



INDEPENDENT AUDITORS' REPORT

To the Members of SSPDL Infratech Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SSPDL Infratech Private Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2016, 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 Standalone 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 and presentation of these standalone 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 standalone 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.

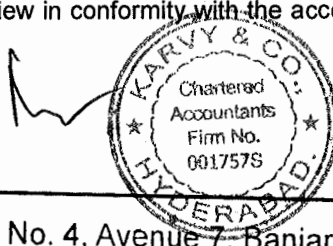
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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

27.05.2016



India, of the state of affairs of the Company as at 31st March, 2016 and its **LOSS** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("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, 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 standalone 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 33 to the financial statements.
 - ii. The company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KARVY & CO.,
Chartered Accountants
ICAI Firm Registration No: 01757S

(K. Ajay Kumar)
Partner
Membership No. 021989



Place: Hyderabad
Date : 27.05.2016

27.05.2016

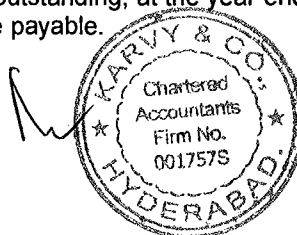
Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements section of our report of even date

Report on the companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143

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) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
 - (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the company.
- ii. In respect of its inventories:
 - (a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year, In our opinion the frequency of verification is reasonable.
 - (b) 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 nature of the business.
 - (c) 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. The Company has not granted any loans 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, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 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 maintenance of cost records 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, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company. 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.

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- (b) According to the information and explanations given to us by management, there are no dues outstanding of income-tax, sales-tax, service tax, customs duty, value added tax and cess that have not been deposited on account of any dispute.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, during the year the company has not raised any moneys by way of initial public offer or further public offer or term loans. Hence reporting under Clause (ix) of the Order is not applicable.
- x. 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 material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year. Hence Clause (xi) of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For KARVY & CO.,
Chartered Accountants
ICAI Firm Registration No: 01757S


(K. Ajay Kumar)
Partner
Membership No. 021989



Place: Hyderabad
Date : 27.05.2016

27.05.2016

Annexure - B to the Our Report of even date on the Standalone Financial Statements of SSPDL Infratech Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SSPDL Infratech Private Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

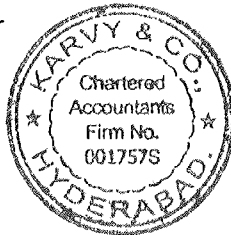
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KARVY & CO.
Chartered Accountants
ICAI Firm Registration No: 01757S



(K. Ajay Kumar)
Partner
Membership No. 021989

Place: Hyderabad
Date : 27.05.2016



27.05.2016

Balance Sheet as at 31 March, 2016

(Amounts in Rs.)

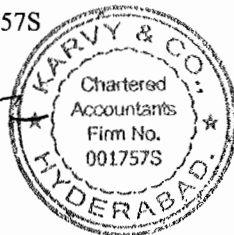
| Particulars | Note | As at 31 March 2016 | As at 31 March 2015 |
|---|------|------------------------|------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 11,96,000 | 11,96,000 |
| Reserves and surplus | 4 | 6,87,78,234 | 8,36,80,937 |
| | | 6,99,74,234 | 8,48,76,937 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | - | - |
| Long-term provisions | 6 | 3,04,319 | 3,04,319 |
| | | 3,04,319 | 3,04,319 |
| Current liabilities | | | |
| Trade payables | 7 | 93,29,415 | 1,23,69,298 |
| Other current liabilities | 8 | 1,15,64,424 | 1,84,54,602 |
| Short-term provisions | 6 | 1,02,797 | 1,02,797 |
| | | 2,09,96,636 | 3,09,26,697 |
| TOTAL | | 9,12,75,189 | 11,61,07,953 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 9 | 68,60,300 | 1,38,34,027 |
| Intangible assets | 10 | 8,84,930 | 15,04,382 |
| Long-term loans and advances | 11 | 30,14,490 | 29,17,676 |
| | | 1,07,59,720 | 1,82,56,085 |
| Current assets | | | |
| Trade receivables | 12 | 6,04,28,520 | 6,46,57,977 |
| Cash and bank balances | 13 | 16,96,885 | 91,74,649 |
| Short term loans and advances | 14 | 1,63,44,192 | 2,19,62,300 |
| Other current assets | 15 | 20,45,872 | 20,56,942 |
| | | 8,05,15,469 | 9,78,51,868 |
| TOTAL | | 9,12,75,189 | 11,61,07,953 |
| 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



For and on behalf of the Board of Directors

Prakash Challa
Director

B. Lokanath
Director

Place: Hyderabad
Date: 27-05-2016

SSPDL Infratech Private Limited
Statement of Profit and Loss for the period ended March, 31, 2016

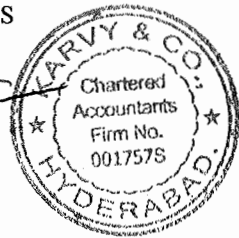
(Amounts in Rs.)

| Particulars | Note | Year ended 31 March 2016 | Year ended 31 March 2015 |
|---|--------|-----------------------------|-----------------------------|
| REVENUE | | | |
| Revenue from Operations | 16 | 4,02,270 | 7,40,24,805 |
| Other Operating Revenues | | 1,00,670 | 26,41,949 |
| | | 5,02,940 | 7,66,69,754 |
| Other Income | 17 | 54,57,158 | 51,38,431 |
| Total | | 59,60,098 | 8,18,08,185 |
| EXPENSES | | | |
| Construction Expenses | 18 | 41,23,139 | 11,60,29,174 |
| Employee Benefit Expenses | 19 | 56,60,694 | 1,48,46,874 |
| Depreciation and Amortisation | 9 & 10 | 68,93,362 | 4,98,06,062 |
| Finance Cost | 20 | 66,883 | 2,74,915 |
| Other Expenses | 21 | 41,18,723 | 3,08,72,662 |
| Total Expenses | | 2,08,62,801 | 21,18,29,687 |
| Profit / (Loss) before tax | | (1,49,02,703) | (13,00,21,502) |
| Tax Expense | | - | - |
| Profit / (Loss) for the year | | (1,49,02,703) | (13,00,21,502) |
| Earnings per Equity Share: | | | |
| Basic and Diluted EPS | | (12.46) | (110.45) |
| Nominal value of equity shares (Rs.) | | 1.00 | 1.00 |
| 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



For and on behalf of the Board of Directors

Prakash Challa
Director

B. Lokanath
Director

Place: Hyderabad
Date: 27-05-2016

SSPDL Infratech Private Limited
Cash Flow Statement for the year ended 31 March, 2016

(Amounts in ₹s.)

| Particulars | Year ended 31 March 2016 | Year ended 31 March 2015 |
|---|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before tax | (1,49,02,703) | (13,00,21,502) |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 68,93,362 | 4,98,06,062 |
| Interest income | (2,29,397) | (8,80,798) |
| Finance costs | - | 25,625 |
| Loss on sale / write off of fixed assets, net | - | (16,35,053) |
| Provisions no longer required write back | (50,55,398) | (4,17,398) |
| Operating profits/(losses) before working capital changes | (1,32,94,136) | (8,31,23,064) |
| Decrease / (increase) in trade receivables | 42,29,457 | 3,39,06,210 |
| Decrease / (increase) in other current and non-current assets | (1,31,058) | 3,94,38,071 |
| Increase / (decrease) in loans and advances | 74,22,501 | 4,68,23,677 |
| Increase / (decrease) in trade payables, provisions and other current liabilities | (65,05,448) | (3,67,32,594) |
| Cash flow from operations | (82,78,684) | 3,12,300 |
| Income taxes (paid)/ received, net | (96,814) | 1,70,23,518 |
| Net cash generated from operating activities - (A) | (83,75,498) | 1,73,35,818 |
| Cash flow from investing activities | | |
| Movement in investments in bank deposits having original maturity of more than 3 months | - | - |
| Proceeds on disposal of fixed assets | 6,57,268 | 2,49,99,386 |
| Interest income received | 2,40,466 | 15,73,511 |
| Net cash used in investing activities - (B) | 8,97,734 | 2,65,72,897 |
| Cash flow from financing activities | | |
| Redemption of compulsorily convertible debentures | - | (5,10,00,000) |
| Repayments made towards finance lease | - | (3,98,683) |
| Finance costs paid | - | (25,625) |
| Net cash used in financing activities - (C) | - | (5,14,24,308) |
| Net increase / (decrease) in cash and cash equivalents during the year (A + B + C) | (74,77,764) | (75,15,593) |
| Cash and cash equivalents at the beginning of the year | 91,74,649 | 1,66,90,242 |
| Cash and cash equivalents at the end of the year | 16,96,885 | 91,74,649 |
| Components of cash and cash equivalents | | |
| Cash and cash equivalents | | |
| - Cash on hand | 47,141 | 67,673 |
| - Balances with banks | | |
| On current accounts | 16,49,744 | 46,06,976 |
| On deposit accounts (with original maturity of 3 months or less) | - | 45,00,000 |
| | 16,96,885 | 91,74,649 |

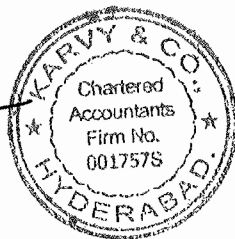
- 1) The Cash Flow Statement has been Prepared under the "indirect method" set out in Accounting Standard -3 on Cash Flow Statement
- 2) Figures in brackets indicates out flow.
- 3) Previous year's figures have been regrouped and recasted whreever required.

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: 27-05-2016



For and on behalf of the Board of Directors

Prakash Challa
Director

B. Lokanath
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 administered by I.C. 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.

SSPDL Infratech Private Limited
Notes to the financial statements for the period ended 31 March, 2016

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

| 3 Share capital | As at 31 March 2016 | As at 31 March 2015 |
|---|------------------------|------------------------|
| Authorised | | |
| 15,00,000 (31 March 2015: 15,00,000) equity shares of Rs.1/- each | 15,00,000 | 15,00,000 |
| Issued, subscribed and paid-up | | |
| 1,196,000 (31 March 2015: 11,96,000) equity shares of Rs.1/- each fully paid-up | 11,96,000 | 11,96,000 |
| | 11,96,000 | 11,96,000 |

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period
Equity shares

| | 31 March 2016 | | 31 March 2015 | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | Number | Amount | Number | Amount |
| At the commencement of the year | 11,96,000 | 11,96,000 | 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 | 11,96,000 | 11,96,000 |

(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 2016 | | 31 March 2015 | |
|---|---------------|-----------|---------------|-----------|
| | 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 | 11,96,000 | 11,96,000 |

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

| | 31 March 2016 | | 31 March 2015 | |
|--|---------------|--------|---------------|--------|
| | Number | % Held | Number | % Held |
| Equity shares of Rs 1/- each fully paid up held by SSPDL Limited | 11,96,000 | 100% | 11,96,000 | 100% |

4 Reserves and surplus
Securities premium account

| | | |
|--|--------------|--------------|
| Opening Balance at the beginning of the year | 39,13,14,000 | 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 | 39,13,14,000 |

Deficit in the statement of profit and loss

| | | |
|------------------------------------|-----------------------|-----------------------|
| Opening balance | (30,76,33,063) | (17,76,11,561) |
| Add : Profit / (Loss) for the year | (1,49,02,703) | (13,00,21,502) |
| At the end of the year | (32,25,35,766) | (30,76,33,063) |
| | 6,87,78,234 | 8,36,80,937 |

SSPDL Infratech Private Limited
Notes to the financial statements for the period ended 31 March, 2016

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

5 Long-term borrowings

| | Non-current portion | | Current portion * | |
|---|---------------------|---------------|-------------------|---------------|
| | 31 March 2016 | 31 March 2015 | 31 March 2016 | 31 March 2015 |
| Secured | | | | |
| Assets acquired under finance lease(refer note (a) below) | - | - | - | - |
| Unsecured | | | | |
| 0 (31 March 2014: 100,000) | - | - | - | - |
| 12% Compulsorily convertible debentures of Rs. 1,000/ each fully paid up (refer note (b) below) | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

*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 2016 | 31 March 2015 | 31 March 2016 | 31 March 2015 |
| 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 | - | - | - | - |
| | <u>3,04,319</u> | <u>3,04,319</u> | <u>1,02,797</u> | <u>1,02,797</u> |

7 Trade payables

| | | | | |
|----------------|--|--|------------------|--------------------|
| Trade payables | | | 93,29,415 | 1,23,69,298 |
| | | | <u>93,29,415</u> | <u>1,23,69,298</u> |

For dues to micro and small enterprises, refer note 33

8 Other current liabilities

| | | | | |
|----------------------------------|--|--|--------------------|--------------------|
| Retention money due to suppliers | | | 1,06,33,242 | 1,71,25,628 |
| Employee benefits payable | | | 8,70,384 | 8,70,634 |
| Statutory dues payable | | | 60,798 | 4,58,340 |
| | | | <u>1,15,64,424</u> | <u>1,84,54,602</u> |

SSPDL Interserve Private Limited

Notes to financial statements for the year ended 31 March, 2016

(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 2014 | 59,39,662 | 11,18,98,882 | 33,19,114 | 68,90,464 | 17,79,881 | 39,68,833 | 13,37,96,662 |
| Additions | | 6,14,25,672 | 1,83,019 | 5,95,464 | | 14,32,541 | 6,36,36,456 |
| Disposals / write off | 59,39,662 | 5,04,73,210 | 31,36,095 | 62,95,000 | 17,79,881 | 25,36,292 | 7,01,60,456 |
| Balance as at 31 March 2015 | | | | | | | |
| Additions | | 1,57,53,516 | - | - | - | 5,56,168 | 1,63,09,400 |
| Disposals / write off | 59,39,662 | 3,47,19,694 | 31,36,095 | 62,95,000 | 17,79,881 | 19,80,124 | 5,38,50,456 |
| Balance as at 31 March 2016 | | | | | | | |
| Accumulated depreciation | | | | | | | |
| Balance as at 1 April 2014 | 59,39,662 | 7,16,52,754 | 17,96,482 | 15,52,970 | 7,24,458 | 16,78,676 | 8,33,45,406 |
| Depreciation for the year | | 1,10,59,129 | 5,25,795 | 6,00,513 | 3,21,181 | 2,75,122 | 1,27,81,462 |
| 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 | 5,63,26,115 |
| Depreciation for the year | | 45,91,157 | 4,64,640 | 5,79,507 | 3,17,828 | 3,20,778 | 62,73,410 |
| Accumulated depreciation on Disposals | | 1,52,75,452 | - | - | | 3,34,415 | 1,56,09,867 |
| Balance as at 31 March 2016 | 59,39,662 | 3,32,43,630 | 26,56,345 | 25,57,928 | 13,63,467 | 12,29,124 | 4,69,90,556 |
| Net Block | | | | | | | |
| As at 31 March 2015 | - | 65,45,285 | 9,44,390 | 43,16,579 | 7,34,242 | 12,93,531 | 1,38,34,027 |
| As at 31 March 2016 | - | 14,76,064 | 4,79,750 | 37,37,072 | 4,16,414 | 7,51,000 | 68,60,300 |

SSPDL Infratech Private Limited

Notes to the financial statements for the period ended 31 March, 2016

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

10 Intangible assets

| Particulars | Software | Non-complete 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 |
| Amortisation for the year | 6,19,452 | - | 6,19,452 |
| Accumulated amortisation on Disposals | - | - | - |
| Balance as at 31 Mar. 2016 | 22,20,835 | 5,82,45,045 | 6,04,65,880 |
| Net Block | | | |
| As at 31 March 2015 | 15,04,382 | - | 15,04,382 |
| As at 31 March 2016 | 8,84,930 | - | 8,84,930 |

11 Long-term loans and advances

Unsecured, considered good

| | Non-current portion | | Current portion * | |
|------------------------|---------------------|------------------|-------------------|------------------|
| | 31 March 2016 | 31 March 2015 | 31 March 2016 | 31 March 2015 |
| Security deposits | 7,18,200 | 7,18,200 | 30,44,685 | 30,44,685 |
| Tax deducted at source | 22,96,290 | 21,99,476 | - | - |
| | 30,14,490 | 29,17,676 | 30,44,685 | 30,44,685 |

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

SSPDL Infratech Private Limited

Notes to the financial statements for the period ended 31 March, 2016

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

12 Trade receivables

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

- Unsecured, considered good
- Doubtful

Other receivables

- Unsecured, considered good
- Doubtful

Trade receivables include:

Due from Sri Sathya Sai Constructions in which the Company's director is a partner

Due from SSPDL Limited in which the Company's director is a director

| | <u>31 March 2016</u> | <u>31 March 2015</u> |
|--|----------------------|----------------------|
| | 6,04,28,520 | 6,46,57,977 |
| | - | - |
| | - | - |
| | - | - |
| | <u>6,04,28,520</u> | <u>6,46,57,977</u> |
| | 4,52,683 | 4,52,683 |
| | 5,84,91,789 | 6,25,95,328 |
| 13 Cash and bank balances | | |
| Cash and cash equivalents | | |
| - Cash on hand | 47,141 | 67,673 |
| - Balances with banks | | |
| On current accounts | 16,49,744 | 46,06,976 |
| On deposit accounts (with original maturity of 3 months or less) | - | 45,00,000 |
| Other bank balances | | |
| | <u>16,96,885</u> | <u>91,74,649</u> |
| 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 | 30,44,685 |
| Other short-term loans and advances (unsecured, considered good) | | |
| To parties other than related parties | | |
| Retention money | 1,06,28,476 | 1,59,25,577 |
| Works contract tax receivable | - | - |
| Advances for supply of goods | 13,58,946 | 13,24,005 |
| Prepaid expenses | 10,84,787 | 13,07,019 |
| Staff advances | 2,27,298 | 3,61,014 |
| - 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 |
| | <u>1,63,44,192</u> | <u>2,19,62,300</u> |
| 15 Other current assets | | |
| <i>Unsecured, considered good</i> | | |
| Unbilled revenue | 20,45,872 | 20,45,872 |
| Interest accrued on fixed deposits | - | 11,069 |
| | <u>20,45,872</u> | <u>20,56,941</u> |

Notes to the financial statements for the period ended 31 March, 2016

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

| 16 Revenue from operations | Year ended March 2016 | Year ended March 31 2015 |
|--|--------------------------|-----------------------------|
| Contract revenue | 4,02,270 | 7,40,24,805 |
| Revenue from project management consultancy services | - | - |
| | <u>4,02,270</u> | <u>7,40,24,805</u> |
| Other operating revenues | 1,00,670 | 26,44,949 |
| | <u>1,00,670</u> | <u>26,44,949</u> |
| | <u><u>5,02,940</u></u> | <u><u>7,66,69,754</u></u> |
| 17 Other income | | |
| Interest income on fixed deposits | 2,29,397 | 8,80,798 |
| Profit on sale of Fixed assets | 1,72,363 | |
| Provisions no longer required written back | 50,55,398 | 42,57,633 |
| | <u>54,57,158</u> | <u>51,38,431</u> |
| 18 Construction Expenses | | |
| Construction materials | 7,38,121 | 3,93,16,403 |
| Direct contract costs | 33,85,018 | 7,67,12,771 |
| | <u>41,23,139</u> | <u>11,60,29,174</u> |
| 19 Employee benefits expenses | | |
| Salaries, wages and bonus | 43,59,189 | 1,30,82,627 |
| Contribution to provident fund and other funds | 10,68,380 | 5,98,739 |
| Staff welfare expenses | 2,33,125 | 11,65,508 |
| | <u>56,60,694</u> | <u>1,48,46,874</u> |
| 20 Finance costs | | |
| Interest on loan | - | 25,625 |
| Other borrowing costs | | |
| Guarantee commission and other charges | 66,883 | 2,49,290 |
| Interest on compulsorily convertible debentures | - | - |
| | <u>66,883</u> | <u>2,74,915</u> |
| 21 Other Expenses | | |
| Legal and professional charges | 1,67,340 | 4,56,793 |
| Auditors remuneration | | |
| -Statutory audit | 2,00,000 | 2,00,000 |
| -Tax audit | - | 50,000 |
| -Reimbursement of expenses | - | 62,377 |
| Rent | 14,85,800 | 52,73,973 |
| Rates and taxes | 15,99,087 | 1,62,467 |
| Travelling and conveyance | 1,00,167 | 6,92,718 |
| Security charges | 15,250 | 14,44,999 |
| Repairs and maintenance | | |
| - Buildings | 1,07,906 | 2,33,612 |
| - Machinery | 1,82,351 | 6,35,731 |
| - Others | 4,569 | 1,28,841 |
| Insurance | 1,73,368 | 8,20,720 |
| Communication expenses | 38,563 | 1,64,785 |
| Power and fuel | - | 7,35,097 |
| Printing and stationery | 13,508 | 73,509 |
| Unbilled revenue Written off | - | 1,92,94,638 |
| Loss on sale of fixed assets | - | 3,34,488 |
| Miscellaneous expenses | 30,814 | 1,07,914 |
| | <u>41,18,723</u> | <u>3,08,72,662</u> |

SSPDL Infratech Private Limited
Notes to the financial statements for the period ended 31 March, 2016

(Amounts in Rs.)

| | | | |
|----|--|--------------------------------------|--------------------------------------|
| 22 | Capital commitments | | |
| | Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| | 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, 2016 | For the year ended March 31, 2015 |
| | | Nil | Nil |
| 24 | Disclosure in accordance with Accounting Standard 7 (Revised) | | |
| | Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| | a. Contract revenue recognized as revenue in the period | - | 7,40,24,805 |
| | b. Disclosure for contracts in progress: | | |
| | Contract cost incurred and recognised profits (less recognised losses) | - | - |
| | Advances received | - | - |
| | Retention money | - | - |
| | c. Gross amount due from customers towards contract work | - | - |
| | d. Gross amount due to customers for contract work | - | - |
| 25 | CIF value of imports | | |
| | Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| | | Nil | Nil |
| 26 | Expenditure in foreign currency (on accrual basis) | | |
| | Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| | Travelling expenses | - | - |
| | Interest on Compulsory Convertible Debentures | - | - |
| | Others | - | - |
| | Total | - | - |
| 27 | Segment Reporting | | |
| | Since the Company has only one segment, i.e. Providing Construction Service and operations of the Company has been carried out in India, separate information on Segment Reporting as per the Accounting Standard 17 issued by the ICAI is not required. | | |
| 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 Managirial 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 (Director) | | |
| | Mr. B. Lokanath (Director) | | |

(a) Transactions with related parties are as follows:

| Particulars | 31 March 2016 | 31 March 2015 |
|---|---------------|---------------|
| SSPDL Limited | | |
| Income from construction contracts | 3,57,04,924 | 3,57,04,924 |
| Amount Received against Trade Receivables | 32,70,000 | |
| SSPDL Infrastructure Development Private Limited | | |
| Income from construction contracts | - | 98,17,013 |
| Interserve Holding Limited | | |
| Interest on compulsorily convertible debentures | - | 14,65,973 |
| Prakash Challa | | |
| Interest on compulsorily convertible debentures | - | 4,57,742 |

(b) Year end balances

| Particulars | 31 March 2016 | 31 March 2015 |
|-------------------------------------|---------------|---------------|
| SSPDL Limited | | |
| Trade receivables | 5,84,91,789 | 6,25,95,328 |
| Sri Sathya Sai Constructions | | |
| Trade receivables | 4,52,683 | 4,52,683 |

29 Finance lease obligations

| Particulars | As at 31 March ,2016 | As at 31 March 2015 |
|---|-------------------------|------------------------|
| Future minimum lease payments | | |
| Not later than one year | - | - |
| Later than one year & not later than five years | - | - |
| Total | - | - |

30 Deferred tax Asset (Net)

| Particulars | As at 31 March ,2016 | As at 31 March 2015 |
|---|-------------------------|------------------------|
| Deferred tax assets | | |
| On account of Carry forward loss and Depreciation | 7,82,97,588 | 7,11,05,457 |
| on account of Employee benefits | 1,04,964 | 1,03,002 |
| on account of difference of Depreciation between Books & Tax Laws | 1,44,33,575 | 1,53,70,061 |
| Total DTA | 9,28,36,127 | 8,65,78,519 |
| Deferred tax liabilities | | |
| Total DTL | - | - |
| Net Deferred tax assets * | 9,28,36,127 | 8,65,78,519 |

* 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 forwarded 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. 9,28,36,127/- (Previous year Rs.8,65,78,519/-) is not recognized.

31 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.

32 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

K Ajay Kumar

Partner

Membership No. 021989

Place: Hyderabad

Date: 27-05-2016



For and on behalf of the Board of directors

Prakash Challa
DirectorB. Lokanath
Director