

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAY RAILWAY PROJECTS PRIVATE LIMITED**

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

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

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

# Deloitte Haskins & Sells

accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).

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- (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
( Firm Registration No .117365W)



Saira Nainar  
Partner  
(Membership No .40081)

MUMBAI, 30 APR 2014



# Deloitte Haskins & Sells

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result during the year, clauses (i), (ii), (iii), (v), (vi), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of CARO are not applicable.
- (ii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (iv) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Income-tax, Tax deducted at source and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amount payable in respect of Income-tax, Tax deducted at source and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
  - (c) There are no 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, 2014 on account of disputes.
- (v) 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.
- (vi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117365W)



Saira Nainar  
Partner  
(Membership No.40081)



MUMBAI,

13.0 APR 2014

Jay Railway Projects Private Limited  
Balance Sheet as at 31 March, 2014

Particulars		Note No.	As at 31 March, 2014	As at 31 March, 2013
			Rs.	Rs.
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' funds</b>			
	(a) Share capital	3	10,000,000	10,000,000
	(b) Reserves and surplus	4	(9,063,450)	(7,895,346)
			<b>936,550</b>	<b>2,104,654</b>
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	<b>113,029,905</b>	<b>134,999,375</b>
(3)	<b>Current liabilities</b>			
	(a) Trade payables	6	121,725,105	64,391,587
	(b) Other current liabilities	7	1,660,359	1,940,962
			<b>123,385,464</b>	<b>66,332,549</b>
	<b>TOTAL</b>		<b>237,351,919</b>	<b>203,436,578</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Intangible assets	8	44,727,534	51,677,534
	(b) Long-term loans and advances	9	18,148,625	8,716,313
			<b>62,876,159</b>	<b>60,393,847</b>
(2)	<b>Current assets</b>			
	(a) Trade receivables	10	60,279,949	61,323,253
	(b) Cash and cash equivalents	11	52,585,566	12,325,684
	(c) Short-term loans and advances	12	4,045,445	13,270,216
	(d) Other current assets	13	57,564,800	56,123,578
			<b>174,475,760</b>	<b>143,042,731</b>
	<b>TOTAL</b>		<b>237,351,919</b>	<b>203,436,578</b>
	See accompanying notes forming part of the financial statements			

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

  
Saira Nainar  
Partner

For and on behalf of the Board of Directors

 Director  
 Director

Place : Mumbai

Date :

Place : Mumbai

Date :

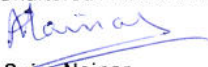
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Jay Railway Projects Private Limited  
Statement of Profit and Loss for the Year Ended 31 March, 2014


Particulars		Note No.	For the year ended 31 March 2014	For the year ended 31 March 2013
			Rs.	Rs.
I.	Revenue from operations	14	134,027,459	77,736,466
II.	Other income	15	591,651	798,985
III.	Total revenue (I+II)		<b>134,619,110</b>	<b>78,535,451</b>
IV.	<b>Expenses</b>			
	(a) Cost of materials consumed	16	-	13,705,925
	(b) Subcontracting expenses	17	126,266,695	56,095,000
	(c) Finance Cost	18	158,301	-
	(c) Amortisation	8	6,950,000	6,950,000
	(d) Other expenses	19	2,326,781	2,892,267
	<b>Total expenses</b>		<b>135,701,777</b>	<b>79,643,192</b>
V.	Loss before tax (III - IV)		(1,082,667)	(1,107,741)
VI.	Tax expense - Tax pertaining to earlier years		85,437	-
VII.	Loss for the year (V - VI)		<b>(1,168,104)</b>	<b>(1,107,741)</b>
VIII.	Earnings per equity share			
	- Basic & Diluted	24.3	(1.17)	(1.11)
	- Nominal Value of share		10	10
See accompanying notes forming part of the financial statements				

In terms of our report attached.  
For Deloitte Haskins & Sells  
Chartered Accountants

  
Saira Nainar  
Partner

For and on behalf of the Board of Directors

  
Director

  
Director

Place : Mumbai

Date : 30 APR 2014

Place : Mumbai

Date : 30 APR 2014




## Cash Flow Statement for the year ended 31 March, 2014


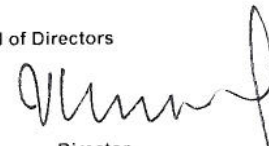
Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Loss before tax	(1,082,667)		(1,107,741)	
<i>Adjustments for:</i>				
Amortisation	6,950,000		6,950,000	
Interest income	(591,651)		-	
Finance cost	158,301		(798,985)	
<b>Operating profit before working capital changes</b>		5,433,983		5,043,274
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	1,043,304		(8,047,252)	
Short-term loans and advances	8,106,548		2,123,666	
Long-term loans and advances	(7,584,546)		(3,949,033)	
Other current assets	(1,609,718)		(5,409,590)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	57,333,518		12,808,726	
Other current liabilities	(280,603)		(1,612,676)	
		57,008,503		(4,086,159)
Cash generated from operations		62,442,486		957,115
Net income tax (paid) / refunds		(814,980)		(1,277,825)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>61,627,506</b>		<b>(320,710)</b>
<b>B. Cash flow from investing activities</b>				
Interest received		760,147		706,654
Bank Balance not considered as Cash and Cash equivalents (net)		(335,970)		(291,263)
<b>Net cash flow from investing activities (B)</b>		<b>424,177</b>		<b>415,391</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	5,676,730		12,504,282	
Repayment of long-term borrowings	(27,846,200)		(5,711,559)	
Finance cost paid	(158,301)		-	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(22,127,771)</b>		<b>6,792,723</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>39,923,912</b>		<b>6,887,404</b>
Opening balances		8,693,696		1,806,292
<b>Cash and cash equivalents at the end of the year (Refer footnote 1 below)</b>		<b>48,617,608</b>		<b>8,693,696</b>
<b>Footnotes:</b>	<b>In Rs.</b>			
<b>1. Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>		
Cash and cash equivalents as per Balance Sheet	52,585,566	12,325,684		
Less: Bank Balance not considered as cash and cash equivalents as defined in AS 3 Cash flow Statements - Balances with banks in earmarked accounts	3,967,958	3,631,988		
<b>Cash and cash equivalents at the end of the year *</b>	<b>48,617,608</b>	<b>8,693,696</b>		
* Components of Cash and Cash Equivalents:				
Balances with banks				
In current accounts	48,617,608	8,693,696		
	<b>48,617,608</b>	<b>8,693,696</b>		

2. Previous year figures have been regrouped, wherever necessary to confirm to the current year classifications.

In terms of our report attached.  
For Deloitte Haskins & Sells  
Chartered Accountants

  
Saira Nainar  
Partner

For and on behalf of the Board of Directors

   
Director Director

Place : Mumbai  
Date :

30 APR 2014

Place : Mumbai  
Date :

30 APR 2014

# JAY RAILWAY PROJECTS PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 1 - NATURE OF OPERATIONS

Jay Railways Projects Private Limited (JRPPL) is a Railways Signaling Automation Systems & Technology Company. JRPPL operates in the areas of design, execution, supply, installation, commissioning and maintenance of safety-related rail signaling and control systems.

It has developed expertise in handling sophisticated signaling projects on turnkey basis involving electronic interlocking system, audio frequency track circuit, multi entry digital axle counter, panel interlocking and route relay interlocking.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

#### 2.01 Basis of preparation of Financial Statements:

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standard) Rule, 2006 (as amended) ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Companies Act, as applicable 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.02 Uses of Estimates

The preparation of financial statements in conformity with India GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialise.

#### 2.03 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.04 Revenue Recognition:

- a) Revenue from long term construction contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expenses immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Company.

- b) Interest income is recognised on time proportion basis.



**JAY RAILWAY PROJECTS PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2.05 Intangible Assets:**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Assessment of indication of impairment of an asset is made at the year-end and impairment loss, if any, is recognised.

**2.06 Amortisation:**

Brand is amortised over ten years being its useful life as estimated by the Company.

**2.07 Taxes on Income**

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.

The tax effect of the timing differences between taxable income and accounting income which are capable of reversal in one or more subsequent periods is recorded as a deferred tax asset subject to the consideration of prudence or deferred tax liability. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates and tax laws by the Balance Sheet date.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward losses only to the extent that there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date.

**2.08 Provisions and Contingent Liabilities**

Provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

**2.09 Operating Cycle**

Assets and liabilities other than those relating to long term construction contracts are classified as current if it is expected to realise or settle within 12 months after the balance sheet date.

In case of long term construction contracts, the time between acquisition of assets for processing and realization of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle.

**2.10 Cash Flows Statement**

Cash Flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 3 - Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
<b>Authorised:</b>				
Equity shares of Rs.10 each	4,000,000	40,000,000	4,000,000	40,000,000
<b>Issued, subscribed and fully Paid up</b>				
Equity shares of Rs.10 each	1,000,000	10,000,000	1,000,000	10,000,000

3.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Buy back	Closing Balance
<b>Equity shares</b>				
<b>Year ended 31 March, 2014</b>				
- Number of shares	1,000,000	-	-	1,000,000
- Amount (Rs.)	10,000,000	-	-	10,000,000
<b>Year ended 31 March, 2013</b>				
- Number of shares	1,000,000	-	-	1,000,000
- Amount (Rs.)	10,000,000	-	-	10,000,000

3.2 Details of shares held by each shareholder holding more than 5% shares / held by holding company:

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares</b>				
KEC International Limited, the holding company *	1,000,000*	100%	1,000,000*	100%

\* Includes 100 Shares held by its nominee

3.3 The Company has only one class of equity shares of Rs.10/- each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts

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**Jay Railway Projects Private Limited**  
**Notes forming part of the financial statements**

**Note 4 - Reserves and surplus**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
Surplus / (Deficit) in the Statement of Profit and Loss		
Opening balance	(7,895,346)	(6,787,605)
Add: Loss for the year	(1,168,104)	(1,107,741)
<b>Total</b>	<b>(9,063,450)</b>	<b>(7,895,346)</b>



**Jay Railway Projects Private Limited**  
**Notes forming part of the financial statements**

**Note 5 - Long term borrowings**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
Loans and advances from related parties (Refer Note 24.2) Unsecured	113,029,905	134,999,375
<b>Total</b>	<b>113,029,905</b>	<b>134,999,375</b>

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Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 6 - Trade payables

Particulars	As at 31st March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b>Trade payables</b>		
Other than Acceptances (Refer Note 22)	121,725,105	64,391,587
<b>Total</b>	<b>121,725,105</b>	<b>64,391,587</b>

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Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 7 - Other current liabilities

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
Other payables - Statutory remittances (Withholding Taxes)	1,660,359	1,940,962
	<b>1,660,359</b>	<b>1,940,962</b>



Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 8 - Intangible Assets

PARTICULARS	GROSS BLOCK		AMORTISATION		NET BLOCK	
	As at 31 March, 2013 Rs.	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.	During the Year Rs.	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
Intangible assets (other than internally generated)						
- Brand	69,500,000	69,500,000	17,822,466	6,950,000	24,772,466	51,677,534
<b>Total</b>	<b>69,500,000</b>	<b>69,500,000</b>	<b>17,822,466</b>	<b>6,950,000</b>	<b>24,772,466</b>	<b>44,727,534</b>
Previous Year	69,500,000	69,500,000	10,872,466	6,950,000	17,822,466	51,677,534

**Jay Railway Projects Private Limited**  
**Notes forming part of the financial statements**

**Note 9 - Long term loans and advances**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Security deposits Unsecured, considered good	3,654,881	3,240,651
(b) Advance income tax (net of Provisions) Unsecured, considered good	3,125,591	1,277,825
(c) Others - Unsecured, considered good WCT receivables	11,368,153	4,197,837
<b>Total</b>	<b>18,148,625</b>	<b>8,716,313</b>

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Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 10 - Trade receivables

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	40,271,069	39,025,314
Other Trade receivables Unsecured, considered good	20,008,880	22,297,939
	<b>60,279,949</b>	<b>61,323,253</b>

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Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 11 - Cash and cash equivalents

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
Balances with banks		
(i) In current accounts	48,617,608	8,693,696
(ii) In earmarked accounts		
- Balances in deposit accounts held as margin money or security against the guarantees.	3,967,958	3,631,988
<b>Total</b>	<b>52,585,566</b>	<b>12,325,684</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement is -	48,617,608	8,693,696

Note:

Balances in deposit accounts held as margin money or security against the guarantees amounting to Rs. 3,967,958 (previous year Rs.3,631,988) have an original maturity of 12 months.



Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 12 - Short term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Security deposits Unsecured, considered good	1,931,536	8,578,942
(b) Prepaid expenses Unsecured, considered good	40,730	94,156
(c) Advance income tax - Unsecured, considered good	-	1,118,223
(d) Others Unsecured, considered good		
Advances to suppliers	2,073,179	2,070,091
WCT refund receivables	-	1,408,804
<b>Total</b>	<b>4,045,445</b>	<b>13,270,216</b>

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**Jay Railway Projects Private Limited**  
**Notes forming part of the financial statements**

**Note 13 - Other current assets**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Gross amount due from customers for long term construction contracts (Refer Note 24.1)	46,460,253	42,132,385
(b) Accruals - Interest accrued on deposits with banks	278,112	446,608
(c) Others (Refer Note 21)	10,826,435	13,544,585
<b>Total</b>	<b>57,564,800</b>	<b>56,123,578</b>

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Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note14 - Revenue from operations

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
	Rs.	Rs.
Turnkey Contract Revenue - Signaling & Telecommunication	134,027,459	77,736,466
<b>Total</b>	<b>134,027,459</b>	<b>77,736,466</b>



Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 15 - Other income

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
	Rs.	Rs.
Interest income		
- on bank deposits	558,283	330,768
- on earnest money deposits etc.	-	468,217
- on Income tax refund	33,368	-
<b>Total</b>	<b>591,651</b>	<b>798,985</b>

(m)

Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 16 - Cost of materials consumed

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Consumption of materials and components	-	13,705,925
<b>Total</b>	-	<b>13,705,925</b>

Footnote - Consumption of materials and components comprises of:

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Double Walled Corrugated pipe	-	3,217,826
Mechanical Item	-	3,105,091
Signalling Material	-	2,946,641
Data Logger & Computer	-	2,078,442
Cable & Wire	-	1,631,805
Others *	-	726,120
<b>Total</b>	-	<b>13,705,925</b>
	%	%
Indigenous	-	100
Imported	-	-
	-	100

Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 17 - Subcontracting expenses

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
	Rs.	Rs.
Subcontracting expenses	126,266,695	56,095,000
<b>Total</b>	<b>126,266,695</b>	<b>56,095,000</b>



Jay Railway Projects Private Limited  
Notes forming part of the financial statements

Note 18 - Finance costs

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
	Rs.	Rs.
Interest on delayed payment of taxes	158,301	-
	158,301	-



**Jay Railway Projects Private Limited**  
**Notes forming part of the financial statements**

**Note 19 -Other expenses**

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
	Rs.	Rs.
Legal and professional Fees	64,000	93,433
Filing & Other Fee	-	8,427
Rates and taxes, other than taxes on income	234,399	828,210
Payments to statutory auditors (including service tax) (Refer Note 19.1)	438,204	421,350
Tender Fees	25,000	260,000
Bank (guarantee and other) charges	565,178	280,847
Deputed Staff Cost	1,000,000	1,000,000
<b>Total</b>	<b>2,326,781</b>	<b>2,892,267</b>
<b>Note 19.1 - Payments to statutory auditors comprises (including service tax):</b>		
As Auditors - statutory audit	337,080	337,080
For taxation matters	101,124	84,270
	<b>438,204</b>	<b>421,350</b>

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# JAY RAILWAY PROJECTS PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20. Jay Electrocom Industries (Jay PF) a Partnership Firm being a Joint Stock Company within the meaning of Section 566 of the Companies Act, 1956 was registered on 7 September, 2010 under Part IX of the Companies Act, 1956 as Jay Railway Signaling Private Limited.

1,000,000 Equity shares of Rs. 10 each of the Company were allotted to the Partners of Jay PF in the same proportion as their respective shares in Capital Account of Jay PF.

On 14 September, 2010, the Company, KEC International Limited ("the Purchaser") and the erstwhile Shareholders ("Sellers") of the Company entered in to Share Purchase Agreement ("the Agreement") and the Purchaser acquired all the equity shares of the Company and the Company has become a 100% subsidiary of the Purchaser from that date.

The name of the Company was changed to Jay Railway Projects Private Limited on 23 December, 2010.

21. In terms of the Agreement referred to in Note 20 above each of the Sellers is jointly and severally liable to indemnify the Company, in the event of non-realization of outstanding receivables (including but not limited to inventory, trade receivables, loans and advances) as at 14 September, 2010 being the date of acquisition of equity shares by the Purchaser.

Pursuant to the above, during the previous year the Company identified Rs. 13,544,585 as recoverable from the Sellers towards trade receivables/ WCT refund receivable/ Security deposits in respect of the closed projects and outstanding Income tax receivable, which is included in Note 13 Other current assets - Others. Out of these, during the year the Company realised Rs. 2,718,150.

Further, during the year the Company has filed a case in the High Court, Mumbai against all Sellers of Jay Railway Signaling Private Limited ( now known as Jay Railway Projects Private Limited) to recover from Sellers personally Rs. 29,556,224 (including the amount referred above) being the receivables and earnest money outstanding since 14 September, 2010.

The Company is confident that the above amounts would be ultimately recovered and accordingly considered the same as good and recoverable.

22. Based on the details regarding the status of the suppliers obtained by the Company, there is no supplier under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

23. The Company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at year end. The Company does not have any foreign currency exposure as at the year end.

### 24. Disclosures under the Accounting Standards

#### 24.1 Disclosures under the Accounting Standard – 7 "Construction Contracts":

			Year Ended 31 March, 2014 (Rs.)	Year Ended 31 March , 2013 (Rs.)
(a)	(i)	Contract revenue recognised during the year	134,027,459	77,736,466
	(ii)	Method used to determine contract revenue and the stage of completion of contracts in progress	Refer Note 2.04 above	
(b)		Disclosure in respect of contracts in progress as at the year end		
	(i)	Aggregate amount of costs incurred and recognised profits	285,129,673	151,102,175

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**JAY RAILWAY PROJECTS PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(ii)	Gross amount due from customers for contract work (included under Note 13 - Other current assets)	46,460,253	42,132,385
(iii)	Gross amount due to customers for contract work (included under Note 7 - Other current liabilities)	-	-
(iv)	Amount of advance received	-	-
(v)	Retention receivable	18,800,418	15,172,447

**24.2 Related Party Disclosures:**

Related Party disclosures in accordance with Accounting Standard 18 – “Related Party Disclosure”.

**A. Name and nature of relationship of the enterprise where control exists :-**

KEC International Limited- The Holding Company

**B. Parties with whom transactions have taken place:**

**Holding Company:** KEC International Limited

**C. Transactions with the related party during the year 1 April, 2013 to 31 March, 2014 and outstanding balance as at 31 March, 2014**

Amounts in `

	Year Ended 31 March, 2014	Year Ended 31 March, 2013
Particulars	Holding Company	Holding Company
<b>Transactions</b>		
Subcontracting expenses	126,119,417	56,095,000
Payments made by the related party on behalf of the Company	3,785,098	1,523,406
Borrowings by the Company	1,881,632	10,980,876
Repayments of Borrowings by the Company	27,636,200	57,11,559
Deputed Staff Cost	1,000,000	1,000,000
<b>Balance outstanding as at the year end</b>		
Amount payable - (a) Long-term borrowings	113,029,905	134,999,375
(b) Trade payables	116,688,969	56,065,114

**D.** No amounts have been written off/provided for or written back in respect of amounts receivable from or payable to the related parties.

# JAY RAILWAY PROJECTS PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 24.3 Earnings per Share

Particulars	Units	Year ended 31 March , 2014	Year ended 31 March, 2013
Net Loss (As per Statement of Profit and Loss)	Rs.	(1,168,104)	(1,107,741)
Weighted Average No. of equity shares outstanding	Nos.	1,000,000	1,000,000
Basic and Diluted earnings per share	Rs.	(1.17)	(1.11)
Nominal Value per share	Rs.	10	10

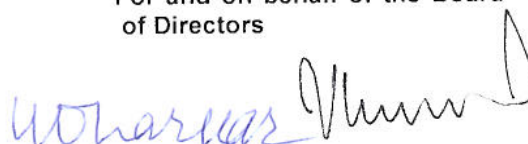
24.4 The Company is primarily engaged in the business of Railway Signaling and operates in India. As such there is no other separate reportable segment as defined by Accounting Standard – 17 "Segment Reporting".

25. The Company is a subsidiary of a Public Company and hence is a Public Company in terms of the provision of Section 3(1)(iv)(c) of the Companies Act, 1956.

26. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 26 which form an integral part of financial statements.

For and on behalf of the Board of Directors

  
Director                      Director

Place : Mumbai

Date : 30 APR 2014

