41
INTANGIBLE ASSETS										
Software (other than internally generated)	806.20	85.85	-	892.05	266.77	167.01	-	433.78	458.27	539.43
Total (B)	806.20	85.85	-	892.05	266.77	167.01	-	433.78	458.27	539.43
Total (A+B)	53,854.62	8,738.25	278.10	62,314.77	17,918.78	5,194.46	171.58	22,941.66	39,373.11	35,935.84
Previous Year	47,125.66	7,022.51	293.55	53,854.62	13,632.72	4,374.77	88.71	17,918.78	35,935.84	33,492.94

* The carrying amount of the gross block and accumulated depreciation thereon pertaining to the Company's non-integral foreign operations have been restated at closing exchange rates of the respective foreign currencies and the resultant effect of ₹ 856.17 lacs (Previous Year ₹ 247.20 lacs) and of ₹ 377.25 lacs (Previous Year ₹ 222.55 lacs) have been included in additions and depreciation for the year respectively.

12. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Name of the Body Corporate	No. of Shares / Units		Amount	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Trade Investments (at Cost)				
(a) Investement in Equity Instruments				
(i) Subsidiary, Quoted, Fully Paid				
JMC Projects (India) Limited	17,548,908	17,548,908	21,923.40	21,923.40
(ii) Subsidiaries, Unquoted, Fully Paid				
Shree Shubham Logistics Limited	35,850,000	23,000,000	3,585.00	2,300.00
Energylink (India) Limited	1,000,000	1,000,000	100.00	100.00
Amber Real Estate Limited	990,000	990,000	99.00	99.00
Adeshwar Infrabuild Limited	50,000	50,000	5.00	5.00
Jhajjar Power Transmission Private Limited	5,099	5,099	0.51	0.51
Kalpataru Power Transmission Netherlands B.V.	18,000	-	11.76	-
Kalpataru Power Transmission (Mauritius) Limited	300,000	11,275	140.78	5.58
Kalpataru Power Transmission (USA) Limited	500,000	500,000	228.17	228.17
Kalpataru SA (pty) Limited, South Africa	500,000	374,500	64.03	49.35
Kalpataru Power Transmission (Nigeria) Limited	10,000,000	10,000,000	31.27	31.27
Gestamp Kalpataru Solar Steel Structures Private Limited (formerly Kalpataru Metfeb Pvt. Ltd.)	-	10,000	-	1.00
(iii) Joint Venture, Unquoted, Fully Paid				
Jhajjar KT Transco Private Limited *	11,264,286	11,264,286	3,815.00	3,815.00
Gestamp Kalpataru Solar Steel Structures Private Limited (formerly Kalpataru Metfeb Pvt. Ltd.)	15,005,000	-	1,500.50	-
(iv) Others, Quoted, Fully Paid				
Power Grid Corporation of India Limited	48,366	48,366	25.15	25.15
(v) Others, Unquoted, Fully Paid				
Transpower Engineering Limited	100	100	0.04	0.04
(b) Investments in Preference Shares				
Subsidiary, Unquoted, Fully Paid				
Shree Shubham Logistics Limited	13,500,000	13,500,000	1,350.00	1,350.00
TOTAL			32,879.61	29,933.47
Less : Provision for dimunition in the value of Investments			0.04	0.04
TOTAL			32,879.57	29,933.43

* 5,893,123 Equity Shares pledged with Banks and Financial Institutions for providing financial assistance to Jhajjar KT Transco Private Limited

Aggregate amount of Quoted Investments	21,948.55	21,948.55
Market Value of Quoted Investments	18,952.48	27,276.37
Aggregate amount of Unquoted Investments	10,931.06	7,984.92

(₹ in Lacs)

	As at 31st March 2012	As at 31st March 2011
13. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	182.16	2,487.78
Security/Earnest Money Deposits	3,844.42	3,785.38
Advance tax (Net of Provisions)	259.50	570.36
Prepaid Expenses	83.87	160.20
Advances recoverable in cash or in kind or for value to be received	2,188.72	5,239.20
Loans and Advances to related parties		
to Subsidiaries	27,876.15	23,414.83
to Joint Venture Company	824.45	773.44
TOTAL	35,259.27	36,431.19
	As at 31st March 2012	As at 31st March 2011
14. OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Long term Trade Receivables	5,901.65	7,022.08
TOTAL	5,901.65	7,022.08

15. CURRENT INVESTMENTS

Name of the Body Corporate	No. of Shares / Units		Amount	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Other Investments (at Cost) (Unquoted)				
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	24,990	-	250.06	-
Birla Sunlife Floating Rate Term Institutional Plan Daily dividend	500,800	-	500.90	-
Birla Sunlife Floating Rate Fund STP - IP - Daily Div.	500,024	-	500.12	-
Birla Sun Life Qtrly.Interval Series -4	-	3,000,000	-	300.00
Birla Sun Life Short Term Opportunities Fund Inst.Weekly Div.	-	3,028,484	-	303.28
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	1,000,000	1,000,000	100.00	100.00
ICICI Pru Floating Rate Plan D-DDR	1,499,213	826,101	1,500.00	826.29
ICICI Pru Interval Fund IV Qtrly Interval Plan B	-	15,000,000	-	1,500.00
ICICI Pru Interval Fund II Qtrly Interval Plan Fund	-	7,000,000	-	700.00
IDFC Cash Fund - Super Inst Plan C - Daily Dividend	25,005	-	250.11	-
JP Morgan India Short Term Income Fund	-	4,030,533	-	403.88
Kotak Quarterly Interval Plan Series 1 -Dividend	-	5,018,353	-	501.98
Kotak Quarterly Interval Plan Series 5 -Dividend	-	15,021,150	-	1,502.11
Kotak Floater Short Term - Daily Dividend	4,944,171	-	500.16	-
Kotak Floater Long Term - Daily Dividend	7,453,236	-	751.27	-
Religare Liquid Fund Super Inst.Daily Dividend	125,784	-	1,258.83	-
Reliance Medium Fund - Daily Dividend Plan	2,933,640	-	501.53	-
Religare Ultra Short Term Fund Inst.Daily Dividend	-	132,388	-	1,326.15
Taurus Ultra Short Term Bond Fund - Super Insti Daily Dividend Plan	99,911	-	1,000.99	-
Taurus Ultra Short Term Bond Fund - SIP	-	26,040	-	260.85
Taurus Fixed Maturity Plan Series E	-	9,000,000	-	900.00
Taurus Short Term Income Fund	-	32,662	-	500.00
Union KBC Dynamic Bond Fund - Dividend Reinvestment	4,999,990	-	500.00	-
UTI-Fixed Income Interval Fund - Monthly Interval Plan	-	4,998,500	-	500.00
TOTAL			7,613.97	9,624.54

(₹ in Lacs)

	As at 31st March 2012	As at 31st March 2011
16. INVENTORIES		
(As verified, valued and certified by management)		
Raw Materials and Components [(including goods in transit ₹ 2,308.93 Lacs (Previous Year ₹ 515.35 Lacs)]	19,253.46	12,707.79
Finished Goods	2,947.57	4,358.57
Semi-finished Goods	2,177.61	2,058.39
Construction and other Stores, Spares and Tools	7,533.74	4,438.41
Construction Work-in-Progress	23.92	316.13
Scrap	179.19	224.43
TOTAL	32,115.49	24,103.72
	As at 31st March 2012	As at 31st March 2011
17. TRADE RECEIVABLES		
(Unsecured and considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	23,345.93	22,048.04
Other debts	127,992.72	112,778.46
TOTAL	151,338.65	134,826.50
	As at 31st March 2012	As at 31st March 2011
18. CASH AND BANK BALANCES		
Cash in hand	159.94	231.01
Balances with Banks		
In Current Accounts	4,262.45	2,597.51
In Fixed Deposit Accounts	3,500.00	1,731.70
Unpaid Dividend Accounts	26.72	23.33
Other Bank Balances		
Balance under lien with bank	-	342.07
Deposits with original maturity more than 3 months but less than 12 months	1,710.55	4,500.00
Deposits with original maturity more than 12 months*	680.00	5,000.00
TOTAL	10,339.66	14,425.62
* includes Deposits under lien with a Bank ₹ 680 Lacs (Previous year Nil)		
	As at 31st March 2012	As at 31st March 2011
19. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	22,846.21	9,019.03
Advance Income Tax and TDS (net of provisions)	2,571.61	1,956.17
Loans to Subsidiaries	1,053.81	261.53
Prepaid Expenses	2,323.16	1,350.45
Security/Earnest Money Deposits	1,147.27	404.68
TOTAL	29,942.06	12,991.86
	As at 31st March 2012	As at 31st March 2011
20. OTHER CURRENT ASSETS		
Accrued Value of work done	39,163.22	41,493.35
Accrued Income	251.75	334.35
TOTAL	39,414.97	41,827.70

(₹ in Lacs)

	2011-12		2010-11	
21. REVENUE FROM OPERATIONS - GROSS				
Sale of Products		204,087.60		188,407.85
Income from Services		100,522.03		101,775.74
Other Operating Income				
Sale of Scrap	4,087.08		3,261.21	
Certified Emission Reduction Receipts	509.99		398.81	
Others	12.50		12.96	
		4,609.57		3,672.98
TOTAL		309,219.20		293,856.57
22. OTHER INCOME				
Interest Income		3,936.61		3,004.46
Dividend from Subsidiaries		350.98		230.80
Dividend from Non Current Investments		0.99		0.73
Dividend from Current Investments		466.57		910.84
Insurance Claims		74.95		68.09
Liabilities Written Back		214.68		210.27
Miscellaneous Income		27.67		13.94
Rent Income		67.11		224.67
Profit/(Loss) on Sale of fixed assets (net)		(21.23)		31.45
TOTAL		5,118.33		4,695.25
23. COST OF MATERIALS CONSUMED				
Raw Materials				
Steel		50,266.41		45,941.21
Zinc		6,935.23		7,033.57
Components & Accessories, etc.		88,445.52		71,792.32
Agricultural Residues		3,210.82		2,912.53
TOTAL		148,857.98		127,679.63
24.(INCREASE) / DECREASE IN STOCKS				
STOCK AT BEGINNING OF THE YEAR				
Finished Goods				
Towers and Steel structures	4,273.83		6,038.60	
Others	84.74		103.62	
	4,358.57		6,142.22	
Semi-finished Goods	2,058.39		1,145.75	
Scrap	224.43		175.30	
Construction Work in Progress	121.06		553.33	
		6,762.45		8,016.60
STOCK AT CLOSE OF THE YEAR				
Finished Goods				
Towers and Steel structures	2,929.30		4,273.83	
Others	18.27		84.74	
	2,947.57		4,358.57	
Semi-finished Goods	2,177.61		2,058.39	
Scrap	179.19		224.43	
Construction Work in Progress	23.92		121.06	
		5,328.29		6,762.45
TOTAL		1,434.16		1,254.15

(₹ in Lacs)

	2011-12		2010-11	
25. EMPLOYEE BENEFIT EXPENSES				
Salaries, Wages, Bonus		15,733.96		17,249.16
Contributions to Provident and Other Funds (includes social security and other benefits for overseas employees)		850.59		925.43
Employees' Welfare Expenses		438.56		531.42
TOTAL		<u>17,023.11</u>		<u>18,706.01</u>
26. OTHER EXPENSES				
Erection and Sub-contracting Expenses		73,466.79		78,850.11
Job charges		2,510.16		2,866.30
Power and Fuel		867.68		683.26
Excise Duty		41.47		184.91
Repairs and Maintenance:				
Plant and Machinery		208.25		191.16
Building		117.84		100.77
Other		61.27		55.12
Freight and Forwarding Expenses		3,690.97		2,496.42
Stores, Spares and Tools Consumed		928.91		1,037.70
Vehicle/ Equipment Running and Hire Charges		380.21		325.44
Testing Expenses		195.00		176.49
Pollution Control Expenses		74.13		73.68
Insurance Charges		1,058.66		1,032.97
Rent		1,489.15		1,662.31
Rates and Taxes		83.53		147.74
Stationery, Printing and Drawing Expenses		256.29		284.72
Telecommunication Expenses		309.37		373.52
Travelling Expenses		1,684.14		1,431.64
Legal and Professional Expenses		1,054.27		870.90
Service Charges		2,657.99		1,989.83
Auditor's Remuneration				
Audit Fees	32.50		42.00	
Company Law Matters	-		0.55	
Taxation Matters	-		5.00	
Other Services & Reports	1.50		37.36	
Reimbursement of Expenses	0.75		0.97	
		<u>34.75</u>		<u>85.88</u>
General Expenses		516.05		420.09
Miscellaneous Expenses		999.36		1,431.77
Taxes and Duties		3,241.22		1,884.97
Bank Commission and Charges		2,399.57		2,488.01
Bad Debts Written Off		4.42		2.30
Balances Written Off		71.29		82.18
Performance Warranties Expenses		1,119.29		3,640.28
Loss by Theft/Damage/Fire		203.57		306.07
Service Tax		2,292.50		1,813.78
(Gain)/Loss on Exchange Rate Variation		719.15		(1,421.65)
Sitting fees and Commission to Non-executive Directors		231.70		263.04
Carbon Credit Expenses		62.29		0.11
TOTAL		<u>103,031.24</u>		<u>105,831.82</u>
27. FINANCIAL COSTS				
Interest		9,301.29		8,491.01
Other Borrowing Costs		737.07		775.96
Add / (Less) : Exchange rate variation		786.50		(476.05)
TOTAL		<u>10,824.86</u>		<u>8,790.92</u>

(₹ in Lacs)

		2011-12		2010-11	
28.	C.I.F. value of Imports:				
	Raw Material	16,415.16		14,586.07	
	Stores, Spares & Tools	256.18		108.48	
	Capital Goods	4,357.77		3,272.15	
29.	Composition of Materials consumed				
	Indigenous	115,729.36	77.74 %	92,007.01	72.06 %
	Imported	33,128.62	22.26 %	35,672.62	27.94 %
	TOTAL	148,857.98	100.00 %	127,679.63	100.00 %
30	Expenditure in foreign currency:				
	Legal, Professional & Consultancy Fees	493.53		211.57	
	Dividend *	4.50		4.50	
	Travelling Expenses	790.82		211.05	
	Service Charges	3732.49		1,961.49	
	Interest	928.10		1,408.09	
	Third country purchases	18,238.72		14,110.14	
	Others	8,384.24		3,696.45	
	* No. of non-resident Shareholder	1		1	
	No. of Equity Shares held by them	300,000		300,000	
31.	Earnings in foreign currencies :				
	Export of goods on FOB basis	58,816.86		59,898.95	
	Services	889.15		1,753.13	
	Overseas Projects Earnings	9,982.68		3,397.16	
	Certified Emission Reduction (CER's)	509.99		398.81	

32. In the opinion of the management the balances shown under trade receivable, accrued value of work done, loans and advances and other assets, whether current or non current, have approximately the same realizable value as shown in the accounts. However, these balances are subject to confirmations.

33. The Management is of the opinion that as at the Balance Sheet date, there are no indications of a material impairment in the value of fixed assets. Hence, the need to provide for an impairment loss does not arise.

34. Financial figures of foreign operations of the company's overseas branches in Philippines, Algeria, Ethiopia, Kenya, Abu Dhabi, Tanzania, Qatar, Kuwait and South Africa have been incorporated on the basis of balance sheets and statement of profit and loss audited locally at the respective branches. In respect of overseas branches in Nepal, Congo and Ukraine, financial statements for the year have been prepared and audited in India.

35. Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

36. The disclosure as to provision for performance warranties is :- (₹ in Lacs)

	2011-2012	2010-2011
Carrying amount at the beginning	11,837.85	9,689.62
Add: Provision/Expenses during the year	2,875.34	
Less : Reversal of Provision on finality of Warrantee & Guarantee	(1,756.05)	
	1,119.29	3,640.28
Less : Utilisation during the year	(2,029.22)	(1,492.05)
Carrying amount at the close	10,927.92	11,837.85

37. Information in accordance with the requirement of the AS-7 issued by the Institute of Chartered Accountants of India as follows:

(₹ in Lacs)

	2011-2012	2010-2011
1. Amount of Contract Revenue Recognized	104,331.57	100,047.22
2. Disclosure in respect of contracts in progress at the Reporting Date		
(i) Contract cost incurred & Recognized Profits less recognized losses upto the reporting date	217,882.93	191,263.43
(ii) Advances Received	17,629.79	12,300.54
(iii) Retentions	11,491.81	15,189.62
3. Due from Customers	21,861.11	28,025.66

38. Erection and subcontracting expenses comprises of: (₹ in Lacs)

	2011-2012	2010-2011
Subcontracting expenses	33,173.38	40,436.70
Construction material and stores and spares consumed	24,346.06	14,922.04
Power and fuel	684.66	2,459.14
Freight and Forwarding Expenses	5,104.44	5,217.94
Vehicle and Equipment Hire Charges	3,760.42	7,648.63
Custom Duty, Clearing & Handling Charges	854.55	2,280.57
Others	2,644.25	5,885.09
Service Charges	2,899.03	-
TOTAL	73,466.79	78,850.11

39. Information as required under Clause 32 of Listing Agreement with Stock Exchanges with regard to loans to subsidiaries having no repayment schedule: (₹ in Lacs)

	2011-2012	Maximum Balance during the year
Shree Shubham Logistics Limited	8,553.81	12,754.53
Energy Link (India) Limited	15,146.55	15,146.55
Amber Real Estate Limited	5,134.12	5,134.12
Kalpataru Power Transmission USA Inc.	0.26	0.26
Kalpataru Power Transmission (Mauritius) Limited	29.38	29.38
Kalpataru Power Transmission Limited, Nigeria	45.33	45.33
Adeshwar Infrabuild Limited	20.50	20.50

40. During the previous year, on May 06, 2010, 41,92,114 equity shares of ₹ 10/- each at a premium of ₹ 1064.20 per share totalling to ₹ 45,031.69 lacs were allotted to the Qualified Institutional Investors under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the purpose of capital expenditure, expansion of manufacturing capacity (transmission line towers), long-term investment in PPP, BOT, BOOT and BOOM projects, development of EPC services, further investment in existing divisions and subsidiaries, working capital and such other purposes as may be permissible under applicable laws and government policies, including strategic initiatives such as investment and/or acquisitions. Pending utilization of the QIP proceeds for the purposes mentioned, have been temporarily invested in fixed deposits with banks and units of mutual funds. The proceeds from the issue have been utilized as follows: (₹ in Lacs)

	2011-2012	2010-2011
Investments in Subsidiary Companies	13,722.43	13,237.43
Investment in Jhajjar KT Transco Private Limited (SPV)	3,814.75	3,814.75
Investment for Raipur Manufacturing Plant	3,407.25	2,483.48
Utilisation in Working Capital	13,472.43	3,931.20
Investments in units of Mutual Funds	7,500.00	9,450.00
Fixed Deposits with Banks	2,000.00	11,000.00
Share Issue Expenses	1,114.83	1,114.83
TOTAL	45,031.69	45,031.69

41. Retirement benefit plans:
a) Defined contribution Plans

The Company made contribution towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 679.75 lacs (Previous Year ₹ 674.64 lacs) for provident fund contributions in the statement of profit & loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined benefit plans

The Company made annual contributions to the Employee's Group Gratuity cash accumulation scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit method as per actuarial valuation carried out at the balance sheet date.

The following tables sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the Company's financial statements as at March 31, 2012.

	(₹ in Lacs)	
	2011-2012	2010-2011
<u>Change in present value of obligations :</u>		
Obligations at beginning of the year	834.42	711.75
Service cost	136.57	138.95
Interest cost	69.09	58.93
Actuarial (gain) / loss	(108.13)	(30.12)
Benefits paid	(60.20)	(45.09)
Obligations at the end of the year	871.75	834.42
<u>Change in Plan assets :</u>		
Fair value of Plan assets at beginning of the year	834.42	638.65
Expected returns on plan assets	82.05	70.56
Actuarial (loss) / gain	(2.20)	(12.74)
Contributions by employer	143.45	183.04
Benefits paid	(60.20)	(45.09)
Fair value of plan assets at end of the year	997.52	834.42
<u>Reconciliation of Present Value of Obligation and the fair value of plan assets :</u>		
Present value of the defined benefit obligation at the end of the year	871.75	834.42
Less: Fair value of plan assets	871.75	834.42
Unfunded status amount of liability recognized in the balance sheet	-	-
<u>Experience Adjustment</u>		
Defined benefit obligation	871.75	834.42
Plan assets	871.75	834.42
Surplus/(deficit)	-	-
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-
<u>Gratuity cost for the year :</u>		
Service Cost	136.57	138.95
Interest Cost	69.09	58.93
Expected return on plan assets	(82.05)	(70.56)
Actuarial (gain) / loss	(105.93)	(17.38)
Net gratuity cost charged to profit & loss	17.68	109.94
<u>Assumptions :</u>		
Discount rate	8.75%	8.28%
Estimated rate of return on plan assets	8.75%	9.25%
Annual increase in salary costs	7.00%	7.00%

42. The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises and equipments, which are operating leases. The aggregate lease rental payable on these leasing arrangements are charged as rent and equipment hire charges in these accounts amounting to ₹ 2,304.07 lacs (previous year ₹ 4,900.38 lacs) These leasing arrangements are for a period not exceeding 5 years and are in most cases renewable by mutual consent, on mutually agreeable terms. Future lease rental payable in respect of assets on lease for not later than 1 year is ₹ 828.32 lacs (previous year ₹ 539.85 lacs) and for later than 1 year but not later than 5 years is ₹ 347.44 lacs (previous year ₹ 374.09 lacs).

43. Related Party disclosure as required by Accounting Standard -18 is as below:

(a) List of Related Parties

i. Subsidiaries

- JMC Projects (India) Limited
- Shree Shubham Logistics Limited
- Energy Link (India) Limited
- Amber Real Estate Limited
- Kalpataru Power Transmission (Mauritius) Limited
- Kalpataru South Africa (Pty) Limited
- Kalpataru Power Transmission Nigeria Limited
- Kalpataru Power Transmission USA INC
- Adeshwar Infrabuild Limited
- Jhajjar Power Transmission Private Limited
- Kalpataru Power Transmission Netherlands BV

ii. Indirect Subsidiaries:

- JMC Mining and Quarries Limited
- Saicharan Properties Limited
- Brij Bhoomi Expressway Private Limited
- Wainganga Expressway Private Limited
- Kalpataru Power JLT

iii Enterprises under significant influence, which are having transaction with Companies:

- Kalpataru Properties Private Limited
- Kalpataru Theatres Private Limited
- Property Solution (India) Private Limited
- P.K. Velu & Co. Private Limited
- Kalpataru Enterprises
- Kalpataru Limited

iv Key Management Personnel:

- Pankaj Sachdeva - Managing Director
- Manish Mohnot - Executive Director

v Individuals having significant influence :

- Mofatraj P. Munot - Promoter Director
- Parag Munot - Promoter Director

vi Joint Ventures :

- Jhajjar KT Transco Private Limited
- Gestamp Kalpataru Solar Steel Structure Private Limited
(Formerly known as : Kalpataru Metfeb Private Limited)

(b) The related party transactions in ordinary course of business are:

(₹ in Lacs)

(i) Transactions during the year with Entities

Particulars	2011-12			2010-11		
	Subsidiaries	Entities having significant influence	Joint Ventures	Subsidiaries	Entities having significant influence	Joint Ventures
Investment in Equity Shares	27,598.92	-	5,315.80	13,467.02	-	3,815.00
Loans given	12,723.68	-	1,494.52	9,595.27	-	765.25
Loans repaid back	10,074.75	-	1,494.52	7,429.44	-	-
Advance given for Flat	-	145.35	-	-	-	-
Advance Received	-	-	-	-	-	4,000.00
Construction of Fixed - Assets	1,398.03	14.89	-	-	-	-
Revenue from Operations	979.80	-	7,724.40	6.48	-	11,466.92
Dividend received	350.98	-	-	230.80	-	-
Interest received	2,894.04	-	147.78	2,291.79	-	9.09
Rent received	6.97	-	0.08	79.10	-	0.05
Reimbursement of Exps. received	4.81	-	335.38	25.10	-	45.67
Job charges paid	162.87	-	-	2,054.78	-	-
Service charges paid	257.28	-	-	110.25	-	-
Rent paid	-	307.58	-	-	286.29	-
Interest paid	14.03	-	-	-	-	57.85
Office expenses	-	-	-	0.62	-	-
Hire charges	27.67	-	-	27.67	-	-
Security Charges	-	1.39	-	-	1.19	-
Reimbursement of expenses	43.37	31.92	-	40.84	96.67	-
(i a) Balances with Entities						
Loans given	28,929.96	-	824.45	23,676.36	-	773.44
Trade Receivables	148.60	-	363.32	3.82	-	1,148.33
Advance from customers	1,839.69	-	-	-	-	1,706.61
Advances given	2.73	145.35	137.90	-	6.64	0.02
Security deposit given	-	3,326.07	-	-	3,326.07	-
Trade Payable	413.74	7.01	-	280.01	9.94	-

(ii) Transactions during the year with Individuals

Particulars	Key Managerial Persons	Individuals having significant influence	Key Managerial Persons	Individuals having significant influence
Salary & Commission	444.99	100.00	419.35	130.00
(ii a) Balances with Individuals				
Liabilities	175.00	100.00	150.00	130.00

44. Segmental Reporting:

(₹ In Lacs)

S.N.	Particulars	Segment					
		T&D	RED	BM	INFRA	Unallocable	Total
(I)	Business Segment						
1	Revenue :						
	Sales & Services	259,972.28 (250,307.24)	- (11.50)	4,814.84 (4,303.95)	33,874.50 (29,522.22)	- (-)	298,661.62 (284,144.91)
	Other Operating Income	4,079.89 (3,254.76)	12.50 (12.96)	517.19 (402.11)	- (3.15)	- (-)	4,609.58 (3,672.98)
	Net Sales/Income from Operation	264,052.17 (253,562.00)	12.50 (24.46)	5,332.03 (4,706.06)	33,874.50 (29,525.38)	- (-)	303,271.20 (287,817.90)
	Add : Other Income	241.23 (297.80)	- (-)	0.83 (2.23)	230.35 (159.75)	4,645.93 (4,235.47)	5,118.34 (4,695.25)
	TOTAL	264,293.40 (253,859.80)	12.50 (24.46)	5,332.86 (4,708.29)	34,104.85 (29,685.13)	4,645.93 (4,235.47)	308,389.54 (292,513.15)
2	Segment Result before Interest	26,324.59	11.00	327.36	1,925.21	4,645.13	33,233.29
	(net off un-allocable expenditure)	(27,146.06)	(22.11)	(322.72)	(2,727.91)	(4,230.07)	(34,448.87)
	Interest						10,824.86 (8,790.92)
	Profit after Interest						22,408.43 (25,657.95)
3	Current Tax						6,650.00 (6,943.00)
4	Deferred Tax						-85.00 (-341.32)
5	Prior Year's Tax						-647.38 (-)
6	Net Profit after Tax						16,490.81 (19,056.27)
7	Segment Asset	256,386.73 (226,775.37)	- (70.43)	8,753.51 (7,978.24)	48,690.55 (29,111.14)	76,262.52 (84,567.52)	390,093.31 (348,502.70)
8	Segment Liability	147,928.97 (119,763.37)	- (27.93)	237.92 (109.00)	16,204.29 (13,501.27)	3,627.44 (10,685.27)	167,998.62 (144,086.84)
	Capital Employed	108,457.76 (107,012.00)	- (42.50)	8,515.59 (7,869.24)	32,486.26 (15,609.87)	72,635.08 (73,882.25)	222,094.69 (204,415.86)
9	Capital Expenditure (Including CWIP)	11,844.97 (7,904.38)	- (-)	331.60 (101.94)	1,014.02 (123.86)	- (-)	13,190.59 (8,130.18)
10	Depreciation	2,924.76 (2,780.41)	0.36 (0.55)	476.90 (475.06)	1,407.51 (1,336.65)	0.22 (-)	4,809.74 (4,592.67)

(II)	Geographical Segment Revenue						
	India	173,045.27 (156,552.88)	12.50 (24.46)	5,332.03 (4,706.06)	33,874.50 (29,525.38)	- -	212,264.30 (190,808.78)
	Outside India	91,006.90 (97,009.12)	- -	- -	- -	- -	91,006.90 (97,009.12)
	TOTAL	264,052.17 (253,562.00)	12.50 (24.46)	5,332.03 (4,706.06)	33,874.50 (29,525.38)	- (-)	303,271.20 (287,817.90)

T & D - Transmission and Distribution; RED - Real Estate; BM - Bio-mass Energy; INFRA - Infrastructure ,

* Figures in bracket represent previous year numbers.

Notes:

Geographical segment considered for disclosure are as follows:

Revenue within India includes sales and services to customers located within India.

Revenue outside India includes sales and services to customers located outside India.

45. Depreciation and Amortisation Expense (₹ in Lacs)

	2011-12	2010-11
Depreciation and Amortisation	4,814.39	4,597.32
Less: Transferred from Revaluation Reserve	4.65	4.65
TOTAL	4,809.74	4,592.67

46. Earnings per Share

	2011-12	2010-11
No. of Equity Shares at the end of the year	153,460,570	153,460,570
Weighted No. of Equity Shares at the end of the year	153,460,570	151,450,652
Profit for calculation of EPS (₹ in Lacs)	16,490.81	19,056.27
Basic and Diluted Earning Per Share	10.75	12.58
Nominal value of Equity Share (₹)	2.00	2.00

47. (1) The Company has entered into consortium with

- JSC Zangas, Russia separately for four gas pipeline projects (i) Vijaipur to Kota, (ii) Panvel to Dabhol (iii) Vijaipur to Dadari and (iv) Dadari-Panipat.
- JMC Projects (India) Limited and G.B. Yadav for railway projects as "KPTL-JMC-Yadav JV".
- GPT Infrastructure Limited for railway projects as "GPT-KPTL JV".

Revenue, expenses, assets and liabilities for contracts awarded to aforesaid consortiums and executed by the Company under work sharing arrangements are recognized on the same basis as similar contracts independently executed by the Company.

- In respect of contract executed in Joint Venture entities, the services rendered to the Joint Venture entities are accounted as revenue for the work done. The detail of Joint Venture entities are as follows:-

Name of the Joint Venture	Share of Interest
Jhajjar KT Transco Private Limited (JKTPL)	49.72%
Gestamp Kalpataru Solar Steel Structures Private Limited (GKSSSPL)	50.00%

- Details of proportionate share in the Assets, Liabilities, Income and Expenditure of the Company in its Joint Venture entities namely are given below (₹ in Lacs)

Particulars	2011-2012	2010-2011
Assets	24,032.70	11,824.84
Liabilities	24,032.70	7,501.69
Income	143.10	-
Expenditure	174.18	-
Capital Commitment	606.23	9,344.01
Contingent Liability	-	745.80

48. The Company entered into derivative contracts including forward contracts to hedge its risk associated with foreign currency fluctuations. Company does not use derivative contracts including forward contracts for speculative purpose.

(a) The particulars of derivatives including forward contracts entered into for hedging purpose outstanding are as under :

Category of Derivative Instruments	Amount of Exposures Hedged	
	March 31, 2012	March 31, 2011
Forward Contracts	122,011.99	104,299.94
Option Contracts	9,193.38	13,013.88
Currency Swaps	5,100.00	3,000.00
Interest Rate Swap	565.16	986.55
Commodity Futures	7,470.26	7,589.58
TOTAL	144,340.79	128,889.95

(b) The Foreign Currency Exposure not hedged by derivative instruments as on March 31, 2012 amounts to ₹ 40,502.91 Lacs (Previous Year - ₹ 19,597.10 Lacs)

49. A sum of ₹ 1,554.85 Lacs is receivable (Previous year ₹ 1,065.54 Lacs) from eligible Certified Emission Reduction (CERs) from Senter Novem, an agency of Government of Netherland & Atmosfair GmbH of Germany, on account of generation of electricity from agricultural residues like mustard husk and cotton sticks at Sri Ganganagar & Tonk Power Plants under the Clean Development Mechanism (CDM) of Kyoto Protocol for preventing environmental degradation. The same have been accounted for at contracted price on accruable basis up to March 31, 2012.

50. Contingent Liabilities in respect of :

	March 31, 2012	March 31, 2011
i) Bank guarantees given by the Company.	466.11	707.52
ii) Claims against Company not acknowledged as debt	407.61	1,625.88
iii) Bonds/Undertaking given by the Company for concessional duty/exemption to customs	1,611.09	1,485.39
iv) Show Cause Notices issued by the Service tax/Entry Tax/ Stamps authority, disputed by the company	42.91	41.63
v) Penalty for delayed payment of Service tax disputed before Appellate authority already stayed unconditionally	1,757.70	1,757.70
vi) Guarantees & Letter of Comfort on behalf of a Subsidiary Company	1000.00	2,053.68
vii) Service-tax /VAT/WCT disputed in Appeals	404.56	474.56
viii) Bills Discounted	7,547.78	10,046.25

(₹ in Lacs)

51.	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed not provided for	4,850.81	610.24

52. The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended March 31, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification.

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells,
Chartered Accountants

Kamal Jain
President & CFO

Pankaj Sachdeva
Managing Director

(Gaurav J. Shah)
Partner
(M. No. 35701)

Bajrang Ramdharani
Company Secretary

Manish Mohnot
Executive Director

MUMBAI : May 21, 2012

MUMBAI : May 21, 2012

Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF KALPATARU POWER TRANSMISSION LIMITED

1. We have audited the attached Consolidated Balance Sheet of Kalpataru Power Transmission Limited ('the Company'), its subsidiaries and jointly controlled entities (collectively referred to as 'the Group') as at March 31, 2012, the Consolidated Profit and Loss account and the Consolidated Cash Flow statement of the Group for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatements. 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 the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint venture entities, whose financial statements reflect total assets of Rs. 247,297.82 lacs as at March 31, 2012, total revenues of Rs. 229,981.33 lacs and net cash inflows amounting to Rs. 2,545.34 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the accounts included in respect of these subsidiaries and joint venture entities, is based solely on the reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 27 -"Financial reporting of interests in Joint Ventures" as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit as aforesaid and on consideration of separate audit reports of other auditors on separate financial statements of its subsidiaries and joint venture entities and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No 117365W)

Gaurav J. Shah

Partner
(Membership No. 35701)

Place: Mumbai
Date: May 21, 2012

Consolidated Balance Sheet

as at 31st March, 2012

(₹ In Lacs)

	Note	As at 31st March 2012		As at 31st March 2011	
EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	1	3,069.21		3,069.21	
(b) Reserves and Surplus	2	182,070.81		161,431.66	
			185,140.02		164,500.87
			12,856.71		11,198.76
Minority Interest					
Non-Current Liabilities					
(a) Long Term Borrowings	3	77,792.02		38,562.41	
(b) Deferred Tax Liabilities (Net)	4	295.43		1,385.73	
(c) Other Long Term Liabilities	5	18,978.79		14,532.52	
(d) Long Term Provisions	6	8,785.49		7,334.55	
			105,851.73		61,815.21
Current Liabilities					
(a) Short Term Borrowings	7	37,792.40		39,367.98	
(b) Trade Payables	8	145,977.74		121,396.00	
(c) Other Current Liabilities	9	75,421.11		63,034.99	
(d) Short Term Provisions	10	8,827.10		11,166.86	
			268,018.35		234,965.83
			571,866.81		472,480.67
TOTAL					
ASSETS					
Goodwill on Consolidation					
			2,016.77		2,016.77
Non-current assets					
(a) Fixed assets	11				
(i) Tangible assets		106,365.95		72,355.71	
(ii) Intangible assets		525.09		580.83	
(iii) Intangible assets under development		24,273.26		4,060.61	
(iv) Capital work-in-progress		18,381.32		28,861.17	
(b) Non-current investments	12	750.64		864.07	
(c) Long term Loans and Advances	13	13,234.99		19,419.67	
(d) Other non-current assets	14	11,210.09		12,575.87	
			174,741.34		138,717.93
Current Assets					
(a) Current investments	15	7,613.97		12,702.16	
(b) Inventories	16	71,776.08		40,354.51	
(c) Trade receivables	17	196,003.71		186,063.10	
(d) Cash and Bank Balances	18	17,198.68		18,739.30	
(e) Short-term loans and advances	19	41,774.87		19,313.64	
(f) Other Current Assets	20	60,741.39		54,573.26	
			395,108.70		331,745.97
			571,866.81		472,480.67
Significant Accounting Policies					
Notes to Financial Statement	1 to 48				

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells,
Chartered Accountants

Kamal Jain
President & CFO

Pankaj Sachdeva
Managing Director

(Gaurav J. Shah)
Partner
(M. No. 35701)

Bajrang Ramdharani
Company Secretary

Manish Mohnot
Executive Director

MUMBAI : May 21, 2012

MUMBAI : May 21, 2012

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2012

(₹ In Lacs)

	Note	2011-12	2010-11
Income			
Revenue from operations-gross	21	536,749.26	442,320.15
Less: Excise Duty paid		5,948.01	6,038.67
Revenue from Operations - Net		530,801.25	436,281.48
Other Income	22	3,325.93	3,127.57
Total Revenue		534,127.18	439,409.05
Expenses:			
Cost of materials consumed	23	246,581.69	182,910.44
(Increase) / Decrease in Stocks	24	(3,989.99)	(1,501.69)
Employee Benefit Expenses	25	32,227.29	31,936.28
Other Expenses	26	205,941.41	176,557.69
Financial costs	27	15,763.07	11,652.46
Depreciation and amortization expense	35	9,858.84	8,796.86
Total Expenses		506,382.31	410,352.04
Profit before tax		27,744.87	29,057.01
Tax expense			
Current tax		9,084.02	8,485.01
Minimum Alternate Tax		91.17	49.46
Less: MAT Credit Entitlement		(91.17)	(49.46)
Excess Provision for Prior Year(s)		(646.43)	1.18
Deferred tax		(1,089.53)	(571.25)
Net Profit for the year		20,396.81	21,142.07
Less: Minority Interest		(1,530.10)	(1,255.68)
Net Profit after Minority Interest		18,866.71	19,886.39
Earnings per Equity Share of ₹ 2 each			
Basic and Diluted (₹)	36	12.29	13.13
Significant Accounting Policies			
Notes to Financial Statement	1 to 48		

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells,
Chartered Accountants

Kamal Jain
President & CFO

Pankaj Sachdeva
Managing Director

(Gaurav J. Shah)
Partner
(M. No. 35701)

Bajrang Ramdharani
Company Secretary

Manish Mohnot
Executive Director

MUMBAI : May 21, 2012

MUMBAI : May 21, 2012

Consolidated Cash Flow Statement

for the year ended 31st March, 2012

(₹ In Lacs)

	INFLOW/(OUTFLOW)	
	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before Taxation, Extraordinary items and Minority Interest	27,744.87	29,057.01
Adjustments for :		
Depreciation	9,858.84	8,796.86
Interest Paid	15,154.69	11,984.72
Dividend Received	(510.22)	(953.01)
Interest Received	(1,607.03)	(1,191.02)
Amortisation of Employees Compensation (ESOP)	(4.02)	62.83
Loss / (Profit) on sale of assets	18.00	(116.31)
Foreign Currency Translation Difference	1,356.80	(29.16)
Unrealised Foreign Exchange (gain) / Loss (net)	1,637.50	650.55
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	53,649.43	48,262.47
Adjustment for:		
Trade and other Receivables	(32,911.31)	(42,886.89)
Inventories	(31,421.58)	(5,507.67)
Trade and other payables	31,701.69	43,313.29
CASH GENERATED FROM OPERATIONS	21,018.23	43,181.20
Income Tax Paid	(8,692.65)	(9,029.30)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	12,325.58	34,151.90
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	12,325.58	34,151.90
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(52,088.15)	(33,758.52)
Sale of fixed assets	790.56	4,211.58
Investments in Mutual Fund	5,088.19	(12,702.16)
Investments in Joint Venture	117.25	(171.29)
Investments in Partnership Firm	(3.81)	(28.84)
Interest Received on Loans & Deposits	1,607.03	1,191.02
Dividend Received	510.22	953.01
Fixed Deposits	7,247.90	(7,633.00)
Inter Corporate Deposits		(104.29)
CASH USED IN INVESTING ACTIVITIES (B)	(36,730.81)	(48,042.49)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceed from Issue of Equity Shares (net of issue expenses)	-	43,928.43
Proceeds from Issuance of Non Convertible Debentures	-	5,000.00
Proceeds from Term Borrowings	52,567.49	7,281.06
Repayment of Term Loan	(6,019.23)	(6,499.54)
Short Term Borrowings	(1,813.86)	(12,600.46)
Interest Paid	(15,154.69)	(11,727.77)
Dividend Paid	(2,301.91)	(2,301.91)
Corporate Dividend Tax	(419.83)	(399.15)
Grant in Aid (Viability Gap Funding)	3,137.59	504.62
Payment (to)/from Minority Shareholders	127.85	(3,755.93)
Share issue expenses	(10.92)	-
CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	30,112.49	19,429.35
D NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	5,707.26	5,538.77
E. Opening Cash and Cash Equivalent	8,659.73	3,120.97
F. Closing Cash and Cash Equivalent	14,366.99	8,659.74
NOTES:	AS AT	AS AT
	31/03/2012	31/03/2011
Cash and Cash Equivalents		
Cash and Bank Balance (Note-18) (Includes margin money, deposit and lien)	17,198.68	18,739.30
Margin Money with Banks	-	(342.08)
Deposits with Banks	(2,831.69)	(9,737.48)
Cash and Cash Equivalent as per Cash Flow Statement	14,366.99	8,659.74

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner
(M. No. 35701)

MUMBAI : May 21, 2012

Kamal Jain
President & CFO

Bajrang Ramdharani
Company Secretary

For and on behalf of the Board

Pankaj Sachdeva
Managing Director

Manish Mohnot
Executive Director

MUMBAI : May 21, 2012

Significant Accounting Policies for Consolidated Accounts

A. Basis of Preparation:

The Consolidated financial statements of Kalpataru Power Transmission Limited, (the Parent) and; its subsidiaries and Joint Controlled Entities (JCE) collectively referred as ('the Group') are prepared in accordance with relevant accounting standards under the historical cost convention except as stated in note C(i). The accounts have been prepared on accrual basis of accountancy in accordance with the accounting principles generally accepted in India.

B. Principles of Consolidation:

The financial statement of the subsidiary companies and jointly controlled entities (JCE) used in the consolidation are drawn upto the same reporting date as of the parent.

The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Parent and its subsidiaries have been combined on line-by-line basis by adding together, the book value of like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.
- (ii) The excess of cost to the Parent of its investments in subsidiary companies over its share of the net assets of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognized as "Goodwill" being an asset in the consolidated financial statements.
- (iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the parent in the subsidiary companies.
- (iv) Interest in Jointly Controlled Entities (JCE) are consolidated proportionately on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses. Unrealised profit / loss on inter company transactions have been eliminated except in two jointly controlled entities which have been reported by not using proportionate consolidation and the share of the profit/loss only from joint venture entities has been accounted for, for the reason, as explained in Note No. 6(ii) of these notes to accounts.

C. Fixed Assets:

- (i) Fixed assets are stated at cost of acquisition / construction / revalued amount less accumulated depreciation less impairment losses, if any.
- (ii) Cost is inclusive of all identifiable expenditure incurred to bring the fixed assets to their working condition for their intended use. When the fixed asset is demolished, disposed off or destroyed, the costs and related depreciation is removed from the books of account and the resultant profit or loss is reflected in the profit and loss account. Direct cost as well as related incidental expenses incurred on assets that are not yet ready for their intended use or not put to use as on the balance sheet date are stated as Capital Work In Progress.
- (iii) All expenditure for capital works in progress viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation and trial run expenditure are shown under Capital Work In Progress (CWIP). These expenses are net of recoveries, claims and income (net of tax), if any, from surplus funds arising out of project specific borrowings.

D. Depreciation:

Depreciation is provided on the basis of straight-line method on all depreciable fixed assets at the rates prescribed in Schedule -XIV of the Companies Act, 1956, on prorata basis except:

- i) Depreciation pertaining to assets of Research & Development Centre, the Export Oriented Unit, mining and quarries, real estate and operating leases are provided on the basis of written down value method.
- ii) Depreciation on plant and machinery of bio-mass energy plants is provided at a higher rate at 7.5% instead of the prescribed rate for continuous process plant considering the useful life of plant supported by technical evaluation and report.
- iii) In case of revalued assets the difference between the depreciation based on revalued cost and the depreciation charged on historical cost is recouped out of revaluation reserve.
- iv) Depreciation on overseas projects' assets are provided at the rates as per the requirement of law of respective

foreign countries and as per such rates, depreciation provided in each overseas project is higher than the depreciation rates prescribed under Schedule-XIV of the Companies Act, 1956.

- v) Deprecation on the vehicles in the group is provided at a higher rate at 15% instead of the prescribed rate, considering the useful life of vehicle based on technical evaluation by the management.
- vi) Considering the useful life based on technical evaluation by the management, higher rate than the prescribed rates are applied on a few shuttering items of machinery at 30%, on office equipments at 12.5% and on few plant and machineries which are acquired on or after 1st October, 2005 at 12.5% .
- vii) Intangible assets are amortized over a period of five years .

E. Revenue Recognition:

- (i) Transmission & Distribution:

Sales are recognized on delivery of materials. Sales includes excise duty, freight receipts and export benefits but excludes VAT.

Erection and Works Contract revenue for work completed are recognized on percentage of completion method based on completion of physical proportion of the contract work. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

- (ii) Real Estate:

Revenue is recognized at the time of transfer of significant risks and rewards of ownership to the buyer on executing agreement for sale and estimated cost of completion against Sales recognized, wherever applicable, is provided for in profit and loss account. Advances received against booking of units are appearing as current liabilities.

- (iii) Bio-mass Energy:

Revenue is recognized on supply of electricity generated to the customer.

- (iv) Infrastructure:

Revenue is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

- (v) Construction:

Running Account Bills for work completed are recognized on percentage of completion method based on completion of physical proportion of the contract work. Income on account of claims and extra item work is recognized to the extent group expects reasonable certainty about receipts or acceptance from the client. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

- (vi) Warehousing:

- a. Revenue from warehousing facility under arrangement with National Collateral Management Services Ltd. (NCMSL) is recognized on the basis of 65% of revenue earned by NCMSL in terms of the agreement of Company with them, as per details provided for warehouse charges earned by them from the Warehouses of the Company.
- b. Revenue from Cold storage and other warehousing facility other than in (a) above is recognized mainly as per prevailing rules and regulations of Local mandi / market, and as per terms of MOU with Rajasthan State Warehousing Corporation (RSWC)for storage of commodities; however at the end of the year revenue, if any remain to be booked is accounted for as accrued income under the accrual system of Accounting.

- (vii) Trading:

Trading Sales are recognized on delivery and includes Export Incentives and excludes VAT.

- (viii) Other income:

Dividends are recorded when the right to receive payment is established. Interest income is recognized on time proportion basis.

F. Inventories:

- (i) Transmission & Distribution:

Raw materials, Fuel, Semi finished goods, Finished goods, scraps, construction work in progress, construction and other stores and spares, tools, are stated at lower of cost and net estimated realizable value. The cost of inventories is computed on weighted average basis.

ii) Construction :

Construction material, stores, spares and tools are valued at lower of cost or net realizable value. Cost includes cost of purchase and other expenses incurred in bringing inventory to their respective present location and condition. Cost is determined using FIFO method of inventory valuation.

Work in progress is valued at lower of cost and net realizable value. In case where work is completed but Running Account bill cannot be raised on client due to contractual conditions, the work in progress is valued at contract rates.

(ii) Trading :

Trading goods are stated at lower of cost and net realizable value. The cost of inventories is computed on FIFO basis.

G. Investments:

Long term investments are stated at cost after deducting the provision for diminution in value, if any, other than of a temporary nature. Current investments are stated at lower of cost or fair value.

H. Retirement Benefits:

- (i) Gratuity liability is provided under a defined benefit plan, under Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary.
- (ii) Contribution to Provident Fund, a defined contribution plan is charged to the Profit and Loss Account.
- (iii) Provision for leave encashment liability is made on actuarial valuation as at the Balance Sheet date.
- (iv) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

I. Excise/Custom Duty:

The liability for excise and custom duty in respect of materials lying in factory/bonded premises is accounted for as and when they are cleared / debonded.

J. Foreign Currency Transactions:

Foreign currency transactions are accounted during the year at the exchange rates prevailing for the month of transaction.

Foreign currency assets and liabilities, remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year and difference is adjusted to respective accounts in profit & loss account.

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purpose, premium or discount are amortized as expenses or income over the life of the contract.

Any profit or losses arising on settlement or cancellation of foreign currency forward contracts or options are recognized in profit & loss account for year in which settlement or cancellation takes place.

Translation of overseas jobs / projects of non-integral foreign operations:

- a) Assets and liabilities at the rates prevailing at the end of the year.
- b) Income and expenses at the exchange rate prevailing for the month of transaction.
- c) Resulting exchange differences are accumulated in foreign currency translation reserve account.

K. Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

L. Impairment of assets:

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with AS-28.

M. Taxes on Income:

- a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.
- c) Deferred tax assets which arise mainly on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

N. Accounting for Project Mobilization expenses:

Expenditure incurred on mobilization and creation of facilities for site is written off in proportion to work done at respective sites so as to absorb such expenditure during the tenure of the contract.

O. Use of Estimates:

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known /materialized.

P. Provisions, Contingent Liabilities and Contingent Assets:

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Notes on Consolidated Financial Statement

for the year ended 31st March, 2012

(₹ In Lacs)

	As at 31st March 2012	As at 31st March 2011
1. SHARE CAPITAL		
AUTHORISED :		
175,000,000 (175,000,000) Equity Shares of ₹ 2 each	3,500.00	3,500.00
TOTAL	3,500.00	3,500.00
ISSUED, SUBSCRIBED and PAID-UP:		
153,460,570 (153,460,570) Equity Shares of ₹ 2 each fully paid up	3,069.21	3,069.21
TOTAL	3,069.21	3,069.21

1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March 2012		As at 31st March 2011	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	153,460,570	3,069.21	132,500,000	2,650.00
Shares Issued during the year	-	-	20,960,570	419.21
Shares outstanding at the end of the year	153,460,570	3,069.21	153,460,570	3,069.21

1.2 Nil (54,307,500) Equity shares out of issued, subscribed and paid up capital allotted as fully paid up bonus shares by capitalization of capital redemption reserve and share premium account during the period of five years immediately preceding the reporting date.

1.3 Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mofatraj P. Munot	10,669,130	6.95	9,820,930	6.40
Parag M. Munot	10,947,970	7.13	10,947,970	7.13
Kalpataru Construction Private Limited	23,350,000	15.22	23,350,000	15.22
K. C. Holding Private Limited	21,142,600	13.78	20,992,000	13.68
Kalpataru Properties Private Limited	13,646,196	8.89	13,375,000	8.72
ICICI Prudential Life Insurance Company	9,137,813	5.95	8,919,410	5.81
ICICI Prudential Child Care Plan - Gift Plan	8,984,709	5.85	-	-

(₹ In Lacs)

	As at 31st March 2012		As at 31st March 2011	
2. RESERVES AND SURPLUS				
REVALUATION RESERVE :				
As per last Balance Sheet	40.77		45.43	
Less: Transferred to Profit and Loss Account	4.65		4.65	
		36.12		40.78
SECURITIES PREMIUM ACCOUNT :				
As per last Balance Sheet	77,923.38		34,414.16	
Add : Premium on Equity shares issued during the year	-		44,639.97	
Less : Share issue expenses	10.92		1,130.75	
Closing Balance		77,912.46		77,923.38
FOREIGN CURRENCY TRANSLATION RESERVE :				
As per last Balance Sheet	405.65		434.81	
Add/(Less) : During the year	1,357.56		(29.16)	
Closing Balance		1,763.21		405.65
DEBENTURES REDEMPTION RESERVE :				
As per last Balance Sheet	2,243.75		1,150.00	
Add : Transferred from Profit and Loss Account	975.00		1,093.75	
Closing Balance		3,218.75		2,243.75
EMPLOYEE SHARE OPTIONS OUTSTANDING :				
Employee share options granted - at the beginning of the year	202.04		202.04	
Less : Deferred Employee Share Compensation	(4.02)		-	
Closing Balance		198.02		202.04
GRANT IN AID (Viability Gap Funding) :				
Opening Balance	504.62		-	
Add: Addition During the Year	3,137.59		504.62	
Closing Balance		3,642.21		504.62
GENERAL RESERVE :				
As per last Balance Sheet	15,412.83		11,962.83	
Add : Transferred from Profit and Loss Account	3,000.00		3,450.00	
Closing Balance		18,412.83		15,412.83
Miscellaneous Expenditure to the extent not written off		(0.20)		(0.28)
PROFIT AND LOSS :				
As per last Balance Sheet	64,698.92		52,050.19	
Opening Ratio Change in P&L A/c.	(0.08)		-	
Net Profit after Tax During the year	18,866.71		19,886.39	
	83,565.55		71,936.58	
Less: Appropriations				
Proposed Dividend on Equity Shares	(2,301.91)		(2,301.91)	
Corporate Tax on Proposed Dividend	(401.23)		(392.03)	
Transfer to Debentures Redemption Reserve	(975.00)		(1,093.75)	
Transfer to General Reserve	(3,000.00)		(3,450.00)	
		76,887.41		64,698.89
TOTAL		182,070.81		161,431.66

(₹ In Lacs)

	As at 31st March 2012		As at 31st March 2011	
	Non-Current	Current	Non-Current	Current
3. LONG TERM BORROWINGS				
Secured				
Non-Convertible Redeemable Debentures	18,250.00	1,750.00	20,000.00	-
Term Loans				
Foreign Currency Loans				
From Banks	12,365.50	565.16	493.28	493.28
Rupee Loans				
From NBFC	6,061.38	704.35	2,564.72	-
From Banks	40,460.22	8,581.94	14,170.09	4,443.31
Unsecured				
Rupee Term Loans				
From Company	365.29	-	365.29	-
Fixed Deposits from Public	289.63	937.25	969.03	211.58
Amount disclosed under the head "Other Current Liabilities" (Note 9)		(12,538.70)		(5,148.17)
TOTAL	77,792.02	-	38,562.41	-

3.1 Details of Secured Non-Convertible Redeemable Debentures:

Non convertible redeemable debentures of Rs 150 crores are secured by first exclusive charge on movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission & distribution division and infrastructure division of Company to the extent of 1.25 times of NCDs outstanding.

Non convertible redeemable debentures of Rs 50 crores are secured by First charge on movable fixed assets of the Company to the extent of 1.25 times of the amount of NCDs in pari passu with consortium term lender Banks and HDFC Bank, and first charge by mortgage of a land at Maharajpura, Kadi, Gujarat.

3.2 Foreign Currency Loans:

External Commercial Borrowings are secured by charge over specific movable and immovable Plant and Machineries finance through this Loan.

3.3 Rupee Loans from banks and NBFCs:-

Details of securities provided are as under:-

1. Secured against hypothecation of specific movable and immovable fixed assets.
2. Secured against Lands, Building, Plant & Machinery created out of term loan and personally guaranteed by two Executive Directors of one of its subsidiary.
3. Secured by:
 - a. first mortgage and charge on all the Borrower's immovable properties, if any, both present and future; save and except the Project Assets.
 - b. a first charge by way of hypothecation of all the Borrower's movable assets; save and except the Project Assets.
 - c. a first charge on Borrower's Receivables save and except the Project Assets
 - d. a first charge over all the Escrow Accounts of the Borrower
 - e. a first charge on all intangibles of the Borrower
 - f. a first charge by way of assignment or otherwise creation of Security Interest in all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in accordance with the provisions of the Substitution Agreement and the Concession Agreement.
 - g. a first charge by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents.
 - h. pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower.

(₹ In Lacs)

	As at 31st March 2012	As at 31st March 2011
4. DEFERRED TAX LIABILITIES (NET)		
a) Deferred Tax Liability:		
Depreciation	2,632.59	2,157.95
b) Deferred Tax Assets:		
Expenses debited to Profit & Loss account allowable in subsequent years u/s 43B, 40(a)(ia) of Income Tax Act, 1961	1,689.97	202.10
Unabsorbed losses and allowances	647.19	570.12
Deferred Tax Liability (Net) (a-b)	295.43	1,385.73
4.1 In accordance with the AS-22, 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India, net deferred tax liability is accounted for using the rates that have been enacted on substantially enacted at the balance sheet date.		
	As at 31st March 2012	As at 31st March 2011
5. OTHER LONG TERM LIABILITIES		
Trade Payables	2,198.08	3,669.54
Advance from Clients	16,520.66	10,615.80
Payable to Joint Venture Entities	164.95	164.80
Deposits	95.10	82.38
TOTAL	18,978.79	14,532.52
	As at 31st March 2012	As at 31st March 2011
6. LONG TERM PROVISIONS		
Provision for Employee benefits	668.61	581.36
Provision for Performance Warranties	8,116.88	6,753.19
TOTAL	8,785.49	7,334.55
	As at 31st March 2012	As at 31st March 2011
7. SHORT TERM BORROWINGS		
Secured		
Working Capital Facilities from Banks	16,967.68	28,567.87
Other Loans from Banks	3,284.95	603.59
Unsecured		
a) Loans repayable on demand		
from Company / Others	367.70	6,842.17
from Banks	17,037.00	3,124.94
b) Fixed Deposits from Public	135.07	229.41
TOTAL	37,792.40	39,367.98

7.1 Working Capital Facilities from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivables and all other movable assets on pari passu basis. Also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission & distribution division and infrastructure division of Company, on which debenture holders have first exclusive charge to the extent of 1.25 times of outstanding debentures.

7.2 Working Capital Facilities from Banks are secured in favour of consortium bankers, by way of :

- First charge against hypothecation of stocks, work in progress, stores and spares, bills receivables, book debts and other current assets
- Second charge on plant and machineries financed by consortium bankers.
- First charge on the office premises of the Company.

7.3 Working Capital Loan secured against Hypothecation of stock, Book Debts, Plant & Machinery & Equipments, Other Fixed assets, Lands and Warehousing Complexes constructed thereon in Pari Pasu with Term Lender & Personally Guaranteed by two Executive Directors of a subsidiary.

(₹ In Lacs)

	As at 31st March 2012	As at 31st March 2011
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises	4,327.21	2,724.21
Acceptances	27,357.91	27,586.88
Others	114,292.62	91,084.91
TOTAL	145,977.74	121,396.00

8.1 The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company. There are no overdue amount.

	As at 31st March 2012	As at 31st March 2011
9. OTHER CURRENT LIABILITIES		
Current maturities of Long Term debts (Ref Note No 3)	12,538.70	5,148.17
Interest accrued but not due on borrowings	942.59	541.24
Interest accrued and due on borrowings	145.01	101.62
Unclaimed Dividend *	33.55	28.54
Advance from Customers	50,733.39	48,145.24
Unclaimed matured deposits and interest accrued thereon	16.13	7.03
Unclaimed Share Application Money	0.49	0.51
Statutory Liabilities	5,429.24	7,668.09
Creditors for Capital expenditure	5,279.80	1,092.98
Share application money pending allotment	148.83	-
Security Deposits	59.78	54.97
Other Payables	93.60	246.60
TOTAL	75,421.11	63,034.99

* No amount is due for payment to Investor Education and Protection Fund

	As at 31st March 2012	As at 31st March 2011
10. SHORT TERM PROVISIONS		
Provision for Employee Benefits	267.48	167.13
Others		
Provisions for Performance Warranties	5,856.48	8,277.99
Proposed Dividend	2,301.91	2,301.91
Corporate Tax on Proposed Dividend	401.23	419.83
TOTAL	8,827.10	11,166.86

11. FIXED ASSETS

(₹ In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2011	Additions*	Deductions	As at 31st March 2012	As at 1st April 2011	During the Year*	Recouped	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Tangible										
Leasehold Land	5,554.42	3,265.83	268.80	8,551.45	-	-	-	-	8,551.45	5,554.42
Freehold Land	2,880.85	1,761.56	-	4,642.41	-	-	-	-	4,642.41	2,880.85
Lease Hold Improvements	-	1.53	-	1.53	-	0.27	-	0.27	1.26	-
Buildings	16,513.47	1,796.70	151.94	18,158.23	1,086.66	340.61	-	1,427.27	16,730.96	15,426.81
Plant and Equipment	70,747.85	35,706.62	491.63	105,962.84	27,188.07	8,531.27	242.68	35,476.66	70,486.18	43,559.78
Electrical Installations	615.18	52.04	0.10	667.12	253.23	42.39	5.21	290.41	376.71	361.95
Furniture and Fixtures	1,801.88	461.97	45.63	2,218.22	508.70	140.44	20.62	628.52	1,589.70	1,293.18
Office Equipments	2,850.47	545.05	59.15	3,336.37	1,292.59	357.91	39.67	1,610.83	1,725.54	1,557.88
Vehicles	3,568.88	1,288.72	259.63	4,597.97	1,848.04	656.96	168.77	2,336.23	2,261.74	1,720.84
Total (A)	104,533.00	44,880.02	1,276.88	148,136.14	32,177.29	10,069.85	476.95	41,770.19	106,365.95	72,355.71
Intangible										
Copy right & Trade Mark	41.69	-	-	41.69	5.91	8.36	-	14.27	27.42	35.78
Software (other than internally generated)	813.89	121.87	-	935.76	268.84	169.25	-	438.09	497.67	545.05
Total (B)	855.58	121.87	-	977.45	274.75	177.61	-	452.36	525.09	550.83
Total (A+B)	105,388.58	45,001.89	1,276.88	149,113.59	32,452.04	10,247.46	476.95	42,222.55	106,891.04	72,936.54
Previous Year	92,700.44	17,133.38	4,445.25	105,388.55	24,265.67	8,582.95	396.59	32,452.07	72,936.54	68,434.78

* The carrying amount of the gross block and accumulated depreciation thereon pertaining to the Company's non-integral foreign operations have been restated at closing exchange rates of the respective foreign currencies and the resultant effect of Rs. 856.17 lacs (Previous Year Rs. 247.20 lacs) and of Rs. 377.25 lacs (Previous Year Rs. 222.55 lacs) have been included in additions and depreciation for the year respectively.

12. NON-CURRENT INVESTMENTS

Name of the Body Corporate	No. of Shares / Units		₹ in Lacs	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Trade Investments (at Cost)				
Joint Venture, Unquoted, Fully Paid				
Aggrawal JMC Joint Venture	-	-	689.22	689.20
Share application money of Kurukshetra Expressway Pvt. Ltd.	-	-	-	117.26
Partnership Firm				
Kalpataru Shubham Enterprises	-	-	31.65	28.84
Shree Pujya Kripa Cold Storage LLP	-	-	1.00	-
Others, Quoted, Fully Paid				
Power Grid Corporation of India Limited	48,366	48,366	25.15	25.15
Others, Unquoted, Fully Paid				
Nutan Nagarik Sahakari Bank Limited	4,600	4,600	3.62	3.62
Transpower Engineering Limited	-	-	0.04	0.04
Less : Provision against Diminution in Value of Investments	-	-	(0.04)	(0.04)
TOTAL	-	-	750.64	864.07
Aggregate amount of Quoted Investments	-	-	25.15	25.15
Market Value of Quoted Investments	-	-	52.32	49.24
Aggregate amount of Unquoted Investments	-	-	725.49	838.92

(₹ In Lacs)

	As at 31st March 2012	As at 31st March 2011
13. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	1,119.17	5,330.04
Security/Earnest Money Deposits	4,787.20	4,736.33
Advance tax (net of Provisions)	259.50	548.74
Prepaid Expenses	83.87	160.20
Advances recoverable in cash or in kind or for value to be received	6,355.46	8,065.58
Loan to Joint Venture Company	444.00	392.99
Excise Duty Drawback	185.79	185.79
TOTAL	13,234.99	19,419.67

	As at 31st March 2012	As at 31st March 2011
14. OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Long term Trade Receivables	8,880.70	9,546.77
MAT Tax credit receivable	140.64	49.46
Security deposit	0.25	0.25
Non Current Bank balances	5.77	5.36
Subsidy Deposit	300.00	200.00
Accrued Income	1.26	0.49
Unamortized Expenses	1,881.47	2,773.54
TOTAL	11,210.09	12,575.87

15. CURRENT INVESTMENTS

Name of the Body Corporate	No. of Shares / Units		Amount	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Other Investments (at Cost) (Unquoted)				
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	24,990	-	250.06	-
Birla Sunlife Floating Rate Term Institutional Plan Daily dividend	500,800	-	500.90	-
Birla Sunlife Floating Rate Fund STP - IP - Daily Div.	500,024	-	500.12	-
Birla Sun Life Qtrly.Interval Series -4	-	3,000,000	-	300.00
Birla Sun Life Short Term Opportunities Fund Inst.Weekly Div.	-	3,028,484	-	303.28
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	1,000,000	1,000,000	100.00	100.00
ICICI Pru Floating Rate Plan D-DDR	1,499,213	826,101	1,500.00	826.29
ICICI Pru Interval Fund IV Qtrly Interval Plan B	-	15,000,000	-	1,500.00
ICICI Pru Interval Fund II Qtrly Interval Plan F	-	7,000,000	-	700.00
IDFC Cash Fund - Super Inst Plan C - Daily Dividend	25,005	-	250.11	-
JP Morgan India Short Term Income Fund	-	4,030,533	-	403.88
Kotak Quarterly Interval Plan Series 1-Dividend	-	5,018,353	-	501.98
Kotak Quarterly Interval Plan Series 5-Dividend	-	15,021,150	-	1,502.11
Kotak Floater Short Term - Daily Dividend	4,944,171	-	500.16	-
Kotak Floater Long Term - Daily Dividend	7,453,236	-	751.27	-
Religare Liquid Fund Super Inst.Dly.Div.	125,784	-	1,258.83	-
Reliance Medium Fund - Daily Dividend Plan	2,933,640	-	501.53	-
Religare Ultra Short Term Fund Inst.Dly.Div.	-	132,388	-	1,326.15
Taurus Ultra Short Term Bond Fund - Super Insti Daily Dividend Plan	99,911	-	1,000.99	-
Taurus Ultra Short Term Bond Fund - SIP	-	26,040	-	260.85
Taurus Fixed Maturity Plan Series E	-	9,000,000	-	900.00

15. CURRENT INVESTMENTS (Cont.)

(₹ In Lacs)

Name of the Body Corporate	No. of Shares / Units		Amount	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Taurus Short Term Income Fund	-	32,662	-	500.00
Union KBC Dynamic Bond Fund - Dividend Reinvestment	4,999,990	-	500.00	-
UTI-Fixed Income Interval Fund - Monthly Interval Plan	-	4,998,500	-	500.00
Units of IDFC Cash Mutual Fund	-	1,983,895	-	77.62
Units of Kotak Mahindra Mutual Fund	-	29,762,495	-	3,000.00
TOTAL			7,613.97	12,702.16

	As at 31st March 2012	As at 31st March 2011
16. INVENTORIES		
(As verified, valued and certified by management)		
Raw Materials and Components (including goods in transit ₹ 2,308.93 Lacs {Previous Year ₹ 515.35 Lacs})	19,253.46	12,707.79
Finished Goods of Tower Structures	2,947.57	4,358.57
Semi-finished Goods of Tower Structures	2,177.61	2,058.39
Construction and other Stores, Spares and Tools	23,484.98	16,012.37
Construction Work-in-Progress	5,306.41	1,873.55
Scrap	179.19	224.43
Semi-finished Goods of Real Estate Division	13,649.17	48.54
Agro Commodities	4,744.12	3,037.12
Packing Material & Consumables	33.57	33.75
TOTAL	71,776.08	40,354.51

	As at 31st March 2012	As at 31st March 2011
17. TRADE RECEIVABLES		
(Unsecured and considered good)		
(a) Outstanding for a period exceeding six months from the date they are due for payment	31,470.44	35,660.83
(b) Other debts	164,533.27	150,402.27
TOTAL	196,003.71	186,063.10

	As at 31st March 2012	As at 31st March 2011
18. CASH AND BANK BALANCES		
Cash in hand	224.64	371.54
Cheques on hand	-	1,991.41
Balances with Banks		
In Current Accounts	5,870.67	4,534.46
In Fixed Deposit Accounts	8,238.17	1,733.80
Unpaid Dividend Accounts	33.55	28.54
Other Bank Balances		
Balance under lien with Bank	-	342.07
Deposits with original maturity more than 3 months but less than 12 months	2,001.15	4,589.61
Deposits with original maturity more than 12 months*	830.50	5,147.87
TOTAL	17,198.68	18,739.30

*includes Deposits under lien with a Bank ₹ 680.00 Lacs (Previous year Nil)

(₹ In Lacs)

	As at 31st March 2012	As at 31st March 2011
19. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	31,491.85	12,182.87
Advance Income Tax and TDS (net of provisions)	4,655.63	4,111.34
Prepaid Expenses	3,086.79	1,888.46
Security/Earnest Money Deposits	2,202.01	876.55
Commodity Margin Money	20.00	145.00
Inter Corporate Deposit	318.59	109.42
TOTAL	41,774.87	19,313.64

	As at 31st March 2012	As at 31st March 2011
20. OTHER CURRENT ASSETS		
Accrued Value of work done	57,103.94	51,659.76
Unamortised Expenses	2,843.01	893.10
Receivables for Sale of Fixed Assets	7.94	1,431.82
Accrued Income	786.50	588.58
TOTAL	60,741.39	54,573.26

	2011-12		2010-11	
21. REVENUE FROM OPERATIONS				
(a) Sale of Products		222,863.96		199,445.57
(b) Income from Services		308,668.54		238,788.05
(c) Other Operating Income				
Sale of Scrap	4,694.27		3,674.76	
Certified Emission Reduction Receipts	509.99		398.81	
Other	12.50		12.96	
		5,216.76		4,086.53
TOTAL		536,749.26		442,320.15

	2011-12		2010-11	
22. OTHER INCOME				
Interest Income		1,607.03		1,191.02
Dividend from Long Term Investments		0.99		0.73
Dividend from Current Investments		509.22		952.29
Insurance Claims		74.95		68.09
Liabilities Written Back		606.77		365.85
Miscellaneous Income		34.50		14.00
Rent Income		439.69		310.52
Profit on Sale of fixed assets		45.64		163.28
Share of Profit in Joint Ventures		7.14		61.79
TOTAL		3,325.93		3,127.57

(₹ In Lacs)

	2011-12		2010-11	
23. COST OF MATERIALS CONSUMED				
a) Raw Materials				
Steel		50,278.82		45,937.39
Zinc		6,935.23		7,033.57
Components & Accessories etc		88,445.52		71,792.32
b) Agricultural Residues		3,210.82		2,912.53
c) Agro Commodities		16,436.59		11,852.59
d) Construction Materials		81,274.71		43,382.04
TOTAL		<u>246,581.69</u>		<u>182,910.44</u>

	2011-12		2010-11	
24. (INCREASE) / DECREASE IN STOCKS				
STOCK AT BEGINNING OF THE YEAR				
Finished Goods				
Towers and Steel Structures	4,242.30		6,038.60	
Others	<u>116.27</u>		<u>103.62</u>	
	4,358.57		6,142.22	
Semi-finished Goods	2,058.39		1,145.75	
Scrap	224.43		175.30	
Agro Commodities	3,037.12		989.77	
Construction Work in Progress	<u>1,720.60</u>		<u>1,444.38</u>	
		11,399.11		9,897.42
STOCK AT CLOSE OF THE YEAR				
Finished Goods				
Towers and Steel Structures	2,929.30		4,242.30	
Others	<u>18.27</u>		<u>116.27</u>	
	2,947.57		4,358.57	
Semi-finished Goods	2,177.61		2,058.39	
Scrap	179.19		224.43	
Agro Commodities	4,744.12		3,037.12	
Construction Work in Progress	<u>5,340.61</u>		<u>1,720.60</u>	
		15,389.10		11,399.11
TOTAL		<u>(3,989.99)</u>		<u>(1,501.69)</u>

	2011-12		2010-11	
25. EMPLOYEE BENEFIT EXPENSES				
Salaries, Wages, Bonus		29,046.98		28,804.00
Contributions to Provident and Other Funds (includes social security and other benefits for overseas employees)		1,738.95		1,703.93
Employee Share Option Scheme Expenses		(4.02)		39.64
Employees' Welfare Expenses		1,445.52		1,388.71
Less: Transferred to Capital Work in Progress		(0.14)		-
TOTAL		<u>32,227.29</u>		<u>31,936.28</u>

(₹ In Lacs)

	2011-12	2010-11
26. OTHER EXPENSES		
Erection and Sub-contracting Expenses	162,020.22	140,344.76
Job charges	2,363.22	2,866.30
Power and Fuel	954.11	747.43
Excise Duty	41.47	184.91
Repairs and Maintenance:		
Plant and Machinery	224.82	193.66
Building	174.47	150.10
Other	97.86	74.65
Work Charges	183.90	325.82
Fumigation Expenses	152.41	30.24
Godown Rent	97.80	6.28
Freight and Forwarding Expenses	3,968.62	2,522.99
Stores, Spares and Tools Consumed	1,020.82	1,076.01
Vehicle/ Equipment Running and Hire Charges	643.29	581.46
Testing Expenses	197.23	176.50
Water Charges	8.25	5.75
Pollution Control Expenses	74.13	73.68
Insurance Charges	1,504.55	1,397.72
Rent	2,143.28	2,336.50
Rates and Taxes	8,204.76	4,263.48
Stationery, Printing and Drawing Expenses	455.57	471.95
Telecommunication Expenses	561.51	602.68
Travelling Expenses	2,413.33	2,060.82
Legal and Professional Expenses	1,892.51	1,447.56
Service Charges	2,362.15	1,860.70
Auditor's Remuneration		
Audit Fees	62.20	74.64
Company Law Matters	1.12	2.20
Taxation Matters	2.34	11.97
Other Services & Reports	2.83	46.88
Reimbursement of Expenses	3.00	2.23
	71.49	137.92
General Expenses	702.92	569.81
Miscellaneous Expenses	1,535.33	1,767.60
Taxes and Duties	3,250.30	1,887.19
Bank Commission and Charges	3,020.53	3,040.65
Selling Expenses	47.22	41.41
Carriage Outward	113.36	53.88
Training Expenses	26.89	35.60
Loss on sale of assets	63.64	46.97
Bad Debts Written Off	62.57	93.30
Balances Written Off	71.30	94.94
Share Issue Expenses	16.60	5.30
Share of RSWC (Refer Note No. 44)	288.16	95.36
Business Development Expenses	282.15	227.52
Loss on Investments (Share of loss in JV firm)	0.33	0.77
Performance Warranties Expenses	1,119.29	3,640.28
Loss by Theft/Damage/Fire	203.57	306.07
Service Tax	2,292.49	1,813.78
(Gain)/Loss on Exchange Rate Variation	702.40	(1,431.20)
Sitting fees and Commission to Non-executive Directors	234.15	268.06
Preliminary Expenses	14.15	2.25
Carbon Credit Expenses	62.29	0.11
Reduction in WIP on valuation	-	58.17
Purchase of Land	-	7.23
Less : Transfer to WIP	-	(7.23)
	205,941.41	176,557.69

(₹ In Lacs)

	2011-12	2010-11
27. FINANCIAL COSTS		
Interest	15,154.69	11,984.72
Other Borrowing Cost	855.05	993.31
	16,009.74	12,978.03
Add / (Less) : Exchange rate variation	909.46	(499.41)
Add / (Less) : Transfer to Work In Progress	(1,156.13)	(826.16)
TOTAL	15,763.07	11,652.46

28. a) Particulars of subsidiaries included in consolidation

Name of the Subsidiaries	With Effect From	Country of Incorporation	Percentage of voting power as at March 31, 2012
Subsidiaries (held directly)			
JMC Projects (India) Limited	06.02.2007	India	67.19%
Energylink (India) Limited	30.01.2007	India	100.00%
Shree Shubham Logistics Limited	19.03.2007	India	85.19%
Amber Real Estate Limited	16.05.2008	India	100.00%
Adeshwar Infrabuild Limited	11.08.2009	India	100.00%
Kalpataru Power Transmission (Mauritius) Limited.	08.01.2009	Mauritius	100.00%
Kalpataru South Africa (Pty) Limited	03.09.2008	South Africa	100.00%
Kalpataru Power Transmission Nigeria Limited	19.05.2008	Nigeria	100.00%
Kalpataru Power Transmission USA INC	11.09.2009	USA	100.00%
Jhajjar Power Transmission Pvt Limited	25.06.2010	India	50.99%
Kalpataru Power Transmission Netherlands International B.V.	10.02.2012	Netherlands	100.00%
Subsidiaries (held indirectly)			
JMC Mining & Quarries Limited, a subsidiary of JMC Projects (India) Limited	06.02.2007	India	67.19%
Saicharan Properties Limited, a subsidiary of Energylink (India) Limited	30.06.2009	India	100.00%
Brij Bhoomi Expressway Pvt. Ltd. a subsidiary of JMC Projects (India) Limited	06.12.2010	India	67.19%
Wainganga Expressway Pvt. Ltd., a subsidiary of JMC Projects (India) Limited	02.06.2011	India	67.19%
Kalpataru Power JLT, a subsidiary of Kalpataru Power Transmission (Mauritius)Limited	03.08.2011	UAE	100.00%

b) Particulars of Jointly Controlled Entities (JCE) included in consolidation.

Name of the Subsidiaries	With Effect From	Country of Incorporation	Percentage of voting power as at March 31, 2012
Kurukshetra Expressway Pvt. Ltd.	29.03.2010	India	49.61%
Jhajjar KT Transco Pvt. Ltd	19.05.2010	India	49.72%
Gestemp Kalpataru Solar Structuers Pvt. Limited	05.03.2011	India	50.00%

29. Contingent liabilities in respect of:

		2011-2012 (₹ In Lacs)	2010-2011 (₹ In Lacs)
i)	Bank guarantees	1,849.40	3,464.81
ii)	Claims against group not acknowledged as debts*	1,574.57	4,088.72
iii)	Bonds/Undertaking given by group for concessional duty/exemption to customs	1,611.09	1,485.39
iv)	Show cause Notice Issued by Service Tax Department	2,848.10	2,645.06
v)	Disputed Royalty demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	426.90	426.90
vi)	Disputed Income Tax demand in appeal before Appellate Authorities	580.51	653.76
vii)	Disputed VAT demand in appeal before Tribunal	1,534.79	172.43
viii)	Penalty for delayed payment of Service tax disputed before Appellate authority already stayed unconditionally	1,757.70	1,757.70
ix)	Service Tax/VAT/WCT disputed in Appeals	404.56	474.56
x)	Income Tax (Net of Deferred Tax) on the claim made of the deductions u/s. 80-IA (4) of the Income Tax Act, 1961	2,068.64	1,216.22
xi)	Guarantees/Letter of Comfort given in respect of loans provided to Subsidiary Company	40.00	2,093.68
xii)	Corporate Guarantee given to banks and Guarantee Commitment to RSWC	1,000.00	50.00
xiii)	Guarantee given in respect of Performance of contracts of Joint Ventures entities & associates in which one of the subsidiaries is one of the members/holder of substantial equity	20,107.30	23,609.82
xiv)	Bills Discounted	7,547.78	10,046.25
xv)	Unexpired Letter of Credit	11.45	-

* One of the subsidiaries has raised claims on clients against which counter claims have been raised by clients, the excess of counter claims raised by the client over the amount of claims raised by one of the subsidiaries are only considered in the above figures.

** Corporate Guarantees given by one of the subsidiaries to bankers as service provider is considered Nil, being a remote contingent liability in view of pledge of sufficient value of stocks stored in warehouses & past history of non occurrence of any liability on the Group.

(₹ In Lacs)

30		March 31, 2012	March 31, 2011
	The estimated amount of contracts remaining to be executed on capital account not provided for.	12,204.28	2,830.83

31. The disclosure as to provision for performance warranties/defect liability expenses is:- (₹ in Lacs)

Particulars		March 31, 2012	March 31, 2011
Carrying amount at the beginning of the year		14,981.18	12,501.87
Add : Provision/Expenses during the year	4,071.91		
Less: Reversal of provision on finalization of warranty and guarantee	(2,908.67)	1,163.24	4,224.49
Less: Utilization during the year		(2,171.06)	(1745.18)
Carrying amount at the end of the year		13,973.36	14,981.18

32. Information in accordance with the requirement of the AS-7 issued by the Institute of Chartered Accountants of India as follows:- (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
1. Amount of Contract Revenue Recognized as Revenue in the period	308,809.63	237,032.72
2. Disclosure in respect of contract in progress at the Reporting Date		
(a) Contract cost incurred & Recognized Profit less Recognized losses up to the reporting date	516,375.27	524,387.32
(b) Advance Received	38,757.45	35,572.16
(c) Retention	21,058.47	24,655.24
3. Due from Customers	45,341.98	29,488.24

33. Related Party disclosure as required by Accounting Standard -18 is as below :-

- (a) List of related persons
- (i) Joint Venture having transaction with group
- JMC-Associated
 - Aggrawal-JMC
 - JMC-Sadbhav
 - JMC-Taher Ali
 - JMC-PPPL
 - JMC-Tantia-JV
 - JMC-MSKE-JV
 - JMC -ATEPL-JV
 - GIL-JMC-JV
 - KPTL-JMC-Yadav-JV (Dankuni to Baruipara Line- Eastern Railways)
 - KPTL-JMC-Yadav-JV (Taljhari to Maharajpur Line- Eastern Railways)
 - KPTL-JMC-Yadav-JV (Baruipara to Chandanpur Line- Eastern Railways)
 - KPTL-JMC-Yadav-JV (Deshparan Nanigaram Line- South Eastern Railways)
 - GPT-KPTL-JV (Kalukhali to Bhatiapara Line), Bangladesh
- (ii) Key Management Personnel and their relatives having transaction with group
- Pankaj Sachdeva - Managing Director
 - K.V. Mani - Managing Director (upto May 31, 2009)
 - Manish Mohnot - Executive Director
 - Hemant Modi - Vice Chairman & Managing Director
 - Suhas Joshi - Managing Director
 - Aditya Bafna - Whole time Director
 - Shubhendra Bafna - Whole time Director
 - Mrs. Suverna I. Modi - Relative of Key Managerial Personnel
 - Mrs. Sonal H. Modi - Relative of Key Managerial Personnel
 - Ms. Ami H. Modi - Relative of Key Managerial Personnel
- (iii) Associates/Enterprises under significant influence having transaction with group
- Kalpataru Properties Private Limited
 - Property Solution (India) Private Limited
 - Kalpataru Limited
 - P.K.Velu & Co. Private Limited
 - Kalpataru Theatres Private Limited .
 - Kalpataru Subham Enterprise
 - JMC Infrastructure Limited
 - SAI Consultant Engineers Private Limited
- (iv) Individuals having significant influence
- Mofatraj P. Munot - Promoter Director
 - Parag Munot - Promoter Director

(i) Transactions during the year with Entities

(₹ In Lacs)

Particulars	2011-12		2010-11	
	Entities having significant Influence	Joint Ventures	Entities having significant Influence	Joint Ventures
Investment in Equity Shares		5315.80		
Loans given / repaid		1494.52	108.70	
Advance given for Flat	145.35			
Advance Received	22.27			
Revenue from Operations		17664.91		6969.56
Interest received	6.82	147.78	32.24	
Rent received	0.01	0.08		
Reimbursement of Expenses	79.73	335.38	187.49	
Security Charges			1.19	
Rent paid	380.44		333.69	
Interest paid	91.10	158.09		95.78
Purchase of Material	32.39		14.36	
Other Expenses	51.05			
Fixed Deposits accepted/renewed	5.45			
Share of Profit in Joint Venture		7.14		61.79
Share of Loss in Joint Venture		0.16		0.45
Sale of Fixed Assets	4.32			
Purchase of Machinery		2.65		
Investment in Jv/Partnership Firm	1.00		28.84	
Loans taken	1494.52			
Loss from Partnership Firm	0.18		0.16	
Capital Work in Progress	29.74			

(i a) Balances with Entities

Loans given	30.50	824.45		
Advance Received		2738.72		2855.85
Advances given	145.35	137.90	47.34	
Liabilities	286.98	177.69	98.95	164.80
Trade Payable	7.01			
Trade Receivables		3104.93		2794.09
Investment in Jv/Partnership Firm	32.65	689.22	28.84	689.20
Capital Work in Progress	20.51			
Deposits	3356.57		3326.07	

(ii) Transactions during the year with Individuals

Particulars	Key Managerial Persons	Individuals having significant influence	Key Managerial Persons	Individuals having significant influence
Fixed Deposits accepted/renewed	3.50		3.50	
Interest paid	3.04		3.03	
Salary & Commission	797.09	100.00	710.36	130.00
Sale of Fixed Assets	2.00			
Service charges paid	7.90		7.13	

(ii a) Balances with Individuals

Liabilities	184.91	100.00	150.00	130.00
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34. The disclosure requirement as per Accounting Standard 17 segment reporting is :- (₹ in Lacs)

S.N.	Particulars	Segment							
		T&D #	RED #	BM #	INFRA #	Construction*	Others	Unallocable	Consolidated
(I)	Business Segment								
1	Revenue :								
	Sales & Services	259,828.21 (249,562.08)	- (11.50)	4,814.84 (4,303.97)	33,874.50 (29,522.22)	205,964.36 (135,161.56)	21,102.58 (13,634.25)	- (-)	525,584.49 (432,195.58)
	Other Operating Income	4,079.89 (3,255.33)	12.50 (12.96)	517.19 (402.11)	- (3.15)	607.18 (412.95)	- (-)	- (-)	5,216.76 (4,086.50)
	Net Sales/Income from Operation	263,908.10 (252,817.41)	12.50 (24.46)	5,332.03 (4,706.08)	33,874.50 (29,525.37)	206,571.54 (135,574.51)	21,102.58 (13,634.25)	- (-)	530,801.25 (436,282.08)
	Add : Other Income	241.23 (297.80)	- (-)	0.83 (2.23)	230.35 (159.75)	1,483.68 (424.85)	82.76 (161.56)	1,287.08 (2,081.40)	3,325.93 (3,127.59)
	Total	264,149.33 (253,115.21)	12.50 (24.46)	5,332.86 (4,708.31)	34,104.85 (29,685.12)	208,055.22 (135,999.36)	21,185.34 (13,795.81)	1,287.08 (2,081.40)	534,127.18 (439,409.67)
2	Segment Result Before Interest	27,031.88 (26,438.60)	11.00 (22.11)	327.36 (322.72)	1,925.26 (2,727.91)	10,488.64 (7,432.03)	2,442.81 (1,683.73)	1,280.99 (2,081.49)	43,507.94 (40,708.59)
	Finance Cost								15,763.07 (11,652.46)
	Profit after Finance cost								27,744.87 (29,056.13)
	Extra Ordinary Item								- (-)
3	Current Tax								9,084.02 (8,485.01)
4	Deferred Tax								-1,089.53 (571.25)
	Prior Years' Tax Adjustments								-646.43 (1.18)
5	Net Profit after Tax								20,396.81 (21,141.19)
6	Segment Asset	256,142.52 (225,636.05)	- (70.43)	8,753.51 (7,978.24)	48,690.55 (29,111.14)	161,585.04 (120,504.53)	78,788.41 (51,269.88)	17,908.21 (37,914.81)	571,868.24 (472,485.08)
7	Segment Liability	145,585.43 (117,797.61)	- (27.93)	237.92 (109.00)	16,204.29 (13,501.27)	76,336.77 (69,273.68)	3,307.65 (2,111.78)	2,839.57 (11,004.60)	244,511.63 (213,825.87)
	Capital Employed (6 - 7)	110,557.09 (107,838.44)	- (42.50)	8515.59 (7,869.24)	32,486.26 (15,609.87)	85,248.27 (51,230.85)	75,480.76 (49,158.10)	15,068.64 (26,910.21)	327,356.61 (258,659.21)
8	Capital Expenditure (Including CWIP)	11,835.40 (7,915.01)	- (-)	331.60 (91.31)	1,014.02 (123.86)	29,431.09 (10,786.58)	12,081.77 (14,605.68)	- (-)	54,693.88 (33,522.44)
9	Depreciation	2,925.40 (2,780.41)	0.36 (0.55)	476.90 (475.06)	1,407.51 (1,336.65)	4,720.27 (3,966.67)	328.18 (237.52)	0.22 (-)	9,858.84 (8,796.86)

(II)	Geographical Segment Revenue							
	India	172,901.20	12.50	5,332.03	33,874.50	206,571.54	18,438.88	- 437,130.65
		(155,808.29)	(24.46)	(4,706.08)	(29,525.37)	(135,574.51)	(13,022.25)	(-) (338,660.96)
	Outside India	91,006.90	-	-	-	-	2,663.70	- 93,670.60
		(97,009.12)	(-)	(-)	(-)	(-)	(612.00)	(-) (97,621.12)
	TOTAL	263,908.10	12.50	5,332.03	33,874.50	206,571.54	21,102.58	- 530,801.25
		(252,817.41)	(24.46)	(4,706.08)	(29,525.37)	(135,574.51)	(13,634.25)	(-) (436,282.08)

T&D -Transmission & Distribution ; RED - Real Estate ,BM- Bio Mass Energy;INFRA - Infrastructure

* Construction include mining receipt of JMC Mining & Quarries Ltd.

@ Figures in () are for previous year.

Note:

(I) Geographical segment considered for disclosure are as follows:

Revenue within India includes sales and services to customers located within India.

Revenue outside India includes sales and services to customers located outside India.

35. Depreciation and Amortisation Expense

	2011-12	2010-11
Depreciation and Amortisation	9,863.49	8,801.51
Less: Transferred from Revaluation Reserve	4.65	4.65
TOTAL	9,858.84	8,796.86

36. Earnings per Share

	2011-12	2010-11
No. of Equity Shares at the end of the year	15,34,60,570	15,34,60,570
Weighted No. of Equity Shares at the end of the year	15,34,60,570	15,14,50,652
Profit for calculation of EPS (₹ in Lacs)	18,866.71	19,886.39
Basic and Diluted Earning per Share	12.29	13.13
Nominal value of Equity Share (₹)	2.00	2.00

37. The Company entered into derivative contracts including forward contracts to hedger its risk associated with foreign currency fluctuations. Company does not use derivative contracts including forward contracts for speculative purpose.

a. The particulars of derivatives including forward contracts entered into for hedging purpose outstanding are as under:
(₹ In Lacs)

Category of Derivative Instruments	Amount of Exposures Hedged	
	March 31, 2012	March 31, 2011
Forward Contracts	122,011.99	104,299.94
Option Contracts	9,193.38	13,013.88
Currency Swaps	5,100.00	3,000.00
Interest Rate Swap	565.16	986.00
Commodity Futures	7,470.26	7,589.58
TOTAL	144,340.79	128,889.95

b. The Foreign Currency Exposure that is not hedged by derivative instruments as on March 31, 2012 amounts to ₹ 47,376.81 Lacs (P.Y. ₹ 29,044.06 Lacs).

38. The Group has significant leasing/ licensing arrangements/ (leasing arrangements) mainly in respect of residential / office premises and equipments (operating lease). The aggregate lease rental payable on these leasing arrangements are charged as rent and equipment hire charges in these accounts amounting to ₹ 3,337.12 Lacs (previous year ₹ 7,652.95 Lacs).

These leasing arrangements are for a period not exceeding 5 years and are in most cases renewal by mutual consent, on mutually agreeable terms. Future lease rental payable in respect of assets on lease for not later than 1 year is ₹ 1,910.34 Lacs (previous year ₹ 898.88 Lacs) and for later than 1 year but not later than 5 years is ₹ 2,459.61 Lacs. (Previous year ₹ 677.89 Lacs).

39. In the previous year on May 6, 2010, parent has Issued 4,192,114 equity shares of ₹ 10/- each at a premium of ₹ 1,064.20 per share totalling to ₹ 45,031.69 lacs to the Qualified Institutional Investors under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the purpose of capital expenditure, expansion of manufacturing capacity (transmission line towers), long-term investment in PPP, BOT, BOOT and BOOM projects, development of EPC services, further investment in existing divisions and subsidiaries, working capital and such other purposes as may be permissible under applicable laws and government policies, including strategic initiatives such as investment and/or acquisitions. Pending utilization of the QIP proceeds for the purposes mentioned, they have been temporarily invested in fixed deposits with banks and units of mutual funds. The proceeds from the issue have been utilized as follows:

(₹ in Lacs)

	March 31, 2012	March 31, 2011
Investments in Subsidiary Companies	13,722.43	13,237.43
Investment in Jhajjar KT Transco Private Limited (SPV)	3,814.75	3,814.75
Investment for Raipur Manufacturing Plant	3,407.25	2,483.48
Utilisation in Working Capital	13,472.43	3,931.20
Investments in units of Mutual Funds	7,500.00	9,450.00
Fixed Deposits with Banks	2,000.00	11,000.00
Share Issue Expenses	1,114.83	1,114.83
TOTAL	45,031.69	45,031.69

40. In the opinion of the management the balances shown under trade receivables, accrued value of work done, loans and advances and other assets, whether current or non current, have approximately the same realizable value as shown in the accounts. However, these balances are subject to confirmations.
41. The Management is of the opinion that as at the Balance Sheet date, there are no indications of a material impairment in the value of fixed assets. Hence, the need to provide for an impairment loss does not arise.
42. Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.
43. The Finance Act (2), 2009 has amended section 80-IA (4) of the Income Tax Act, 1961 by substituting an explanation to section 80-IA with retrospective effect from 01-04-2000. On the basis of the legal opinion of the experts and decided cases, one of the Subsidiaries has continued to claim deduction under section 80-IA (4) of the Act on eligible projects and consequently the subsidiary considers it appropriate not to create a liability for provision of Income Tax. However, an amount of Income tax (Net of Deferred Tax) of ₹ 877.14 Lacs for the current year and of ₹ 1191.50 Lacs for the earlier years since FY 2006-07 (both - include the amount of tax applicable on the share of profit of Joint Venture Business claiming such deduction) has been disclosed as a contingent liability in note no. 29[x] to these Accounts.
44. One of the Subsidiaries has entered into MOU with Rajasthan State Warehousing Corporation (RSWC), a Government of Rajasthan Undertaking, for storage of Agriculture/Non Agriculture produces on the basis of sharing of revenue for own and RSWC warehouses. The share of RSWC for the revenue billed by subsidiary is shown as operating charges in Note 26 to the Profit & Loss Account.
45. One of the Subsidiaries has filed a writ petition in High Court of Rajasthan against order of Board of Revenue alleging violation of the principle of natural justice of audi alteram partem i.e. hearing the other party/side in the case where Board of Revenue questioned the purchase of land by the subsidiary at Alwar from the then owners. The land & building

at book value is ₹ 831.76 lacs. The subsidiary does not expect any liability on account of the same

- 46.** Figures pertaining to the group companies have been re-classified wherever necessary to bring them in line with the parent's financial statements.
- 47.** Figures for the previous year for the subsidiaries named Kalpataru Power Transmission Netherlands International B.V and Wainganga Expressway Pvt. Ltd. are not included as the same became the subsidiaries in the current year.
- 48.** The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended March 31, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification.

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)

Partner

(M. No. 35701)

MUMBAI : May 21 , 2012

Kamal Jain
President & CFO

Bajrang Ramdharani
Company Secretary

For and on behalf of the Board

Pankaj Sachdeva
Managing Director

Manish Mohnot
Executive Director

MUMBAI : May 21 , 2012

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	JMC Projects (India) Ltd.	JMC Mining & Quarries Ltd.	Wainganga Expressway Private Limited	Brij Bhoomi Expressway Private Limited	Shree Shubham Logistics Ltd.	Energylink (India) Ltd.	Amber Real Estate Ltd.
Financial year of the subsidiary company ended on	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012
Number of Equity Shares in the subsidiary company held by Kalpataru Power Transmission Ltd. at the above date and %:	17,548,908	-	-	-	35,850,000	1,000,000	990,000
	67.19%	67.19%	67.19%	67.19%	85.11%	100%	100.00%
The net aggregate profit less losses of the subsidiary company so far as it concerns the members of Holding Company.							
(i) Dealt with or provided for in the accounts of Holding Company amounted to :							
(a) for the subsidiary's financial year ended March 31, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) for previous financial years of the subsidiary since it became subsidiary :	Nil	Nil	Not Applicable, Since it became subsidiary during the year	Nil	Nil	Nil	Nil
(ii) Not dealt or provided for in the accounts of Holding Company amounted to :							
(a) for the subsidiary's financial year ended March 31, 2011 Rs. in lacs	2,501.47	NIL	NIL	NIL	274.48	(5.29)	(4.09)
(b) for previous financial years of the subsidiary since it became subsidiary Rs in lacs:	5,820.42	NIL	Not Applicable, Since it became subsidiary during the year	NIL	(37.08)	(24.31)	(5.81)

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

Sr. No.	Name of Subsidiary Companies	JMC Projects (India) Ltd.	JMC Mining & Quarries Ltd.	Wainganga Expressway Private Limited	Brij Bhoomi Expressway Private Limited	Shree Shubham Logistics Ltd.	Energylink (India) Ltd.	Amber Real Estate Ltd.
	Financial year of the subsidiary companies ended on	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012
1	Capital	2,611.83	50.00	3,000.00	2,125.00	5,800.00	100.00	99.00
2	Reserves	39,634.95	22.16	(11.31)	(9.60)	247.27	(30.74)	(10.73)
3	Total Liabilities	109,899.62	150.62	2,121.80	3,717.96	25,034.39	15,531.71	12,093.15
4	Total Assets	152,146.40	257.74	5,110.49	5,834.36	31,081.66	15,600.98	12,181.42
5	Investments (Other than in subsidiaries)	1.15	2.47	-	-	32.65	-	-
6	Turnover	207,637.76	84.26	-	-	20,289.16	24.00	-
7	Profit before taxation	6,436.61	(10.83)	(11.31)	0.94	468.36	(4.95)	(4.09)
8	Provision for taxation	1,242.99	1.91	-	-	145.88	0.34	-
9	Profit after taxation	5,193.62	(8.91)	(11.31)	0.94	322.48	(5.29)	(4.09)
10	Proposed dividend (Percentage)	20%	-	-	-	-	-	-

As on 31.03.2012: 1 USD = INR 51.16, 1 ZAR = INR 6.69 , 1 NGN = INR 0.32, 1 EUR = INR 68.34

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies (Cont.)

Jhajjar Power Transmission Pvt. Ltd	Kalpata- taru Power Transmission Nigeria Ltd.	Kalpataru SA (Propri- etary) Ltd.	Kalpa- taru Power Transmission (Mauritius) Ltd.	Kalpa- taru Power Transmission USA., INC	Kalpataru Power JLT	Kalpa- taru Power Transmis- sion Inter- national B.V.	Adeshwar Infrabuild Limited	Saicharan Properties Limited
3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012
5,099	1,000,000	500,000	300,000	500,000	-	18,000	500,000	-
50.99%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Not Applica- ble, Since it became sub- sidiary during the year	Not Applica- ble, Since it became sub- sidiary during the year	Nil	Nil
(0.13)	(25.00)	(2.00)	(15.18)	107.98	NIL	(8.91)	(1.33)	NIL
(0.93)	(26.66)	(1.53)	(20.32)	(33.09)	Not Applica- ble, Since it became sub- sidiary during the year	Not Applica- ble, Since it became sub- sidiary during the year	(23.99)	NIL

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies (cont.)

Jhajjar Power Transmission Pvt Ltd	Kalpata- taru Power Transmission Nigeria Ltd.	Kalpataru SA (Propri- etary) Ltd.	Kalpa- taru Power Transmission (Mauritius) Ltd.	Kalpa- taru Power Transmission USA., INC	Kalpataru Power JLT	Kalpa- taru Power Transmis- sion Inter- national B.V.	Adeshwar Infrabuild Limited	Saicharan Properties Limited
3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012	3/31/2012
1.00	32.43	33.44	153.47	255.78	132.99	12.30	5.00	5.00
(2.07)	(55.02)	28.20	(38.42)	74.26	(4.83)	(8.91)	(25.32)	(2.21)
1.91	46.87	0.82	31.81	106.99	7.80	8.41	20.73	12,615.57
0.84	24.29	62.45	146.86	437.03	135.97	11.80	0.41	12,618.36
-	-	-	-	-	-	-	-	-
-	-	-	-	1,174.07	-	-	-	-
(0.25)	(25.00)	(2.00)	(15.18)	150.17	(4.83)	(8.91)	(1.33)	(0.57)
-	-	-	-	42.19	-	-	-	-
(0.25)	(25.00)	(2.00)	(15.18)	107.98	(4.83)	(8.91)	(1.33)	(0.57)
-	-	-	-	-	-	-	-	-

As on 31.03.2012: 1 USD = INR 51.16, 1 ZAR = INR 6.69, 1 NGN = INR 0.32, 1 EUR = INR 68.34

NOTES

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Forward looking statement

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future information or otherwise.

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