

SSPDL INFRA TECH PRIVATE LIMITED
(Formerly SSPDL Interserve Private Limited)

BOARD'S REPORT

To
The Members,

Your Directors have pleasure in presenting the Fifth Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2015.

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY:

The Summarized Financial Results are given below

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|--|----------------|----------------|
| Total Income | 8,18,08,185 | 40,69,54,283 |
| Total Expenditure | 21,18,29,687 | 39,34,08,282 |
| Profit/(Loss) before Tax | (13,00,21,502) | 1,35,46,001 |
| Tax Expense | - | - |
| Profit/(Loss) after Tax | (13,00,21,502) | 1,35,46,001 |
| Surplus/(Deficit) in Statement of Profit and Loss brought forward from previous year | (17,76,11,561) | (19,11,57,562) |
| Balance carried to Balance Sheet | (30,76,33,063) | (17,76,11,561) |

2. STATEMENT OF COMPANY AFFAIRS

The total income of your Company for the year under review is ₹ 818.08 Lakhs as compared to ₹ 4069.54 lakhs for the previous year ended 31st March, 2014. Profit/(Loss) after tax during the year under review is ₹ (1300.21) lakhs as against ₹ 135.46 lakhs in the previous year.

Company is executing the Construction works of M/s. SSPDL Limited and other clients. During the year under review, no further contracts have been taken by the Company. The details of the projects executed by the Company are mentioned below in detail.

Lakewood Enclave & Mayfair Apartments, Chennai

A Residential Villa/Apartment project situated at Thalambur Village of Old Mahabalipuram, (IT Express Highway), Chennai. The total work value is ₹ 28 Crores for an area of about 1,57,000 sft..

SSPDL Limited intended to execute the work by itself and accordingly, during the year under review, the Construction Agreements were cancelled and handed over the projects to SSPDL Limited.

Fairfield & Marriot Hotel

Originally the value of the Project is ₹ 30.24 Crores from M/s. SAMHI, this is scaled down to ₹ 21 crores. The Project Management Consultant is M/s Archetype. After completion of 95% of the construction work, the project has been handed over and final claim is settled and waiting for receiving retention money in October, 2015 with the completion of defect liability period.

Frangipani, Pudupakkam

Construction of Residential Building at Pudupakkam inside Siruseri IT park, Chennai, for building 3,41,440 sft. for M/s. Arihant Foundations & Housing Ltd. The value of the order is ₹ 22.26 crores additional work of ₹ 7.79 Crores has been awarded, and Value of the work completed up to 31st March 2014 is ₹ 29.05 crores. During the year under review, the Construction work is completed.

3. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Andrew George Franks, Mr. Thomas Scally and Mr. Timothy Capper, Directors representing M/s. Interserve Holdings Limited, UK has resigned as Directors of the Company on 16.05.2014.

In pursuance of the provisions of Section 152 of the Companies Act, 2013, Sri Prakash Challa (DIN: 02257638), Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

4. AUDITORS

M/s. Karvy & Co., Chartered Accountants (ICAI Firm Registration No.001757S), Hyderabad, who had been appointed, at the 4th Annual General Meeting (AGM) held on 22nd September, 2014, as Statutory Auditors of your Company, to hold office from the conclusion of the 4th AGM till the conclusion of the Ninth AGM to be held in the year 2019, subject to ratification of their appointment at every AGM.

The Company received a letter from M/s. Karvy & Co., confirming that they are eligible for re-appointment as auditors of the Company under section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in section 141 of the Companies Act, 2013.

5. NUMBER OF MEETING OF THE BOARD:

During the year 2014-15, eleven (11) meetings of the Board of Directors were held.

6. EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2015 forms part of this Report is annexed herewith as "Annexure I".

7. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirement of Section 134(3) (c) of the Companies Act, 2013, your Directors, hereby confirm that:-

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The 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 as at March 31, 2015 and of the profit and loss of the company for the period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis; and
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS.

Section 149(4) of the Companies Act, 2013, requiring the appointment of Independent Directors is not applicable to the Company.

9. COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors of the Company in their report.

9. INTERNAL FINANCIAL CONTROLS.

The Company has adequate internal financial controls, commensurate with the size and nature of business of the Company, with reference to the financial statements.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

During the year under review, the Company has neither given any loans, made investments, given guarantees, nor provided any security as specified under Section 186 of the Companies Act, 2013.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year, the Company has not entered into any contract or arrangement with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013.

12. CHANGE IN NATURE OF THE BUSINESS

There is no change in nature of Business of the Company.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there have been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. TRANSFER TO RESERVES

The Company has not transferred any amount to reserves.

15. DIVIDEND

The Board has not recommended any dividend for Financial Year 2014-15.

16. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8(3) of The Companies (Accounts) Rules, 2014, the particulars of conservation of energy absorption, foreign exchange earnings and outgo, are provided below:

| | |
|---|---|
| (A) Conservation of energy | Even though the Company's activity is Construction, etc., which is not power intensive. However, the Company is making every effort to conserve the usage of power. |
| (B) Technology absorption | NIL |
| (C) Foreign exchange earnings and Outgo | NIL |

18. RISK MANAGEMENT POLICY

The Company has developed and implemented a risk management policy for the Company. In the opinion of the Board, there are no foreseeable risks which may threaten the existence of the Company.

19. CORPORATE SOCIAL RESPONSIBILITY

In pursuance of provisions of section 135 of the Companies Act, 2013, at present our company is not falling into the categories of the companies specified in Section 135. In view of the same, the Board decided that Company will comply with the applicable provisions with regard to the Corporate Social Responsibility as and when Section 135 is applicable to the Company.

20. SEXUAL HARRASMENT

The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide protection against sexual harassment of women at workplace. The Company is committed to provide a protective environment at workplace for all its women employees.

During the year ended 31 March, 2015 there were no incidents of sexual harassment reported in the Company.

22. SUBSIDIARY COMPANY

As on March 31, 2015, the Company does not have any subsidiary.

23. PARTICULARS OF EMPLOYEES

Your Company has no employees requiring disclosure pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.


24. DEPOSITS

During the year, the Company did not accept any Deposits from the public under Chapter V of the Companies Act, 2013.

ACKNOWLEDGMENTS:

Your Directors place on record their sincere appreciation to the Shareholders, Banks, Suppliers, Government and Semi-Government agencies for their continued assistance and co-operation extended to the Company.

**For and on behalf of the Board of Directors
of SSPDL Infratech Private Limited**



Prakash Challa
Director
(Din: 02257638)

Suresh Challa
Director
(Din: 01473171)

Place : Hyderabad
Date : 27.04.2015

ANNEXURE-I**Form No.MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN U45209TG2010PTC068608
- ii) Registration Date 26th May, 2010.
- iii) Name of the Company SSPDL INFRATECH PRIVATE LIMITED
(Formerly SSPDL Interserve Pvt Ltd)
- iv) Category/Sub-Category of the Company Company Limited by Shares / Private Company
- v) Address of the Registered, Office and contact details 8-2-595/3/6, Eden Gardens, Road No.10,
Banjara Hills, Hyderabad - 500 034,
Telangana.
Phone No.: 040 - 6663 7560
Fax No. : 040 - 6663 7969
Email: pchalla@sspdl.com
- vi) Whether listed Company No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any Not Applicable

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover (Consolidated) of the company shall be stated:-

| Sl. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Construction of Buildings | 410 | 100% |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | Corporate Identification Number | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|---------------------------------|--------------------------------|------------------|--------------------|
| 1 | SSPDL Limited 8-2-595/3/6, Eden Gardens, Road No. 10, Banjara Hills, Hyderabad, 500 034, Telangana, India. | L70100TG1994PLC018540 | Holding Company | 100.00 | 2 (46) |

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|----------------------------------|--|-----------|-----------|-------------------|--|-----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | - | - | - | 0 | - | - | - | 0 | 0 |
| a) Individual/HUF | - | - | - | 0 | - | - | - | 0 | 0 |
| b) Central Govt | - | - | - | 0 | - | - | - | 0 | 0 |
| c) State Govt(s) | - | - | - | 0 | - | - | - | 0 | 0 |
| d) Bodies Corp. | - | 10,00,000 | 10,00,000 | 100 | - | 11,96,000 | 11,96,000 | 100 | 0 |
| e) Banks / FI | - | - | - | 0 | - | - | - | 0 | 0 |
| f) Any other | - | - | - | 0 | - | - | - | 0 | 0 |
| Sub Total (A) (1) | - | 10,00,000 | 10,00,000 | 100 | - | 11,96,000 | 11,96,000 | 100 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | 0 | - | - | - | 0 | 0 |
| b) Other Individuals | - | - | - | 0 | - | - | - | 0 | 0 |
| c) Bodies Corp. | - | - | - | 0 | - | - | - | 0 | 0 |
| d) Any other | - | - | - | 0 | - | - | - | 0 | 0 |
| Sub Total (A) (2) | - | - | - | 0 | - | - | - | 0 | 0 |
| TOTAL (A) | - | 10,00,000 | 10,00,000 | 100 | - | 11,96,000 | 11,96,000 | 100 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | 0 | - | - | - | 0 | 0 |
| b) Banks / FI | - | - | - | 0 | - | - | - | 0 | 0 |
| c) Central Govt | - | - | - | 0 | - | - | - | 0 | 0 |
| d) State Govt(s) | - | - | - | 0 | - | - | - | 0 | 0 |
| e) Venture Capital Funds | - | - | - | 0 | - | - | - | 0 | 0 |
| f) Insurance Companies | - | - | - | 0 | - | - | - | 0 | 0 |
| g) FIIs | - | - | - | 0 | - | - | - | 0 | 0 |
| h) Foreign Venture Capital Funds | - | - | - | 0 | - | - | - | 0 | 0 |
| i) Others (specify) | - | - | - | 0 | - | - | - | 0 | 0 |
| Sub-total (B)(1):- | - | - | - | 0 | - | - | - | 0 | 0 |

| 2. Non-Institutions | | | | | | | | | |
|--|---|------------------|------------------|------------|---|------------------|------------------|------------|----------|
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | 0 | - | - | - | 0 | 0 |
| ii) Overseas | - | - | - | 0 | - | - | - | 0 | 0 |
| b) Individuals | - | - | - | 0 | - | - | - | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | 0 | - | - | - | 0 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | 0 | - | - | - | 0 | 0 |
| c) Others (specify) | - | - | - | 0 | - | - | - | 0 | 0 |
| Non Resident Indians | - | - | - | 0 | - | - | - | 0 | 0 |
| Overseas Corporate Bodies | - | - | - | 0 | - | - | - | 0 | 0 |
| Foreign Nationals | - | - | - | 0 | - | - | - | 0 | 0 |
| Clearing Members | - | - | - | 0 | - | - | - | 0 | 0 |
| Trusts | - | - | - | 0 | - | - | - | 0 | 0 |
| Foreign Bodies - D R | - | - | - | 0 | - | - | - | 0 | 0 |
| Sub-total (B)(2):- | - | - | - | 0 | - | - | - | 0 | 0 |
| Total Public (B) | - | - | - | 0 | - | - | - | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | 0 | - | - | - | 0 | 0 |
| Grand Total (A+B+C) | - | 10,00,000 | 10,00,000 | 100 | - | 11,96,000 | 11,96,000 | 100 | 0 |

Note: Out of 11,96,000 Shares (i) 11,95,994 are held in the name of M/s. SSPDL Limited, (ii) 1 Share each in the name of Sri. Prakash Challa, Sri. E.Bhaskar Rao, Sri. Suresh Challa, Sri. S.Suryanarayana, Sri. B.Lokanath and Sri. K.Akmaluddin Sheriff as Nominee of SSPDL Limited.

(ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|--------------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledge d / encumbered to total shares | % change in Share holding during the year |
| 1 | SSPDL Limited | 10,00,000 | 100 | 0 | 11,96,000 | 100 | 0 | 0 |
| TOTAL | | 10,00,000 | 100 | 0 | 11,96,000 | 100 | 0 | 0 |

Note: Out of 11,96,000 Shares (i) 11,95,994 are held in the name of M/s. SSPDL Limited, (ii) 1 Share each in the name of Sri. Prakash Challa, Sri. E. Bhaskar Rao, Sri. Suresh Challa, Sri. S. Suryanarayana, Sri. B. Lokanath and Sri. K. Akmaluddin Sheriff as Nominee of SSPDL Limited.

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

| Sl. No. | SSPDL Limited | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | At the beginning of the year on 01.04.2014 | 510,000 | 51.00 | | |
| | Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease | | | | |
| | Purchased on 05.05.2014 | 490,000 | 40.97 | 10,00,000 | 83.61 |
| | Purchased on 16.05.2014 | 196,000 | 16.39 | 11,96,000 | 100.00 |
| | At the end of the year on 31.03.2015 | | | 11,96,000 | 100.00 |

Note: On 16.05.2014, M/s. SSPDL Limited have transferred one (1) share each in the name of Sri. Prakash Challa, Sri. E. Bhaskar Rao, Sri. Suresh Challa, Sri. S. Suryanarayana, Sri. B. Lokanath and Sri. K. Akmaluddin Sheriff to hold these shares as Nominees of M/s. SSPDL Limited.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs): NIL

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For each of the Director and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Prakash Challa* | | | | |
| | At the beginning of the year on 01.04.2014 | 0 | 0 | | |
| | Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease | | | | |
| | Purchased on 16.05.2014 | 1 | 0.00 | 1 | 0.00 |
| | At the end of the year on 31.03.2015 | 1 | 0.00 | | |
| 2 | Suresh Challa* | | | | |
| | At the beginning of the year on 01.04.2014 | 0 | 0 | | |
| | Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease | | | | |
| | Purchased on 16.05.2014 | 1 | 0.00 | 1 | 0.00 |
| | At the end of the year on 31.03.2015 | 1 | 0.00 | | |
| 3 | S.Suryanarayana* | | | | |
| | At the beginning of the year on 01.04.2014 | 0 | 0 | | |
| | Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease | | | | |
| | Purchased on 16.05.2014 | 1 | 0.00 | 1 | 0.00 |
| | At the end of the year on 31.03.2015 | 1 | 0.00 | | |

* Sri. Prakash Challa, Sri. Suresh Challa and Sri S.Suryanarayana are holding Shares as nominees of M/s. SSPDL Limited.

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment is Nil

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| Addition | Nil | Nil | Nil | Nil |
| Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

| Sl. No. | Particulars of Remuneration | Name | Total Amount |
|---------|---|------|--------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | Nil |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission | Nil | Nil |
| | - as % of profit | Nil | Nil |
| | - others, specify... | Nil | Nil |
| 5 | Others, please specify | Nil | Nil |
| | Total (A) | Nil | Nil |
| | Ceiling as per the Act | Nil | Nil |

B. Remuneration to other directors: NIL

| Sl. No. | Particulars of Remuneration | Name of Directors | Total Rs. |
|---------|--|-------------------|------------|
| 1 | Independent Directors | NIL | NIL |
| | Fee for attending board / committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (1) | | |
| 2 | Other Non-Executive Directors | | |
| | Fee for attending board / committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (2) | | |
| | Total (B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Not Applicable

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | Total Rs. |
|---------|---|--------------------------|------------|
| 1 | Gross salary | NIL | NIL |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission | | |
| | - as % of profit | | |
| | - others, specify... | | |
| 5 | Others, please specify | | |
| | Total | | |

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

**For and on behalf of the Board of Directors
of SSPDL Infratech Private Limited**



**Place : Hyderabad
Date : 27.04.2015**

**Prakash Challa
Director
(Din: 02257638)**

**Suresh Challa
Director
(Din: 01473171)**



INDEPENDENT AUDITOR'S REPORT

To the Members of SSPDL Infratech Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **SSPDL Infratech Private Limited** (Formerly known as **SSPDL Interserve Private Limited**) ('the Company') which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 on the financial statements.

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, of the state of affairs of the Company as at 31st March, 2015, its **LOSS** and its cash flows for the year ended on that date.



27/04/2015


Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- a) We have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company did not have any dues on account of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

For **KARVY & CO.**
Chartered Accountants
Firm Registration Number: 01757S


K. Ajay Kumar
Partner
Membership No. 021989



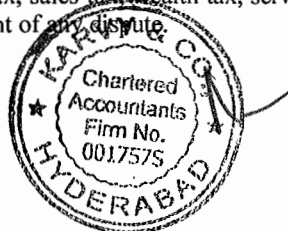
Place: Hyderabad
Date: 27/04/2015.

27/04/2015

Annexure referred to in paragraph 1 of report on other legal and regulatory requirements section of our report of even date

Re: SSPDL Infratech Private Limited ('the Company')

- i. 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) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, substantial fixed assets were physically verified by management during the year and no material discrepancies were identified during such verification.
- ii. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are 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 and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues:
 - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, value added tax, excise duty, customs duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to me, there are no dues outstanding of income-tax, sales-tax, wealth tax, service tax, value added tax, excise duty, customs duty and cess on account of any dispute.




27/04/2015

(c) According to the information and explanations given to me, the Company did not have any dues on account of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules made there under.

- viii. The Company has been registered for less than 5 years. Accordingly, clause 3 (viii) of the order is not applicable to the company.
- ix. Based on our audit procedures and on the basis of information and explanations given by the management, the company did not have any outstanding dues to any banks and financial institutions. The Company has not defaulted in repayment of dues to debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others or financial institutions.
- xi. The Company did not have any term loans outstanding during the year.
- xii. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **KARVY & CO**
Chartered Accountants
Firm Registration Number: 01757S


K. Ajay Kumar
Partner
Membership No. 021989



Place: Hyderabad
Date : 27/04/2015

27/04/2015

Balance Sheet as at 31 March, 2015

(Amounts in Rs.)

| Particulars | Note | As at 31 March 2015 | As at 31 March 2014 |
|--|------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| (a) Share capital | 3 | 11,96,000 | 10,00,000 |
| (b) Reserves and surplus | 4 | 8,36,80,937 | 16,48,98,439 |
| 2. Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | - | 10,01,01,999 |
| (b) Long-term provisions | 6 | 3,04,319 | 3,04,319 |
| 3. Current liabilities | | | |
| (a) Trade payables | 7 | 1,23,69,298 | 4,30,05,636 |
| (b) Other current liabilities | 8 | 1,84,54,602 | 2,52,42,954 |
| (c) Short-term provisions | 6 | 1,02,797 | 2,50,579 |
| TOTAL | | 11,61,07,953 | 33,48,03,926 |
| II. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed assets | | | |
| Tangible assets | 9 | 1,38,34,027 | 5,04,51,834 |
| Intangible assets | 10 | 15,04,382 | 3,85,28,704 |
| (b) Long-term loans and advances | 11 | 29,17,676 | 2,12,22,994 |
| 2. Current assets | | | |
| (a) Trade receivables | 12 | 6,46,57,977 | 9,85,64,187 |
| (b) Cash and bank balances | 13 | 91,74,649 | 1,66,90,243 |
| (c) Short term loans and advances | 14 | 2,19,62,301 | 4,92,55,447 |
| (d) Other current assets | 15 | 20,56,941 | 6,00,90,517 |
| TOTAL | | 11,61,07,953 | 33,48,03,926 |
| III. Summary of significant accounting Policies | | | |
| | 1-2 | | |

The Accompanying notes are an integral part of Financial Statements.

As per our attached report of even date

For KARVY & CO

Chartered Accountants

Firm Registration No. : 001757S

K Ajay Kumar

Partner

Membership No. 021989

Place: Hyderabad

Date: 27.04.2015



For and on behalf of the Board of Directors

Prakash Challa

Director

Suresh Challa

Director

Statement of Profit and Loss for the period ended March 31, 2015

(Amounts in Rs.)

| Particulars | Note | Year ended 31 March 2015 | Year ended 31 March 2014 |
|--|--------|-----------------------------|-----------------------------|
| I. REVENUE | | | |
| (a) Revenue from Operations | 16 | 7,66,69,754 | 39,95,92,324 |
| (b) Other Income | 17 | 51,38,431 | 73,61,959 |
| Total | | 8,18,08,185 | 40,69,54,283 |
| II. EXPENSES | | | |
| (a) Construction Expenses | 18 | 11,60,29,174 | 30,16,10,177 |
| (b) Employee Benefit Expenses | 19 | 1,48,46,874 | 3,57,18,808 |
| (c) Depreciation and Amortisation | 9 & 10 | 4,98,06,062 | 3,19,18,830 |
| (d) Finance Cost | 20 | 2,74,915 | 33,59,191 |
| (e) Other Expenses | 21 | 3,08,72,662 | 2,08,01,276 |
| Total | | 21,18,29,687 | 39,34,08,282 |
| III. Profit / (Loss) before tax | | (13,00,21,502) | 1,35,46,001 |
| Tax Expense | | | |
| - Current Tax | | - | - |
| - Deferred Tax | | - | - |
| Profit / (Loss) for the year | | (13,00,21,502) | 1,35,46,001 |
| Earnings per Equity Share: | | | |
| Basic | | (110.45) | 13.55 |
| Diluted | | (110.45) | 11.12 |

The Accompanying notes are an integral part of Financial Statements.

As per our attached report of even date

For **KARVY & CO**

Chartered Accountants

Firm Registration No. : 001757S

K Ajay Kumar

Partner

Membership No. 021989

Place: Hyderabad

Date: 27.04.2015

For and on behalf of the Board of Directors

Prakash Challa

Director

Suresh Challa

Director



Cash Flow Statement for the year ended 31 March, 2015

(Amounts in Rs.)

| Particulars | Year ended 31 March 2015 | Year ended 31 March 2014 |
|---|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before tax | (13,00,21,502) | 1,35,46,001 |
| Adjustments for: | | |
| Depreciation and amortisation | 4,98,06,062 | 3,19,18,830 |
| Interest income | (8,80,798) | (10,92,158) |
| Finance costs | 25,625 | 30,98,217 |
| Loss on sale / write off of fixed assets, net | (16,35,053) | 4,20,106 |
| Provision for doubtful debts | - | - |
| Provisions no longer required write back | (4,17,398) | - |
| Provision for doubtful advances | - | - |
| Operating profits/(losses) before working capital changes | (8,31,23,064) | 4,78,90,996 |
| Decrease / (increase) in inventories | - | 1,15,72,544 |
| Decrease / (increase) in trade receivables | 3,39,06,210 | 75,76,199 |
| Decrease / (increase) in other current and non-current assets | 3,94,38,071 | 3,88,72,855 |
| Increase / (decrease) in loans and advances | 4,68,23,677 | 2,95,66,615 |
| Increase / (decrease) in trade payables, provisions and other current liabilities | (3,67,32,594) | (12,87,67,691) |
| Cash flow from operations | 3,12,300 | 67,11,518 |
| Income taxes (paid)/ received, net | 1,70,23,518 | 33,42,444 |
| Net cash generated from operating activities - (A) | 1,73,35,818 | 1,00,53,962 |
| Cash flow from investing activities | | |
| Movement in investments in bank deposits having original maturity of more than 3 months | - | 28,44,600 |
| Proceeds on disposal of fixed assets | 2,49,99,386 | 8,16,824 |
| Interest income received | 15,73,511 | 6,88,567 |
| Bank balances not considered as cash equivalents | 74,00,000 | (1,19,00,000) |
| Net cash used in investing activities - (B) | 3,39,72,897 | (75,50,009) |
| Cash flow from financing activities | | |
| Redemption of compulsorily convertible debentures | (5,10,00,000) | - |
| Repayments made towards finance lease | (3,98,683) | (9,17,235) |
| Finance costs paid | (25,625) | (5,555) |
| Net cash used in financing activities - (C) | (5,14,24,308) | (9,22,790) |
| Net increase / (decrease) in cash and cash equivalents during the year (A + B + C) | (1,15,593) | 15,81,163 |
| Cash and cash equivalents at the beginning of the year | 47,90,242 | 32,09,079 |
| Cash and cash equivalents at the end of the year | 46,74,649 | 47,90,242 |
| Components of cash and cash equivalents | | |
| Cash on hand | 67,673 | 1,15,528 |
| Balances with banks | | |
| -in current accounts | 46,06,976 | 46,74,714 |
| -in deposit accounts (with original maturity of 3 months or less) | - | - |
| | 46,74,649 | 47,90,242 |

1) The Cash Flow Statement has been Prepared under the "indirect method" set out in Accounting Standard -3 on Cash Flow Statement Prescribed under the companies (Accounting Standards) Rules 2006.

2) Figures in brackets indicates out flow.

3) Previous year's figures have been regrouped and recasted wherever required.

The Accompanying notes are an integral part of Financial Statements.

As per our attached report of even date

For KARVY & CO

Chartered Accountants

Firm Registration No. : 001757S

K Ajay Kumar

Partner

Membership No. 021989

Place: Hyderabad

Date: 27.04.2015



For and on behalf of the Board of Directors

Prakash Challa
Director

Suresh Challa
Director

1 Corporate information

SSPDL Infratech Private Limited formerly known as SSPDL Interserve Private Limited ("SIPL" or "the Company") was incorporated on May 26th, 2010. The Company is a leading contractor engaged primarily in the business Construction of residential houses, commercial buildings, industrial, institutional and infrastructure sector in India.

2 Basis of preparation

2.1 Basis of Accounting

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

2.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Tangible assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.4 Depreciation on tangible assets

Depreciation on fixed assets is computed on the written down value method over their estimated useful lives as prescribed under Schedule II of the Companies Act, 2013 of India. Depreciation is charged on pro-rata basis for the assets purchased during the year.

The basis for the estimated useful life of the tangible fixed assets given below:

| | |
|------------------------------|---|
| (a) Plant and Machinery | -based on obsolescence and technological changes |
| (b) Leasehold Improvements - | -amortised over a period the lease |
| (c) Computers - | -based on obsolescence and technological changes |
| (d) Office equipment - | -based on wear and tear |
| (e) Furnitures & fixtures - | -based on wear and tear |
| (f) Vehicles - | -based on wear and tear and technological changes |

2.5 Intangible Assets and Amortization:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are amortized over their economic useful lives. Management's estimate of useful life of intangible assets

The basis for the estimated useful life of the intangible assets given below:

| | |
|--------------|-----------|
| (a) Software | - 5 years |
|--------------|-----------|

2.6 Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.7 Impairment of tangible and intangible fixed assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit & Loss

2.9 Revenue recognition

a) In accordance with AS -7 (Revised), the Company recognizes contract revenue at cost of work performed on the contract plus proportionate margin, using percentage completion method stated on the basis of proportionate cost of work performed to-date, to the total estimated contract costs at the balance sheet date, taking in to account the contractual price and revision thereto. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional cost/delays is accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client

(b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(c) Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

2.10 Unbilled Revenue

Unbilled Revenue disclosed under Note No. 15 - "Other Current Assets" represents revenue recognized based on percentage of completion method (as per para no. 2.6(a) above), over and above the amount due as per the payment plans agreed with the customers.

2.11 Employee benefits

(a) Provident Fund: The Company has defined contribution plan for its employees' retirement benefits comprising of Provident Fund. The company contributes to State plans namely Employees pension Scheme, 1995.

(b) Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the payment of gratuity act 1972. The company contributes to Gratuity Fund administrated by LIC. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit & loss in the year in which they arise.

2.12 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period

2.13 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.14 Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3 Share capital(Amounts in Rs.)
As at
31 March 2015 As at
31 March 2014**Authorised**

1,500,000 (31 March 2014: 1,000,000) equity shares of Rs.1/- each

15,00,000 10,00,000

Issued, subscribed and paid-up

1,196,000 (31 March 2014: 1,000,000) equity shares of Rs.1/- each fully paid-up

11,96,000 10,00,000

11,96,000 10,00,000**(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period****Equity shares**

| | 31 March 2015 | | 31 March 2014 | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | Number | Amount | Number | Amount |
| At the commencement of the year | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 |
| Shares issued during the year | 1,96,000 | 1,96,000 | - | - |
| At the end of the year | 11,96,000 | 11,96,000 | 10,00,000 | 10,00,000 |

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares referred to as equity shares having a par value of Rs.1 per share. Each holder of equity shares is entitled to one vote per share. The Company in general meeting may declare dividend, but no dividend shall exceed the amount recommended by the board.

The Company shall have a first and paramount lien on every share (including a fully paid share) registered in the name of a member (whether solely or jointly with others) for all moneys (whether presently payable or not) due by him or his estate, either alone or jointly with any other person, to the Company. However the directors may at any time declare any share to be wholly or in part exempt from the provisions of the Articles. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

| | 31 March 2015 | | 31 March 2014 | |
|---|---------------|-----------|---------------|----------|
| | Number | Amount | Number | Amount |
| Equity shares of Rs 1/- each fully paid-up held by SSPDL Limited, the holding company | 11,96,000 | 11,96,000 | 5,10,000 | 5,10,000 |
| Interserve Holding Limited, United Kingdom | - | - | 4,90,000 | 4,90,000 |

(d) Particulars of shareholders holding more than 5% shares of a class of shares

| | 31 March 2015 | | 31 March 2014 | |
|--|---------------|--------|---------------|--------|
| | Number | % Held | Number | % Held |
| Equity shares of Rs 1/- each fully paid up held by SSPDL Limited | 11,96,000 | 100% | 5,10,000 | 51% |
| Interserve Holding Limited, United Kingdom | 0 | 0% | 4,90,000 | 49% |

4 Reserves and surplus**Securities premium account**

| | | |
|--|--------------|--------------|
| Opening Balance at the beginning of the year | 34,25,10,000 | 34,25,10,000 |
| Add : Addition during the period | 4,88,04,000 | - |
| Closing Balance as the end of the period | 39,13,14,000 | 34,25,10,000 |

Deficit in the statement of profit and loss

| | | |
|------------------------------------|-----------------------|-----------------------|
| Opening balance | (17,76,11,561) | (19,11,57,562) |
| Add : Profit / (Loss) for the year | (13,00,21,502) | 1,35,46,001 |
| At the end of the year | (30,76,33,063) | (17,76,11,561) |
| | 8,36,80,937 | 16,48,98,439 |

| 5 Long-term borrowings | Non-current portion | | Current portion * | |
|--|---------------------|---------------------|-------------------|-----------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Secured | | | | |
| Assets acquired under finance lease(refer note (a) below) | - | 1,01,999 | - | 2,96,684 |
| Unsecured | | | | |
| 0 (31 March 2014: 100,000) 12% Compulsorily convertible debentures of Rs. 1,000/ each fully paid up (refer note (b) below) | - | 10,00,00,000 | - | - |
| | - | 10,01,01,999 | - | 2,96,684 |

*Amount disclosed under 'other current liabilities'

Nature of Security and terms of repayment for long-term borrowings

(a) Vehicle loans taken from Kotak Mahindra Prime Limited are secured by hypothecation of respective vehicles and are payable in equal monthly installments as stipulated in the agreements with the lenders.

| 6 Provisions | Long - term | | Short - term | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Provision for employee benefits | | | | |
| Gratuity (refer note 29) | - | - | - | - |
| Compensated absences | 3,04,319 | 3,04,319 | 1,02,797 | 1,02,797 |
| Other provisions | | | | |
| Provision for contract loss | - | - | - | 1,47,782 |
| | 3,04,319 | 3,04,319 | 1,02,797 | 2,50,579 |

| 7 Trade payables | | |
|------------------|--|--------------------|
| Trade payables | | 4,30,05,636 |
| | | 1,23,69,298 |
| | | 4,30,05,636 |

For dues to micro and small enterprises, refer note 33

| 8 Other current liabilities | | |
|---|--------------------|--------------------|
| Current maturities of long term borrowings (refer note 5) | - | 2,96,684 |
| Interest accrued and due on compulsorily convertible debentures | - | - |
| Advance received from customers | - | 30,73,477 |
| Retention money due to suppliers | 1,71,25,628 | 1,80,17,900 |
| Billing in excess of revenue | - | 16,64,196 |
| Employee benefits payable | 8,70,634 | 15,90,904 |
| Statutory dues payable | 4,58,340 | 5,99,793 |
| | 1,84,54,602 | 2,52,42,954 |

SPPDL Interserve Private Limited

Notes to financial statements for the year ended 31 March, 2015

(All amounts are in Indian Rupees, except share data and unless otherwise stated)

9 Tangible assets

| Particulars | Leasehold improvements | Plant and machinery | Computers | Furniture and fittings | Office equipment | Motor vehicles | Total |
|---------------------------------------|------------------------|---------------------|------------------|------------------------|------------------|------------------|---------------------|
| Gross Block | | | | | | | |
| Balance as at 1 April 2013 | 59,39,662 | 11,18,98,882 | 36,37,484 | 68,90,464 | 17,79,881 | 56,55,115 | 13,58,01,488 |
| Additions | - | | 3,18,370 | | | 16,86,282 | 20,04,652 |
| Disposals / write off | - | | | | | | |
| Balance as at 31 March 2014 | 59,39,662 | 11,18,98,882 | 33,19,114 | 68,90,464 | 17,79,881 | 39,68,833 | 13,37,96,836 |
| Additions | | | | | | | |
| Disposals / write off | | 6,14,25,672 | 1,83,019 | 5,95,464 | | 14,32,541 | 6,36,36,696 |
| Balance as at 31 March 2015 | 59,39,662 | 5,04,73,210 | 31,36,095 | 62,95,000 | 17,79,881 | 25,36,292 | 7,01,60,140 |
| Accumulated depreciation | | | | | | | |
| Balance as at 1 April 2013 | 35,63,797 | 5,08,35,095 | 12,91,203 | 9,13,398 | 3,98,477 | 16,31,425 | 5,86,33,395 |
| Depreciation for the year | 23,75,865 | 2,08,17,659 | 6,96,275 | 6,39,572 | 3,25,981 | 6,17,825 | 2,54,73,177 |
| Accumulated depreciation on Disposals | | | 1,90,996 | | | 5,70,574 | 7,61,570 |
| Balance as at 31 March 2014 | 59,39,662 | 7,16,52,754 | 17,96,482 | 15,52,970 | 7,24,458 | 16,78,676 | 8,33,45,002 |
| Depreciation for the year | | 1,10,59,129 | 5,25,795 | 6,00,513 | 3,21,181 | 2,75,122 | 1,27,81,740 |
| Accumulated depreciation on Disposals | | 3,87,83,958 | 1,30,572 | 1,75,062 | | 7,11,037 | 3,98,00,629 |
| Balance as at 31 March 2015 | 59,39,662 | 4,39,27,925 | 21,91,705 | 19,78,421 | 10,45,639 | 12,42,761 | 5,63,26,113 |
| Net Block | | | | | | | |
| As at 31 March 2014 | - | 4,02,46,128 | 15,22,632 | 53,37,494 | 10,55,423 | 22,90,157 | 5,04,51,834 |
| As at 31 March 2015 | - | 65,45,285 | 9,44,390 | 43,16,579 | 7,34,242 | 12,93,531 | 1,38,34,027 |

10 Intangible assets

| Particulars | Software | Non-compete fee | Total |
|---------------------------------------|------------------|--------------------|--------------------|
| Gross Block | | | |
| Balance as at 1 April 2013 | 31,05,765 | 5,82,45,045 | 6,13,50,810 |
| Additions | - | - | - |
| Disposals / write off | - | - | - |
| Balance as at 31 March 2014 | 31,05,765 | 5,82,45,045 | 6,13,50,810 |
| Additions | - | - | - |
| Disposals / write off | - | - | - |
| Balance as at 31 March 2015 | 31,05,765 | 5,82,45,045 | 6,13,50,810 |
| Accumulated amortisation | | | |
| Balance as at 1 April 2013 | 3,59,077 | 1,60,17,376 | 1,63,76,453 |
| Amortisation for the year | 6,21,153 | 58,24,500 | 64,45,653 |
| Accumulated amortisation on Disposals | - | - | - |
| Balance as at 31 March 2014 | 9,80,230 | 2,18,41,876 | 2,28,22,106 |
| Amortisation for the year | 6,21,153 | 3,64,03,169 | 3,70,24,322 |
| Accumulated amortisation on Disposals | - | - | - |
| Balance as at 31 March 2015 | 16,01,383 | 5,82,45,045 | 5,98,46,428 |
| Net Block | | | |
| As at 31 March 2014 | 21,25,535 | 3,64,03,169 | 3,85,28,704 |
| As at 31 March, 2015 | 15,04,382 | - | 15,04,382 |

11 Long-term loans and advances

Unsecured, considered good

| | Non-current portion | | Current portion * | |
|------------------------|---------------------|--------------------|-------------------|------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Security deposits | 7,18,200 | 20,00,000 | 30,44,685 | 31,43,685 |
| Tax deducted at source | 21,99,476 | 1,92,22,994 | - | - |
| | 29,17,676 | 2,12,22,994 | 30,44,685 | 31,43,685 |

* Amounts disclosed under "Short-term loans and advances"

12 Trade receivables(Amounts in Rs.)
31 March 2015 31 March 2014

Receivables outstanding for a period exceeding six months from the date they became due for payment

| | | |
|-----------------------------|-------------|-------------|
| -Unsecured, considered good | - | - |
| -Doubtful | 44,42,380 | 44,42,380 |
| Other receivables | | |
| -Unsecured, considered good | 6,46,57,977 | 9,85,64,187 |
| -Doubtful | | - |

Less: Provision for doubtful debts

| | | |
|--|--------------------|--------------------|
| | 44,42,380 | 44,42,380 |
| | 6,46,57,977 | 9,85,64,187 |

Trade receivables include:

| | | |
|--|-------------|-------------|
| Due from Sri Sathya Sai Constructions in which the Company's director is a partner | 4,52,683 | 3,20,82,565 |
| Due from SSPDL Limited in which the Company's director is a director | 6,25,95,328 | 6,18,56,249 |

13 Cash and bank balances**Cash and cash equivalents**

| | | |
|---|-----------|-----------|
| Cash on hand | 67,673 | 1,15,528 |
| Balances with banks | | |
| -in current accounts | 46,06,976 | 46,74,714 |
| -in deposit accounts (with original maturity of 3 months or less) | - | - |

| | | |
|--|------------------|------------------|
| | 46,74,649 | 47,90,242 |
|--|------------------|------------------|

Other Bank Balances

| | | |
|--|-----------|-------------|
| -in margin money account | - | - |
| -in deposits accounts (original maturity more than 3 months) | 45,00,000 | 1,19,00,000 |

| | | |
|--|------------------|--------------------|
| | 45,00,000 | 1,19,00,000 |
|--|------------------|--------------------|

| | | |
|--|------------------|--------------------|
| | 91,74,649 | 1,66,90,242 |
|--|------------------|--------------------|

14 Short-term loans and advances

(unsecured, considered good)

Current portion of long-term loans and advances (refer note 11)

| | | |
|---------------------------------------|-----------|-----------|
| To parties other than related parties | 30,44,685 | 31,43,685 |
|---------------------------------------|-----------|-----------|

Other short-term loans and advances

(unsecured, considered good)

| | | |
|---------------------------------------|-------------|-------------|
| To parties other than related parties | | |
| Retention money | 1,59,25,577 | 3,45,37,085 |
| Works contract tax receivable | - | 20,94,516 |
| Advances for supply of goods | 13,24,005 | 76,78,998 |
| Prepaid expenses | 13,07,019 | 16,44,796 |
| Staff advances | 3,61,014 | 1,56,367 |
| - Doubtful | | |
| Advances for supply of goods | 31,39,431 | 31,39,431 |
| Retention money | 34,84,791 | 34,84,791 |

To related parties

| | | |
|-------------------------------|---|---|
| Retention money | - | - |
| Works contract tax receivable | - | - |
| Advances for supply of goods | - | - |

Less: Provision for doubtful advances

| | | |
|--|--------------------|--------------------|
| | 66,24,222 | 66,24,222 |
| | 2,19,62,300 | 4,92,55,447 |

15 Other current assets*Unsecured, considered good*

| | | |
|------------------------------------|-----------|-------------|
| Unbilled revenue | 20,45,872 | 5,93,86,735 |
| Interest accrued on fixed deposits | 11,069 | 7,03,782 |

| | | |
|--|------------------|--------------------|
| | 20,56,941 | 6,00,90,517 |
|--|------------------|--------------------|

(Amounts in Rs.)

| 16 Revenue from operations | Year ended March 31 2015 | Year ended March 31 2014 |
|--|-------------------------------------|-------------------------------------|
| Contract revenue | 7,40,24,805 | 39,79,94,258 |
| Revenue from project management consultancy services | - | - |
| Other operating revenues | 26,44,949 | 15,98,066 |
| | 7,66,69,754 | 39,95,92,324 |
| 17 Other income | | |
| Interest income on fixed deposits | 8,80,798 | 10,92,158 |
| Provisions no longer required written back | 4,17,398 | 47,34,752 |
| Other non-operating income | 38,40,235 | 15,35,049 |
| | 51,38,431 | 73,61,959 |
| 18 Construction Expenses | | |
| Construction materials | 3,93,16,403 | 15,28,85,546 |
| Direct contract costs | 7,67,12,771 | 14,87,24,631 |
| | 11,60,29,174 | 30,16,10,177 |
| 19 Employee benefits expenses | | |
| Salaries, wages and bonus | 1,30,82,627 | 3,18,20,702 |
| Contribution to provident fund and other funds | 5,98,739 | 8,58,250 |
| Staff welfare expenses | 11,65,508 | 30,39,856 |
| | 1,48,46,874 | 3,57,18,808 |
| 20 Finance costs | | |
| Interest on loan | 25,625 | 1,06,437 |
| Other borrowing costs | | |
| Guarantee commission and other charges | 2,49,290 | 2,60,974 |
| Interest on compulsorily convertible debentures | - | 29,91,780 |
| | 2,74,915 | 33,59,191 |
| 21 Other Expenses | | |
| Legal and professional charges | 4,56,793 | 10,10,536 |
| Auditors remuneration | | |
| -Statutory audit | 2,00,000 | 2,00,000 |
| -Tax audit | 50,000 | 50,000 |
| -Reimbursement of expenses | 62,377 | 1,36,605 |
| Rent | 52,73,973 | 70,64,796 |
| Rates and taxes | 1,62,467 | 9,48,717 |
| Travelling and conveyance | 6,92,718 | 23,53,945 |
| Security charges | 14,44,999 | 26,87,869 |
| Repairs and maintenance | | |
| - Buildings | 2,33,612 | 1,72,746 |
| - Machinery | 6,35,731 | 12,22,864 |
| - Others | 1,28,841 | 1,69,445 |
| Insurance | 8,20,720 | 18,24,593 |
| Communication expenses | 1,64,785 | 7,12,393 |
| Power and fuel | 7,35,097 | 9,36,904 |
| Printing and stationery | 73,509 | 2,84,041 |
| Unbilled revenue Written off | 1,92,94,638 | 2,25,764 |
| Loss on sale of fixed assets | 3,34,488 | 4,20,106 |
| Miscellaneous expenses | 1,07,914 | 3,79,952 |
| | 3,08,72,662 | 2,08,01,276 |

22 Capital commitments

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) | Nil | Nil |

23 Contingent liabilities

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|-------------|--------------------------------------|--------------------------------------|
| | Nil | Nil |

24 Disclosure in accordance with Accounting Standard 7 (Revised)

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| a. Contract revenue recognized as revenue in the period | 7,40,24,805 | 39,79,94,258 |
| b. Disclosure for contracts in progress: | | |
| Contract cost incurred and recognised profits (less recognised losses) | - | 39,49,47,999 |
| Advances received | - | 30,73,477 |
| Retention money | - | 3,06,43,845 |
| c. Gross amount due from customers towards contract work | - | 6,38,48,694 |
| d. Gross amount due to customers for contract work | - | - |

25 CIF value of imports

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|-------------|--------------------------------------|--------------------------------------|
| | Nil | Nil |

26 Expenditure in foreign currency (on accrual basis)

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| Travelling expenses | - | - |
| Interest on Compulsory Convertible Debentures | - | 39,89,379 |
| Others | - | - |
| Total | - | 39,89,379 |

27 Segment Reporting

The Company has only one business segment i.e., construction and project management services. Secondary segment reporting is performed on the basis of geographical location of the customers. During the current period, the Company's business has been carried out only in India. Accordingly, the amounts appearing in these financial statements related to the primary business and secondary geographic segment.

28 Related party disclosures

The management has identified the following as related parties:

Entities which exercise control on the Company (Holding Company)

SSPDL Limited, India

Enterprises having significant influence

Interserve Holding Limited, United Kingdom

Enterprises owned / significantly influenced by Key Managirical Personnel

SSPDL Infra Projects India Private Limited
 SSPDL Real Estates India Private Limited
 SSPDL Realty India Private Limited
 SSPDL Resorts Private Limited
 SSPDL Ventures Private Limited

Firms in which directors are interested

Sri Sathya Sai Constructions

Key Management Personnel (KMP):

Mr. Prakash Challa, Managing Director
Mr. Suresh Challa, Director

(a) Transactions with related parties are as follows:

| Particulars | 31 March 2015 | 31 March 2014 |
|---|---------------|---------------|
| SSPDL Limited | | |
| Income from construction contracts | 3,57,04,924 | 9,30,75,846 |
| Interest on compulsorily convertible debentures | - | 6,10,323 |
| Sri Sathya Sai Constructions | | |
| Income from construction contracts | - | 23,23,599 |
| SSPDL Infrastructure Development Private Limited | | |
| Income from construction contracts | 98,17,013 | 3,39,30,418 |
| Interserve Holding Limited | | |
| Issue of 12% compulsorily convertible debentures | - | - |
| Interest on compulsorily convertible debentures | 14,65,973 | 14,65,973 |
| Prakash Challa | | |
| Rent paid | - | - |
| Issue of 12% compulsorily convertible debentures | - | - |
| Interest on compulsorily convertible debentures | 4,57,742 | 4,57,742 |

(b) Year end balances

| Particulars | 31 March 2015 | 31 March 2014 |
|---|---------------|---------------|
| SSPDL Limited | | |
| Trade receivables | 6,25,95,328 | 6,18,56,249 |
| Sri Sathya Sai Constructions | | |
| Trade receivables | 4,52,683 | 3,20,82,565 |
| SSPDL Infrastructure Development Private Limited | | |
| Works contract tax receivable | - | - |
| Retention money | - | - |
| Unbilled revenue | - | - |
| Interserve Holding Limited | | |
| Interest accrued and due on compulsorily convertible debentures | - | - |
| Prakash Challa | | |
| Interest accrued and due on compulsorily convertible debentures | - | - |

29 Finance lease obligations

| Particulars | As at 31 March ,2015 | As at 31 March 2014 |
|---|-------------------------|------------------------|
| Future minimum lease payments | | |
| Not later than one year | - | 2,96,687 |
| Later than one year & not later than five years | - | 1,01,999 |
| Total | - | 3,98,686 |

30 Deferred tax Asset (Net)

| Particulars | As at31 March ,2015 | As at31 March 2014 |
|----------------------------------|------------------------|-----------------------|
| Deferred tax assets | | |
| On account of Carry forward loss | 7,11,05,457 | 5,72,43,642 |
| On account of depreciation | 1,53,70,061 | 34,82,184 |
| on account of Employee benefits | 1,03,002 | 2,60,311 |
| Total DTA | 8,65,78,519 | 6,09,86,137 |
| Deferred tax liabilities | | |
| Total DTL | - | - |
| Net Deferred tax assets * | 8,65,78,519 | 6,09,86,137 |

* In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income "(AS-22), the Deferred tax assets arising from timing differences are recognized and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date. In view of this, deferred tax asset to the extent of Rs.8,65,60,249/- (Previous year Rs.6,09,86,137/-) is not recognized.

31 Employee benefits

The following table set out the status of the gratuity plan as required under AS-15 (Revised) and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

| Particulars | As at31 March ,2015 | As at31 March 2014 |
|--|------------------------|-----------------------|
| Change in projected benefit obligation | | |
| Defined benefit obligation at beginning of the period | 6,57,320 | 14,67,698 |
| Current service cost | 1,67,798 | 2,01,707 |
| Interest cost | 51,271 | 1,27,690 |
| Benefits settled | - | - |
| Actuarial (gain)/loss | (3,17,686) | (11,39,775) |
| Defined benefit obligation at period end | 5,58,703 | 6,57,320 |
| Change in fair value of plan assets | | |
| Fair value of plan assets at the beginning of the year | 16,16,978 | 14,97,202 |
| Expected return on plan assets | 1,29,358 | 1,19,776 |
| Employer contributions | - | - |
| Actuarial gain / (loss) | (4,229) | - |
| Benefits paid | - | - |
| Fair value of plan assets at the end of the year | 17,42,107 | 16,16,978 |
| Amount recognised in the balance sheet | | |
| Present value of projected benefit obligation at the end of the year | 5,58,703 | 6,57,320 |
| Fair value of the plan assets at the end of the year | 17,42,107 | 16,16,978 |
| Funded status amount of liability recognized in the balance sheet | (11,83,404) | (9,59,658) |
| Current service cost | 1,67,798 | 2,01,707 |
| Interest cost | 51,271 | 1,27,690 |
| Expected return on plan assets | (1,29,358) | (1,19,776) |
| Actuarial (gain)/loss | (3,13,457) | (11,39,775) |
| Net cost | (2,23,746) | (9,30,154) |
| Principal actuarial assumptions | | |
| Discount rate | 7.80% | 8.70% |
| Expected return on assets | 8.00% | 8.00% |
| Rate of compensation increase | 10.00% | 10.00% |
| Attrition Rate | 10.00% | 25.00% |
| Retirement expectancy | 58 years | 58 years |

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

32 Micro, small and medium enterprises


The management identified enterprises which have provided goods and services to the Company which qualify under the definition of medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act 2006. Based on the information available with the Company, there are no dues to micro and small enterprises who have registered with the competent authorities.

33 Comparatives


Previous period comparatives have been reclassified / regrouped wherever necessary to conform to the current year's classification and presentation.


for **KARVY & CO**
Chartered Accountants
Firm Registration No. : 001757S

For and on behalf of the Board of directors


K Ajny Kumar
Partner
Membership No. 021989




Prakash Challa
Director


Suresh Challa
Director

Place: Hyderabad
Date: 27.04.2015