

Making human life comfortable  
with world class infrastructure



**Annual Report**  
2013-14



**To defend and improve the human environment  
for present and future generations  
has become an imperative goal for mankind.**

Sustainable development is the need of the present without compromising the ability of future generations to meet their own needs.

Sustainable development must not endanger the natural systems that support life on Earth: the atmosphere, the water, the soil, and the living beings.

In essence, sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technical development; and the institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.

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### Disclaimer

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

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

## Board of Directors



**Mr. Subhash Chand Sethi**  
Chairman



**Mr. Sushil Kumar Sethi**  
Managing Director



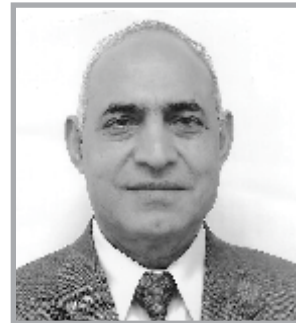
**Mr. Deepak Sethi**  
Director



**Mr. Sarthak Behuria**  
Director



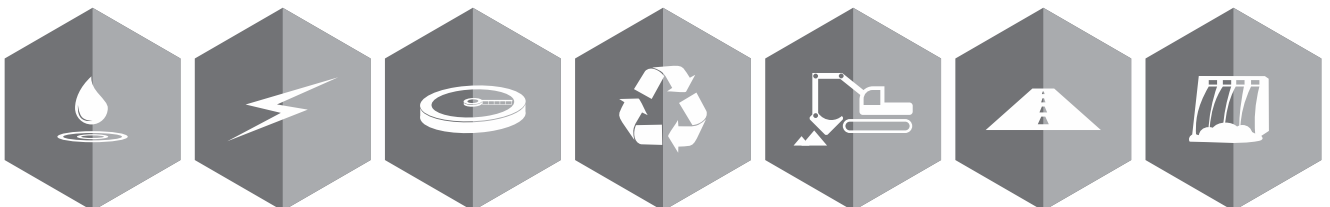
**Mr. Ajay Tandon**  
Director



**Mr. P. S. Rana**  
Director



**Mr. R.L. Gaggar**  
Director



## Chairman's Message

In spite of economic challenges and weaker than expected financial growth in infrastructure sector during the year 2013-14, SPML continued to grow to strengthen its position as India's leading infrastructure development company. It continued to invest in technological advancement and partnering with world's best organizations to improve productivity and service quality, while building capabilities for the future. These investments are helping SPML drive higher growth in terms of repeat and large new project orders. With growing business and demanding timelines, SPML is focused on refining their services and made strategic investments in upgrading its technology platforms to stay ahead in the competition. SPML believe that employees are the greatest asset and have invested in them to create a talent pool. It has created internal infrastructure to keep them happy and turn them into brand ambassadors. Another area of leadership for SPML is corporate citizenship. Addressing social issues - from health and environment protection to revitalizing public spaces are high on its corporate agenda. In a very real sense, SPML is not just doing business; in fact it is knitting the fabric of global civilization by its projects which have a far-reaching impact.

I am happy to inform you that despite weaker market conditions, SPML managed a healthy growth and company's overall turnover increased by almost 15% as compared to last year. We are hopeful to continue with this trend in the current financial year as well. With the wide and far reaching economic reforms and fast pace of growth planned in the country under the able and dynamic leadership of our new prime minister, SPML is perfectly positioned through its water, power and environment sectors to meet the infrastructure requirements of the country.

I am very happy to inform you that the year was especially good for our company as we received large orders from the states of Rajasthan, Gujarat, Karnataka and Bihar among others. SPML added new project orders worth INR 4000 Crore in last year and our order book have crossed INR 7200 crores. During the year, we have completed and commissioned a number of projects which is going to provide drinking water facility to millions of people in several states of India. Despite challenges, SPML team is working very hard to ensure timely completion of all the ongoing projects.

I am happy to inform you that SPML Infra has become the only Indian company to be featured into the World's Top 50 Private Water Management Companies as per the report published by Global Water Intelligence. Our project, "Pokhran water supply project, Rajasthan" has received the commendation certificate in the category of "Water Project of the Year" for the prestigious Global Water Awards 2014 in Paris during the Global Water Summit. Our good work in water supply and infrastructure development sector has been appreciated and we have received more than 12 prestigious national & international awards in last 2 years.

In order to enhance the brand image and recall, SPML has advertised aggressively in outdoors with corporate and social messages, have been active on digital media networks and regularly received good media coverage in national and international print, electronic and digital medium.

The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent to deliver business growth. The company remained highest recruiter in the industry by doing a net addition of 300 employees across the country during the Year 2013-2014. SPML's commitment to employee health, safety and security extends beyond accidents and occupational health hazards to social wellbeing of employees.

Our Corporate Social Responsibility (CSR) programs are an important part of our business. We have been making enduring social impact through effective healthcare and eye care facilities to rural and economically deprived section of the society as well as supporting education and environmental initiatives.

SPML believes in fairness, transparency, professionalism, accountability and decency in total functioning of the Company, which are pre-requisites for achieving higher standards and sustainable growth. With strong legacy of ethical governance, we followed the fundamental ideologies of trust, value and service. The Company has been practicing the principles of good corporate governance and gives importance to ethical business models.

In conclusion, I would like to place my appreciation to board members, the management, our shareholders, bankers, lenders, partners, suppliers, associates and to our dedicated employees for their consistent support and commitment as well as our esteemed clients for their confidence in us.

Sincerely,

Subhash Chand Sethi  
Chairman



## Corporate Information

### **Mr. Swadesh Mathur**

Chief Financial Officer

### **Mr. Abhay Raj Singh**

Company Secretary

### **Head Office:**

SPML House, Plot No.65, Sector-32, Institutional Area, Gurgaon-122001, Haryana

Tel: +91-124-3944555, Fax : +91-124-3983201

### **Registered Office:**

F-27/2, Okhla Industrial Area, Phase-II, New Delhi-110020

Tel: +91-11-26387091, Fax : +91-11-26386003

CIN: L40106DL1981PLC012228

### **Regional Office:**

Bangalore

8/2, Ulsoor Road, Bangalore-560042

Tel: +91-80-39445555, Fax : +91-80-40956701

Kolkata

22, Camac Street, Block-A, 3<sup>rd</sup> Floor, Kolkata - 700016

Tel: +91-33-40091200, Fax: +91-33-40091303

### **Bankers:**

- |                             |                                  |
|-----------------------------|----------------------------------|
| • Andhra Bank               | • State Bank of Travancore       |
| • Bank of Baroda            | • State Bank of Hyderabad        |
| • Canara Bank               | • State Bank of Mysore           |
| • ICICI Bank                | • State Bank of Bikaner & Jaipur |
| • Oriental Bank of Commerce | • Syndicate Bank                 |
| • Punjab National Bank      | • Union Bank of India            |
| • State Bank of India       | • Yes Bank Ltd.                  |

### **Auditors:**

#### **S. R. Batliboi & Co. LLP**

Chartered Accountants

22, Camac Street, Block C, 3<sup>rd</sup> Floor, Kolkata – 700 016

#### **Sunil Kumar Gupta & Co.**

Chartered Accountants

B-2, Magnum House-I, Karampura Commercial Complex, New Delhi – 110 015

### **Registrar & Share Transfer Agents**

Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata – 700 001

## Directors' Report

Dear Shareholders,

Your Directors present their 33rd Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31st March 2014.

### Financial Results

The performance of the Company for the financial year ended March 31, 2014 is summarized below:

(Rs. in Lacs)

PARTICULARS	For the year ended 31.03.2014	For the year ended 31.03.2013
Gross Operating Revenue & Others Income	126819.52	113016.05
Profit before Interest, Depreciation and Taxes	16251.39	15417.34
Less :- Finance Cost	14727.23	13394.25
Less :- Depreciation	1015.90	1055.44
<b>Profit Before Tax</b>	<b>508.26</b>	<b>967.65</b>
Tax Expenses		
-Current tax (MAT entitlement)	106.17	271.32
- Deferred Tax	(79.65)	(478.97)
<b>Profit After Tax</b>	<b>481.74</b>	<b>1175.30</b>
Add: Balance brought forward from previous year	21941.01	20765.71
Surplus carried to Balance Sheet	22422.75	21941.01

### Operations:

During the year under review, the operating revenue of your company increased by 8.24% to Rs. 1184.54 Cr as against Rs. 1094.36 Cr achieved in the previous year. Earnings Before interest, depreciation, tax & amortizations (EBITA) amounted to Rs. 162.51 Cr as against Rs. 154.17 Cr in the previous year. Net profit for the year was Rs. 4.82 Cr as against Rs. 11.75 Cr in the previous year.

### Dividend

The Directors express their inability to declare any dividend for the financial year ended March 31, 2014 due to inappropriate profits earned by the Company during the year, therefore the Directors do not recommend any dividend for the financial year 2013-14. No amount has been transferred to the General Reserves during the year under review.

### Capital Expenditure

During the year under review, the Company has made additions of Rs. 214 Lacs to its Fixed Assets consisting of tangible assets.

### Consolidated Financial Statements

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standards AS-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.

Audited consolidated financial statement together with the Auditors Report thereon, reflecting the result of the Company, its Subsidiaries, Joint Ventures and Associates is provided in the Annual Report.



### ***Subsidiary Companies***

Your Company has 29 subsidiaries (including step down and indirect subsidiaries) as on March 31, 2014. There has been no material change in the nature of the business of the subsidiaries. These subsidiaries of the Company are into urban and rural infrastructural development, water treatment and transmission projects, municipal solid waste management, power projects etc.

In terms of the requirements of the Listing Agreements entered into with the Stock Exchanges, the Consolidated Financial Statements of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act, 1956.

Pursuant to the provision of section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. Further in pursuant to the said Circular, a statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the annual report.

The annual accounts of these subsidiaries and the related information will be made available to any member of the Company/ its subsidiaries seeking such information and are available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection at the head offices/ registered offices of the respective subsidiary companies.

### ***Deposits***

The Company has neither accepted nor renewed any public deposits during the year deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### ***Directors***

In terms of the provisions of the Section 262 of the Companies Act 1956 (corresponding relevant Section 161(1) of the Companies Act 2013), Mr. Prem Singh Rana was appointed as an Additional & Independent Director of the Company w.e.f. from 10th February 2014 who shall hold office up to the date of the ensuing Annual General Meeting of the Company.

Further, in pursuance of the provisions of Clause 49 of the Listing Agreements, the Company had also appointed Mr. R. L. Gaggar and Mr. Sarthak Behuria as Independent Directors of the Company from time to time.

Section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, provides that every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Therefore, in accordance with the provisions of Section 149 of the Act, Mr. Sarthak Behuria, Mr. R. L. Gaggar and Mr. Prem Singh Rana are being appointed as Independent Directors of the Company to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company. The Company has received requisite notices in writing from a member of the Company proposing the appointment of Mr. Sarthak Behuria, Mr. R. L. Gaggar and Mr. Prem Singh Rana as Independent Directors of the Company.

Mr. K. B. Dubey and Mr. Amit Kanodia have resigned from the directorship of the Company w.e.f. from 3rd January 2014 and 16th August 2014 respectively. The Board of Directors takes this opportunity to place on records its appreciation for the contributions made by Mr. Dubey and Mr. Kanodia during their respective terms.

Mr. Deepak Sethi, Director, retires by rotation and being eligible has offered himself for re-appointment.

### ***Auditors and Auditors' Report***

The Joint Auditors of the Company M/s S. R. Batliboi & Co. LLP, Chartered Accountants who retire at the conclusion of the ensuing annual general meeting have expressed their unwillingness to be re-appointed as Auditor of the Company. The Board of Directors placed on record its appreciation for the contributions made by them during their tenure as Auditors of the Company.



M/s Walker Chandiok & Co. LLP, Chartered Accountants, bearing ICAI Registration No. N500013 are proposed to be appointed as Joint Auditors of the Company in place of S.R. Batliboi & Co. LLP, Chartered Accountants for a term of 5 years from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting in the Calendar year 2019, subject to the ratification of the appointment by the members at every AGM held after this AGM.

M/s. Sunil Kr. Gupta & Co., Chartered Accountants, bearing ICAI Registration No. 003645N retire at the conclusion of the 33rd Annual General Meeting and being eligible have offered for re-appointment and therefore it is proposed to appointed them as the Joint Auditors of the Company for a term of 3 years from the Conclusion of this 33rd Annual General Meeting till the conclusion of and 36th Annual General Meeting in the Calendar year 2017, subject to ratification of the appointment at every annual general meeting hereinafter.

As required under Section 139 of the Companies Act, 2013, the Company has obtained written consents from M/s Walker Chandiok & Co. LLP, and M/s Sunil Kr. Gupta & Co. to such appointments and also their certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

Appropriate resolution seeking members' approval to the said re-appointment shall be placed in the Notice convening the 33rd Annual General Meeting of the Company.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### ***Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo***

The Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 are provided as Annexure to this report.

### ***Particulars of Employees***

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011 as amended, the names and other particulars of the employees are set out in this report. However, in pursuance of the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

### ***Employee Stock Option Scheme (ESOS)***

No options were granted during the financial year ended 31st March, 2014.

### ***Transfer of Unpaid / Unclaimed amounts to IEPF***

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remained unpaid / unclaimed for a period of 7 years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

### ***Management Discussion and Analysis***

Management Discussion and Analysis Report on the financial condition and operational performance of the Company for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in separate section forming part of this Annual Report.

### ***Corporate Governance Report***

In pursuance of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the Shareholders. A certificate from the auditors of the company regarding compliance of the condition of Corporate Governance as stipulated under the said Clause 49 also forms part of the Annual Report.

## Corporate Social Responsibility

At SPML, corporate social responsibility (CSR) has been the cornerstone of success right from inception in the year 1981. The company's objectives in this key performance area are to help improve the quality of life of the people of India and protect environmental balance through a strong and responsible endeavor.

We at SPML have defined our core values – Care, Passion, Awareness and Improvement – to guide us in all we do. As a constructive partner in the communities in which it operates, SPML has been doing real works to realize its social responsibility objectives, thereby building value for its clients and employees. Indicative list of Community oriented programs are as under:

- **Charitable Eye Hospital:** Shri Punam Chandi Sethi Eye Hospital, Since 1997 Sharavabelogola, Karnataka - A well-equipped Eye Hospital by SPML has brought a ray of hope for the economically weak patients of the region. Weekly – 60 to 70 Patients visit the hospital and weekly 6 Eye patients are operated.
- **Charitable Ayurveda Hospital,** Sonagiri, MP - This hospital provides door-to-door treatment to the people in Sonagiri. This is managed by the Paramagam Trust, Sonagiri. Services are provided free of cost to the financially weaker patients
- **Gommateshwara Mobile Hospital,** Kanakagiri, Karnataka - A well-equipped mobile hospital to address the medical requirements of people in the Kanakagiri region of Karnataka. This initiative was managed efficiently to serve the needy. [Over 2,100 Patients – Per Month]
- **Social Advertisements for water conservation** – SPML believes in “save water is found water”, and to spread this message, a campaign on “Save Water” and “Conserve Water” is running across Delhi by SPML, where it has put a number of hoardings with the messages.
- **Regular Free Healthcare and Eye care Camps:** Regular camps are being organized in Delhi and other cities and project sites to provide good medical facilities to the economically weaker section of the society.
- **Public Awareness Campaigns to organize cleanliness drive in Delhi near historical monuments:** A number of cleanliness drive conducted in Delhi during the Common Wealth Games in 2010 in and around the historical monuments and popular market areas to create awareness and sensitize residents about pollution free healthy environment.
- **Regular Environmental awareness program for school students and residents**
- **Regular Awareness program on municipal waste segregation at source for residents for effective and pollution free waste management**

SPML has always been in touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programs.

Besides focusing primarily on the welfare of economically and socially deprived sections of society, SPML also aims at providing economically viable and environment-friendly services for the benefit of millions of people across the nation, while at the same time ensuring the highest standards of safety and environment protection in its operations.

## Employees Relations

The relations with the Employees have been cordial throughout the year under review. Your Directors place on record their sincere appreciation in respect of the services rendered by the Employees of the Company at all levels.

## Directors' Responsibility Statement

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts for the year ended 31st March 2014, the applicable accounting standards read with Schedule VI of the Companies Act, 1956, have been duly followed and there are no material deviation from the same;

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and of the profit or loss of the Company for the financial year 2013-14;
- (iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a 'going concern' basis.

### ***Reconciliation of Share Capital Audit***

As per SEBI requirement, Reconciliation of Share Capital Audit is being carried out at specific periodicity by a Practicing Company Secretary. The findings of the audit have been satisfactory.

### ***Acknowledgment***

Your Directors wish to place on record their sincere appreciation and thanks for the valuable cooperation and support received from the Company's Bankers, Financial Institutions, Central and State Government Authorities, Joint Venture Partners, Clients, Consultants, Suppliers, Shareholders, Employees and other stakeholders of the Company and look forward for the same in greater measure in the coming years.

**On behalf of the Board**

Place : Gurgaon  
Date : August 16, 2014

**Subhash Chand Sethi**  
**Chairman**

## Annexure to Directors' Report

Additional information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

### A. CONSERVATION OF ENERGY

**a) Energy Conservation measures taken:**

In Infrastructure industry, most of the equipment are powered by either electrical motor or by fuel oil powered engines. Since most of the work is carried out in remote locations and is subjected to harsh environmental conditions, the rate of depreciation and abnormal wear and tear is very high. The scope of energy efficiency in our industry will be energy conservation through well planned actions such as quality preventive maintenance, machinery upgradation, modernization and introduction of sophisticated control system.

The Company is using modern fuel efficient machinery, wherever possible, which consumes less time to do a work thereby reducing i) Electric energy & ii) Fuel Oil consumption. The Company has formalized strategies to reduce idle running of machinery, thereby reducing wastage of energy and Fuel Oil consumption.

**b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:**

The Management of the Company continuously upgrades and/or replaces old machinery with new fuel efficient machinery as and when required.

**c) Impact of the measures (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:**

The company has been able to reduce electrical energy and fuel oil consumption. Though it is not possible to quantify the impact, the measures are expected to result in considerable savings.

**d) Total energy consumption and energy consumption as per unit of production as per prescribed Form A of the annexure in respect of industries specified in Schedule thereto:**

Not applicable as the Company is not covered under the list of specified industries.

**FORM B**

[See rule 2]

**Form for disclosure of particulars with respect to absorption****A. RESEARCH AND DEVELOPMENT (R & D)**

1. Specific areas in which R & D carried out by the Company.
2. Benefits derived as a result of the above R & D.
3. Future plan of action.
4. Expenditure on R & D:
  - (a) Capital
  - (b) Recurring
  - (c) Total
  - (d) Total R & D expenditure as a percentage of total turnover.

**R & D is a part of continuous process in the Company.**

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company has adapted state of the art technology, available in the Industry of operation of the Company to derive cost and efficiency benefits.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Activities relating to exports, initiatives taken to increase exports development and new export markets for products and services.**

During the year the Company has not carried out any export related activities, hence this segment is not applicable to the Company.

- b) Total foreign exchange used and earned:**

*(Rs. in Lacks)*

Particulars	2013-14	2012-13
Earnings in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	43.68	22.04

**On behalf of the Board**

Place: Gurgaon  
Date: August 16, 2014

**Subhash Chand Sethi**  
**Chairman**

## Management Discussion & Analysis

SPML Infra is a leading infrastructure development company of India. With over three decades of experience, SPML has executed almost 600 turnkey projects and created significant value for our country that have touched the lives of millions of people; be it provision of drinking water, improved sewerage facilities, better municipal waste management, building roads and highways and lighting up homes. An ISO-9001:2008 certified company, SPML's project management systems include design engineering & implementation with SAP-Enterprise Resource Planning and Quality Management Systems to undertake projects of any magnitude. SPML Infra Ltd has established its leadership in urban infrastructure and become the only Indian company to be featured into World's Top 50 Private Water Management Companies as per the survey by Global Water Intelligence. SPML offers sustainable solutions for water management, water infrastructure development, treatment-transmission and distribution, wastewater treatment, power generation, transmission and distribution, solid waste management, roads & highways and other civil infrastructures.

### OVERVIEW OF THE ECONOMY

During the FY 2013-14, the global economy continued its struggle with growth. However, the Indian economy showed some signs of recovery in FY 2013-14. India's GDP growth rate slightly increased to 4.9%, as compared to 4.5% in the previous financial year. Further, high interest rates, higher spending leading to larger fiscal deficit, a depreciated currency, tight monetary conditions, weak external demand and uncertainty due to general elections have led to deceleration in the recovery of Indian economy. However on positive side, timely measures taken by the Reserve Bank of India helped in arresting the further depreciation in the value of rupee and stabilize it after a sharp fall.

The economy went through challenging times since the crisis in the Eurozone in 2011-12 with a cyclical down turn with growth slowdown, elevated current account deficit, persistent inflation and the need to restore fiscal policy to a sustainable path.

While a lot will depend on the measures announced after formation of new government; resurgence in exports, reduction in inflation & deficits (trade, current and fiscal), along with global economic revival are likely to add impetus to the economy.

In FY 2014-15, India is likely to accelerate GDP growth to 5.5% - 6%. The increase in growth rate is expected to be contributed majorly by the industrial sector, estimated to grow at 4% next year. Despite the modest expectations in the short term, the prospects of long term growth in India remain immensely strong. India's growth model is led by domestic consumption.

Looking ahead, the growth momentum for FY 2014-15 appears optimistic. The International Monetary Fund forecasts that world output will grow 3.6% in 2014, compared to 2.9% during 2013.

### URBAN INFRASTRUCTURE

Infrastructure is the lifeblood of prosperity and economic development in the 21st century. Well-planned and well executed investments offer developing economies the hope of basic facilities for all and a chance to compete in a global marketplace. India's infrastructural facilities such as transportation, water infrastructure, sanitation and power are still inadequate for its existing population. The government considering the inappropriate infrastructural facilities and its adverse impact on growth of the economy has significantly increased its infrastructure spending over the last 10 years. The government is also encouraging private sector investment to speed up development, which will provide many possibilities to the SPML Infra Ltd to contribute in the development of urban infrastructure in India.

The newly elected central government has drawn an ambitious infrastructure development program for next 10 years which includes development of railways, national highways and also creation of 100 smart cities to form a vibrant India. The infrastructure sector is now hoping for turnaround of the Indian economy as it is expecting a time bound implementation of infrastructure projects.

### WATER AND SOLID WASTE MANAGEMENT

As a rapidly urbanizing nation, India is facing major constraints in its water and wastewater management sector. The country is home to 18% of the world's population, but contains only 4% of its water resources. Almost 90% of the usable water in the country is utilized for irrigation purposes. Realizing this, the government of India is providing a sustained impetus towards improving water and wastewater management infrastructure in the country.

The solid waste management concept in developed economies has reached to matured stage while it is way behind in India and still in the development stage. Total waste water generated in India is about 90 thousand mld, of which only about 21% is treated. Similarly, more than half of the solid waste generated in municipalities in India remains untreated.

In India's governing system, water and waste management is the responsibility of state government. Almost all state government has given this task to Urban Local Bodies for major cities. India's Water Treatment Market is worth more than US\$ 1 billion, much of which consists of Industrial Water Treatment and Municipal Water Treatment. The government of India is encouraging private investment in this sector through various initiatives. They are implementing stringent water quality standards and environmental regulations to drive increased spending, and introduce technology implementation. The government reforms are primarily guided by 3 policies/programs:

- Jawaharlal Nehru National Urban Renewal Mission.
- National Water Policy, 2002
- National Water Mission

As part of these reforms, priority is being given to private sector participants to invest in water infrastructure in India. SPML Infra Ltd being the leader in the sector sees immense opportunities in the water and solid waste management field as this is still in developing stage.

## RECENT DEVELOPMENTS IN WATER PROJECT

In recent years, India's water sector has developed rapidly with the inflow of central government funds, the reform agenda of the government under JNNURM (Jawaharlal Nehru National Urban Renewal Mission) and the programs of the international donors, the World Bank, Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA). The most significant change in the past five years has been the entry of the central government as a major source of financing in the sector. Almost 42,000 crore rupees were allocated to water, sewerage and drainage projects in major cities through the JNNURM's urban infrastructure fund. The JICA, allocated a further 21,000 crore rupees in the past 7 years. JICA currently spend almost 21% of its budget in India to water and sanitation projects and it's on the rise. The World Bank approved around 16,500 crore rupees for water supply and sanitation projects in India over the same time period, including 6000 crore rupees for the National Ganga River Basin project, the first donor project to focus on surface water quality.



Projects worth a further 6000 crore rupees are expected to be approved before 2015, covering both urban and rural water by the World Bank. Two major new projects are under consideration – a 1,200 crore loan for water supply in Delhi and another 2,400 crore credit for water and wastewater infrastructure in Kolkata by ADB.

With the influx of funds, more Public Private Partnership (PPP) projects were awarded in the past five years. Since 2005, 13 new PPP projects in water sector were awarded as compared to just 4 in the previous decade. Most of the PPP water supply projects during the 1990s were aimed at augmentation of bulk water supply systems. But after 2005, 80 percent of the projects awarded to bring in the private sector expertise for operation and maintenance (O&M) and improvement of distribution system. Today, approximately 60 percent of PPP projects address O&M improvements, 30 percent focus on bulk water supply augmentation, and the rest include both.

## WATER SECTOR

SPML is executing a number of water supply projects in different states. Some key projects are as under.

- **Pokhran Water Supply Project:** The project aims to provide sustainable source of clean drinking water supply to over 12 Lac residents of 580 villages together with 4 towns of Pokhran, Falsoond, Balotra and Siwana, industries and defence forces. The scope include 400 kms of water pipeline, 125 MLD water treatment plants, 16 pumping stations with combined capacity of 40,000 m<sup>3</sup>/hr with 9350 KW, 2 raw water and 3 clear water reservoirs, substations with PLC & SCADA systems and 10 years of operation & maintenance post commissioning. SPML also received the prestigious Commendation Certificate for Water Project of the Year in Global Water Awards 2014 for this project.
- **Water Supply Scheme for Bangalore City:** The project aims to provide sustainable source of drinking water supply to over two million populations to cater the growing demands of the Bangalore Metropolitan Area. The scope include 21 km of 3 meter diameter MS pipes with 18 mm shell thickness, 5 lakh litres capacity elevated one way RCC surge tank, 100 million litres capacity of Clear Water Reservoirs, 500 MLD water pumping station etc.





- **Saurashtra Water Supply & Pipeline Project, Gujarat:** The main objective of the project is to transfer the excess water from the southern region of Gujarat to the drought prone areas of Saurashtra particularly to 8215 villages and 135 towns & cities of Saurashtra and Kutch, North Gujarat and Panchamal Districts. The project involves raw water intake systems with pumping stations, 128 kms long MS Cross Country pipeline of 1250 mm to 2400 mm dia with PLC and SCADA systems having 5 years operations & maintenance.



- **Water Supply Improvement Scheme in Delhi:** SPML is working to improve the water supply and distribution network and provide drinking water to over 3 lac residents of Mehrauli and Vasant Vihar and 3.5 lac residents of Malviya Nagar area in Delhi. The combine scope of work includes rehabilitation and development of almost 300 kms water pipeline and distribution network trenchless works, construction of underground water reservoir to enhance storage capacity from 4.3 million litres to 18.3 million litres, rehabilitation and replacement of approximately 82,000 service connections with metering & billing and 24x7 consumer service centre among other related works including operation & maintenance for 12 years. SPML is started 24x7 water supply to West End Colony and reduced the leakage and non-revenue water from 67% to just 6% thus improving the service standard and revenue collection.



- SPML is also executing a number of regional water supply schemes in Rajasthan and Bihar to provide drinking water facilities to millions of people in rural and sub-urban areas.

## POWER SECTOR

SPML Infra Limited provides engineering, procurement, construction, project management and commissioning services on a Turnkey basis to the Power Sector leveraging its proven project management and delivery experience of over 30 years, its construction capability, engineers and domain experts. Presently, SPML is executing following projects:

- Power transmission & distribution projects in Patna with 7144 Kilometers of ACSR Conductors, 5310 kilometers of LT Lines and will provide 3,83,929 BPL connections in 23 Blocks.
- Power transmission & distribution projects in Gaya with 6058 kilometers of ACSR Conductors, 4918 kilometers of LT lines and will provide BPL service connections to almost 3 lac consumers in 24 Blocks.
- Distribution of electricity, through one of its subsidiary franchisee, in Bhagalpur district in 3 Urban Sub-divisions and 2 Rural Sub-divisions besides metering, meter-reading, billing, collection, operation and maintenance. Augmenting the transmission capacity matching with the growth in distribution network, metering of input points including calibration of meters and matters related to load dispatch and grid discipline and serving over 1,15,000 connections.
- Construction of Balance of Plant (BOP) System to meet potable, service & processed water needs of 160 MW Gas - Based Combined Cycle Power Plant at Ramgarh, Rajasthan. The scope of work includes two raw water reservoirs (total capacity of 6.87 lac m3), pre-treatment plant with two clarifiers of 320 m3/hr capacity each, clarified water storage tank, chlorination plant for raw water & cooling water systems, 35 m3/hr DM plant and 154 m3/hr effluent treatment plant among other works.
- Setting up of Lignite Based Thermal Power Plant (1x70 MW) at Gurha, Rajasthan.
- Working towards alternative energy sources and executing Hydro Power generation projects in Himachal Pradesh and Mizoram with a combined capacity of **80 MW**.



SPML is credited to have undertaken the following projects:

- **Over 70 projects (220/110/66/33 kV sub-stations) for ESCOMs across the country.**
- Central Government aided **biggest Accelerated Power Development and Reforms Program (APDRP) project ever in India** till date (U.G. Package in terms of quantity of cable laid) for BESCOM (Bangalore Electricity Supply Company Limited).

## ENVIRONMENT SECTOR

SPML Infra Limited has proven capabilities to successfully execute projects on turn-key basis and currently executing following projects:

- **A world-class 350 tpd solid waste processing and disposal facility** for Madurai Municipal Corporation for a concession period of 20 years based on PPP model.
- Four other Municipal Solid Waste Management Projects on PPP/BOOT basis. These include a **1600 tpd project in Delhi** for Municipal Corporation of Delhi; **600 tpd project in Allahabad** for Allahabad Nagar Nigam; **300 tpd project in Dehradun** for Dehradun Nagar Nigam; and **185 tpd project in Mathura** for Mathura Nagar Palika Parishad and **300 tpd project in Jamshedpur** for Jamshedpur Notified Area.
- Providing **waste management services at Delhi International Airports & Hyderabad International Airports** and has become India's first integrated waste management service provider at Airports, handling around 25 tpd.
- **Sewer Rehabilitation Solutions: One of India's largest and first Comprehensive Underground Sewerage System** in Mira Bhayandar, Maharashtra. The project comprises of design, supply, laying, and commissioning 113 km of Sewer lines; 10 Pumping Stations and 10 Sewerage Treatment Plants; one each of 8, 11, 14 and 17 MLD and two each of 7, 12 and 13 MLD with total capacity of 115 MLD with latest MBBR technology. The sewage system implies closure of existing septic tanks and drainage through storm water drains improving overall hygiene and living standards.
- SPML also received for the second consecutive year, GMR-IGI Airports Award 2014 for Operations Service Provider of the Year for providing world class waste management services at Delhi and Hyderabad International Airports.



## OUTLOOK

The Indian Water Industry is on the crossroads today. The demand for water is projected to overtake its availability in India. In some regions of the country, this has already happened. In India, with huge requirements for water treatment and purification of drinking water, there is a huge scope for growth. The total Indian water market is estimated to be about USD 12 billion. While the government sector contributes about 50% of this, the private sector provides the remaining business. The overall market is growing at 18% every year. With an order backlog of about Rs. 6000 Cr, and estimated projects of Rs. 2000 Cr in pipeline SPML Infra is looking forward to its growth and contribution to the development of urban infrastructure.

## OPERATIONAL PERFORMANCE

Revenue from operations improved from Rs. 109,436 Lacs in the previous year to Rs. 118,454 Lacs in the Current Year, by 8.24% over the last year. It includes arbitration awards amounting to Rs. 12,520 Lacs recognized as income during the year.

Other Income of the Company also increased from 35.79 Crores to 83.65 Crores thereby an increase of around 134% primarily due to interest Income on Arbitration Award.

### Direct Expenditure

During the year under review, the gross margin on operating activity decreased from 28% in the previous year to 21% due to increase in the cost of raw material and sub-contractors charges. This was partially compensated by reduction in the equipment hire charges.

### Employees benefit Expenses

The employees benefit expenses increased marginally. If compared with the revenue of the Company the employee benefit cost remained below 4%. The total employee strength of the Company remains at around 850 employees.

### Overhead Cost

The company has managed to reduce majority of its overheads. The increase in the other expenses is primarily due to recognition of bad debts by the management to the tune of Rs. 6746 Lacs.

### Finance Cost

The finance cost of the Company also increased from Rs. 13,394 Lacs in the previous year to Rs. 14,727 Lacs during the year under review, primarily due to increase in the mobilisation advances given by the clients on the new orders booked by the Company.

### Operating Profit and Profit after Tax

Despite the fact that the revenue of the Company increased by 12% the Operating income of the Company reduced from 13.64% in the previous year to 12.81% in the current year mainly due to bad debts written off, reduced operating margins and high interest cost. This has also resulted in decrease in PAT margin.

## Fixed Assets

There has not been any notable change in the Tangible Assets of the Company. Due to weak economic conditions and lack of funds, the company has not added any new asset during the year. Where ever necessary, the replacement of old asset has been done.

## Non-Current Investment

There has been an increase of around Rs. 2,000 Lacs in the non-current investments during the year under review. Notable investments / (dilutions) during the year are as below:

Sl. No.	Name of the Company	Amount of Investment (in Lacs Rs.)
1	SPML Infrastructure Ltd.	587
2	Madurai Municipal Waste Processing Co. Pvt. Ltd.	1355
3	Malviya Nagar Water Supply Pvt. Ltd.	219
4	SPML Simplex JV	(88)
5	SPML-CISC JV	(181)

## Trade Receivable

The Trade receivable of the Company increased from Rs. 55,686 Lacs in the previous year to Rs. 66,614 Lacs in the current year. The average debtor collection period has increased from 179 days in the previous year to 192 days in the year under review. This is primarily due to increase in revenue from operations.

## Trade Payable

The trade payables increased marginally from Rs. 38,663 Lacs in the previous year to Rs. 42,049 Lacs in the current year which is in the normal course of business.

## Borrowings

The long term borrowings of the Company decreased from Rs. 9,860 Lacs in the previous year to Rs. 4,405 Lacs in the year under review primarily due to repayment of term loans and loans from body corporates.

The short term borrowings of the company increased from Rs. 35,212 Lacs in the previous year to Rs. 43,420 Lacs in the current year under review primarily due to increase in the utilization of Credit facility to cater the working capital requirements of the Company.

## RISK MANAGEMENT

In current volatile business environment, enterprise risk management is a vital function for sustainability of the Company's businesses. Identification and anticipation of business risk and effective management thereof is critical for achieving the business goals. The highly competitive business environment has also enhanced the need of better assessment and management of risks to keep business of the company viable and efficient at all times. To ensure long term success, it is essential that risks are anticipated, analyzed and mitigated by means of appropriate control measures.

## Operational and Liquidity risks

Infrastructure projects generally have long gestation periods which may result in inordinate delays in recovery of dues, which may have a direct impact on the liquidity position of the Company and may affect the operations and earnings of the Company. Quick and just turnover of projects depends on competency of the Company as well as availability and proper deployment of skilled manpower. Any gap therein may affect the Company's performance.

## Risks associated with Strategy and Competition

Laws in India restrict our strategy for organic as well as inorganic growth by limiting our capability to raise capital within and outside India and also limit the ability of others to acquire us or be acquired by us, which could prevent us from operating our business or entering into transactions that is in the best interest of our shareholders.

We operate in a competitive and rapidly changing market and compete with both domestic as well as international Companies in the business of urban infrastructure. Economics of scale with competitors and unfair competition can affect our operations thereby affecting market share and business.

## Risk Mitigation Strategy of the Company

For managing the risks your company has devised and put in place a well-defined risk identification, monitoring, mitigation and reporting process. Your Company has set out a clear vision for itself and has diversified interest across verticals, whereby reducing its over-dependence on a single vertical.

Your Company provides comprehensive training to its entire staff as and when required to upgrade their skills for proper execution of projects undertaken by the Company.

## INTERNAL CONTROL SYSTEMS

SPML has in place adequate systems of internal control commensurate with its size and the nature of its operations. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

SPML has a dedicated Internal Audit team which is commensurate with the size, nature and complexity of operations of the Company. The Audit Committee periodically reviews the performance of internal audit function.

SPML has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. SPML uses sophisticated state-of-the-art ERP system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with global best practices

## HUMAN RESOURCES

The speed of change in today's world make it imperative to focus on forward looking policies, learning processes, shaping talents for tomorrow and invest in futuristic systems and applications. SPML's continual pursuit of innovation and progressive process for creating an organization of tomorrow which are yielding desired results as is evident from market leading a healthy retention rate. Effective engagement interventions, strong process and systems enable the company to manage complexities associated with the scale of a thousand employees representing in the country. The workforce management strategy was executed optimally to fulfill business demand, deliver consistently high utilization rates and keep manpower costs within the desired range as per business plan.

We at SPML always strive to put an effective human resource policy which enables the Company to attract, develop and retain best talent to deliver the business growth. This is achieved by continuous process of identification of competency and skill gaps, identifying the career goals of individual and helping them to achieve their goals by offering opportunities, developmental training, learning, conducive environment and good health.

The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent to deliver business growth. The company remained highest recruiter in the industry by doing a net addition of 300 employees across the country during the Year 2013-2014.

SPML's commitment to employee health, safety and security extends beyond accidents and occupational health hazards to social wellbeing of employees.

SPML Successfully organized monthly activities for employee engagement

- Medical Camp
- Women's Day
- Eye Camp
- Anokhe Awards
- Adventure Camp
- Art and Craft Competition
- Motivational Programs
- Planned Core group Training for the future

These initiatives have delivered the desired results as is evident from the low attrition rate of 14% achieved during the Year 2013-2014.

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### Forward Looking and Cautionary Statements:

*Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.*

## Report on Corporate Governance

The principal of corporate governance is based on the acceptance by management of the rights of the stakeholders as the true owners of the corporate and of their own status as trustees of the stakeholders. It also encompasses the transparency, empowerment, accountability, controls and corporate practices with high standards of ethics to achieve the corporate goals committed to values and conduct.

The Board of directors of your company aims of “Good Corporate Governance” to ensure accountability, fairness, and transparency in managing the affairs of the Company for maximizing long-term value of the company for all its stakeholders.

In pursuance of the provisions of the Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and other prevalent corporate governance practices, the report on the Corporate Governance of the company containing the details of the systems and procedures is as follows:

### 1. Board of Directors

The Board of Directors of the Company is the apex body, constituted by the Shareholders of the Company. The Board of Directors of the Company review and monitor corporate strategy and operational performances. The Board while being accountable to the company and its shareholders provides strategic guidance to the company and ensure effective monitoring of the management. The primary role of the Board is that of trusteeship to protect and enhance stakeholders’ value through strategic supervision of the Company.

The Board has the ultimate responsibility of the management, direction and performance of the Company and plays an important role in overseeing how the management serves the objectives and interests of the stakeholders.

### Composition

The SPML’s Board is an optimum mix of executive and non-executive directors who have in-depth knowledge of business and experience and expertise in the area of specialization. The independent Directors play important role in board decisions processes by imparting their independent views on the important strategic issues.

As on 31st March, 2014, the Board comprised of Eight (8) Directors, out of which 4 are Independent Directors. During the year, the composition of the Board and the membership on other Boards/ Committees of Directors is given hereunder.

#### No. of Directorships and Committee Memberships / Chairmanship

Sl. No.	Name of the Directors	Category	Other Directorship <sup>1</sup>	Committee Membership <sup>2</sup>	Committee Chairmanships
1	Mr. Subhash Chand Sethi	Promoter & Executive Director – Chairman	14	4	2
2	Mr. Sushil Kumar Sethi	Promoter & Executive Director- Managing Director	9	-	-
3	Mr. Deepak Sethi	Promoter & Non- Executive Director	14	3	2
4	Mr. R. L. Gaggar	Non- Executive & Independent Director	11	9	-
5	Mr. Sarthak Behuria	Non- Executive & Independent Director	3	2	1
6	Mr. Ajay Tandon	Non- Executive & Non Independent Director- Nominee of Citi Group	-	-	-
7	Mr. Amit Kanodia	Non- Executive & Independent Director	-	1	-
8	Mr. Kailash Bihari Dubey*	Non- Executive & Independent Director	N/A	N/A	N/A
9.	Mr. Prem Singh Rana **	Non- Executive & Independent Director	6	5	-

<sup>1</sup>The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

<sup>2</sup>In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public limited companies (including SPML Infra Limited) have been considered. Membership of Committees includes Chairmanship, if any.

None of the Directors except Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi and Mr. Deepak Sethi is related to any Director.

During the year, the Company did not had any material pecuniary relationship or transaction with the non-executive director's except Mr. Deepak Sethi who being related to promoter Directors, is interested to the extent of his shareholding in the Company. During the year, the Company did not have any material pecuniary relationship or transaction with the Independent Directors other than payment of fees for attending meetings of the Board and/or its Committees.

\* Mr. Kailash Bihari Dubey resigned w.e.f. 03.01.2014.

\*\* Mr. Prem Singh Rana was appointed as an additional Director w.e.f 10.02.2014

Mr. Amit Kanodia resigned w.e.f. 16-08-2014.

## Board Meetings & Attendance

During the financial year 2013-14, the Board of Directors has met 6 times. The Board Meetings were held on following dates: (i) 27.05.2013, (ii) 18.06.2013, (iii) 14.08.2013, (iv) 13.11.2013 (v) 10.02.2014 and (vi) 29.03.2014. The maximum time gap between the two meetings was not more than four calendar months.

Last Annual General Meeting was held on 26th September, 2013.

### Attendance of Directors at Board Meetings and at the last Annual General Meeting:

Sl. No.	Name of the Directors	No. of Board Meeting Attended	Whether Attended the last AGM
1	Mr. Subhash Chand Sethi	3	Yes
2	Mr. Sushil Kumar Sethi	6	No
3	Mr. Deepak Sethi	3	No
4	Mr. R.L. Gaggar	1	No
5	Mr. Sarthak Behuria	5	Yes
6	Mr. Ajay Tandon	4	Yes
7	Mr. Amit Kanodia	2	No
8	Mr. Kailash Behari Dubey *	4	No
9	Mr. Prem Singh Rana **	1	N/A

\*Mr. Kailash Behari Dubey resigned w.e.f. 03.01.2014.

\*\*Mr. Prem Singh Rana was appointed as an additional Director w.e.f. 10.02.2014

## 2. Committees of the Board

There are six committees of the Board- the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Compensation Committee, Selection Committee and Finance Committee.

### i) Audit Committee

Terms of reference of the Audit Committee are as per guidelines set out in the Listing Agreements with the Stock Exchanges that inter alia include the overview of the Company's financial reporting processes and review of the quarterly, half- yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies and the significant findings and adequacy of internal audit function etc. in terms of the clause 49 of the Listing Agreement with the Stock Exchanges within the stipulated time.

### Composition and Attendance

During the year, the Audit Committee met five times. The Audit Committee Meetings were held on (i) 27.05.2013, (ii) 18.06.2013, (iii) 14.08.2013, (iv) 13.11.2013 and (v) 10.02.2014. The company Secretary of the Company acts as the Secretary of the Committee.

Sl.No	Name of the Director	No. Of Meetings attended
1	Mr. Sarthak Behuria- Chairman	4
2	Mr. Deepak Sethi	3
3	Mr. Amit Kanodia	2
4	Mr. Kailash Bihari Dubey*	4
5	Mr. P. S. Rana**	1
6	Mr. R. L. Gaggar***	-

\*Mr. Kailash Behari Dubey was appointed as the member of Audit Committee on 27th May 2013 and had resigned from the Directorship of the Company w.e.f. 3rd Jan 2014..

\*\* Mr. P. S. Rana has been appointed as Member of the Audit Committee wef 10th Feb 2014

\*\*\*Mr. R. L. Gaggar has been appointed as member of the Audit Committee wef 28th May 2014



**ii) Stakeholders Relationship Committee**

The existing Share Transfer/Investors' Grievance Committee has been renamed as Stakeholders Relationship Committee by the Board in its meeting held on 28<sup>th</sup> May 2014 in terms of the revised Clause 49 of the Listing Agreement and New Companies Act, 2013. The Committee inter alia approves issue of duplicate certificates and registration of transfer/transmission of Equity shares of the Company. The Committee also looks into the redressal of Shareholders'/investors' complaints related to transfer of shares, non-receipt of declared dividends etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.) The Company Secretary of the Company acts as Secretary to the Committee.

**Composition and Attendance**

During the year ended 31.03.2014, the Committee met for 4 times.

Sl. No.	Name of the Director	No. of Meetings Attended
1	Mr. Deepak Sethi- Chairman	4
2	Mr. Subhash Chand Sethi	4
3	Mr. Sarthak Behuria	-
4	Mr. P. S. Rana*	

\* Mr. P. S Rana has been appointed as the member of the committee wef 28th May 2014

The Company attends to the investors' grievances/correspondence expeditiously, except in the cases that are constrained by disputes or legal impediments.

(a) No. of Shareholders complaints received during the year	1
(b) No. of complaints not resolved to the satisfaction of the Shareholders	Nil
(c) No. of pending complaints as on 31.03.2014	Nil

The Company Secretary acts as the Compliance Officer of the Company.

**iii) Nomination & Remuneration Committee**

In terms of the requirements of the Companies Act, 2013 and revised Listing Agreement, the existing Remuneration Committee of the Directors has been renamed as Nomination and Remuneration Committee by the Board in its meeting held on 28th May 2014. The Committee comprises of four Independent Directors, namely, Mr. Sarthak Behuria, Mr. Amit Kanodia, Mr. R.L. Gaggar and Mr. P. S. Rana. The Chairman of the Committee is Mr. Sarthak Behuria, Non-Executive Independent Director. The broad terms of reference of the Committee remain unchanged. The terms of reference are viewing remuneration package, details of fixed components, performance linked incentives, service contract, notice period and severance fees etc. No meeting of the Committee was held during the year under review. The Company Secretary of the Company acts as Secretary to the Committee.

**iv) Compensation Committee**

The Committee comprises of Four Directors namely, Mr. Sarthak Behuria, Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi and Mr. Amit Kanodia. The Chairman of the Committee is Mr. Sarthak Behuria, Non-Executive Independent Director. The Company Secretary acts as Secretary to the Committee. No meeting of the Committee was held during the year under review.

**v) Selection Committee:**

The Committee comprises of three Independent & Non-Executive Directors namely, Mr. Sarthak Behuria, Mr. Amit Kanodia and Mr. R. L. Gaggar under the Chairmanship of Mr. Sarthak Behuria. There was no meeting held during the year under review. The Company Secretary of the Company acts as Secretary to the Committee.

**vi) Finance Committee**

The Board of directors in its meeting held on 10th February 2014 dissolved the Committee of Directors for Banking and other operational matters (Banking Committee) and formed a Finance Committee with the same composition as that of Banking Committee. The terms of reference of the Committee of Directors for Banking and Other Operational matters were conferred on Finance Committee.



**Composition and Attendance**

The composition of Finance Committee (and also of the Committee of Directors for Banking and other operational matters) comprises of four Directors namely Mr. Sushil Kumar Sethi – Chairman, Mr. Subhash Chand Sethi, Mr. Deepak Sethi and Mr. Sarthak Behuria.

The Committee of Directors for Banking and Other Operational Matters had 11 meetings during the FY 2013-14, while Finance Committee met only 1 time. The Company Secretary of the Company acted as Secretary to the Committee.

Sl. No.	Name of Director	No. of Meetings attended
<b>Committee of Directors for Banking &amp; Other Operational Matters</b>		
1.	Mr. Sushil Kumar Sethi - Chairman	11
2.	Mr. Subhash Chand Sethi	11
3.	Mr. Deepak Sethi	11
4.	Mr. Sarthak Behuria	--
<b>Finance Committee</b>		
1.	Mr. Sushil Kumar Sethi – Chairman	1
2.	Mr. Subhash Chand Sethi	1
3.	Mr. Deepak Sethi	1
4.	Mr. Sarthak Behuria	1

**3. Remuneration of Directors**

Details of remuneration paid to the Wholtime Directors for the period from 01.04.2013 to 31.03.2014.

Name of Director	Salary (Rs)	Commission (Rs)	Perquisites (Rs)	Contribution to Provident Fund (Rs)	Terms of Appointment
Mr. Subhash Ch. Sethi	71,26,000	Nil	12,05,000	1,44,000	5 years from 01.01.2010
Mr. Sushil Kr. Sethi	71,26,000	Nil	12,05,000	1,44,000	5 years from 01.01.2010

Notes:

1. Above excludes liability for personal accident insurance premium and the liability for gratuity and en-cashable leave.
2. There is 3 month notice period for severance of any of the executive directors and no severance fees are payable to any directors.

**Attendance of Directors at Board Meetings and at the last Annual General Meeting:**

Sl. No.	Name of the Directors	Sitting Fee (Rs)
1	Mr. R. L. Gaggar	20,000
2	Mr. Sarthak Behuria	120,000
3	Mr. Amit Kanodia	30,000
4	Mr. Kailash Bihari Dubey	100,000
5	Mr. Prem Singh Rana	20,000

Notes: The Non-executive Directors were paid remuneration by way of sitting fee of Rs 20,000 and Rs. 5,000 each for attending the meetings the Board and Audit committee respectively.

## 4. Disclosure

### I. Equity shares held by Non-Executive Directors.

Except Mr. Deepak Sethi, who holds 5,82,250 equity shares, no other Non-Executive & Independent Directors of the Company held any equity shares of the Company during the year under review.

### II. Related Party Transactions

The Company has not entered into any transactions of a material nature with any of the related parties that may have potential conflict with the interests of the Company, during the year under review.

### III. Compliances by the Company

- a. There has been no instance of non-compliance by the Company with the requirements of the Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on matters related to Capital Markets during the last three years.
  - b. The Company has adopted and complied with all the mandatory requirements under clause 49 of the listing agreement.
- IV. The Company has adopted non-mandatory requirement under clause 49 of the listing agreement to the extent relating to setting up of Nomination & Remuneration Committee. Please refer details provided under section "Nomination & Remuneration Committee" of this report.

## 5. Means of Communication

- (a) Quarterly and results are published in English Newspaper (All Editions) as well as Hindi daily Newspaper in Delhi. The information on Quarterly Results is sent to the stock exchanges to enable them to post it on their respective websites.
- (b) The financial results as well as Annual Report are also displayed on Company's website at [www.spml.co.in](http://www.spml.co.in).
- (c) The Management Discussion and Analysis Report forms part of the Directors' Report.

## 6. General Body Meetings

Location and time of the last three Annual General Body Meetings held:

Year	Venue	Date	Time	Special Resolution passed
2012-13	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	26th Sep 2013	11:30 am	No
2011-12	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	26th Sep 2012	11.30 am	Yes
2010-11	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	29th Sep 2011	2.30 pm	No

### Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2013-14.

### Extraordinary General Body Meetings

No Extraordinary General Meeting was held during the Financial Year 2013-14.

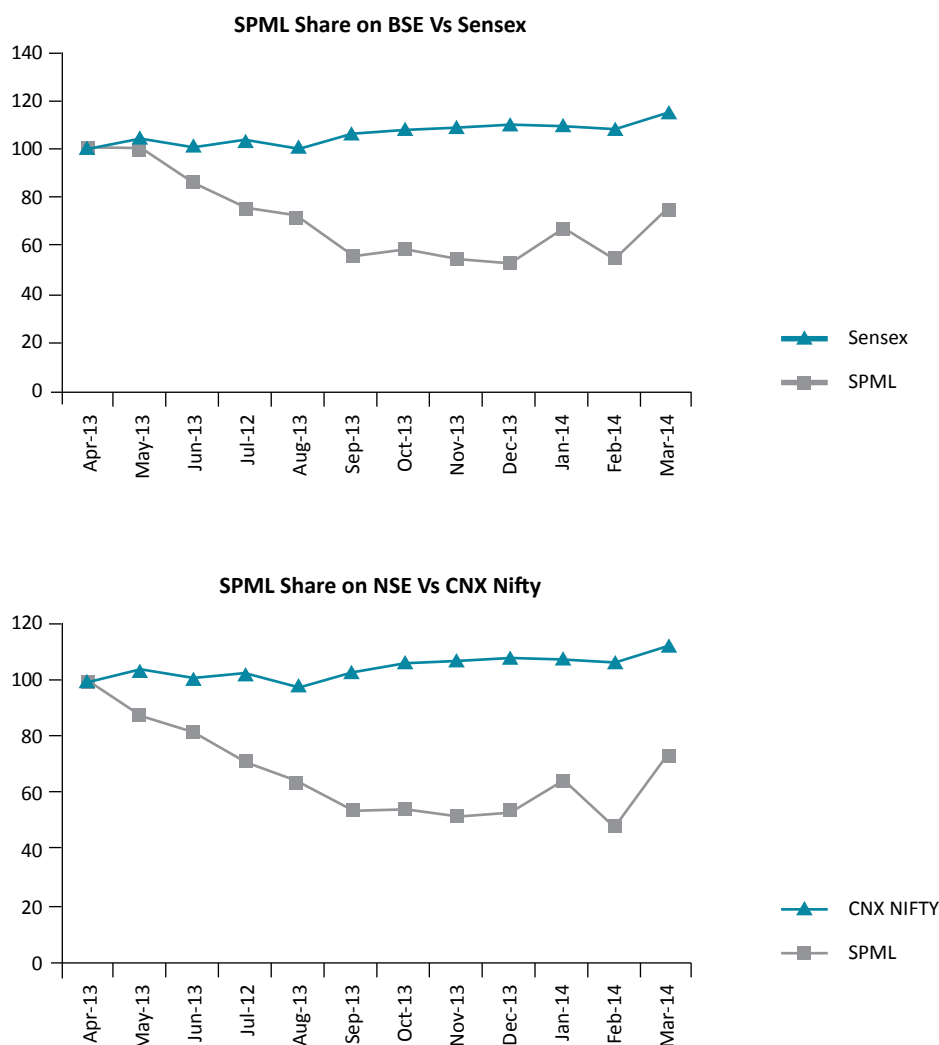
## 7. Shareholders Information

- (i) 33rd Annual General Meeting 26th September, 2014.  
PHD Chamber of Commerce, PHD House, 4/2, Sri Institutional Area, August Kranti Marg, New Delhi – 110 016
- (ii) Financial Calendar (tentative) Financial Year - 1st Apr 2014 - 31st Mar 2015  
Adoption of Results for the Quarter ending:  
a) Jun 30, 2014 – 2nd week of Aug, 2014  
b) Sep 30, 2014 – 2nd week of Nov, 2014  
c) Dec 31, 2014 – 2nd week of Feb 2015  
d) Mar 31, 2015 – 4th week of May, 2015  
Annual General Meeting – Sep, 2015
- (iii) Book Closure Date 20th September 2014 to 26th September, 2014 (Both days inclusive)
- (iv) Dividend Payment Date Not Applicable
- (v) Listing on Stock Exchanges **BSE Limited (BSE)**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
**National Stock Exchange of India Ltd. (NSE),**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051  
The annual listing fee for the financial year 2014-15 has been paid to BSE & NSE  
The Company is in the process of automatic de-listing from Guwahati Stock Exchange (GSE) upon de-recognition of GSE. The confirmation of delisting from Calcutta Stock Exchanges is awaited.
- (vi) Stock Code / Trading Symbol BSE - '500402', NSE – 'SPMLINFRA'
- (vii) ISIN No. INE937A01023
- viii) Registrar & Transfer Agents Maheshwari Datamatics Pvt Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata – 700 001, Phone: +91-033-2248 2248
- (ix) Stock Prices data and performance of Company's share prices vis-à-vis Nifty and Sensex;
- a) Share Price data at BSE and NSE

(Rs. Per share)

Month	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April,2013	54.95	41.40	52.85	40.05
May,2013	47.90	40.30	52.70	40.50
June,2013	44.95	35.45	45.50	34.30
July,2013	39.00	23.25	39.95	22.00
August,2013	34.95	20.30	38.25	22.00
September,2013	29.80	27.00	29.40	25.95
October,2013	29.75	26.00	31.20	25.55
November,2013	28.80	26.05	29.00	27.00
December,2013	28.60	25.00	28.00	25.15
January,2014	35.60	25.05	35.70	27.40
February,2014	26.15	23.55	28.65	24.45
March,2014	40.15	25.00	40.15	25.65

## b) Performance of Company's share prices (monthly high) vis-vis NSE Nifty



## x) Share Transfer System

The Board had constituted the Share Transfer/Investors' Grievance Committee and delegated the power of transfer to the Committee. The Share Transfer/Investors' Grievance Committee has been renamed as Stakeholders Relationship Committed Committee on 28th May 2014. The Committee holds its meeting every fortnight, if required, to consider all matters concerning transfer and transaction of shares. The Company's shares are traded in compulsory Demat Mode. The shares received for transfer in physical mode by the Company are transferred expeditiously and the share certificates, duly transferred, are sent to the transferee(s).

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing agreement with Stock exchanges and files a copy of the certificate with the Stock Exchanges.

## xi) Dematerialization of Shares

The Company's shares are available for trading in the depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2014 Equity Shares of the Company, forming 99.04% of total shareholding stand dematerialized. Company's ISIN No. is 'INE937A01023'

## xii) Liquidity of Shares

The Equity Shares of the Company have been included in the Sensex and are traded in the T Group at the BSE Limited. Its shares are also traded at the National Stock Exchange.

## xiii) Share Ownership Pattern as on March 31, 2014.

Category	No. of Shares held	% shareholding
Promoter and Promoter Group	21,816,485	59.53
Mutual Funds/ UTI	13,000	0.04
Financial Institutions / Banks / Foreign Institutional Investors	-	-
Corporate Bodies	11,940,915	32.58
Public	2,860,783	7.80
Non Resident Individual	19,093	0.05
Total :	36,650,276	100.00

## xiv) Distribution of Shareholding by size as on March 31, 2014

Shares held		Shareholders		Shares	
From	To	Number	% of Total Share Holders	Number	% of Shares
1	500	5133	87.03	721,344	1.97
501	1,000	350	5.93	296,004	0.81
1,001	2,000	192	3.26	287,897	0.78
2,001	3,000	63	1.07	164,355	0.45
3,001	4,000	15	0.25	56,404	0.15
4,001	5,000	23	0.39	108,539	0.30
5,001	10,000	48	0.81	348,767	0.95
10,001	Above	74	1.26	346,66,966	94.59
<b>Total</b>		<b>5898</b>	<b>100.00</b>	<b>366,50,276</b>	<b>100.00</b>

## xv) Outstanding Warrant: There is no outstanding warrant.

## xvi) Address for Correspondence

The Shareholders may address their communication / suggestion / grievances / other queries to:

The Company Secretary  
 SPML Infra Limited  
 SPML House, Plot No. 65, Sector-32,  
 Institutional Area, Gurgaon-122 001  
 Phone: +91-124-3944555, Fax: +91-124-3983201  
 E-mail: info@spml.co.in  
 Website: www.spml.co.in

## 8. CEO / CFO CERTIFICATION

The Managing Director (CEO) and CFO have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2014.

## 9. CODE OF CONDUCT

The SPML Code of Business Conduct and Ethics, as adopted by the Board of Directors is a comprehensive Code applicable to all Directors, Executive as well as Non-Executive as well as members of Senior Management. A copy of the Code has been put on the Company's website [www.spml.co.in](http://www.spml.co.in)

The Code has been circulated to all members of the Board and Senior Management and the compliance of the same has been affirmed by them.

**For SPML Infra Limited**

**Subhash Chand Sethi**  
Chairman

Place : Gurgaon  
Dated: 16-08-2014

## Auditors' Certificate

To,  
The Members of SPML Infra Limited

We have examined the compliances of conditions of corporate governance by **SPML Infra Limited**, for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.301003E

**Per R. K. Agrawal**  
Partner  
Membership No.16667

Place : Gurgaon  
Date : 16-08-2014

**For Sunil Kumar Gupta & Co.**  
Chartered Accountants  
Firm Registration No.003645N

**Per S. K. Gupta**  
Partner  
Membership No.82486

Place : Gurgaon  
Date : 16-08-2014



# Independent Auditors' Report

To

The Members of SPML INFRA LIMITED

## Report on the Financial Statements

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

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

## Basis for qualified opinion

*Attention is drawn to Note No. 41 (a) to the financial statements regarding complete foreclosure of a contract by a customer during the year, at the risk and cost of the Company. Although the Company has filed its counter claims, the customer has not yet raised any claims on the Company and the matter is presently pending with Hon'ble Supreme Court for appointment of an independent arbitrator. In view of the uncertainties involved, we are unable to comment on the ultimate outcome of the litigation and also on the recoverability of the account receivables and fixed assets of Rs.1,904 lakhs and Rs.1,608 lakhs respectively, as on March 31, 2014, in respect of the said contract.*

## Opinion

*Except for the possible effects of the matter stated in the basis for qualified opinion paragraph above, In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

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

## Emphasis of Matter

Attention is drawn to Note No. 44 to the financial statements regarding the recognition of income of Rs.12,520.34 lakhs during the year arising out of arbitration awards pronounced in favour of the Company (including Rs.10,952.02 lakhs in respect of arbitration awards pronounced in earlier years) and interest of Rs.2,902.94 lakhs recognised thereon and also of the arbitration awards of Rs. 3028.30 lakhs recognized in the previous year, both remaining outstanding as on March 31, 2014, against which the customers have preferred appeals.

Our audit opinion is not qualified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

## For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Raj Agrawal

Partner

Membership Number: 082028

Place of Signature: Gurgaon

Date: May 29, 2014

## For SUNIL KUMAR GUPTA & CO.

Chartered Accountants

Firm Registration No : 003645N

per S.K. Gupta

Partner

Membership Number: 082486

Place of Signature: Gurgaon

Date: May 29, 2014

## Annexure referred to in of our independent auditor report of even date

### Re: SPML INFRA LIMITED (the Company)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 (b) Except to the extent stated in note no. 41 (a) of the financial statements, fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.  
 (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.  
 (b) 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) According to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loans to six parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2,916.44 lakhs and the year end balances of loans granted to such parties was Rs. 2,328.76 lakhs.  
 (b) In our opinion and according to the information and explanations given to us, the rate of interest and the terms and conditions for the above loans are not prima facie prejudicial to the interest of the Company.  
 (c) The above loans are stated to be repayable on demand. As informed, the repayment of above loans, to the extent demanded by the Company, has been received during the year and thus, there was no default on the part of the borrowers. The payment of interest with respect to such loans is stated to have been regular.  
 (d) In view of the above loans being repayable by the parties on demand, there is no overdue amount of loans granted to such parties.  
 (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. 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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.  
 (b) *The Company has entered into certain transactions, with Companies having common director, which require prior approval of Central Government u/s 297 of the Companies Act, 1956, as more fully disclosed in note nos. 47 (a) to 47 (c) of the financial statements. While in respect of the Companies mentioned in note nos. 47 (a) & 47 (b), the necessary application has been filed/ is in the process of being filed with the Central Government. In view of non-approval of the application for the contract stated in note no. 47 (c) by the Central Government, as informed by the management, the Company is in the process of filing for compounding under the relevant provisions of the Companies Act. Except as stated above, in our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.*
- (vi) As informed, the Company has not accepted any deposits from the public within the purview of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of its construction activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess to the extent applicable, *have not been regularly deposited with the appropriate authorities and there have been significant delays in a number of cases.* The Company did not have any dues towards excise duties during the year.  
 (b) According to the information and explanations given to us, *undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, sales tax, customs duty, excise duty, employees' state insurance, cess and other material statutory dues which were outstanding at the year-end for a period of more than six months from the date they became payable, are as follows:*

Name of the statute	Nature of the dues	Amount (Rs in lakhs)	Period to which the amount relates	Due Date	Date of Payment
The Bihar Value Added Tax Act, 2005	Works Contract Tax (including interest)	384.42	2008-09 to 2013-14	20th day of subsequent month	Not yet paid
Finance Act, 1994	Interest on delayed payment of Service Tax	66.43	2011-12 to 2013-14	Immediate	Not yet paid
The Bihar Value Added Tax Act, 2005	Interest on delayed payment of Entry Tax	72.00	2007-2008 to 2012-13	Immediate	Not yet paid
Employees Provident Fund, 1952	Interest on delayed payment of Provident Fund	33.46	2012-13 to 2013-14	Immediate	Not yet paid

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending
<b>West Bengal CST Act, 1956</b>	Non-Production of "C" Forms	105.10	2005-06	President, Appellate and Revision Board, Kolkata
	CST 6(2) sales determined as per conceived sale and taxed at full rates	991.62	2006-07	President, Appellate and Revision Board, Kolkata
	CST purchases from West Bengal (WB) for sales outside WB projects u/s 6(2) and taxed under WCT	293.97	2007-08	President, Appellate and Revision Board, Kolkata
	CST 6(2) sales determined as per conceived sale and hence taxed at full rates	105.34	2007-08	Sr. Joint Commissioner, Commercial Taxes (South Circle), Kolkata President, Appellate and Revision Board, Kolkata
		785.45	2008-09	
		343.60	2009-10	
	Disallowance of E1 sales	0.59	2010-11	Additional Commissioner, Commercial Tax, Kolkata
<b>West Bengal VAT Act</b>	Disallowance of Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY) Sales	137.72	2006-07	President, Appellate and Revision Board, Kolkata
	Local Sale and RGGVY sales are added to WCT and taxed	261.70	2008-09	Sr. Joint Commissioner, Commercial Taxes (South Circle), Kolkata
		344.14	2 009-10	
<b>Bihar VAT Act</b>	Disallowance of labour component	320.04	2006-07 to 2009-10	JCCT, Appeals, Patna
<b>Uttar Pradesh CST Act</b>	Disallowance of Assessed E-1 Sales out of West Bengal State	333.73	2005-06 to 2007-08	Additional Commissioner- Agra
<b>Uttar Pradesh VAT Act</b>	Tax Liability on Exempted project RGGVY Sales	44.13	2007-08	Additional Commissioner- Agra
	Miscellaneous Demand	6.95	2008-09	
<b>Jharkhand VAT Act</b>	Disallowance of Assessed E-1 Sales out of West Bengal State/ Suppression of Turnover	1,313.74	2004-05 to 2010-11	Joint Commissioner, Ranchi
<b>Delhi VAT Act</b>	Miscellaneous Demand	26.00	2012-13	Commissioner DVAT, Delhi
<b>Central Excise Act, 1944</b>	Penalty under Rule 26 of Central Excise 2002	52.64	2004-05 to 2005-06	CESTAT, Mumbai
<b>Finance Act, 1994</b>	Service tax on advance received	23.13	2005-06 to 2006-07	Commissioner Service Tax, Kolkata
<b>Madhya Pradesh VAT Act</b>	VAT Demand	385.30	2010-11	CTO Bhopal, VAT Circle
<b>Andhra Pradesh VAT Act</b>	Disallowance of E-1 Sales	169.22	2009-10	The Appellate Deputy Commissioner(CT) Punjagutta Division, Hyderabad
	Disallowance of Input VAT	557.01		
<b>Karnataka CST Act</b>	Disallowance of E-1 Sales	2,598.23	2007-08	The Assistant Commissioner(CT) Audit, DVO, Bangalore
		590.47	2008-09	
<b>Rajasthan VAT Act</b>	Tax liability on interstate sales	90.68	2009-10	Deputy. Commissioner, Appeals - II, Jaipur

- (x) Without considering the consequential effect, if any, of the matter stated in "Basis for qualified opinion" paragraph of our auditors' report, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management during the year, the Company has delayed in repayment of term loans (including interest) to banks to the extent of Rs. 3,928.46 lakhs, which were regularised over a period of time, with an overall delay of less than 90 days. Out of above, Rs. 113.60 lakhs overdue as on the balance sheet date relates to interest on term loan paid subsequently. The Company has not defaulted in repayment to dues to financial institutions. The Company did not have any dues towards debenture holders during the year.

- (xii) According to the information and explanations given by the management and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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 course of our audit.

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.301003E

**per Raj Agrawal**  
Partner  
Membership No. 082028

Place of Signature: Gurgaon  
Date: May 29, 2014

**For Sunil Kumar Gupta & Co.**  
Chartered Accountants  
Firm Registration No.003645N

**per S. K. Gupta**  
Partner  
Membership No. 82486

Place of Signature: Gurgaon  
Date: May 29, 2014

## Balance Sheet as at March 31, 2014

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	819.45	819.45
Reserves and surplus	3	44,501.33	44,019.59
		<b>45,320.78</b>	<b>44,839.04</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	4,405.17	9,860.88
Other long-term liabilities	5	9,454.07	2,465.76
Long-term provisions	7	273.57	247.92
Deferred tax liability (net)	6	347.35	427.00
		<b>14,480.16</b>	<b>13,001.56</b>
<b>Current liabilities</b>			
Short-term borrowings	8	43,419.68	35,211.85
Trade payables	9	42,049.28	38,663.34
Other current liabilities	10	43,408.87	26,162.95
Short-term provisions	7	175.46	164.28
		<b>129,053.29</b>	<b>100,202.42</b>
<b>TOTAL</b>		<b>188,854.23</b>	<b>158,043.02</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11 (a)	8,183.60	8,991.05
Intangible assets	11 (b)	36.89	90.07
Capital work-in-progress	12	296.41	291.06
Non-current investments	13 (a)	22,226.40	20,258.88
Long-term loans and advances	14	9,026.01	11,603.21
Trade receivables	15	31,348.64	9,558.91
Other non-current assets	16	12,035.84	6,058.79
		<b>83,153.79</b>	<b>56,851.97</b>
<b>Current assets</b>			
Inventories	17	3,840.41	4,041.74
Trade receivables	15	35,266.20	46,127.23
Current investments	13 (b)	10.00	-
Cash and bank balances	18	7,940.74	6,069.20
Short-term loans and advances	14	13,711.19	9,068.35
Other current assets	16	44,931.90	35,884.53
		<b>105,700.44</b>	<b>101,191.05</b>
<b>TOTAL</b>		<b>188,854.23</b>	<b>158,043.02</b>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

**For SUNIL KUMAR GUPTA & CO.**  
Firm Registration No: 003645N  
Chartered Accountants

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Sushil Kr. Sethi**  
Managing Director

**per Raj Agrawal**  
Partner  
Membership No.: 082028

**Per S.K.GUPTA**  
Partner  
Membership No 082486

**Abhay Raj Singh**  
Company Secretary

**Swadesh Mathur**  
Chief Finance Officer

Place: Gurgaon  
Dated: May 29, 2014

Place: Gurgaon  
Dated: May 29, 2014

## Statement of Profit and Loss for the year ended March 31, 2014

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>INCOME</b>			
Revenue from operations	19	118,453.96	109,436.14
Other income	20	8,365.56	3,579.91
<b>Total revenue (I)</b>		<b>126,819.52</b>	<b>113,016.05</b>
<b>EXPENSES</b>			
Materials Consumed & Direct expenses	21	93,615.72	78,957.95
Cost of traded goods		1,656.97	7,827.29
(Increase) / Decrease in work-in-progress	22	212.65	(261.17)
Employee benefit expenses	23	4,248.45	4,197.94
<b>Other expenses</b>	24	<b>10,834.34</b>	<b>6,876.70</b>
<b>Total Expenses (II)</b>		<b>110,568.13</b>	<b>97,598.71</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>16,251.39</b>	<b>15,417.34</b>
Depreciation expense	11 (a) & 11 (b)	1,015.90	1,055.44
Finance costs	25	14,727.23	13,394.25
<b>Profit before tax</b>		<b>508.26</b>	<b>967.65</b>
<b>Tax expenses</b>			
- Current tax (Minimum Alternate Tax)		106.17	271.32
- Deferred tax credit		(79.65)	(478.97)
<b>Total tax expense</b>		<b>26.52</b>	<b>(207.65)</b>
<b>Profit for the year</b>		<b>481.74</b>	<b>1,175.30</b>
Earnings per equity share (nominal value of equity share Rs.2 each)			
<b>Basic and Diluted (in Rs.)</b>		<b>1.31</b>	<b>3.21</b>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

**For SUNIL KUMAR GUPTA & CO.**  
Firm Registration No: 003645N  
Chartered Accountants

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Sushil Kr. Sethi**  
Managing Director

**per Raj Agrawal**  
Partner  
Membership No.: 082028

**Per S.K.GUPTA**  
Partner  
Membership No 082486

**Abhay Raj Singh**  
Company Secretary

**Swadesh Mathur**  
Chief Finance Officer

Place: Gurgaon  
Dated: May 29, 2014

Place: Gurgaon  
Dated: May 29, 2014

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

(Rs. In Lakhs)

Particulars	2013-2014	2012-2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	508.26	967.65
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Company's share in (profit)/loss of Joint Ventures	(163.88)	304.96
Depreciation and amortization expenses	1,015.90	1,055.44
Loss on sale/ discard of fixed assets	23.92	3.98
Gain on sale of investments (net)	-	(0.83)
Unrealized foreign exchange loss (net)	-	1.72
Sundry balances/liabilities written back	(2,622.40)	(2,390.15)
Provision for Doubtful debts	-	388.00
Bad Debts/ Sundry Balances Written Off	6,746.42	1,986.32
Interest expenses	14,727.23	13,394.25
Interest income on loans, Bank deposits and Income tax refunds	(1,920.74)	(868.41)
<b>Operating profit before working capital changes</b>	<b>18,314.71</b>	<b>14,842.92</b>
<b>Movements in working capital :</b>		
Increase in trade payables / other liabilities	3,967.39	10,738.45
Increase/ (decrease) in provisions	36.83	(62.21)
Increase in trade receivables	(13,861.86)	(435.08)
Decrease in inventories	201.33	2,885.50
Increase in loans and advances/ other assets	(18,357.02)	(4,074.47)
Cash generated from / (used in) operations	(9,698.62)	23,895.12
Direct taxes (paid)/refund	1,745.80	(2,135.06)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(7,952.82)</b>	<b>21,760.06</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including Capital work in progress and capital advances	(389.70)	(723.45)
Proceeds from sale of fixed assets	46.15	4.58
(Purchase) / Sale of non-current investments:		
-Subsidiaries	(2,000.52)	(2,762.42)
-Others	198.81	651.17
Purchase of Current investments:	(10.00)	-
Loans given to related parties / others (net)	(1,424.95)	(2,383.62)
Share application money refunded / (paid)	684.97	(1,275.35)
Investment in fixed deposits (having original maturity of more than three months)	(5,421.37)	(12.27)
Interest received on loans given and Bank Deposits	691.41	837.96
<b>Net cash flow used in investing activities (B)</b>	<b>(7,625.20)</b>	<b>(5,663.40)</b>



Contd...

Particulars	2013-2014	2012-2013
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(3,019.68)	(3,267.86)
Proceeds from long-term borrowings	1,736.60	6,517.65
Proceeds/(Repayment) from/of Mobilisation Advances (net)	20,832.08	(2,682.75)
Proceeds/(Repayment) from/of short-term borrowings (net)	8,207.84	(2,488.93)
Interest refund on Income Tax	500.00	-
Interest paid	(13,456.76)	(13,365.85)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>14,800.08</b>	<b>(15,287.74)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(777.94)</b>	<b>808.92</b>
Cash and cash equivalents at the beginning of the year	3,156.55	2,347.63
<b>Cash and cash equivalents at the end of the year</b>	<b>2,378.61</b>	<b>3,156.55</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	46.78	40.69
With banks- On current account	2,323.35	2,201.01
- on deposit account *	-	907.26
- unpaid dividend accounts**	8.48	7.59
<b>Total cash and cash equivalents (note 18)</b>	<b>2,378.61</b>	<b>3,156.55</b>
Summary of significant accounting policies (refer Note No. 1)		

\* Receipts lying with banks as security against Letters of Credits and Guarantees issued by them and with clients

\*\* The Company can utilise such bank balances only towards payment of the unpaid dividend.

Note:

1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Companies (Accounting Standards) Rules 2006 (as amended).

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
**Firm Registration No: 301003E**  
Chartered Accountants

**For SUNIL KUMAR GUPTA & CO.**  
**Firm Registration No: 003645N**  
Chartered Accountants

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Sushil Kr. Sethi**  
Managing Director

**per Raj Agrawal**  
Partner  
Membership No.: 082028

**Per S.K.GUPTA**  
Partner  
Membership No 082486

**Abhay Raj Singh**  
Company Secretary

**Swadesh Mathur**  
Chief Finance Officer

Place: Gurgaon  
Dated: May 29, 2014

Place: Gurgaon  
Dated: May 29, 2014

## Notes to the financial statements as at and for the year ended March 31, 2014.

### Significant Accounting Policies and Notes to Accounts

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### (i) Basis of preparation

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of The Companies Act, 1956 ('the Act') read with the General Circular 08/2014 dated 04 April, 2014 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention on an accrual basis. Insurance claims on the ground of prudence or uncertainty in realization, are accounted for on acceptance/ actual receipt basis. The accounting policies applied by the Company are consistent with those used in the previous year.

##### (ii) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

##### (iii) Tangible Fixed Assets

- (a) Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT / VAT), taxes, incidental expenses, erection/ commissioning expenses etc. upto the date the asset is ready to be put to use.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be non-regular, are capitalized and depreciated prospectively over the useful life of the respective assets.

##### Intangible Fixed Assets

- (a) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

##### (iv) Depreciation/Amortisation

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to The Companies Act, 1956 or at the rates determined based on useful life of the respective asset, as estimated by the management, which generally coincides with the life prescribed under Schedule XIV, whichever is higher.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

Assets costing Rs.5,000 or less are depreciated @100% in the year of purchase.

Intangible assets (specialised software) are amortised using the straight line method over a period of five years.

##### (v) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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.

**(vi) Impairment**

The carrying amount of tangible and intangible assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows considered for determining the value in use, are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

**(vii) Leases**

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets is classified as operating lease. Operating lease payments are recognized as expense in the Statement of Profit & Loss on straight line basis over the lease term.

**(viii) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are considered at cost, unless there is an "other than temporary" decline in value thereof, in which case, adequate provision for diminution is made in the accounts.

**(ix) Inventories**

Materials, components and stores & spares to be used in contracts are valued at lower of cost, which is ascertained on weighted average basis, or net realizable value.

Stock of trading goods is valued at lower of cost, which is ascertained using First in First out (FIFO) Method, or net realizable value.

Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**(x) Revenue recognition****(a) Construction contracts**

Revenue on contracts is recognized on "percentage completion method" based on the stage of completion of the contract. The stage of completion is determined as a proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total costs. When it is probable that the total contract cost will exceed the total contract revenue, the future loss is recognized immediately. The future loss is adjusted with unbilled revenue. For this purpose, total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies. Revisions in projected profit or loss arising from change in the estimates are reflected in each accounting period which, however, cannot be disclosed separately in the financial statements, as the effect thereof cannot be accurately determined.

Overhead expenses representing indirect costs that cannot be directly aligned with the jobs are allocated over the various contracts on a systematic basis.

Disputed claims towards extra work, damages etc. are accounted for on settlement of the arbitration proceedings / legal cases.

The Company collects Value Added Tax (VAT), Sales tax and Service tax on behalf of the government and therefore, these are not economic benefits flowing to the Company and have been excluded from revenue.

Arbitration awards which are granted in favor of the Company by independent arbitrators are accounted for when the management is reasonable certain of its ultimate recovery. The interest granted on such awards is recognized as per terms of the award.

**(b) Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company and have been excluded from revenue.

**(c) Income from Services**

Revenues from operation and maintenance contracts are recognized on rendering of services as per the terms of contract.

**(d) Interest**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(e) Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

**(xi) Liquidated damages**

No provision is made for liquidated damages deducted by the customers, wherever these have been refuted by the Company and it expects to settle them without any loss. Pending settlement of these claims, the relative trade receivables are shown in the accounts as fully recoverable and the corresponding amounts are reflected as contingent liability in terms of the provisions contained in Accounting Standard – 29.

**(xii) Foreign currency transactions****Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange Differences**

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements and / or on conversion of monetary items, are recognized as income or expense in the year in which they arise.

**Forward Exchange Contracts (not intended for trading or speculation purpose):** The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

**(xiii) Retirement and other employee benefits**

Employee benefits in the form of Provident Fund being a defined contribution scheme are charged to the Statement of Profit and Loss, when an employee renders the related service. There are no obligations other than the contributions payable to the fund.

Gratuity liability being a defined benefit obligation is provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such short-term compensated absences are provided for in the Statement of Profit and Loss based on estimates.

Actuarial gain and losses are recognized immediately in the Statement of Profit & Loss as income or expense.

**(xiv) Income taxes**

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **(xv) Segment Reporting**

##### **Identification of Segments**

The Company has identified that its business segments are the primary segments. The Company's businesses are organized and managed separately according to the nature of activity, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company at present primarily operates in India and therefore there is only one reportable segment i.e. India.

#### **(xvi) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

#### **(xvii) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

#### **(xviii) Cash and Cash Equivalents**

Cash and cash equivalents as indicated in the Cash Flow Statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

#### **(xix) Accounting for interests in joint ventures**

Accounting for joint ventures undertaken by the Company has been done as follows:

<b>Type of Joint Venture</b>	<b>Accounting treatment</b>
Jointly controlled operations	Company's share of profit/(loss) are included in the financial statements as share of Profit/ (Loss) of Joint Venture and adjusted with the value of Investment.
Jointly controlled entities	Company's investment in joint ventures is reflected as investment and accounted for in accordance with para 1 (viii) above.

**(xx) 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.

**(xxi) Measurement of EBITDA (Earnings before interest, tax, depreciation and amortization)**

As permitted by the Guidance Note on the Revised Schedule VI to The Companies Act, 1956, the Company has elected to present EBITDA as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

**2. SHARE CAPITAL***(Rs. In Lakhs)*

Particulars	As at 31-Mar-14	As at 31-Mar-13
<b>Authorized shares</b>		
200,000,000 (200,000,000) Equity Shares of Rs. 2/- each	4,000.00	4,000.00
1,000,000 (1,000,000) Preference Shares of Rs. 100/- each	1,000.00	1,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and paid-up shares</b>		
36,650,276 (36,650,276) Equity Shares of Rs. 2/- each, fully paid -up	733.01	733.01
Add : Forfeited Shares (Amount originally paid up)	86.44	86.44
	<b>819.45</b>	<b>819.45</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year****Equity shares***(Rs. In Lakhs)*

	As at 31st March, 2014		As at 31st March, 2013	
	No.	Amount	No.	Amount
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>36,650,276</b>	<b>733.01</b>	<b>36,650,276</b>	<b>733.01</b>

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. Details of shareholders holding more than 5% equity shares in the Company

(Rs. In Lakhs)

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% holding in	No. of shares	% holding in
Anil Kumar Sethi	1,903,335	5.19%	1,903,335	5.19%
Zoom Industrial Services Limited	3,073,510	8.39%	3,073,510	8.39%
SPML India Limited	2,335,735	6.37%	2,335,735	6.37%
CVCIGP II Client Rosehill Limited	3,521,575	9.61%	3,581,575	9.61%
Reliance Capital Trustee Company Limited	-	-	2,322,803	6.33%
CVCIGP II Employee Rosehill Limited	1,972,301	5.38%	1,972,301	5.38%
Udgam Commercial Limited	2,080,202	5.68%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 3. RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>A. Capital reserve</b>		
Balance as per the last financial statements	885.73	885.73
<b>B. Securities premium account</b>		
Balance as per the last financial statements	15,263.80	15,263.80
<b>C. General reserve</b>		
Balance as per the last financial statements	5,929.05	5,929.05
<b>D. Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	21,941.01	20,765.71
Profit for the year	481.74	1,175.30
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>22,422.75</b>	<b>21,941.01</b>
<b>Total reserves and surplus (A+B+C+D)</b>	<b>44,501.33</b>	<b>44,019.59</b>

## 4. LONG-TERM BORROWINGS

(Rs. In Lakhs)

	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Term Loans (Secured)</b>				
From Banks (Indian Rupees)	4,250.00	6,333.33	3,583.33	2,916.67
From Financial Institutions	107.64	-	128.96	-
<b>Deferred Payment credits (Secured)</b>				
- From Banks	40.07	-	10.69	25.63
- From Others	7.46	27.67	15.21	123.14
<b>From a Body Corporate (Secured)</b>	-	3,499.88	3,499.88	-
<b>Sub Total</b>	<b>4,405.17</b>	<b>9,860.88</b>	<b>7,238.07</b>	<b>3,065.44</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(7,238.07)	(3,065.44)
<b>Total</b>	<b>4,405.17</b>	<b>9,860.88</b>	<b>-</b>	<b>-</b>

**4.1 Security and repayment terms in respect of term loans from banks**

- Term loan of Rs. 2,500 lakhs (Previous Year Rs. 3,750 lakhs) carries interest @ 13.25 % p.a. and is repayable in eight quarterly instalments of Rs. 312.50 lakhs each along with interest thereon by March 2016. The said loan is secured against a subservient charge on all the fixed assets and current assets (both present and future) of the Company and also by the personal guarantee of a Promoter Director of the Company.
- Term loan of Rs. 833.33 lakhs (Previous Year Rs. 2,500 lakhs) carries interest @ 13.75 % p.a. and is repayable in two quarterly instalments of Rs. 416.67 lakhs each along with interest thereon by 27th August 2014.
- Term loan of Rs. 3,000 lakhs (Previous Year Rs. 3,000 lakhs) carries interest @ 13.75 % p.a. and is repayable in quarterly instalments of Rs. 187.50 lakhs each along with interest thereon by June 2018.  
The loan referred in (b) and (c) are taken from same lender and are secured against an exclusive charge over the Company's landed property located at Gurgaon.
- Term loan of Rs. 1,500 lakhs taken during the year carries interest @ 13.50 % p.a. (I - Base plus spread @ 3.5% p.a) and is repayable in 3 monthly instalments of Rs. 50 lakhs each and 18 monthly instalments of Rs. 75 lakhs each along with interest thereon by January 2016. The said loan is secured against an exclusive charge over the Company's landed property located at Gurgaon ranking pari passu with other term loan. Further, loan is backed by the personal guarantee of the Managing director and the Chairman of the Company.
- Overdue interest of Rs. 77.33 lakhs on term loans (disclosed in Note. 10 "Other Current Liabilities") has been paid subsequently.

**4.2 Security and repayment terms in respect of term loans from financial Institutions**

- Loan of Rs. 172.07 lakhs taken during the year from a Financial Institution carries interest @ 14.50% p.a. and is repayable in remaining 29 equated monthly instalments.
- Interest free loan of Rs. 64.53 lakhs taken during the year from a Financial Institution is repayable in 3 monthly instalments of Rs. 18.18 lakhs each and 1 instalment of Rs. 9.98 lakhs.  
The loans referred in (a) and (b) above are secured against hypothecation of respective construction equipments.

**4.3** Deferred payment credits from banks and others are secured against hypothecation of Vehicles / Construction equipments purchased against such loans and are repayable in equated monthly instalments (ranging from 32 to 56) carrying interest rates ranging from 8.50% to 10% p.a.

**4.4** Loan from a Body Corporate carries interest @ 12.50% p.a. and is repayable in 3 instalments of Rs. 553.50 lakhs, Rs. 1,616.40 lakhs and Rs. 1,329.98 lakhs in the month of April'14, June'14 and November'14 respectively. The loan is secured against the Bank Guarantee which, in turn, is secured by the same securities as are available to the bank with respect to cash credit facilities.

**5. OTHER LONG-TERM LIABILITIES***(Rs. In Lakhs)*

Particulars	As at 31st March 2014	As at 31st March 2013
Mobilisation Advance from customers (partly bearing interest)	9,005.89	2,109.96
Trade payables	448.18	355.80
	<b>9,454.07</b>	<b>2,465.76</b>

**6. DEFERRED TAX LIABILITY (NET)**

In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs. 79.65 lakhs (DTA of Rs.478.97 lakhs) has been recognized in the accounts during the year and consequently the net Deferred Tax Liability (DTL) as at 31st March, 2014 stands at Rs. 347.35 lakhs (Rs. 427 lakhs).

The break-up of DTL is as follows:

*(Rs. In Lakhs)*

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Deferred Tax Liability</b>		
On timing differences of depreciable assets	720.50	632.05
On retentions by the customers	327.11	488.22
<b>(A)</b>	<b>1,047.61</b>	<b>1,120.27</b>
<b>Deferred Tax Assets</b>		
Expenses allowable against taxable income in future years	(700.26)	(693.27)
<b>(B)</b>	<b>(700.26)</b>	<b>(693.27)</b>
<b>Net Deferred Tax Liability (A) - (B)</b>	<b>347.35</b>	<b>427.00</b>



**7. PROVISIONS***(Rs. In Lakhs)*

	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Provision for employee benefits</b>				
Gratuity (refer note 38 (a))	273.57	247.92	37.80	41.92
Leave benefits	-	-	137.66	122.36
	<b>273.57</b>	<b>247.92</b>	<b>175.46</b>	<b>164.28</b>

**8. SHORT-TERM BORROWINGS***(Rs. In Lakhs)*

Particulars	As at 31st March 2014	As at 31st March 2013
<b>SECURED</b>		
<b>From Banks</b>		
In Indian Rupee- Working Capital		
- Demand Loans (refer "b" and "c")	1,000.00	1,000.00
- Cash Credit (refer "c")	38,310.56	30,401.13
In foreign currency		
- Buyer's Credit (Refer "a")	1,891.96	-
<b>UNSECURED</b>		
Loan from related parties repayable on demand	1,197.40	1,109.23
From Bodies Corporate (refer "d")	1,019.76	2,701.49
	<b>43,419.68</b>	<b>35,211.85</b>
The above includes:		
Secured Loans	41,202.52	31,401.13
Unsecured Loans	2,217.16	3,810.72
	<b>43,419.68</b>	<b>35,211.85</b>

- Buyer's credit is secured by hypothecation of stocks and book debts of the Company, both present and future, and also by hypothecation of certain specific plant and machinery, furniture/fixtures & office equipments. It carries interest in the range of Libor plus 0.65% to Libor plus 0.80%.
- Overdue interest of Rs.36.27 lakhs on the aforesaid loan (disclosed in the note. 10 "other current liabilities") has been paid subsequently.
- Demand loans and cash credit and working capital facilities in Indian rupees are secured by hypothecation of stocks and book debts of the Company, both present and future, hypothecation of certain specific plant and machinery, furniture/fixtures & office equipments and also the mortgage of Company's land situated at Mouje Dhanot, Gujarat and Pirancheri Village, Tamil Nadu. These loans are additionally secured by the guarantees of three promoter directors of the Company and corporate guarantee of SPM Engineers Ltd. The demand loans and cash credit and working capital facilities carry interest @ 13.50% to 16.25% p.a.
- Loans from bodies corporate carry interest @ 12%p.a to 18% p.a.

**9. TRADE PAYABLES***(Rs. In Lakhs)*

Particulars	As at 31st March 2014	As at 31st March 2013
Trade payables (including acceptances of Rs. 18,739 lakhs (Rs. 21,271.64 lakhs)) (refer note 32 for detail of dues to micro and small enterprises)	42,049.28	38,663.34

## 10. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Mobilisation Advances from Customers (including Rs 1,502.06 lakhs (Rs. 2,098.15 lakhs) due to subsidiaries) (partly bearing interest)	30,380.23	16,444.07
<b>Other liabilities</b>		
Current maturities of long-term borrowings (refer note 4)	7,238.07	3,065.44
Interest accrued on borrowings	150.43	166.00
Interest accrued on Mobilisation advance	2,199.83	913.79
Investor Education and Protection Fund (not yet due for deposits):		
Unpaid dividend	8.48	7.59
Advance from customers (includes Rs.1,882.06 lakhs (previous year Rs. 2,114.07 lakhs) towards sale of Investments in a joint venture))	1,915.83	3,911.80
Statutory dues payable	1,516.00	1,654.26
	<b>43,408.87</b>	<b>26,162.95</b>

## 11 (a). TANGIBLE ASSETS

(Rs. in Lakhs)

Description	Freehold Land	Buildings	Temporary site sheds & shuttering materials	Plant & Machinery	Furniture and Fixtures	Vehicles	Site office/ Equipments	Total
<b>Cost</b>								
At 1 April 2012	145.14	1,393.85	2,280.81	6,810.95	1,730.55	1,065.05	1,936.78	15,363.13
Additions during the year	-	-	2.84	891.38	8.69	-	152.85	1,055.76
Sale/Disposals during the year	-	-	-	-	-	(20.56)	-	(20.56)
<b>At 31 March 2013</b>	<b>145.14</b>	<b>1,393.85</b>	<b>2,283.65</b>	<b>7,702.33</b>	<b>1,739.24</b>	<b>1,044.49</b>	<b>2,089.63</b>	<b>16,398.33</b>
Additions during the year	-	-	36.53	20.76	12.89	88.55	55.66	214.39
Sale/Disposals during the year	-	-	-	(225.19)	-	-	-	(225.19)
<b>At 31 March 2014</b>	<b>145.14</b>	<b>1,393.85</b>	<b>2,320.18</b>	<b>7,497.90</b>	<b>1,752.13</b>	<b>1,133.04</b>	<b>2,145.29</b>	<b>16,387.53</b>
<b>Depreciation</b>								
At 1 April 2012	-	128.08	2,267.11	2,182.14	553.69	520.40	791.98	6,443.40
Charge for the year	-	26.98	2.70	625.45	101.50	80.76	138.49	975.88
On sale/Disposals	-	-	-	-	-	(12.00)	-	(12.00)
<b>At 31 March 2013</b>	<b>-</b>	<b>155.06</b>	<b>2,269.81</b>	<b>2,807.59</b>	<b>655.19</b>	<b>589.16</b>	<b>930.47</b>	<b>7,407.28</b>
Charge for the year	-	26.97	0.28	615.34	104.48	79.02	125.69	951.78
On sale/Disposals	-	-	-	(155.13)	-	-	-	(155.13)
<b>At 31 March 2014</b>	<b>-</b>	<b>182.03</b>	<b>2,270.09</b>	<b>3,267.80</b>	<b>759.67</b>	<b>668.18</b>	<b>1,056.16</b>	<b>8,203.93</b>
<b>Net Block</b>								
At 31 March 2013	145.14	1,238.79	13.84	4,894.74	1,084.05	455.33	1,159.16	8,991.05
At 31 March 2014	145.14	1,211.82	50.09	4,230.10	992.46	464.86	1,089.13	8,183.60

**11 (b). INTANGIBLE ASSETS***(Rs. In Lakhs)*

Particulars	Computer Software
<b>Gross Block</b>	
As at 1st April 2012	397.75
Additions during the year	-
As at 31st March 2013	<b>397.75</b>
Additions during the year	10.94
As at 31st March 2014	<b>408.69</b>
<b>Amortization</b>	
As at 1st April 2012	228.12
Charge for the year	79.56
As at 31st March 2013	<b>307.68</b>
Charge for the year	64.12
As at 31st March 2014	<b>371.80</b>
<b>Net Block</b>	
As at 31st March 2013	90.07
As at 31st March 2014	36.89

**12. CAPITAL WORK-IN-PROGRESS***(Rs. In Lakhs)*

Description	As at 01st April 2013	Additions	As at 31st March 2014
Building under construction	291.06	5.35	296.41
<b>TOTAL</b>	<b>291.06</b>	<b>5.35</b>	<b>296.41</b>

## 13(a). NON CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	No. of Shares/ Debentures	Face Value Per Share/ Debentures (Rs.)	March 31, 2014		March 31, 2013
<b>Long Term (valued at cost unless otherwise stated)</b>					
<b>(A) Other Than Trade Quoted</b>					
<b>(a) Equity Shares (Fully Paid-up)</b>					
Arihant Leasing & Holding Limited	24,000 (24,000)	10	0.75		0.75
Indian Arcylcs Limited	100 (100)	10	0.01		0.01
Petrochem Industries Limited	500 (500)	10	0.14		0.14
Best & Crompton Engineering Limited	200 (200)	10	0.10		0.10
SPML India Limited	10,000 (10,000)	10	1.50		1.50
Hindustan Engineering & Industries Limited (Bonus Shares)	4 (4)	10	-		-
<b>(b) Debentures (Fully Paid-Up)</b>					
Escorts Tractors Limited	25 (25)	1	0.01	*	0.01
Hindustan Engineering & Industries Limited	110 (110)	1	0.06		0.06
			2.57		2.57
Less: Provision For Diminution in Value of Investments			2.56		2.56
Net Quoted Investments			0.01	*	0.01
<b>(B) Trade Unquoted</b>					
<b>Equity Shares (Fully Paid-up)</b>					
Bharat Hydro Power Corporation Limited (refer note no. 4 below)	3,294,150 (3,294,150)	10	211.85		211.85
Om Metal - SPML Infraproject Private Limited	4,999 (4,999)	10	0.50		0.50
Jarora Nayaganv Toll Road Company Private Limited	500 -	10	0.05		-
			212.40		212.35
<b>In Associate Companies</b>					
Doon Valley Waste Management Private Limited	25,000 (25,000)	10	2.50		2.50
Mizoram Mineral Development Corporation Limited	73,000 (73,000)	10	7.30		7.30
Aurangabad Jal Supply Solution Private Limited	2,600 (2,600)	10	0.26		0.26
"Aurangabad Jal Construction Private Limited (Formerly Essel Water Utility Company Private Limited)"	2,600 (-)	10	0.26		-
Central Zone Water Services Private Limited	24,000 (-)	10	2.40		-
SPML Bhiwandi Water Supply Infra Limited	224,700 (224,700)	1	2.25		2.25
SPML Bhiwandi Water Supply Management Limited	250,000 (250,000)	1	2.50		2.50
Jamshedpur Waste Processing Company Private Limited	35,000 (35,000)	1	0.35		0.35
Pondicherry Port Limited	100 (100)	10	0.01		0.01
			17.83		15.17

Contd...

(Rs. In Lakhs)

Particulars	No. of Shares/ Debentures	Face Value Per Share/ Debentures (Rs.)	March 31, 2014	March 31, 2013
<b>Equity Shares In Subsidiary Companies (Fully Paid-up)</b>				
Subhash Kabini Power Corporation Limited (refer note 2 below)	13,586,300 (13,586,300)	10	1,358.63	1,358.63
SPML Industries Limited	1,243,618 (1,243,618)	10	211.82	211.82
Bhilwara Jaipur Toll Road Private Limited (refer note 3 below)	2,449,262 (2,434,302)	10	3,695.86	3,673.42
Madurai Municipal Waste Processing Company Private Limited	5,878,000 (-)	10	587.80	-
Bhagalpur Electricity Distribution Company Private Limited	10,000 (-)	10	1.00	-
Mizoram Infrastructure Development Company Limited	34,500 (-)	10	3.45	-
SPML Infraprojects Limited	250,000 (-)	2	5.00	-
SPML Infra Developers Limited	250,000 (-)	2	5.00	-
Delhi Waste Management Limited	292,500 (292,500)	10	29.25	29.25
Mizoram Power Development Corporation Limited	89,125 (89,125)	10	8.91	8.91
Neogal Power Company Private Limited	8,451,060 (8,451,060)	1	1,284.82	1,284.82
Awa Power Company Private Limited	10,952,105 (10,952,105)	1	1,684.99	1,684.99
Luni Power Company Private Limited	6,882,931 (6,882,931)	1	1,033.92	1,033.92
IQU Power Company Private Limited (refer note 1 below)	6,705,500 (6,705,500)	1	1,005.53	1,005.53
Binwa Power Company Private Limited	2,948,340 (2,948,340)	1	436.09	436.09
SPML Energy Limited	99,550,000 (99,550,000)	1	995.50	995.50
SPML Infrastructure Limited	4,964,500 (3,360,500)	1	4,196.43	2,841.05
ADD Urban Enviro Limited	2,467,000 (2,438,200)	1	1,770.10	1,749.65
SPML Utilities Limited	199,999,700 (199,999,700)	1	2,000.00	2,000.00
Mathura Nagar Waste Processing Company Private Limited	255,000 (255,000)	1	2.55	2.55
Allahabad Waste Processing Company Private Limited	255,000 (255,000)	1	2.55	2.55
			<b>20,319.20</b>	<b>18,318.68</b>

Contd...

(Rs. In Lakhs)

Particulars	No. of Shares/ Debentures	Face Value Per Share/ Debentures (Rs.)	March 31, 2014	March 31, 2013
<b>Investment In Joint Ventures (Refer Note 31)</b>				
Om Metal Consortium			1,305.68	1,300.98
Siddarth - Mahaveer - SPML JV			100.11	93.45
SPML - Simplex JV			19.52	107.32
SPML - CISC JV			23.13	204.10
Malviya Nagar Water Services Pvt Limited	2,205,000 (13,000)	10	220.50	1.30
Gurha Thermal Power Company Limited	25,000 (-)	10	2.50	-
			<b>1,671.44</b>	<b>1,707.15</b>
<b>Others:</b>				
<b>Unquoted</b>				
National Saving Certificate			0.52	0.52
Units of PNB Mutual Fund	50,000 (50,000)	10	5.00	5.00
			<b>5.52</b>	<b>5.52</b>
<b>Total</b>			<b>22,226.40</b>	<b>20,258.88</b>
<b>Aggregate Value of Investments</b>				
(I) Quoted (Net of Provision)			0.01	0.01
(II) Unquoted			22,226.39	20,258.87
Market Value of Quoted Investment			0.01	0.01

**Notes:**

1) Includes 25,06,875 (25,06,875) equity shares pledged with Punjab National Bank against loans obtained by the said investee Companies. The Company has also given an undertaking to the banks not to sell its above share holding till the full repayment of the loans."

2) Includes 13,122,000 (13,122,000) equity shares pledged with State Bank of India against loan obtained by the said investee company. The Company has also given an undertaking to the bank not to sell its above share holding till the full repayment of the loan."

"3) Includes 12,41,661 (510,022) equity shares pledged with ICICI Bank and Punjab National Bank against loans obtained by the said investee Companies. The Company has also given an undertaking to the banks not to sell its above share holding till the full repayment of the loans."

4) Excludes 51,00,000 equity shares which were received pursuant to order of Hon'ble Supreme Court as a settlement between Assam State Electricity Board and Bharat Hydro Power Corporation Limited (BHPCL), being held in trust of BHPCL. A petition for reduction of Share Capital of BHPCL by cancellation of the said 51,00,000 equity shares has been approved by the Hon'ble High Court of Guwahati and Registrar of Companies issued a certificate of registration confirming reduction of capital on May 22, 2014.

**13(b). Current Investments**

(Rs. In Lakhs)

Particulars	No. of Units	Face Value Per Unit (Rs.)	March 31, 2014	March 31, 2013
<b>(Valued at lower of cost and fair value, unless stated otherwise)</b>				
<b>(a) Unquoted Mutual Fund</b>				
Units of Canara Robeco Short Term Fund	69,680 (-)	10	10.00	-
<b>Total</b>			<b>10.00</b>	<b>-</b>

**14. LOANS AND ADVANCES****Unsecured, considered good***(Rs. In Lakhs)*

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Loans (partly bearing interest)</b>				
- to Related Parties	-	-	6,833.73	5,421.92
-to Others	-	-	42.94	29.80
<b>Capital advances</b>	414.49	255.46	-	-
<b>Advances recoverable in cash or kind</b>	150.00	-	3,548.72	902.19
<b>Other loans and advances</b>				
Advance income-tax (net of provision for taxation of Rs. 4,416.03 lakhs (Rs.4309.86 lakhs))	6,319.65	8,173.60	-	-
Security Deposits/Earnest Money Deposits	33.56	287.43	869.17	745.45
Prepaid expenses	99.09	133.23	817.17	751.65
VAT balance/Input credit receivable	1,059.28	1,118.58	1,599.46	1,121.03
Balances with statutory/ government authorities	-	-	-	96.31
Advance towards share application money:				
- to Related Parties	906.58	1,591.55	-	-
- to Others	43.36	43.36	-	-
	<b>9,026.01</b>	<b>11,603.21</b>	<b>13,711.19</b>	<b>9,068.35</b>

Loans and advances stated above includes the following companies in which director is a member / director:

Name	Current	
	As at 31st March 2014	As at 31st March 2013
<b>Amount included under Advances recoverable in cash or kind</b>		
Subhash System Private Limited	-	1.13

**15. TRADE RECEIVABLES\* (UNSECURED)***(Rs. In Lakhs)*

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Trade receivables outstanding for a pe- riod exceeding six months from the date they are due for payment</b>				
considered good	22,871.51	6,731.80	8,479.99	19,152.91
considered doubtful	1,846.54	1,846.54	-	-
	24,718.05	8,578.34	8,479.99	19,152.91
Provision for doubtful receivables	(1,846.54)	(1,846.54)	-	-
<b>(A)</b>	<b>22,871.51</b>	<b>6,731.80</b>	<b>8,479.99</b>	<b>19,152.91</b>
<b>Others</b>				
considered good	8,477.13	2,827.11	26,786.21	26,974.32
<b>(B)</b>	<b>8,477.13</b>	<b>2,827.11</b>	<b>26,786.21</b>	<b>26,974.32</b>
<b>Total (A + B)*</b>	<b>31,348.64</b>	<b>9,558.91</b>	<b>35,266.20</b>	<b>46,127.23</b>

\* Includes retention money Rs. 18,141.17 lakhs (Rs. 18,474.31 lakhs) and debts under arbitration Rs. 2,135.12 lakhs (Rs. 2,601.13 lakhs)



## 16. OTHER ASSETS

## Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Non-current bank balances (Refer note no. 18)	5,014.47	2,242.58	-	-
Unbilled Revenue on Construction Contracts	-	3,659.70	43,941.94	35,496.50
Interest accrued on fixed deposits/ Other Loans	283.92	156.51	989.96	388.03
Interest accrued on arbitration awards	6,737.45	-	-	-
	<b>12,035.84</b>	<b>6,058.79</b>	<b>44,931.90</b>	<b>35,884.53</b>

## 17. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(Rs. In Lakhs)

Name	Current	
	As at 31st March 2014	As at 31st March 2013
Material at sites	3,162.48	2,739.61
Traded goods	-	451.65
Stores and spares	98.20	58.10
Work in progress	579.73	792.38
	<b>3,840.41</b>	<b>4,041.74</b>

## 18. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts Cash and Bank Balances	-	-	2,323.35	2,201.01
Deposits with original maturity of less than three months*	-	-	-	907.26
On unpaid dividend account	-	-	8.48	7.59
Cash on hand	-	-	46.78	40.69
(A)	-	-	<b>2,378.61</b>	<b>3,156.55</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months*	5,014.47	2,242.58	1,396.22	1,623.74
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	4,165.91	1,288.91
(B)	<b>5,014.47</b>	<b>2,242.58</b>	<b>5,562.13</b>	<b>2,912.65</b>
Amount disclosed under non-current assets (refer note 16)	(5,014.47)	(2,242.58)	-	-
(A+B)	-	-	<b>7,940.74</b>	<b>6,069.20</b>

\*Receipts lying with banks as security against letters of credits and Guarantees issued by them and with clients

**19. REVENUE FROM OPERATIONS***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
<b>Sale of products and Services</b>		
- Construction Contracts	102,983.98	93,887.45
<b>Traded goods</b>	1,660.47	7,936.94
<b>Other operating revenue</b>		
Operation and Maintenance	1,289.17	987.04
Claims as per arbitration awards (refer note no. 44)	12,520.34	6,624.71
	<b>118,453.96</b>	<b>109,436.14</b>

**20. OTHER INCOME***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
<b>Interest income on</b>		
- Loans Given	751.09	446.24
- Bank Deposits Other Income	669.66	422.17
- On Income Tax Refund	500.00	-
- Arbitration awards (refer note no. 44)	2,902.94	-
Insurance Claims received	14.78	60.24
Sundry balances/liabilities written back (refer note no 40)	2,622.40	2,390.15
Company's share in profit of Joint Ventures (Net) (refer Note No. 31)	163.88	-
Reversal of Provision for Gratuity expense (refer note 38 (a))	-	7.44
Gain on sale of Investment (Net)	-	0.83
Miscellaneous Receipts	740.81	252.84
	<b>8,365.56</b>	<b>3,579.91</b>

**\* Represents the following:**

Profit on Sale of Investments	-	1,099.50
Less: Loss on sale of Investments	-	1,098.67
		<b>0.83</b>

**21. MATERIAL CONSUMED & DIRECT EXPENSES***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
<b>Materials Consumed</b>		
Opening Stock	2,739.61	6,327.85
Add: Purchases	62,279.77	53,396.47
	<b>65,019.38</b>	<b>59,724.32</b>
Less: Closing Stock	3,162.48	2,739.61
	<b>61,856.90</b>	<b>56,984.71</b>
<b>Direct Expenses:</b>		
Stores and Spares Consumed	97.25	29.94
Subcontractor Payments (including Turnkey Contracts)	29,840.27	19,832.14
Drawing & Designing	13.59	91.31
Equipment Hire and Running Charges	380.38	757.61
Other Direct Expenses	1,427.33	1,262.24
	<b>31,758.82</b>	<b>21,973.24</b>
	<b>93,615.72</b>	<b>78,957.95</b>

**22. (INCREASE)/ DECREASE IN WORK IN PROGRESS***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
Opening Work in Progress	792.38	531.21
Closing Work in Progress	(579.73)	(792.38)
	<b>212.65</b>	<b>(261.17)</b>

**23. EMPLOYEE BENEFIT EXPENSE***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
Salaries, wages and bonus	3,720.23	3,705.67
Director's Remuneration (refer note 51)	144.00	148.25
Contribution to provident and other funds	237.22	211.56
Gratuity expense (refer note 38 (a))	57.29	-
Staff welfare expenses	89.71	132.46
	<b>4,248.45</b>	<b>4,197.94</b>

**24. OTHER EXPENSES***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
Rent	293.17	397.40
Rates and Taxes	125.68	406.75
Repairs and Maintenance:		
- Building	20.75	13.65
- Plant & Machinery	86.88	125.55
- Others	48.21	98.32
Insurance	395.84	400.40
Advertisement expenses	40.43	23.28
Professional Charges & Consultancy Fess	700.67	740.71
Vehicle Running Charges	417.78	397.95
Travelling & Conveyance	463.99	386.42
Communication Expenses	91.60	146.64
Power and Fuel	196.74	248.53
Charity & Donations	12.39	9.30
Auditor's Remuneration (Refer details below)	95.67	80.69
Selling Expenses	307.18	144.45
Exchange Difference (Net)	-	1.72
Loss on sale of fixed assets (Net)	23.92	3.98
Company's share in Loss of Joint Ventures (Net) (refer Note No. 31)	-	304.96
Bad Debts / Sundry balances written off	6,746.42	1,986.32
Provision for doubtful debts	-	388.00
Miscellaneous Expenses	767.02	571.68
	<b>10,834.34</b>	<b>6,876.70</b>
<b>PAYMENT TO AUDITOR</b>		
<b>As auditor:</b>		
Audit fee	48.25	37.00
Tax audit fee	7.50	5.00
Limited review	33.75	30.00
Out of pocket expenses	4.17	3.69
<b>In other capacity:</b>		
Other services (certification fees)	2.00	5.00
	<b>95.67</b>	<b>80.69</b>

**25. FINANCE COSTS**

(Rs. In Lakhs)

Particulars	2013-14	2012-13
Interest (including interest on Mobilisation Advance)	12,642.58	11,228.23
Other Finance charges	2,084.65	2,166.02
	<b>14,727.23</b>	<b>13,394.25</b>

**26. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF-**

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Claims against the Company not acknowledged as debts	1,070.72	1,704.54
Claims towards liquidated damages not acknowledged as debts by the Company		
Against the above, debts of the like amounts are withheld by the customers.	7,049.47	6,242.42
However, the Company expects no liability to accrue on account of these claims.		
Disputed demands		
(a) Income Tax #	#	#
(b) Excise/Service Tax*	75.77	75.77
(c) Sales Tax/VAT*	10,752.60	6,432.92
(d) Guarantees		
Performance Guarantees, given on behalf of Subsidiaries & Joint Ventures	5,579.12	3,130.60
Corporate Guarantees given to Banks for financial assistance extended to		
Subsidiaries and other bodies corporate	42,420.00	34,840.00

\* In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company /discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for liability has been made in the financial statements.  
# Refer Note no. 39.

**27. CAPITAL AND OTHER COMMITMENTS**

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on Capital		
Account and not provided for	44.75	Nil

- 28.** The Company has operating leases for office premises that are renewable on a periodic basis and are cancellable by giving a notice period ranging from one month to three months. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. There are no contingent rents.

The amount of rent expenses included in the Statement of Profit and Loss towards operating leases aggregate to Rs. 293.17 lakhs (previous year Rs. 397.40 lakhs).

- 29.** Basis for calculation of Basic and Diluted Earnings per Share for the year is as under:

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Profit after tax (Rs. in lakhs)	481.74	1,175.30
Weighted average number of equity shares outstanding during the year	36,650,276	36,650,276
Nominal value of equity per share (Rs.)	2	2
Basic and Diluted Earnings per Share (Rs.)	1.31	3.21

## 30. RELATED PARTIES

**(a) Particulars of related parties where control exists****Subsidiary Companies**

Subhash Kabini Power Corporation Limited  
 SPML Industries Limited  
 SPML Energy Limited  
 SPML Infrastructure Limited  
 SPM Holding Pte. Limited  
 Binwa Power Corporation Private Ltd  
 Awa Power Company Private Limited  
 IQU Power Company Private Ltd  
 Neogal Power Company Private Ltd  
 Luni Power Company Private Limited  
 Tons Valley Power Company Private Limited  
 Rupin Tons Power Company Private Limited  
 Uttarkashi Tons Hydro Power Private Limited  
 Delhi Waste Management Ltd  
 Add Urban Enviro Ltd  
 Add Energy Management Co. Private Limited (Formerly SPML Semitech India Private. Limited) w.e.f March 31, 2014  
 Madurai Municipal Waste Processing Co. Private. Limited  
 SPML Utilities Limited  
 Allahabad Waste Processing Co. Limited  
 Mathura Nagar Waste Processing Co. Private Limited  
 Mizoram Power Development Corporation Limited  
 Bhilwara Jaipur Toll Road Private Limited  
 PT Sanmati Natural Resources  
 Aurangabad City Water Utility Co. Limited (became associate w.e.f December 31, 2013)  
 Mizoram Infrastructure Development Co. Limited (w.e.f 25th March, 2014)  
 SPML Infraprojects Limited (w.e.f 25th February, 2014)  
 SPML Infra Developers Limited (w.e.f 24th February, 2014)  
 Bhagalpur Electricity Distribution Com P Ltd (w.e.f 29th May, 2013)  
 SJA Developers Private Limited  
 Synergy Promoters Private Ltd

**(b) Other Related Parties with whom transactions have taken place during the year****Associates Companies**

HHydro Comp Enterprises (India) Limited  
 Doon Valley Waste Management Private Limited  
 Jamshedpur Waste Processing Company Private Limited  
 Pondicherry Port Limited  
 Mizoram Mineral Development Corporation Limited  
 SPML Bhiwandi Water Supply Infra Limited  
 SPML Bhiwandi Water Supply Management Limited  
 Aurangabad Jal Supply Solution Private Limited  
 ADD Realty Limited  
 Aurangabad City Water Utility Co. Limited (w.e.f 31st December, 2013)  
 Central Zone Water Services Private Limited (w.e.f 23rd November, 2013)

**Joint Ventures**

SPML-CISC JV  
 SPML - Simplex JV  
 SPML-HCIL JV  
 OM Metals Consortium JV  
 Siddharth- Mahaveer SPML –JV  
 KBL-SPML JV  
 Malviya Nagar Water Services Private Limited  
 “MVV Water Utility Private Limited  
 (Through a Subsidiary)”  
 Gurha Thermal Power Co. Ltd  
 SUEZ - SPML JV

**Key Management Personnel (KMP)**

Mr. Subhash Chand Sethi  
 Mr. Sushil Kumar Sethi  
 Mr. Deepak Sethi

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<b>(c) Relatives of Key Management Personnel</b>	
Mrs. Maina Devi Sethi	Mother of Chairman and Managing Director
Mrs. Preeti Devi Sethi	Wife of Anil Kumar Sethi
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
<b>Enterprises owned by KMP's or their relatives or whether the KMP's have significantly influence</b>	Arihant Leasing & Holding Co. Limited Rishabh Commercial Private Limited Risabh Fire Management Private Limited Abhinandan Enterprise Private Limited Subhash Systems Private Limited International Construction Limited SPM Engineers Limited Zoom Industrial Services Limited Meena Homes Limited 20Th Century Engineering Limited Subhash Power Company Limited SPML India Limited Subhash International Private Limited Sonal Agencies Private Limited Add Eco Enviro Limited Sanmati Power Company Private Limited Meena Holdings Limited Vidya Edutech Private Limited Add Technologies (India) Limited Sushil Kumar Sethi & Sons (HUF) Pondicherry Special Economic Zone Company Limited Sanmati Corporate Investments Private Limited Bharat Hydro Power Corporation Sanmati Infra Projects (P) Limited Om Metal-SPML Infra Project Private Limited Acropolis Properties Private Limited Oxive Environmental Management Private Limited Dia Infarlog Ltd

## Related party disclosures

(d) Aggregated Related party disclosures as at and for the year ended March 31, 2014

(Rs. In Lakhs)

Name	Transaction Amount during the Year										Outstanding as on the balance sheet date			
	Sale of goods & Services	Purchase of goods & services	Interest paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ Transfer of Investment	Purchase of investment	Rent paid/ Accrued	Managerial Remuneration/ Salary	Commission paid	Debit balance	Credit Balance	Guarantee Given
<b>SUBSIDIARY COMPANIES</b>														
Subhash Kabini Power Corporation Limited	-	-	-	15.18	239.92	-	-	-	-	-	-	727.76	-	-
SPML Industries Limited	(-)	(-)	(99.06)	(-)	(-)	(2072.22)	(-)	(-)	(-)	(-)	(-)	(954.02)	(-)	(-)
SPML Energy Limited	-	-	-	0.10	-	2.63	-	-	-	-	-	-	54.54	-
	(-)	(-)	(-)	(-)	(-)	(0.87)	(-)	(-)	(-)	(-)	(-)	(-)	(57.52)	(-)
SPML Infrastrucurte Limited	-	-	-	18.12	-	24.65	-	-	-	-	-	144.05	-	-
	(-)	(-)	(-)	(6.64)	(-)	(96.49)	(-)	(-)	(-)	(-)	(-)	(103.10)	(-)	(-)
	-	-	-	-	0.05	-	-	1,355.38	-	-	-	-	0.05	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Binwa Power Corporation Private Limited	32.61	-	-	-	-	29.68	-	-	-	-	-	-	441.49	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(503.77)	(-)
Awa Power Company Private Limited	-	-	-	50.08	-	19.20	-	-	-	-	-	575.09	-	1,373.50
IQU Power Company Private Limited	(77.41)	(-)	(-)	(-)	(-)	(318.00)	(-)	(-)	(-)	(-)	(-)	(510.82)	(-)	(1221.00)
Neogal Power Company Private Limited	(9.02)	(-)	(-)	(-)	(-)	46.70	(-)	-	(-)	(-)	-	418.65	-	152.50
	15.46	-	-	41.86	-	112.54	(-)	-	-	-	-	494.79	-	1,584.50
	(65.29)	(-)	(-)	(-)	(-)	(166.43)	(-)	(-)	(-)	(-)	(-)	(307.16)	(-)	(1432.00)
Luni Power Company Private Limited	-	-	-	31.72	-	94.71	(-)	-	(-)	(-)	-	283.59	(-)	155.50
	(48.99)	(-)	(-)	(-)	(-)	(166.04)	(-)	(-)	(-)	(-)	(-)	(225.55)	(-)	(-)
Delhi Waste Management Limited	-	391.72	(201.41)	3.39	-	153.05	-	-	-	-	-	-	216.86	757.40
	(-)	(111.07)	(-)	(-)	(-)	(2257.47)	(-)	(-)	(-)	(-)	(-)	(-)	(54.00)	(300.00)
Add Urban Enviro Limited	-	-	-	-	-	-	-	20.45	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPML Utilities Limited	-	-	-	-	-	6.60	-	-	-	-	-	383.26	-	-
	(-)	(-)	(-)	(-)	(-)	(100.62)	(-)	(-)	(-)	(-)	(-)	(376.66)	(-)	(-)
Allahabad Waste Processing Company	-	-	95.44	-	-	915.08	-	-	-	-	-	-	112.99	2,440.00
	(217.17)	(-)	(221.88)	(-)	(-)	(372.83)	(-)	(-)	(-)	(-)	(-)	(-)	(942.45)	(1880.00)
Mathura Nagar Waste Processing Company Private Limited	-	-	168.69	-	-	330.15	-	-	-	-	-	-	1,032.28	1,145.00
	(162.39)	(-)	(240.92)	(-)	(-)	(602.78)	(-)	(-)	(-)	(-)	(-)	(-)	(1205.85)	(1155.00)
Bhilwara Jaipur Toll Road Private Limited	-	-	-	-	-	-	-	22.43	-	-	-	-	-	20,600.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2762.42)	(-)	(-)	(-)	(-)	(-)	(20600.00)

(Rs. In Lakhs)

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(Rs. In Lakhs)

Name	Transaction Amount during the Year										Outstanding as on the balance sheet date			
	Sale of goods & Services	Purchase of goods & services	Interest paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ Transfer of Investment	Purchase of investment	Rent paid/ Accrued	Managerial Remuneration/ Salary	Commission paid	Debit balance	Credit Balance	Guarantee Given
SPML - Simplex JV	-	-	-	-	-	-	87.80	-	-	-	-	19.52*	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5.34)	(-)	(-)	(-)	(107.32)*	(-)	(-)
SPML-HCIL JV	1,983.17	-	-	-	-	-	-	28.71	-	-	-	192.63	-	-
	(1140.79)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(12.27)	(65.75)	(-)	(2307.99)
OM Metals Consortium JV	-	-	-	-	-	-	-	4.71	-	-	-	1,305.69*	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.74)	(-)	(-)	(-)	(1300.98)*	(-)	(542.00)
Siddharth- Mahaveer SPML –JV	-	-	-	-	-	-	-	4.70	-	-	-	98.16*	-	2,127.22
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(9.29)	(-)	(-)	(-)	(93.46)*	(-)	(-)
KBL-SPML JV	4,203.48	-	-	-	-	-	-	-	-	-	-	1,658.91*	-	-
	(6109.48)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1427.11)	(-)	(-)
Malviya Nagar Water Services Pvt.Ltd	934.60	-	-	-	-	-	-	-	-	-	-	295.26	-	1,228.50
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.13)	(-)	(-)	(-)	(-)	(-)	(-)
"MVV Water Utility Pvt Ltd. (Through a Subsidiary)"	329.37	-	-	-	-	-	-	-	-	-	-	-	717.94	-
	(-)	(-)	(-)	(-)	(578.79)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(578.79)	(-)
SUEZ -SPML JV	-	-	-	-	648.99	-	-	-	-	-	-	-*	648.99	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPML-SEW-AMR Joint Venture	-	-	-	-	-	-	-	-	-	-	131.41	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Gurha Thermal Power Co Limited	-	-	-	73.66	-	510.27	-	2.50	-	-	-	576.56	-	261.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>ASSOCIATES COMPANIES</b>														
Jamshedpur Waste Processing Company Private Limited	-	-	-	-	0.34	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(0.34)	(-)	(0.35)	(-)	(-)	(-)	(0.69)	(-)	(-)
Doon Valley Waste Management Private Limited	-	-	-	0.50	-	25.00	-	-	-	-	-	18.18	-	50.00
	(-)	(-)	(-)	(-)	(-)	(0.37)	(-)	(-)	(-)	(-)	(-)	7.64	(7.27)	(-)
Mizoram Mineral Development Corporation Limited	-	-	-	-	-	0.84	-	-	-	-	-	2.42	-	-
	(-)	(-)	(-)	(-)	-	(0.44)	(-)	(-)	(-)	(-)	(-)	(1.58)	(-)	(-)
SPML Bhiwandi Water Supply Infra Limited	-	-	-	67.85	-	0.65	-	-	-	-	-	530.58	-	-
	(-)	(-)	(-)	(-)	(-)	(53.59)	(2.75)	(-)	(-)	(-)	(-)	(468.88)	(-)	(-)
SPML Bhiwandi Water Supply Management Limited	-	-	-	2.77	-	0.30	-	-	-	-	-	21.80	-	-
	(-)	(-)	(-)	(-)	(-)	(4.75)	(2.50)	(-)	(-)	(-)	(-)	(19.01)	(-)	(-)
Aurangabad Jal Supply Solution Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.26)	(-)	(-)	(-)	(-)	(-)	(-)
Pondicherry Port Limited	-	-	-	-	-	0.22	-	-	-	-	-	0.22	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Name	Transaction Amount during the Year										Outstanding as on the Balance sheet date			
	Sale of goods & Services	Purchase of goods & services	Interest paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ Transfer of Investment	Purchase of investment	Rent paid/ Accrued	Managerial Remuneration/ Salary	Commission paid	Debit balance	Credit Balance	Guarantee Given
Central Zone Water Services Private Limited	-	-	-	-	-	-	-	2.40	-	-	-	-	-	-
Aurangabad City Water Utility Company Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	8.44	-	3.43	-	-	-	-	-	186.12	-	792.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
STEP DOWN ASSOCIATE COMPANIES														
ADD Realty Limited	-	-	-	-	164.62	-	-	-	-	-	-	-	-	-
Hydro-Comp Enterprises (India) Private Limited	(-)	(-)	(-)	(8.43)	(-)	(52.00)	(-)	(-)	(-)	(-)	(-)	(164.62)	(-)	(-)
	-	-	-	-	0.01	-	-	-	-	-	-	0.01	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
KEY MANAGEMENT PERSONNEL (KMP)														
Mr. Sushil Kuamr Sethi	-	-	-	-	-	-	-	-	-	84.75	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(86.44)	(-)	(-)	(-)	(-)
Mr. Subhash Chand Sethi	-	-	-	-	-	9.28	-	-	-	84.75	-	0.00	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.21)	(86.44)	(-)	(-)	(9.28)	(-)
Mr. Deepak Sethi	-	-	-	-	4.44	-	-	-	-	-	-	-	25.00	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.18)	(-)	(-)	(-)	(20.56)	(-)
RELATIVES OF KMP														
Mrs. Maina Devi Sethi	-	-	-	-	-	-	-	-	1.20	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.20)	(-)
Mrs. Preeti Devi sethi	-	-	-	-	-	-	-	-	-	-	-	-	1.18	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.18)	(-)	(-)	(-)	(1.18)	(-)
Mrs. Suman Sethi	-	-	-	-	-	0.21	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.21)	(-)	(-)	(-)	(0.21)	(-)
Mr. Abhinandan Sethi	-	-	-	-	-	10.45	-	-	-	24.00	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(7.74)	(-)	(-)	(3.39)	(-)	(-)	(-)	(10.45)	(-)
Mrs. Sandhya Rani Sethi	-	-	-	-	-	13.22	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(13.22)	(-)
Mr. Rishabh Sethi	-	-	-	-	-	-	-	-	-	30.00	-	-	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KMP OR THEIR RELATIVES														
Arlhant Leasing & Holding Company Limited	-	-	-	-	-	1.30	-	-	6.00	-	-	-	34.62	-
	(-)	(-)	(-)	(-)	(-)	(1.81)	(-)	(-)	(5.40)	(-)	(-)	(-)	(30.52)	(-)

(Rs. In Lakhs)

Contd...

Name	Transaction Amount during the Year										Outstanding as on the balance sheet date			
	Sale of goods & Services	Purchase of goods & services	Interest paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ Transfer of Investment	Purchase of investment	Rent paid/ Accrued	Managerial Remuneration/ Salary	Commission paid	Debit balance	Credit balance	Guarantee Given
Rishabh Commercial Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risabh Fire Management Private Limited	(-)	(-)	(-)	(-)	(0.46)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Abhinandan Enterprise Private Limited	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Subhash Systems Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International Construction Limited	(-)	(-)	(-)	-	(0.51)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPM Engineers Limited	-	-	-	0.04	-	1.86	1.34	-	1.70	-	-	-	-	-
Meena Homes Limited	(-)	(-)	(-)	(-)	(-)	(3.01)	(-)	(-)	(1.70)	(-)	(-)	(1.13)	(-)	(-)
Zoom Industrial Services Limited	-	17.18	-	234.34	432.99	-	-	-	-	-	-	2,204.49	-	-
20Th Century Engineering Limited	(-)	(-)	(-)	(215.48)	(-)	(745.06)	(-)	(-)	(-)	(-)	(-)	(2443.75)	(-)	(-)
Subhash Power Company Limited	-	-	-	14.31	-	3.20	-	-	-	-	-	106.08	-	-
SPML India Limited	(-)	(50.99)	(-)	(15.79)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(91.58)	(-)	(-)
Subhash International Private Limited	-	-	213.21	-	-	12.90	-	-	-	-	-	-	1,882.06	(-)
Sonal Agencies Private Limited	(-)	(-)	(15.31)	(-)	(1687.76)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1703.07)	(-)
Add Eco Enviro Limited	-	-	0.32	-	-	3.97	-	-	-	-	-	-	-	(-)
Sanmati Power Company Private Limited	(-)	(-)	(0.51)	(-)	(-)	(1.70)	(-)	(-)	(-)	(-)	(-)	(-)	(3.68)	(-)
Meena Holdings Limited	-	-	0.24	-	-	2.84	-	-	-	-	-	-	-	-
Vidya Edutech Private Limited	(-)	(-)	(0.32)	(-)	(-)	(0.81)	(-)	(-)	(-)	(-)	(-)	-	(2.63)	(-)
	-	-	-	-	7.08	-	-	-	-	-	-	155.25	-	(-)
	(-)	(-)	(20.55)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(162.33)	(-)	(-)
	-	-	0.76	(-)	(1.00)	9.10	-	-	-	-	-	-	-	(-)
	(-)	(-)	(0.99)	(-)	(-)	(1.23)	(-)	(-)	(-)	(-)	(-)	(-)	(8.42)	(-)
	-	-	-	-	-	16.44	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(16.44)	(-)
	-	-	-	-	-	-	-	-	-	-	-	-	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	21.27	-	(411.00)	430.14	-	-	-	-	-	0.00	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(411.00)	(-)
	-	-	-	-	-	-	-	-	-	-	-	251.25	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(251.25)	(-)	(-)
	-	-	-	-	43.74	-	-	-	-	-	-	-	43.74	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(42.74)	(-)	(-)	(-)	-	(-)
	-	-	-	-	-	-	-	-	-	-	-	-	-	(-)
	(-)	(-)	(1.91)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Contd...

(Rs. In Lakhs)

Name	Transaction Amount during the Year										Outstanding as on the balance sheet date			
	Sale of goods & Services	Purchase of goods & services	Interest paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ Transfer of Investment	Purchase of investment	Rent paid/ Accrued	Managerial Remuneration/ Salary	Commission paid	Debit balance	Credit Balance	Guarantee Given
Add Technologies (India) Limited	-	546.58 (455.40)	-	-	52.32	-	-	-	-	-	-	-	301.75	1,633.00
Pondicherry Special Economic Zone Company Limited	(-)	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(275.23)	(47.00)
Sanmati Corporate Investments Private Limited	-	2.20	126.42	-	-	107.80	-	-	-	-	-	-	1,070.41	-
Sanmati Infra Projects (P) Limited	(-)	(-)	(119.73)	(-)	(-)	(131.97)	(-)	(-)	(-)	(-)	(-)	(-)	(1062.23)	(-)
Om Metal-Spml Infra Project Private Limited	-	-	-	0.01	0.11	-	-	-	-	-	-	0.00	-	-
Acropolis Properties Private Limited	(-)	(-)	(-)	(-)	(-)	(0.10)	(-)	(-)	(-)	(-)	(-)	(0.10)	(-)	(-)
Bharat Hydro Power Corporation	-	-	-	-	-	47.00	-	-	-	-	-	-	-	-
Oxive Environmental Management Private Limited	(-)	(-)	(9.30)	(-)	(-)	(117.30)	(-)	(-)	(-)	(-)	(-)	(-)	(47.00)	(-)
Dia Infarlog Limited	(-)	-	-	-	-	-	-	-	-	-	-	-	134.33	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2742.00)
	(35.55)	(-)	-	-	35.55	-	-	-	-	-	-	-	-	-
	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(35.55)	(-)	(-)
	-	-	12.85	-	-	20.52	-	-	-	-	-	-	126.99	-
	(-)	(-)	(60.21)	(-)	(2190.26)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(135.95)	(-)
	-	-	-	-	-	42.38	-	-	-	-	-	79.39	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	1,200.27	-	-	-	-	-	-	-	-	-	-	204.38	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

1. Also refer note 4 and 8 as regards loan and other funded facilities personally guaranteed by promoter directors of the Company &amp; Others

2. \*Investment in Un-incorporated JV

3. \*Mobilisation advance against project

**31. INTEREST IN JOINT VENTURES:**

Particulars of the Company's interest in Joint Ventures are as below:

Particulars	Proportion of Ownership	Country of	
		Incorporation	Residence
Siddhartha - Mahavir-SPML	10%	India	India
Om Metal Consortium	10%	India	India
KBL - SPML (JV)**	50%	India	India
SPML - CISC JV	50%	India	India
SPML - Simplex	50%	India	India
SPML - HCIL**	33%	India	India
Malviya Nagar Water Services Private Limited	26%	India	India
Gurha Thermal Power Company Limited	50%	India	India
Suez Environment France & SPML Infra Ltd India JV	48%	India	India

**\*\*Represents joint ventures where the Company, through a supplementary agreement with the JV partner, has altered its risk and reward from 50% and 33% to a specific amount of the contract representing 50% and 99% respectively of the total contract value and for which "back to back" work contract has been awarded to the Company by the joint venture entity. Accordingly, the Company's share of assets, liabilities, income and expense in respect of these JV entities has not been disclosed in the table given below since these figures have got incorporated directly through the contract accounting. However, joint venture partners are, jointly and severally, liable to clients for any claims in these projects as per the original terms of the contract.**

The Company's share of assets, liabilities, income and expenses in the joint ventures as at and for the year ended March 31, 2014 is as follows:-

(Rs. In Lakhs)

Name of the Joint Venture	Company's Share in				
	Assets	Liabilities	Income	Expenses	Profit/(Loss) (-) after tax
Siddhartha-Mahavir-SPML** ##	574.80 (639.10)	511.05 (545.64)	0.52 (351.08)	4.78 (341.80)	(4.26) 9.28
OM Metal Consortium** ##	1,530.00 (1,222.97)	309.37 (11.48)	6.81 -	2.11 -	4.71 -
SPML CISC JV ** ##	72.72 (238.82)	43.89 (53.33)	71.50 -	8.54 (7.94)	62.96 (7.94)
SPML - Simplex ##	29.23 (121.26)	9.71 (13.93)	14.49 (57.30)	32.29 (51.96)	(17.80) 5.34
SPML - Insituform #	- -	- -	- -	- (311.64)	- (311.64)
Malviya Nagar Water Services Private Limited***	198.39 (1.30)	135.13 (1.30)	347.48 -	504.73 -	(157.25) -
Gurha Thermal Power Company Limited**	126.97 -	533.45 -	- -	91.36 -	(91.36) -
Suez Environment France & SPML Infra Ltd India JV** ##	365.38 -	365.38 -	- -	- -	- -
Total	2,897.49 (2,223.45)	1,907.98 (625.68)	440.80 (408.38)	643.81 (713.34)	(202.99) (304.96)
Share of Net Assets/Profit/ (Loss) after tax		989.52 (1,597.77)		(202.99) (304.96)	

# Ceased to be a Joint Venture w.e.f 29th November 2012

## Represents Joint Controlled Operations, wherein share of profit / loss have been accounted for in the standalone financial statement. The above table does not include the amount pertaining to a joint venture where the Company has renounced a major part of its risk and reward in the joint venture through supplementary agreement in favour of the joint venture partner for a specified consideration which was duly accounted for upfront as Company's share of profit in the joint venture amounting to Rs. 118.26 lakhs

\*\* Based on the provisional financial statements as certified by the management.

\*\*\* Based on the audited financials statement till December 31, 2013.

Capital Expenditure Commitments and Contingent Liabilities of the Joint Ventures-Rs. 60.63 lakhs (previous year Rs 60.63 lakhs)

**32. Based on the information / documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:**

(Rs. In Lakhs)

Particulars	2013-14	2012-13
(i) Principal amount remaining unpaid to suppliers at the end of accounting year	174.43	24.72
(ii) Interest due on above	0.07	2.01
Total of (i) & (ii)	174.50	26.73
(iii) Amount of interest paid by the Company to the suppliers	Nil	Nil
(iv) Amounts paid to the suppliers beyond the respective due date	-	10.16
(v) Amount of interest due and payable for the period of delay in payments (which have been paid beyond the due date during the year) but without adding the interest specified under the Act	-	0.80
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year	52.56	52.49
(vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	0.07	2.81

**33. Additional information in terms of para 5(viii) of General Instructions for Preparation of Statement Of Profit And Loss of Schedule VI to the Companies Act, 1956:"**

(Rs. In Lakhs)

Particulars	2013-14	2012-13
<b>Earnings in Foreign currency (Accrual Basis)</b>		
F.O.B Value of exports	Nil	Nil
<b>Expenditure in Foreign currency (Accrual Basis)</b>		
Travelling	34.25	22.04
Interest	9.43	-
<b>Total</b>	<b>43.68</b>	<b>22.04</b>
<b>Value of Imports calculated on CIF basis</b>		
Materials	2,045.33	546.15
Capital Goods	Nil	Nil
<b>Total</b>	<b>2,045.33</b>	<b>546.15</b>
<b>Net Dividend remitted in foreign exchange</b>	Nil	Nil

**34. According to the Company, construction activity is a service activity and therefore, in terms of para 5(ii)(c) of General Instructions for Preparation of Statement of Profit And Loss as per Revised Schedule VI to the Companies Act, 1956, the gross income determined from construction activity has been given in the Note No. 19.**

**35. (a) Imported and indigenous materials and Components consumed**

Particulars	2013-14		2012-13	
	Percentage of Total Consumption	Value (Rs. In Lakhs)	Percentage of Total Consumption	Value (Rs. In Lakhs)
Imported	3.31%	2,045.33	0.96%	546.15
Indigenous	96.69%	59,811.57	99.04%	56,438.56
<b>Total</b>	<b>100.00%</b>	<b>61,856.90</b>	<b>100.00%</b>	<b>56,984.71</b>

**(b) Imported and indigenous stores and spares consumed**

Particulars	2013-14		2012-13	
	Percentage of Total Consumption	Value (Rs. In Lakhs)	Percentage of Total Consumption	Value (Rs. In Lakhs)
Imported	-	Nil	-	Nil
Indigenous	100.00%	97.25	100.00%	29.94
<b>Total</b>	<b>100.00%</b>	<b>97.25</b>	<b>100.00%</b>	<b>29.94</b>

### 36. CONSTRUCTION CONTRACTS DISCLOSURE

Information relating to Construction contracts as per Accounting Standard 7 (Revised) notified by the Companies Accounting Standards Rules, 2006 (as amended), read with the General Circular 08/2014 dated 04 April, 2014 issued by the Ministry of Corporate Affairs are given below:

(Rs. In Lakhs)

Particulars	2013-14	2012-13
Contract income recognized as revenue during the year	102,983.98	93,887.45
Aggregate amount of costs incurred and recognized profits (less recognized losses) till date for contracts in progress	410,042.52	410,236.73
Advances received (unadjusted) for contracts in progress	32,466.02	13,599.94
Retention amount for contracts in progress	11,041.48	11,307.79
Gross amount due from customers for contract work for contracts in progress	45,863.49	44,011.50
Gross amount due to customers for contract work for contracts in progress	582.91	600.78

### 37. The following amount are due from subsidiaries, associates and companies in which directors are interested as on the balance sheet date:

#### A. Loans & Advances (Including advance given towards share application money):

(Rs. In Lakhs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Balance Outstanding*	Maximum Amount Outstanding during the year	Balance Outstanding*	Maximum Amount Outstanding during the year
<b>From Subsidiaries and associates</b>				
Subhash Kabini Power Corporation Limited	727.76	1,045.02	954.02	2,684.93
SPML Energy Limited	144.05	144.05	103.10	157.61
SPML Infrastructure Limited	-	-	-	860.00
Awa Power Company Private Limited	395.63	395.63	331.36	331.36
IQU Power Company Private Limited	415.65	415.65	321.70	321.70
Neogal Power Company Private Limited	412.60	412.60	262.38	262.38
Binwa Power Company Private Limited	61.20	61.20	-	-
SPML Industries Limited	2.88	2.88	-	-
Luni Power Company Private Limited	224.07	224.07	168.77	168.77
SPML Utilities Limited	383.26	471.17	376.66	376.51
Mizoram Power Development Corporation Limited	1.66	1.66	0.81	0.81
Bhagalpur Electricity Distribution Com Private Limited	1,751.56	1,751.56	-	-
"Add Energy Management Co. Private Limited (Formerly SPML Semitech India Private Limited)"	133.96	133.96	133.96	133.96
Madurai Municipal Waste Processing Co. Private Limited	-	468.87	468.87	468.87
Doon Valley Waste Management Private Limited	18.18	18.27	-	-
Mizoram Mineral Development Corporation Limited	2.42	2.42	1.58	1.58
Pondicherry Port Limited	0.22	0.22	-	-
SPML Bhiwandi Water Supply Infra Limited	530.58	537.37	428.98	428.98
SPML Bhiwandi Water Supply Management Limited	21.80	22.07	17.82	17.82
Aurangabad Jal Supply Solution Private Limited	-	0.26	0.26	0.26
Gurha Thermal Power Co Limited	576.56	576.56	-	-
Aurangabad City Water Utility Co. Limited	186.12	186.12	148.34	148.34
Hydro-Comp Enterprises (India) Private Limited	0.01	0.01	-	-
Subhash Systems Private Limited	-	1.26	1.13	1.56
International Construction Limited	2,204.49	2,628.48	2,443.75	2,443.75
SPM Engineers Limited	106.08	106.08	148.98	148.98
Subhash Power Company Limited	-	162.33	162.33	162.33
Sanmati Corporate Investments Private Limited	-	0.11	0.10	0.10

\* Including Interest

**B. Disclosure of outstanding loans and advances given by the Company together with maximum amount thereof as required under clause 32 of the Listing Agreement are as below:**

(Rs. In Lakhs)

Particulars	Amount outstanding at year end	Maximum outstanding during the year
Loans and advances in the nature of loans to subsidiaries and associate by name and amount (including advance given towards share application money)	As given in Note No. 37A above	
"Loans and advances in the nature of loans where there is (i) no repayment schedule or Repayment beyond seven years"	Advances to parties given in Note Nos. 37A above are repayable on demand	
(ii) no interest or interest below section 372A of Companies Act by name and amount	Nil	
Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	As given in Note No. 37A above	

**38. (a) Gratuity plan (AS 15 Revised)**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is unfunded. The following table summaries the components of net benefit expenses recognised in the Statement of Profit and Loss and amounts recognized in the balance sheet:

(Rs. In Lakhs)

Particulars	2013-14	2012-13
<b>(i) Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	46.70	41.51
Interest cost on benefit obligation	27.05	28.39
Net Actuarial gains recognized in the year	(16.46)	(77.34)
Total employer expense/(surplus) recognized in the statement of Profit and Loss	57.29	(7.44)
<b>(ii) Actual return on plan assets</b>	Not Applicable	Not Applicable
<b>(iii) Benefit Assets/ (Liability)</b>		
Defined benefit obligation	(311.37)	(289.84)
Benefit Assets / (Liability)	(311.37)	(289.84)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	289.84	341.14
Interest cost	27.05	28.39
Current service cost	46.70	41.51
Benefit paid	(35.76)	(43.86)
Actuarial gains on obligation	(16.46)	(77.34)
Closing benefit obligation	311.37	289.84
<b>(v) Movement in fair value of plan assets</b>	Not Applicable	Not Applicable

The Principal actuarial assumptions are as follows:

Particulars	2013-14	2012-13
Discount rate	8.25%	8.00%
Withdrawal Rate	Varying between 8% per annum and 1% per annum depending on duration and age of employees	Varying between 8% per annum and 1% per annum depending on duration and age of employees
Expected rate of return on Plan assets	Not Applicable	Not Applicable
Expected Average remaining working lives of employees (years)	21.60	21.13
Experience Adjustments on Plan Liabilities	Not Available*	Not Available*

\* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities are not readily available and hence not disclosed



**(b) Amount incurred as expenses for defined contribution plans***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
Contribution to Provident and other funds	190.89	214.31

**Notes:**

a. The estimate of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. The gratuity liabilities are unfunded. Accordingly, Information regarding planned assets are not applicable.

c. Amounts for the current and previous four periods are as follows:

*(Rs. In Lakhs)*

Description	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Defined Benefit Obligation	311.37	289.84	341.14	321.52	278.15
Assets/(Liability)	(311.37)	(289.84)	(341.14)	(321.52)	(278.15)

39. The Company has claimed income tax benefits of Rs. 28,380.19 lakhs (Rs. 27,894.44 lakhs upto March 31, 2013) approx. having tax impact of Rs. 8,197.86 lakhs (upto March 31, 2013: Rs. 8,034.45 lakhs) including Rs. 163.41 lakhs (March 31, 2013 : Rs 552.41 lakhs) for the year under section 80IA of the Income Tax Act, 1961, on construction contracts for certain infrastructure projects executed on behalf of various departments / agencies of different State Governments during the financial years 2003-04 onwards. In the tax assessments for the financial years upto 2010-11, the above claims were initially disallowed by the Tax Authorities, but the appellate authority during the previous year allowed the aforesaid claims for the years 2005-2006 to 2009-2010. Accordingly, the Company feels that all such claims under Section 80IA would be allowed for subsequent years also. The Company's writ with the Honourable Calcutta High Court, challenging the validity of the retrospective amendment in Section 80IA, which, as per legal opinion obtained by the Company, is ultra vires to the main section of the Income Tax Act, 1961, however, remains pending disposal. In view of the above 80IA deductions, the Company is not carrying MAT credit in the books.
40. Trade payables aggregating Rs 2,622.40 lakhs (previous year Rs. 2,390.15 lakhs) consisting of numerous balances being unclaimed/unmoved since long (mostly more than three years) have been written back during the year as the management believes that these amounts are no longer payable.
- 41(a). During the year, one of the client of the Company has completely foreclosed the contract which was partially offloaded in previous financial year. Pending initiation of the arbitration, the management, based on the fact of the case is confident to recover the receivables and net book value of fixed assets of Rs 1,904 lakhs and Rs. 1,608 lakhs respectively.
- 41(b). In respect of above Contract, the Company on a prudent basis, has written off an amount of Rs 3035.48 lakhs during the year, representing unbilled work in progress and other receivables in view of uncertainty as regards to its ultimate collection.
42. In respect of a project, during the year, the Company on a prudent basis, has written-off an amount of Rs 1,283.76 lakhs representing work in progress in view of uncertainty as regards its ultimate collection.
43. **Segment information**  
The Company is engaged in construction activities in India. Consequently, it has one reportable business segment i.e. "Construction" and one reportable geographical segment i.e. "India".
44. The Company has recognised income of Rs. 12,520.34 lakhs during the year arising out of arbitration awards pronounced in favour of the Company (including Rs. 10,952.02 lakhs in respect of arbitration awards pronounced in earlier years) and Rs.2,902.94 lakhs as interest thereon upto March 31, 2014, and also the arbitration award of Rs 3,028.30 lakhs recognized in the previous year, both remaining outstanding as on March 31, 2014. Against these awards, the customers have preferred appeals in the jurisdictional courts and the legal proceedings are going on. Pending the outcome of the said legal proceedings, the above amounts are being carried forward as receivable as the management believes that the final outcome of the appeals would be in favour of the Company based on the facts of the respective cases and it is confident to recover the aforesaid claims in full.

**45. Details in respect of Trading Activities:***(Rs. In Lakhs)*

Steel products	2013-14	2012-13
Purchases	1,656.97	7,827.29
Sales	1,660.47	7,936.94

- 46.** Trade receivables aggregating Rs. 2,135.12 lakhs (previous year Rs 2,601.13 lakhs) are under arbitration proceedings. The management is confident that based on the facts of the respective cases; there is no uncertainty as regards their realization.
- 47(a).** The Company has entered into certain transactions aggregating Rs.35.55 lakhs in the previous year requiring Central Government prior approval under Section 297 of the Companies Act, 1956. The Company is in the process of filing necessary applications for obtaining the said approval.
- 47(b).** The Company has entered into an EPC contract with a Joint Venture during the year, which requires prior approval of Central Government under section 297 of The Companies Act, 1956. The Company has applied with appropriate authority for obtaining the requisite approval.
- 47(c).** The Company has entered into an EPC contract with a Joint Venture, which requires prior approval under section 297 of the Companies Act, 1956. In view of non-approval of the application filed by the Company in this regard by the Central Government, the Company is now in the process of filing for compounding of offences under the relevant provisions of the Companies Act. During the year, the Company has recognised revenue of Rs. 1,532.02 lakhs, having approximate profit of Rs. 146.47 lakhs, from this contract.
- 48.** In respect of a project, based on the representation made by the Company to its customer, it has considered additional price increase impact of Rs.5,250 lakhs (Rs.4,816.61 lakhs upto March 31, 2013) in the contract value for billing to be made subsequent to March 31, 2014, considering Extension of Time (EOT) for the entire contract. The management is confident that EOT for the entire contract will be granted by the customer based on similar decisions taken in some other contracts and also based on the merits of the case.
- 49.** During the year, based on technical and legal evaluation, the Company has revised the contract value of a project to bring it in line with the agreement signed with the client, which was not considered earlier. Consequently, sales for the year include an amount of Rs. 4,198 lakhs on account of the aforesaid revision in the contract value.
- 50.** The Board of Directors of the Company has approved the transfer of Company's investments of the carrying value of Rs.18,322.41 lakhs in certain subsidiaries, associates and a joint venture, pertaining to waste, energy and power to its wholly owned subsidiaries; SPML Infra Projects Ltd and SPML Infra Developers Ltd. respectively, at their respective carrying values as part of its strategy to focus on improving the performance of the aforesaid businesses.
- 51.** The Company has received approval from the Central government dated June 2, 2013 for payment of remuneration to managerial person, notwithstanding the limit laid down in sub-section (3) of section 309 and the overall limit of 11% of the net profit as laid down in sub section (1) of section 198 of Companies Act 1956.
- 52.** Figures in bracket represent the previous year numbers and have been regrouped / rearranged wherever considered necessary.

**As per our report of even date.**

**For S. R. Batliboi & Co. LLP**  
**Firm Registration No: 301003E**  
Chartered Accountants

**For SUNIL KUMAR GUPTA & CO.**  
**Firm Registration No: 003645N**  
Chartered Accountants

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Sushil Kr. Sethi**  
Managing Director

**Per Raj AGRAWAL**  
Partner  
Membership No.: 082028

**Per S.K.GUPTA**  
Partner  
Membership No.: 082486

**Abhay Raj Singh**  
Company Secretary

**Swadesh Mathur**  
Chief Financial Officer

Place: Gurgaon  
Dated: May 29, 2014

Place: Gurgaon  
Dated: May 29, 2014

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

SL	Name of the Subsidiary Company	Add Urban Enviro Limited	ADD Energy Management Co (Pvt) Ltd.	Allahabad Waste Processing Co. Ltd.	Awa Power Company Private Limited	Bhagalpur Electricity Distribution Power Corporation Limited
1	Financial Year of the Subsidiary Company	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2	a) Number of Shares held in Subsidiary Company on the above date	2,467,000	NIL	255,000	10,952,105	9,999
		Equity Shares of Rs. 1 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 10 each
	b) Extent of Holding					
3	The net aggregate of profit/losses of the Subsidiary company so far as it concerns the members of the holding Company's					
	1. Not dealt with in the Holding Company's Accounts					
	a) For the financial year of the subsidiary (Rs.)					
	b) for the previous Financial year since it becomes the Holding company's Subsidiary					
	2. Dealt with in the Holding Company's Accounts.					
	a) For the financial year of the subsidiary (Rs.)					
	Capital	2,467,300	101,200	24,990,000	21,474,720	100,000
	Reserves	172,799,443	(13,673,336)	47,866,332	327,965,412	3,361,421
	Total Assets	175,300,451	2,066	299,817,363	601,246,339	226,237,681
	Total Liabilities	33,708	13,574,202	226,961,031	251,806,207	222,776,261
	Details of Investment (except investment in Subsidiaries)	-	-	-	-	-
	Turnover	-	-	66,347,697	-	231,177,482
	Profit Before Taxation	(336,881)	(61,966)	(20,193,974)	(360,565)	4,802,030
	Provision for Taxation	-	-	-	-	1,440,609
	Prior Period Adjustments	-	-	-	-	-
	Profit after Taxation	(336,881)	(61,966)	(20,193,974)	(360,565)	3,361,421
	b) for the previous Financial year since it becomes the Holding company's Subsidiary					
	Proposed Dividend					

Contd...

SL	Name of the Subsidiary Company	Bhilwara Jaipur Toll Road (P) Ltd.	Binwa Power Company Private Limited	Delhi Waste Management Ltd.	IQU Power Company Private Limited	Luni Power Company Private Limited	Madhurai Municipal Waste Processing Company Pvt. Ltd.
1	Financial Year of the Subsidiary Company	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2	a) Number of Shares held in Subsidiary Company on the above date	2,449,262	2,948,340	292,500	6,705,500	6,882,931	5,878,000
		Equity Shares of Rs. 10 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 10 each
	b) Extent of Holding						
3	The net aggregate of profit/losses of the Subsidiary company so far as it concerns the members of the holding Company's						
	1. Not dealt with in the Holding Company's Accounts						
	a) For the financial year of the subsidiary (Rs.)						
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	2. Dealt with in the Holding Company's Accounts.						
	a) For the financial year of the subsidiary (Rs.)						
	Capital	48,024,330	5,781,250	15,000,000	13,147,916	13,496,320	210,770,000
	Reserves	1,088,231,345	78,283,756	582,924,963	81,097,045	148,588,353	(6,051,584)
	Total Assets	3,193,028,904	88,375,932	760,272,353	300,499,963	410,019,430	470,041,547
	Total Liabilities	2,056,773,229	4,310,926	162,347,390	206,255,002	247,934,757	265,323,131
	Details of Investment (except investment in Subsidiaries)	20,000	-	45,000,000	-	-	-
	Turnover	37,885,797	-	601,315,633	-	-	59,271,951
	Profit Before Taxation	2,946,225	(615,217)	34,511,728	(47,250,018)	517,735	(7,366,463)
	Provision for Taxation	911,000	-	7,074,024	-	81,663	(2,280,567)
	Prior Period Adjustments	-	-	-	-	-	-
	Profit after Taxation	2,035,225	(615,217)	27,437,704	(47,250,018)	436,072	(5,085,896)
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	Proposed Dividend						

Contd...

SL	Name of the Subsidiary Company	Mathura Nagar Waste Processing Co. Ltd	Mizoram Power Development Corporation Ltd.	Mizoram Infrastructure Development Company Limited	Neogal Power Company Private Limited	PT Sanmati Natural Resources (In Indonesian Currency)	Rupin Tons Power Private Limited
1	Financial Year of the Subsidiary Company	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2	a) Number of Shares held in Subsidiary Company on the above date	255,000	89,125	34,500.00	8,451,060	NIL	NIL
		Equity Shares of Rs. 1 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 1 each		Equity Shares of Rs. 10 each
	b) Extent of Holding						
3	The net aggregate of profit/losses of the Subsidiary company so far as it concerns the members of the holding Company's						
	1. Not dealt with in the Holding Company's Accounts						
	a) For the financial year of the subsidiary (Rs.)						
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	2. Dealt with in the Holding Company's Accounts.						
	a) For the financial year of the subsidiary (Rs.)						
	Capital	10,252,000	1,500,000	500,000	16,499,312	1,000,000,000	1,907,500
	Reserves	82,557,218	(1,601,915)	-	253,111,969	3,138,004,146	(2,056,263)
	Total Assets	203,444,447	118,050	500,000	549,375,445	184,594,984,746	28,176
	Total Liabilities	110,635,228	219,965	-	279,764,164	180,456,980,600	176,939
	Details of Investment (except investment in Subsidiaries)	-	-	-	-	184,509,742,576	-
	Turnover	8,749,999	-	-	-	-	-
	Profit Before Taxation	(2,867,634)	(110,741)	-	(579,412)	(53,468)	(1,720,247)
	Provision for Taxation	-	-	-	-	-	-
	Prior Period Adjustments	-	-	-	-	-	-
	Profit after Taxation	(2,867,634)	(110,741)	-	(579,412)		(1,720,247)
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	Proposed Dividend						

Contd...

SL	Name of the Subsidiary Company	SJA Developers Private Limited	SPM Holdings Pte Ltd (In US Dollar)	SPML Energy Limited	SPML Industries Limited	SPML Infrastructure Ltd	SPML Utilities Limited
1	Financial Year of the Subsidiary Company	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2	a) Number of Shares held in Subsidiary Company on the above date	NIL	NIL	99,550,000	1,243,618	4,964,500	199,999,700
		Equity Shares of Rs. 10 each		Equity Shares of Rs. 1 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 1 each	Equity Shares of Rs. 1 each
	b) Extent of Holding						
3	The net aggregate of profit/losses of the Subsidiary company so far as it concerns the members of the holding Company's						
	1. Not dealt with in the Holding Company's Accounts						
	a) For the financial year of the subsidiary (Rs.)						
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	2. Dealt with in the Holding Company's Accounts.						
	a) For the financial year of the subsidiary (Rs.)						
	Capital	33,968,000	8,900,730	113,800,000	24,384,670	4,964,800	200,000,000
	Reserves	(796,355)	(2,912,458)	(144,295,329)	85,031,735	413,554,420	(12,238,777)
	Total Assets	84,833,236	29,210,488	232,774,593	111,343,093	423,873,317	237,086,502
	Total Liabilities	51,661,591	23,222,216	263,269,922	1,926,688	5,354,097	49,325,279
	Details of Investment (except investment in Subsidiaries)	-	594,000	-	1,010,000	291,461,000	7,292,448
	Turnover	-	32,848,282	-	858,900	-	-
	Profit Before Taxation	(42,915)	794,995	(46,340,608)	(534,706)	(752,472)	(10,395,810)
	Provision for Taxation	-	134,000	-	-	(227,104)	-
	Prior Period Adjustments	-		-	-	-	-
	Profit after Taxation	(42,915)		(46,340,608)	(534,706)	(525,368)	(10,395,810)
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	Proposed Dividend						

Contd...

SL	Name of the Subsidiary Company	SPML Infra Developers Limited	SPML Infraprojects Limited	Subhash Kabini Power Corporation Ltd.	Synergy Promoters Private Limited	Tons Valley Power Company Private Limited	Uttarkashi Tons Hydro Power Private Limited
1	Financial Year of the Subsidiary Company	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2	a) Number of Shares held in Subsidiary Company on the above date	50,000	250,000	13,586,300	NIL	NIL	NIL
		Equity Shares of Rs. 10 each	Equity Shares of Rs. 2 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each
	b) Extent of Holding						
3	The net aggregate of profit/losses of the Subsidiary company so far as it concerns the members of the holding Company's						
	1. Not dealt with in the Holding Company's Accounts						
	a) For the financial year of the subsidiary (Rs.)						
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	2. Dealt with in the Holding Company's Accounts.						
	a) For the financial year of the subsidiary (Rs.)						
	Capital	500,000	500,000	437,400,000	59,336,000	8,717,500	2,330,000
	Reserves	-	-	827,326,423	(715,115)	(8,991,090)	(2,465,163)
	Total Assets	500,000	500,000	2,393,420,143	84,150,084	43,962	18,911
	Total Liabilities	-	-	1,128,693,720	25,529,199	317,552	154,074
	Details of Investment (except investment in Subsidiaries)	-	-	-	-	-	-
	Turnover	-	-	187,316,415	-	-	-
	Profit Before Taxation	-	-	12,329,251	(19,982)	(8,649,247)	(2,132,187)
	Provision for Taxation	-	-	(1,672,136)	-	-	-
	Prior Period Adjustments	-	-	-	-	-	-
	Profit after Taxation	-	-	14,001,387	(19,982)	(8,649,247)	(2,132,187)
	b) for the previous Financial year since it becomes the Holding company's Subsidiary						
	Proposed Dividend						

# Independent Auditors' Report

To  
Board of Directors  
SPML Infra Limited

## 1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SPML Infra Limited ("the Company") and its subsidiaries (together referred as "to Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4. Basis for qualified opinion

(a) *Attention is drawn to Note No. 38(a) to the consolidated financial statements regarding complete foreclosure of a contract by a customer during the year, at the risk and cost of the Company. Although the Company has filed its counter claims, the customer has not yet raised any claims on the Company and the matter is presently under arbitration. In view of the uncertainties involved, we are unable to comment on the ultimate outcome of the litigation and also on the recoverability of the trade receivables and fixed assets of Rs.1,904 lakhs and Rs.1,608 lakhs respectively, as on March 31, 2014, in respect of the said contract and its consequential impact on the consolidated financial statements.*

(b) *The audited standalone financial statements of certain subsidiaries and joint ventures as detailed in Note No. 1(l) to the consolidated financial statements which reflect total assets, total revenue and net cash inflows of Rs.5,624.07 lakhs, Rs.2,951.91 lakhs and Rs.475.31 lakhs respectively, have not been received and these have been incorporated in the accounts on the basis of management certified unaudited financial statements produced to us. Accordingly we are unable to comment on the impact, if any, on the consolidated financial statements, had the aforesaid standalone financial statements been subjected to audit.*

(c) *Attention is drawn to Note No. 39 to the consolidated financial statements regarding foreclosure of a contract by a customer subsequent to adoption of the standalone financial statements of the Company as on May 29, 2014 by the Board of Directors of the Company. The matter relating to the aforesaid foreclosure is presently sub-judice. In view of the uncertainties involved, we are unable to comment on the impact, if any, of the aforesaid foreclosure on the trade receivables and unbilled revenue of Rs. 822 lakhs and Rs. 1922 lakhs respectively as on March 31, 2014, in respect of the said contract and its consequential impact on the consolidated financial statements.*

## 5. Opinion

*Except for the possible effects of the matters stated in paragraphs 4(a), 4(b) & 4(c) above, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:*

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

## 6. Emphasis of Matter

Attention is drawn to Note No. 41 to the consolidated financial statements regarding the recognition of income of Rs.12,520.34 lakhs during the year arising out of arbitration awards pronounced in favour of the Company (including Rs.10,952.02 lakhs in respect of arbitration awards pronounced in earlier years) and interest of Rs.2,902.94 lakhs recognised thereon and also the arbitration awards of Rs. 3,028.30 lakhs recognized in the previous year, both remaining outstanding as on March 31, 2014, against which the customers have preferred appeals.

Our opinion is not qualified in respect of the above matters.



**7. Other matters**

- (a) The financial statements of subsidiaries and joint ventures, which reflect total assets of Rs. 64,627.46 lakhs as at March 31, 2014 and total revenue of Rs. 29,369.15 lakhs and net cash flows (outflow) of Rs. 1,092 lakhs for the year then ended, have been audited by one of the joint auditors and other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures, is based solely on these reports.
- (b) The financial statements of overseas subsidiaries which reflect total assets of Rs. 18,602.21 lakhs as on March 31, 2014 and total revenue of Rs. 19,814.94 lakhs and net cash flow (cash outflow) of Rs. 146.44 lakhs for the year ended on that date and the financial statements of associates wherein the carrying value of group's investment stands at Rs. 9,883.93 lakhs after accounting for the share of net profit of Rs.18.72 lakhs for the year ended on that date, as more fully disclosed vide Note No. 1(c) to the consolidated financial statements, have been prepared under the applicable local reporting GAAP and audited by auditors in their respective countries. The management has converted these audited financial statements of the Company's subsidiaries as per the accounting principles generally accepted in India. Our opinion thus, in so far it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the accounting policies generally accepted in respective countries and our review of the conversion process followed by the management.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

**per Raj Agrawal**

Partner

Membership Number: 082028

Place: Gurgaon

Date: July 30, 2014

**For SUNIL KUMAR GUPTA & CO.**

Chartered Accountants

Firm Registration No : 003645N

**per S.K. Gupta**

Partner

Membership Number: 082486

Place: Gurgaon

Date: July 30, 2014

## Consolidated Balance Sheet as at 31st March 2014

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	819.45	819.45
Reserves and surplus	3	45,032.78	46,396.00
		<b>45,852.23</b>	<b>47,215.45</b>
Minority Interest		<b>11,343.78</b>	<b>11,463.12</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	39,294.64	39,117.12
Deferred tax liability	5	347.35	427.03
Other long-term liabilities	6	9,610.72	2,678.22
Long-term provisions	7	384.85	355.06
		<b>49,637.56</b>	<b>42,577.43</b>
<b>Current liabilities</b>			
Short-term borrowings	8	52,056.76	39,122.69
Trade payables	9	53,346.69	52,154.23
Other current liabilities	10	46,426.14	26,259.26
Short-term provisions	7	442.60	302.08
		<b>152,272.19</b>	<b>117,838.26</b>
<b>TOTAL</b>		<b>259,105.76</b>	<b>219,094.26</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11 (a)	20,188.85	21,958.80
Intangible assets	11 (b)	623.06	584.84
Capital work-in-progress	12	44,200.02	30,422.99
Non-current investments	13(a)	13,312.13	13,841.71
Deferred Tax Asset	5	295.35	236.64
Long-term loans and advances	14	16,443.47	21,801.65
Trade receivables	15	31,496.06	9,558.91
Other non-current assets	16	12,574.96	7,279.05
		<b>139,133.90</b>	<b>105,684.59</b>
<b>Current assets</b>			
Inventories	17	4,735.14	4,516.11
Current investments	13(b)	10.00	-
Trade receivables	15	41,071.37	51,413.54
Cash and bank balances	18	11,891.76	9,125.01
Short-term loans and advances	14	16,409.34	12,351.86
Other current assets	16	45,854.25	36,003.15
		<b>119,971.86</b>	<b>113,409.67</b>
<b>TOTAL</b>		<b>259,105.76</b>	<b>219,094.26</b>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

**per Raj Agrawal**  
Partner  
Membership No.: 082028

Place: Gurgaon  
Dated: July 30, 2014

**For SUNIL KUMAR GUPTA & CO.**  
Firm Registration No: 003645N  
Chartered Accountants

**Per S.K.GUPTA**  
Partner  
Membership No 082486

Place: Gurgaon  
Dated: July 30, 2014

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Abhay Raj Singh**  
Company Secretary

**Sushil Kr. Sethi**  
Managing Director

**Swadesh Mathur**  
Chief Finance Officer

# Consolidated Statement of Profit and Loss for the year ended 31 March 2014

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>INCOME</b>			
Revenue from operations	19	150,213.56	134,693.41
Other income	20	8,927.02	4,353.09
<b>Total revenue (I)</b>		<b>159,140.58</b>	<b>139,046.50</b>
<b>EXPENSES</b>			
Materials Consumed & Direct expenses	21	100,222.53	82,556.22
Cost of Traded goods		20,232.80	24,949.97
Decrease in inventories	22	(150.77)	(411.97)
Employee benefits	23	6,267.47	5,755.19
<b>Other expenses</b>	24	<b>13,709.39</b>	<b>8,166.46</b>
<b>Total expenses (II)</b>		<b>140,281.42</b>	<b>121,015.87</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>18,859.16</b>	<b>18,030.63</b>
Depreciation and amortization expenses (after adjusting revaluation reserve of Rs.0.41 lakhs (Rs. 0.41 lakhs))	11 (a) & (b)	2,658.64	2,506.10
Finance costs	25	16,755.07	15,136.39
<b>Profit / (Loss) before tax</b>		<b>(554.55)</b>	<b>388.14</b>
<b>Tax expenses</b>			
- Current tax (Includes Minimum Alternate tax of Rs. 130.84 Lakhs (Previous Year Rs. 289.39 Lakhs) and proportionate share in Joint Ventures Rs. 0.63 lakhs (Rs. 2.38 lakhs))		307.36	444.67
- Deferred tax credit (net) (Includes proportionate share in Joint Ventures Rs. 4.51 lakhs (Rs. 3.46 lakhs))		(138.40)	(398.96)
- Minimum Alternate Tax Credit		(24.67)	(18.07)
- Income Tax charge / (credit) for earlier years		12.40	(121.79)
<b>Total tax expense/(credit)</b>		<b>156.69</b>	<b>(94.15)</b>
<b>Profit/(Loss) after Tax but before share of Associates and Minority Interest</b>		<b>(711.24)</b>	<b>482.29</b>
Add/(Less) : Share in Profit / (Loss) of Associates (Refer note no. 51)		(515.08)	260.07
Less: Minority Interest		21.49	199.50
<b>Net Profit / (Loss) for the year</b>		<b>(1,247.81)</b>	<b>542.86</b>
Earnings / (Loss) per equity share (nominal value of equity share Rs.2 each) (Refer note no. 29)	29	(3.40)	1.48
<b>Basic and Diluted (in Rs.)</b>			

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S. R. Batliboi & Co. LLP  
Firm Registration No: 301003E  
Chartered Accountants

per Raj Agrawal  
Partner  
Membership No.: 082028

Place: Gurgaon  
Dated: July 30, 2014

For SUNIL KUMAR GUPTA & CO.  
Firm Registration No: 003645N  
Chartered Accountants

Per S.K.GUPTA  
Partner  
Membership No 082486

Place: Gurgaon  
Dated: July 30, 2014

As Approved  
For and behalf of the Board of Directors

Subhash Chand Sethi  
Chairman

Abhay Raj Singh  
Company Secretary

Sushil Kr. Sethi  
Managing Director

Swadesh Mathur  
Chief Finance Officer

## Consolidated Cash Flow Statement for the year ended 31st March 2014

(Rs. In Lakhs)

Particulars	2013-2014	2012-2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(554.55)	388.14
<b>Non-cash adjustment to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and amortization expenses	2,658.63	2,506.10
Loss on sale/ discard of fixed assets (Net)	23.92	8.26
Finance Cost	16,755.07	15,136.39
Gain on sale of investments (net)	-	(189.75)
Provision for doubtful debts	-	388.00
Unrealised foreign exchange loss (Net)	322.00	-
Bad Debts/ Sundry Balances written off	7,020.56	2,000.82
Project expenditure written off	217.90	613.00
Sundry Balances/Liabilities written back	(2,683.46)	(2,405.35)
Interest income on loans given, Bank deposits, income tax refunds and others	(2,375.64)	(1,117.40)
<b>Operating profit before working capital changes</b>	<b>21,384.43</b>	<b>17,328.21</b>
Movements in working capital :		
Increase in trade receivables	(21,540.00)	(2,889.61)
(Increase)/Decrease in inventories	(219.02)	2,669.13
Increase in loans & advances/ other assets	(14,774.93)	(2,952.59)
Increase in trade payables/ other liabilities	2,527.15	14,810.54
Increase in provisions	69.96	6.86
<b>Cash generated from/(used in) operations</b>	<b>(12,552.40)</b>	<b>28,972.54</b>
Direct taxes (paid)/ refund	1,416.72	(2,832.41)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(11,135.68)</b>	<b>26,140.13</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including Capital work in progress and capital advances	(17,751.37)	(17,478.74)
Proceeds from sale of fixed assets	70.75	87.88
Proceeds from sale of non-current investment:		
- Subsidiaries	-	663.98
- Associates	-	0.01
Purchase of non-current investments:		
- Associates	-	(0.61)
- Others	(463.92)	-
Loans (given to)/taken from related parties/ others	1,233.53	(4,449.83)
Subsidy received in respect of Capital Expenditure	4,339.13	1,962.43
Share application money (paid)/ refunded	914.34	132.11
Advance towards purchase of shares	-	(507.33)
Investment in bank fixed deposits (having original maturity of more than three months)	(6,342.09)	(399.10)
Interest received on loans given and Bank Deposits	1,475.74	905.59
<b>Net cash flow used in investing activities (B)</b>	<b>(16,523.90)</b>	<b>(19,083.61)</b>

Contd...

Particulars	2013-2014	2012-2013
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contribution by Minorities	21.99	607.51
Repayment of long term borrowings	(5,189.60)	(13,887.44)
Proceeds from long term borrowings	11,391.75	17,685.10
Proceeds from short-term borrowings (net)	13,084.40	2,563.11
Proceeds from Mobilisation Advances (net)	21,743.90	61.87
Finance Cost	(15,277.72)	(14,833.50)
Interest refund on Income tax	500.00	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>26,274.73</b>	<b>(7,803.35)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(1,384.85)</b>	<b>(746.83)</b>
Cash Balances of Subsidiary Companies/ Joint Ventures acquired/(disposed) on:		
Acquisition of subsidiaries and a joint venture	10.07	30.26
Conversion of a subsidiary into associate	(19.41)	(42.79)
Cash and cash equivalents at the beginning of the year	5,120.66	5,880.02
<b>Cash and cash equivalents at the end of the year</b>	<b>3,726.47</b>	<b>5,120.66</b>
Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash-on-hand	84.63	82.51
<b>Balances with Scheduled Banks on :</b>		
- Deposit accounts *	8.26	911.79
- Current Accounts	3,625.10	4,118.77
- Unpaid Dividend Account **	8.48	7.59
<b>Total cash and cash equivalents (note 18)</b>	<b>3,726.47</b>	<b>5,120.66</b>
Summary of significant accounting policies (Refer Note No. 1)		

\* Receipts lying with banks as security against Letter of Credits and Guarantees issued by them and with clients.

\*\* The Company can utilise such bank balances only towards payment of the unpaid dividend.

Note:

1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Companies (Accounting Standards) Rules 2006 (as amended).

#### As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Firm Registration No: 301003E  
Chartered Accountants

**per Raj Agrawal**  
Partner  
Membership No.: 082028

Place: Gurgaon  
Dated: July 30, 2014

**For SUNIL KUMAR GUPTA & CO.**  
Firm Registration No: 003645N  
Chartered Accountants

**Per S.K.GUPTA**  
Partner  
Membership No 082486

Place: Gurgaon  
Dated: July 30, 2014

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Abhay Raj Singh**  
Company Secretary

**Sushil Kr. Sethi**  
Managing Director

**Swadesh Mathur**  
Chief Finance Officer

# Notes to the consolidated financial statements as at and for the year ended 31 March, 2014

## Significant Accounting Policies and Notes to Accounts

### 1. Significant Accounting Policies

#### i. Principles of Consolidation

The Consolidated Financial Statements which relate to SPML Infra Limited, (the "Company") and its Subsidiaries (together referred to as the "Group"), have been prepared in accordance with the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 ('the Act'), read with the General Circular 08/2014 dated 04 April, 2014 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India on the following basis:

- (a) The financial statements of the Group have been consolidated, in terms of Accounting Standard (AS) 21 'Consolidated Financial Statements', on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profits/losses. The excess/shortfall of cost to the Group of its investments in the Subsidiary Companies over the book value of net assets therein, as on the date of investment is recognized in the financial statements as Goodwill/Capital Reserve as the case may be. Goodwill arising on consolidation is tested for impairment annually.

The subsidiary companies considered in these consolidated financial statements are as follows:

#### l). Subsidiaries

Name of the Company	Country of Incorporation	Proportion of Ownership Interest		Percentage of Voting Rights	
		31-Mar- 14	31-Mar- 13	31-Mar- 14	31-Mar- 13
Subhash Kabini Power Corporation Limited	India	53.06%	53.06%	53.06%	53.06%
SPML Industries Limited	India	51%	51%	51%	51%
SPML Energy Limited	India	87.48%	87.48%	87.48%	87.48%
Binwa Power Company (P) Limited	India	81.16%	81.16%	100%	100%
Awa Power Company (P) Limited	India	77.74%	77.74%	100%	100%
IQU Power Company (P) Limited	India	78.32%	78.32%	100%	100%
Neogal Power Company (P) Limited	India	78.26%	78.26%	100%	100%
Luni Power Company (P) Limited	India	80.94%	80.94%	100%	100%
Delhi Waste Management Limited	India	55.87%	55.87%	73.17%	73.17%
SPML Infrastructure Limited	India	100%	100%	99.99%	100%
SPML Utilities Limited	India	100%	100%	100%	100%
ADD Urban Enviro Limited	India	100%	100%	100%	100%
Bhilwara Jaipur Toll Road Private Ltd.	India	51%	51%	51%	51%
Mizoram Power Development Corporation Limited	India	59.42%	59.42%	59.42%	59.42%
Bhagalpur Electricity Distribution Co. Pvt Ltd	India	100%	*	100%	*
Mizoram Infrastructure Development Company Limited	India	100%	*	100%	*
SPML Infra Developers Limited	India	100%	*	100%	*
SPML Infra Projects Limited	India	100%	*	100%	*

\* No previous year's information given since these Companies became Subsidiaries during the year.

## II). Step down subsidiaries

Name of the Company	Country of Incorporation	Proportion of Ownership Interest		Percentage of Voting Rights	
		31-Mar- 14	31-Mar- 13	31-Mar- 14	31-Mar- 13
<b>Subsidiaries of SPML Energy Limited:</b>					
Rupin Tons Power Company (P) Limited	India	79.03%	79.03%	79.03%	79.03%
Tons Valley Power Company (P) Limited	India	95.41%	95.41%	95.41%	95.41%
Uttarkashi Tons Hydro Power (P) Limited	India	82.83%	82.83%	82.83%	82.83%
<b>Subsidiaries of Subhash Kabini Power Corporation Limited:</b>					
SPM Holdings Pte. Ltd	Singapore	100%	100%	100%	100%
ADD Energy Management Co (Pvt) Ltd.	India	100%	*	100%	*
<b>Subsidiary of SPM Holdings Pte. Ltd:</b>					
PT Sanmati Natural Resources	Indonesia	99%	99%	99%	99%
<b>Subsidiaries of SPML Utilities Limited:</b>					
Madurai Municipal Waste Processing Company Private Limited	India	100%	100%	100%	100%
Aurangabad City Water Utility Company Limited	India	38.81%**	58.81%	38.81%**	58.81%
<b>Subsidiaries of Delhi Waste Management Limited:</b>					
SJA Developers Private Limited	India	71.93%	70.94%	71.93%	70.94%
Synergy Promoters Private Limited	India	75.29%	67.01%	75.29%	67.01%
<b>Subsidiaries of Add Urban Enviro Limited:</b>					
Allahabad Waste Processing Company Limited	India	85.92%	85.92%	85.92%	85.92%
Mathura Nagar Waste Processing Company Limited	India	85.92%	85.92%	85.92%	85.92%

\* No previous year's information given since these Companies became Subsidiaries during the current year.

\*\* Became associate w.e.f December 31, 2013

## (b) Minority interest in the net assets of consolidated subsidiaries consists of:

- 1) The amount of equity attributable to minority at the date on which investment in a subsidiary is made.
- 2) The minority's share of movements in equity since the date the parent subsidiary relationship came into existence.

Minorities' interest in the net profit/loss of subsidiaries consolidated during the year has been identified and adjusted against the income/loss in order to arrive at the net income/loss attributable to the shareholders of the Group. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately.

## (c) The financial statements of certain subsidiaries and associates have been prepared in accordance with the following GAAP:

Name of the Company	GAAP
<b>Subsidiaries</b>	
SPM Holdings Pte Ltd.	Singapore Financial Reporting Standards
PT. Sanmati Natural Resources	Indonesian Financial Accounting Standards
<b>Associates</b>	
PT Vardhaman Mining Services	Indonesian Financial Accounting Standards
PT Vardhaman Logistics	Indonesian Financial Accounting Standards
Rabaan (S) Pte. Ltd.	Singapore Financial Reporting Standards
PT Bina Insan Sukses Mandiri	Indonesian Financial Accounting Standards

The impact on account of any differences due to adoption of different accounting standards as stated above, in comparison to the Generally Accepted Accounting Principles in India (IGAAP) is not material.

- (d) In translating the financial statements of the non-integral foreign subsidiaries for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing exchange rate, while income and expenses are translated at average exchange rate when it approximates the actual exchange rate applicable at the date of transaction and all resulting exchange differences are accumulated in Foreign Currency Translation Reserve as disclosed vide note no. 3.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in foreign currency translation reserve, until the disposal of the net investment, at which time they are recognised as income or as expenses.

- (e) The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the consolidated financial statements are given below:

(Rs. In Lakhs)

Name of the Company	Acquisition		Disposal	
	2013-14	2012-13	2013-14	2012-13
<b>Non- Current Liabilities</b>				
Long-term borrowings	-	558.38	1227.45	-
Long-term provisions	-	-	4.74	-
<b>Current Liabilities</b>				
Short-term borrowings	-	-	150.34	512.71
Trade payables	0.29	-	92.43	2.94
Other current liabilities	-	37.42	12.64	31.36
Short-term provisions	-	-	8.34	-
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
<b>Fixed Assets</b>				
Tangible assets	-	-	35.85	3.11
Capital work-in-progress	-	-	975.57	314.04
Long-term loans and advances	-	1,410.60	-	84.66
<b>Current Assets</b>				
Inventories	-	-	-	62.01
Cash and bank balances	10.02	30.26	19.44	3.69
Short-term loans and advances	5.00	-	471.65	254.14
Other current assets	-	-	-	-
Total Revenue from Operations and other Income considered in the consolidated financial statements	-	-	-	-
Net Loss considered in the consolidated financial statements	(0.62)	(14.21)	(698.52)	(0.82)

- (f) Investments in Associates have been accounted for using the equity method in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules, 2006 (as amended), read with the General Circular 08/2014 dated 04 April, 2014 issued by Ministry of Corporate Affairs.



- (g) The Group accounts for its share in the change in the net assets of the associates, post-acquisition, after eliminating unrealised profit and losses resulting from the transactions between the Group and its associates to the extent of its share, through its Consolidated Statement of Profit & Loss to the extent such change is attributable to the associate's Statement of Profit & Loss and the same is added to/deducted from the cost of investments in the respective associate companies. Additional losses are provided for to the extent that the investor has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the investor has guaranteed or to which the investor is otherwise committed. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in associates is identified in the financial statements as Goodwill or Capital Reserve, as the case may be, and the same remains included/adjusted, as the case may be in the carrying values of investments in associates and is disclosed separately. Where the Associates have subsidiaries, the consolidated financial statements of the Associates have been used for the equity accounting.
- (h) The associate companies considered in the consolidated financial statements are as follows:

**I). Associates of the Company**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31-Mar-14	31-Mar-13
Doon Valley Waste Management (P) Limited	India	26.04%	26.04%
Mizoram Mineral Development Corporation Limited	India	48.67%	48.67%
Jamshedpur Waste Processing Company Private Limited	India	35%	35%
SPML Bhiwandi Water Supply Infra Limited	India	45%	45%
SPML Bhiwandi Water Supply Management Limited	India	50%	50%
Aurangabad Jal Supply Solutions Private Limited	India	26%	26%
Aurangabad Jal Constructions Private Limited	India	26%	*
Central Zone Water Services Private Limited	India	48%	*

**II). Associates of Subsidiaries**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31-Mar-14	31-Mar-13
<b>Associates of SPML Infrastructure Limited:</b>			
Sanmati Infra Developers Pvt. Limited	India	25.00%	25.00%
Pondicherry Port Limited	India	49.97%	49.97%
<b>Associates of SPML Utilities Limited:</b>			
Hydro Comp Enterprises (India) Limited	India	50.00%	50.00%
Aurangabad City Water Utility Co. Ltd	India	38.81%*	58.81%
<b>Associate of Delhi Waste Management Limited:</b>			
ADD Realty Ltd.	India	38.14%	38.14%

**III). Associates of Step down subsidiaries**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31-Mar-14	31-Mar-13
<b>Associates of SPM Holdings Pte. Ltd:</b>			
PT Vardhaman Mining Services	Indonesia	45.65%	45.65%
PT Vardhaman Logistics	Indonesia	27.50%	27.50%
Rabaan (S) Pte Limited	Singapore	45.65%	45.65%
PT Bina Insan Sukses Mandiri	Indonesia	45.63%	45.63%

**IV). Subsidiaries of Associates**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31-Mar-14	31-Mar-13
<b>Subsidiaries of Add Realty Ltd:</b>			
ADD Eco Enviro Ltd.	India	100.00%	0.00%
Add Industrial Park (Tamilnadu) Ltd.	India	100.00%	0.00%
Meena Integrated Textile Infra Ltd.	India	100.00%	0.00%

\* No previous year's information given since these entities became Subsidiaries during the year.

- (i) In terms of Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Venture' notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the Group's proportionate interests in the Joint Ventures are consolidated as separate line items in the financial statements along with the book values of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and unrealized profit and losses resulting from the transactions between the Group and the joint ventures.
- (j) Particulars of interest in joint ventures:

**Subsidiaries of Associates**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31-Mar-14	31-Mar-13
Om Metal Consortium	India	10%	10%
SPML – CISC	India	50%	50%
SPML – Simplex	India	50%	50%
SPML – HCIL	India	33%**	33%**
Siddhartha - Mahavir – SPML	India	10%	10%
KBL – SPML (JV)	India	50%**	50%**
Malviya Nagar Water Services Private Limited	India	26%	46%
MVV Water Utility Private Limited (through SPML Utilities Limited)	India	50%	50%
Gurha Thermal Power Co Ltd	India	50%	*
SUEZ -SPML JV	India	48%	*

\* No previous year's information given since these Companies became Joint Ventures during the year.

\*\* Represents joint ventures where the Company, through a supplementary agreement with the JV partners, has altered its risk and reward from 50% and 33% to a specific amount of the contract representing 50% and 99% respectively of the total contract value and for which "back to back" works contract has been awarded to the Company by the JV entities. However, joint venture partners are, jointly and severally, liable to clients for any claims in these projects as per the original terms of the contract.

- (k) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (l) The Consolidated Financial Statements are based on the audited financial statements of subsidiaries, associates and joint ventures except in the following cases where figures have been incorporated based on unaudited financial statements certified by the management:

Name of the Company	GAAP
<b>Step Down Subsidiary</b>	Mizoram Infrastructure Development Co. Ltd. SPML Infraprojects Ltd. SPML Infra Developers Ltd. Bhagalpur Electricity Distribution Co. Pvt Ltd ADD Energy Management Co. (Pvt) Ltd.
<b>Associates</b>	Hydro Comp Enterprises India P Ltd Sanmati Infra Developers (p) Ltd Central Zone Water Services Private Limited Rabaan (S) Pte. Ltd.
<b>Joint Ventures</b>	Om Metal Consortium MVV Water Utility Pvt Ltd. Siddhartha – Mahavir – SPML JV Suez – SPML (JV) SPML – CISC

- (m) As per Accounting Standard 21 – Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006 (as amended), read with the General Circular 08/2014 dated 04 April, 2014 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiaries and/or the parent having no bearing on the true and fair view of the consolidated financial statements is not disclosed in the consolidated financial statements.

## ii. Basis of preparation

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 ('the Act'), read with the General Circular 08/2014 dated 04 April, 2014 issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention on an accrual basis. Insurance claims on the ground of prudence or uncertainty in realization, are accounted for on acceptance/ actual receipt basis. The accounting policies applied by the Group are consistent with those used in the previous year.

## iii. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

## iv. Tangible Fixed Assets

- (a) Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT / VAT), taxes, incidental expenses, erection/ commissioning expenses etc. upto the date the asset is ready to be put to use.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. In case of revaluation of fixed assets, the original cost as written up by the valuer is considered in the accounts and the differential amount is transferred to revaluation reserve.

Capital Work in Progress comprises of all directly attributable costs of bringing the assets to their working condition for their intended use and all indirect and incidental expenses.

Expenditure incurred during construction period is capitalised as part of the project cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Consolidated Statement of Profit & Loss. The same will be allocated to the respective fixed assets on completion of construction/erection of the capital project/ fixed assets.

- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be non-regular are capitalized and depreciated prospectively over the useful life of the respective assets.

### Intangible assets

- (c) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

## v. Depreciation / Amortisation

Depreciation on tangible fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or at the rates determined based on useful life of the respective asset, as estimated by the management, which generally coincides with the life prescribed under schedule XIV, whichever is higher.

Depreciation on the following assets, in respect of Delhi Waste Management Limited, a subsidiary company, is provided using Straight Line Method over a period of nine years being the concession period as per the Concession agreement with the Principal:

- Building
- Plant and Machinery

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

Assets costing Rs.5000/- or less are depreciated @100% in the year of purchase.

Intangible assets (specialised software) are amortised using the straight line method over a period of five years.

Goodwill arising on consolidation is stated at cost less impairment.

#### **vi. Borrowing costs**

Borrowing cost includes interest, 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.

#### **vii. Impairment**

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows considered for determining the value in use, are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset

#### **viii. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on straight line basis over the lease term.

#### **ix. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are considered at cost, unless there is an "other than temporary" decline in value thereof, in which case, adequate provision for diminution is made in the accounts.

#### **x. Government Grants**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants received against fixed assets are netted off from the cost of the related asset and the depreciation is provided on the net carrying value of those assets.

#### **xi. Inventories**

Materials, components and stores & spares to be used in contracts are valued at lower of cost, which is ascertained on weighted average basis, or net realizable value.

Stock of trading goods is valued at lower of cost, which is ascertained using First in First out (FIFO) Method, or net realizable value.

Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

#### **xii. Revenue recognition**

##### **(a) Construction contracts**

Revenue on contracts is recognized on "percentage completion method" based on the stage of completion of the contract. The stage of completion is determined as a proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total costs. When it is probable that the total contract cost will exceed the total contract revenue, the future loss is recognized immediately. The future loss is adjusted with unbilled revenue. For this

purpose, total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies. Revisions in projected profit or loss arising from change in the estimates are reflected in each accounting period which, however, cannot be disclosed separately in the financial statements, as the effect thereof cannot be accurately determined.

Overhead expenses representing indirect costs that cannot be directly aligned with the jobs are allocated over the various contracts on a systematic basis.

Disputed claims towards extra work, damages etc. are accounted for on settlement of the arbitration proceedings / legal cases.

The Company collects Value Added Tax (VAT), Sales tax and Service tax on behalf of the government and therefore, these are not economic benefits flowing to the Company and have been excluded from revenue.

Arbitration awards which are granted in favor of the Company by independent arbitrators are accounted for when the management is reasonably certain of its ultimate recovery. The interest granted on such awards is recognized as per terms of the award.

**(b) Sale of Goods**

Revenue from sale of goods is recognized on passage of title thereof to the customers, which generally coincides with delivery. Sales are net of returns, claims, trade discounts etc.

**(c) Sale of Electricity:**

Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty payable to the State Government. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of sale, revenue recognition is postponed to the extent of uncertainty involved. In such cases, it is appropriate to recognise revenue only when it is reasonably certain that the ultimate collection will be made. Where there is no uncertainty as to ultimate collection, revenue is recognised at the time of sale even though payments are made by instalments. Income from meter rent is accounted for as per the approved rates.

**(d) Income from Services**

Revenues from operation and maintenance contracts and from the waste management contracts are recognized on rendering of services as per the terms of contract.

**(e) Interest**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(f) Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

**xiii. Liquidated damages**

No provision is made for liquidated damages deducted by the customers, wherever these have been refuted by the Group and it expects to settle them without any loss. Pending settlement of these claims, the relative trade receivables are shown in the accounts as fully recoverable and the corresponding amounts are reflected as contingent liability in terms of the provisions contained in Accounting Standard – 29.

**xiv. Foreign currency translations**

**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange Differences**

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements and / or conversion of monetary items, are recognized as income or expenses in the year in which they arise.

**Foreign Operations**

Financial statements of overseas non-integral operations are translated as under:

- (i) Assets and Liabilities at the rate prevailing at the end of the year.
- (ii) Revenues and expenses at yearly average exchange rates prevailing during the year, when it approximates the actual exchange rate applicable at the date of transaction.

Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

**xv. Retirement and other employee benefits**

Employee benefits in the form of Provident Fund being a defined contribution scheme are charged to the Statement of Profit and Loss, when an employee renders the related service. There are no obligations other than the contributions payable to the fund.

Gratuity liability being a defined benefit obligation is provided for based on actuarial valuation made at the end of each financial year, using the projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such short-term compensated absences are provided for in the Statement of Profit and Loss based on estimates.

Actuarial gain and losses are recognized immediately in the Statement of Profit & Loss as income or expense.

**xvi. Income taxes**

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognized 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 realised. In situations where the Group 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 realised against future taxable profits.

At each balance sheet date, the Group re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay income tax under normal provision of Income Tax during the specified period.

## **xvii. Segment Reporting**

### **Identification of Segments**

The Group has identified that its business segments are the primary segments. The Group's business are organized and managed separately according to the nature of activities, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

### **Allocation of common costs**

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated - Common".

### **Segment Policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

## **xviii. Earnings Per Share**

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

## **xix. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## **xx. Cash and Cash Equivalents**

Cash and cash equivalents as indicated in the Cash Flow Statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

## **xxi. 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

## **xxii. Measurement of EBITDA (Earnings before interest, tax, depreciation and amortization)**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, the Group has elected to present EBITDA as a separate line item on the face of the Consolidated Statement of profit and loss. The Group measures EBITDA on the basis of profit from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

## 2. SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at 31-Mar-14	As at 31-Mar-13
<b>Authorized shares</b>		
20,00,00,000 (20,00,00,000) Equity Shares of Rs. 2/- each	4,000.00	4,000.00
10,00,000 (10,00,000) Preference Shares of Rs. 100/- each	1,000.00	1,000.00
	5,000.00	5,000.00
<b>Issued, subscribed and paid-up</b>		
3,66,50,276 (3,66,50,276) Equity Shares of Rs. 2/- each, fully paid -up	733.01	733.01
Add : Forfeited Shares (Amount originally paid up)	86.44	86.44
	819.45	819.45

## a. Reconciliation of shares outstanding at the beginning and at the end of the year

## Equity shares

(Rs. In Lakhs)

	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>36,650,276</b>	<b>733.01</b>	<b>36,650,276</b>	<b>733.01</b>

## b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. Details of shareholders holding more than 5% equity shares in the Company

(Rs. In Lakhs)

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% holding in	No. of shares	% holding in
Anil Kumar Sethi	1,903,335	5.19%	1,903,335	5.19%
Zoom Industrial Services Limited	3,073,510	8.39%	3,073,510	8.39%
SPML India Limited	2,335,735	6.37%	2,335,735	6.37%
CVCIGP II Client Rosehill Limited	3,521,575	9.61%	3,581,575	9.61%
Reliance Capital Trustee Company Limited	-	-	2,322,803	6.33%
CVCIGP II Employee Rosehill Limited	1,972,301	5.38%	1,972,301	5.38%
Udgam Commercial Limited	2,080,202	5.68%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



## 3. RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>A. Capital reserve</b>		
Balance as per last financial statements	885.73	885.73
<b>B. Capital Reserve on Consolidation</b>		
Balance as per last financial statements	141.91	141.91
<b>C. Securities premium account</b>		
Balance as per last financial statements	15,263.80	15,263.80
<b>D. General reserve</b>		
Balance as per last financial statements	5,929.05	5,929.05
<b>E. Foreign Currency Translation Reserve</b>		
Balance as per last financial statements	82.41	459.12
Arisen on consolidation during the year (Refer Note No. 1(i)(d))	(115.00)	(376.71)
<b>Closing Balance</b>	<b>(32.59)</b>	<b>82.41</b>
<b>F. Revaluation Reserve</b>		
Balance as per last financial statements	711.47	711.88
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation	(0.41)	(0.41)
<b>Closing Balance</b>	<b>711.06</b>	<b>711.47</b>
<b>G. Surplus in the Consolidated Statement of Profit and Loss</b>		
Balance as per last financial statements	23,381.63	22,838.77
Profit/(Loss) for the year	(1,247.81)	542.86
<b>Net surplus in the Consolidated Statement of Profit and Loss</b>	<b>22,133.82</b>	<b>23,381.63</b>
<b>Total reserves and surplus (A+B+C+D+E+F+G)</b>	<b>45,032.78</b>	<b>46,396.00</b>

## 4. LONG-TERM BORROWINGS

(Rs. In Lakhs)

	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Secured</b>				
<b>Term loans (Indian Rupees)</b>				
From Banks	37,224.60	32,695.70	6,792.35	4,825.28
From Financial Institutions	107.64	-	128.96	-
<b>Deferred Payment credits</b>				
- From Banks	88.64	92.22	78.84	241.18
- From Others	7.46	27.67	15.21	123.14
From a Body Corporate	-	3,499.88	3,499.88	-
<b>Unsecured</b>				
Loans from related parties	1,035.35	2,801.65	-	-
From Body Corporates	830.95	-	-	-
<b>Total</b>	<b>39,294.64</b>	<b>39,117.12</b>	<b>10,515.24</b>	<b>5,189.60</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 10)		-	(10,515.24)	(5,189.60)
<b>Total</b>	<b>39,294.64</b>	<b>39,117.12</b>	<b>-</b>	<b>-</b>

**4.1. (a) Security and repayment terms in respect of term loans from banks**

Outstanding* (Rs. in Lakhs)		No. of Installments Outstanding as on March 31, 2014 (remaining)			Nature of securities
As at 31st March, 2014	As at 31st March, 2013	Quarterly	Monthly	Rate of interest	
1,634.00	1,880.00	18	-	BPLR + 4.15%	Hypothecation of all current assets (both present and future) and fixed assets of the respective borrowing Companies.
1,035.00	1,155.00	17	-	BPLR + 4.15 %	
-	300.00	-	-	12.50%	
1,005.48	1,221.18	16	-	BPLR + 3%	Hypothecation of all current assets (both present and future) and fixed assets of the respective borrowing Companies. There is also personal guarantee of Promoter Directors' of the Company.
857.74 822.45	1,112.02 -	15 28****	- -	BPLR + 2.75 %	
31.50	-	-	16	BPLR + 2.75%	(i) First charge on all movable and immovable assets of a subsidiary. There is also personal guarantee of Promoter Directors' of the Company.
20,188.86	11,362.32	50**	-	BPLR + 4 % - 5%	Hypothecation of all current assets (both present and future), fixed assets and pledge of 51% of equity of a subsidiary and these are additionally secured by personal guarantee of promoter Directors of the subsidiary Company. There is also corporate guarantee by OM Metal Infraprojects Limited.
1,400.00	1,400.00	31***	-	BPLR + 4.75 %	Hypothecation of fixed assets purchased against such loans and assignment of all contracts/license in connection with the project and carbon credit receivables of a subsidiary Company. There is also guarantee by Directors' of the subsidiary Company
1,315.01	1,432.08	25	-	BPLR + 5.5 %	Hypothecation charge over the project assets, receivables and equitable mortgage of the land situated at Palampur. The loan is also additional secured by pledge of 33.04 lakhs equity shares of Subhash Power Corporation Limited and Neogal Power Company Private Limited, subsidiary Companies and also by personal guarantees of Promoter Directors of the subsidiary Company. There is also a 2nd charge on the receivable of one of the subsidiary Company.
2,500.00	3,750.00	8	-	13.25%	Subservient charge on all the fixed assets and current assets (both present and future) of the Company and also by personal guarantee of a Promoter Director of the Company.
833.33	2,500.00	2	-	13.75%	Exclusive charge over the Company's landed property located at Gurgaon.
3,000.00	3,000.00	16	-	13.75%	
1,500.00	-	-	21	13.50%	Secured against an exclusive charge over the Company's landed property located at Gurgaon ranking pari passu with other term loan. Further, loan is backed by the personal guarantee of the Managing director and the Chairman of the Company.
7,162.46	7,850.00	22	-	12.95%	Hypothecation of all movable and immovable properties, assignment of receivables arising out of power purchase agreement (PPA) and personal guarantees and pledge of shares of Promoters Director of the respective borrowing Company.
253.35	169.32	-	73	12.75%	Secured by mortgage of immovable residential property of subsidiary Companies located at Mumbai and also by personal guarantee of a promoter Director of the Company.
477.77	389.06	-	120	10.75%	
44,016.95	37,520.98				

(b) Overdue interest of Rs. 77.33 lakhs on term loans (disclosed in Note. 10 "Other Current Liabilities") has been paid subsequently.

**4.2 Security and repayment terms in respect of term loans from financial Institutions**

- Loan of Rs. 172.07 lakhs taken during the year from a Financial Institution carries interest @ 14.50% p.a. and is repayable in remaining 29 equated monthly instalments.
- Interest free loan of Rs. 64.53 lakhs taken during the year from a Financial Institution is repayable in 3 monthly instalments of Rs. 18.18 lakhs each and 1 instalment of Rs. 9.98 lakhs.

The loans referred in (a) and (b) above are secured against hypothecation of respective construction equipments.

**4.3** Deferred payment credits from banks and others are secured against hypothecation of Vehicles/Construction equipments purchased against such loans and are repayable in equated monthly instalments (ranging from 32 to 56) carrying interest rates ranging from 8.50% to 10% p.a.

**4.4 Loan from Body Corporate:**

Rs.553.50 lakhs (Rs.553.50 lakhs) is repayable in the month of April'14 and carries interest rate @ 12.50% p.a.

Rs.1,616.40 lakhs (Rs.1,616.40 lakhs) is repayable in the month of June'14 and carries interest rate @ 12.50% p.a.

Rs.1,329.98 lakhs (Rs.1,329.98 lakhs) is repayable in the month of November'14 and carries interest rate @ 12.50% p.a.

The above loan is secured against the Bank Guarantee which, in turn, is secured by the same securities as are available to the bank with respect to cash credit facilities of the Company.

Rs.830.95 lakhs(Nil) is repayable after five years and carries interest rate @ 14.00 p.a.

#### 4.5 Loan from Related Parties:

Rs. NIL (Rs. 2,631.96 lakhs) is repayable after three year and carries interest rate @ 13% p.a.

Rs. NIL (Rs. 127.06 lakhs) is repayable after three years and carries interest rate @ 14.5% p.a.

Rs. 1035.35 lakhs (Rs. 42.63 lakhs) is repayable after three years and carries interest rate @ 12% p.a.

\* includes current maturities

\*\* repayment would start from September 2014

\*\*\* There is a moratorium period from June 2012 to March 2015 wherein only 12 installments would fall due.

\*\*\*\*Repayment would start from March 2015.

#### 5. Deferred taxes

In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs.138.40 lakhs (DTA of Rs.398.96 lakhs) has been recognized in the Consolidated Statement of Profit and Loss during the year and consequently the net Deferred Tax Liabilities (DTL) as at 31st March, 2014 stands at Rs. 52 lakhs (Rs. 190.39 lakhs).

##### Details of Deferred Tax Liability (net)

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Deferred Tax Liability</b>		
On timing differences of depreciable assets	628.87	487.38
On retentions by the customers	327.11	488.22
<b>Deferred Tax Assets</b>		
Carry forward of losses	(182.63)	(82.65)
Expenses allowable against taxable income in future years	(721.35)	(702.56)
	<b>52.00</b>	<b>190.39</b>
<b>Consists of :</b>		
Deferred tax Liabilities(Net)	347.35	427.03
Deferred tax Assets(Net)	295.35	236.64
<b>Net Deferred tax Liabilities</b>	<b>52.00</b>	<b>190.39</b>

#### 6. Other long-term liabilities

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade payables	448.19	355.80
Mobilization Advance from customers (partly bearing interest)	9,162.53	2,262.42
Security deposit	-	60.00
	<b>9,610.72</b>	<b>2,678.22</b>

#### 7. Provisions

(Rs. In Lakhs)

	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Provision for employee benefits</b>				
Gratuity (refer note 33(a))	378.79	347.57	76.76	54.58
Leave benefits	6.06	7.49	153.15	148.21
	<b>384.85</b>	<b>355.06</b>	<b>229.91</b>	<b>202.79</b>
Provision for taxation (net off advance tax of Rs. Nil(Rs. Nil))	-	-	212.69	99.29
	<b>-</b>	<b>-</b>	<b>212.69</b>	<b>99.29</b>
	<b>384.85</b>	<b>355.06</b>	<b>442.60</b>	<b>302.08</b>

## 8. SHORT-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>SECURED</b>		
<b>From Banks</b>		
<b>In foreign currency</b>		
- Buyer's Credit (refer "a")	1,891.96	-
<b>In Indian Rupee</b>		
- Demand Loans (refer "b" and "c")	1,000.00	1,000.00
- Cash Credit and working capital facilities (refer "c")	39,136.47	31,739.43
<b>Unsecured</b>		
Loan from related parties repayable on demand (partly bearing interest)***	1,287.20	1,492.20
From Bodies Corporate***	3,175.74	2,744.04
Cash Credit facilities - In foreign currency****	5,565.39	2,147.02
	<b>52,056.76</b>	<b>39,122.69</b>

(a) Secured by hypothecation of stocks and book debts of the company, both present and future, and also by hypothecation of certain specific plant and machinery, furniture/fixtures & office equipments. It carries interest in the range of Libor plus 0.65% to Libor plus 0.80% p.a.

(b) Overdue interest of Rs. 36.27 lakhs (disclosed in note. 10 "Other Current Liabilities") has been paid subsequently.

(c) Demand loans and cash credit and working capital facilities in Indian rupees are secured by hypothecation of stocks and book debts of respective companies within the group, both present and future, hypothecation of certain specific plant and machinery, furniture/fixtures & office equipments and also the mortgage of company's land situated at Mouje Dhanot, Gujarat and pirancheri village, Tamil Nadu as regard these facilities of the Company. These loans are additionally secured by the guarantees of three promoter directors of the company and corporate guarantee of SPM Engineers Ltd. The demand loans and cash credit and working capital facilities carry interest @ 13.50% to 16.25% p.a.

\*\*\* Carries interest @ 12% to 18% p.a.

\*\*\*\* Carries interest @ Libor plus 5.5% p.a.

## 9. TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade payables (including acceptances of Rs 18,739 lakhs (Rs 23,962.97 lakhs))*	53,346.69	52,154.23
	<b>53,346.69</b>	<b>52,154.23</b>

\* Includes Rs. 933.43 Lakhs (Rs. 1,020.79 Lakhs) payable to a related party.

## 10. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Mobilization Advances from Customers (partly bearing interest)	28,532.13	13,688.33
<b>Other liabilities</b>		
Current Maturities of Long-term borrowings (refer note 4)	10,515.24	5,189.60
Interest Accrued on borrowings	501.79	271.96
(Including Interest due Rs.113.60 lakhs (Rs. 27.12 lakhs))		
Interest Accrued but not due on mobilization advance	2,217.63	970.11
<b>Investor Education and Protection Fund (not yet due for deposits):</b>		
- Unpaid Dividend	8.48	7.59
Advance from Customers (Includes Rs 1,882.06 lakhs (Rs. 2,114.07 lakhs) towards sale of investment in a joint venture)	2,662.61	4,216.93
Statutory dues payable	1,988.26	1,914.74
	<b>46,426.14</b>	<b>26,259.26</b>

## 11 (a). TANGIBLE ASSETS

(Rs. In Lakh)

Description	Freehold Land (b)	Leasehold Land	Buildings (b)	Plant & Machinery	Furniture and Fixtures	Vehicles	Site office/ Equipments	Temporary site sheds & shuttering materials	Total
<b>Cost</b>									
As at 1st April 2012	911.44	31.57	5,636.32	20,150.17	1,803.55	1,812.03	2,043.98	2,280.84	34,669.90
Additions during the year	18.24	-	2,893.42	784.23**	24.65	54.99	191.67	159.94	4,127.14
Sale/Disposals during the year	-	-	-	(27.52)	(4.28)	(45.29)	(19.05)	-	(96.14)
Adjustment pursuant to sale of Subsidiary	-	-	-	-	(1.51)	-	(1.60)	-	(3.11)
Adjustment pursuant to cessation of joint venture agreement	-	-	-	(475.31)	-	-	-	-	(475.31)
<b>As at 31st March 2013</b>	<b>929.68</b>	<b>31.57</b>	<b>8,529.74</b>	<b>20,431.57</b>	<b>1,822.41</b>	<b>1,821.73</b>	<b>2,215.00</b>	<b>2,440.78</b>	<b>38,222.48</b>
Additions during the year	28.86	-	124.16	345.10	24.08	205.13	71.13	36.52	834.98
Adjustment pursuant to acquisition of Joint Venture	125.00	-	-	-	-	-	-	-	125.00
Sale/Disposals during the year	-	-	-	(307.55)	-	-	-	-	(307.55)
Adjustment pursuant to conversion of a subsidiary into associate	-	-	-	(16.93)	(14.45)	-	(4.47)	-	(35.85)
<b>As at 31st March 2014</b>	<b>1,083.54</b>	<b>31.57</b>	<b>8,653.90</b>	<b>20,452.19</b>	<b>1,832.04</b>	<b>2,026.86</b>	<b>2,281.66</b>	<b>2,477.30</b>	<b>38,839.06</b>
<b>Depreciation</b>									
At 1 April 2012	-	1.17	1,494.40	7,910.16	590.35	755.95	847.20	2,267.10	13,866.33
Charge for the year(a)	-	1.05	592.02	1,408.45	109.46	176.60	148.52	36.10	2,472.20
On Sales/Disposals	-	-	-	(24.06)	(3.88)	(32.98)	(13.31)	-	(74.23)
Adjustment pursuant to sale of subsidiary	-	-	-	-	(0.23)	-	(0.39)	-	(0.62)
<b>As at 31st March 2013</b>	<b>-</b>	<b>2.22</b>	<b>2,086.42</b>	<b>9,294.55</b>	<b>695.70</b>	<b>899.57</b>	<b>982.02</b>	<b>2,303.20</b>	<b>16,263.68</b>
Charge for the year (a)	-	1.05	708.04	1,406.15	112.69	194.17	178.61	0.28	2,601.00
On Sales/Disposals	-	-	-	(212.88)	-	-	-	-	(212.88)
Adjustment pursuant to conversion of a subsidiary into associate	-	-	-	(0.97)	(0.48)	-	(0.13)	-	(1.58)
<b>As at 31st March 2014</b>	<b>-</b>	<b>3.27</b>	<b>2,794.46</b>	<b>10,486.85</b>	<b>807.91</b>	<b>1,093.74</b>	<b>1,160.50</b>	<b>2,303.48</b>	<b>18,650.22</b>
<b>Net Block</b>									
<b>As at 31st March 2013</b>	<b>929.68</b>	<b>29.35</b>	<b>6,443.32</b>	<b>11,137.02</b>	<b>1,126.71</b>	<b>922.16</b>	<b>1,232.98</b>	<b>137.58</b>	<b>21,958.80</b>
<b>As at 31st March 2014</b>	<b>1,083.54</b>	<b>28.30</b>	<b>5,859.44</b>	<b>9,965.34</b>	<b>1,024.13</b>	<b>933.12</b>	<b>1,121.16</b>	<b>173.82</b>	<b>20,188.85</b>

Note:

(a) Includes Rs. 6.56 lakhs (Rs. 45.25 lakhs) allocated to Capital Work-in-Progress during the year.

(b) Freehold land and buildings, in case of certain subsidiaries, were revalued on net replacement cost basis on March 2, 2007 and the surplus arising thereon was transferred to Revaluation Reserve.

\*\*After adjusting capital subsidy of NIL (Rs. 3,937.61 lakhs)

\*\*After adjusting capital subsidy of NIL (Rs. 152.50 lakhs)

## 11 (b). Intangible assets

(Rs. In Lakhs)

Particulars	Computer Software	Goodwill on Consolidation	Right under Service Concession Arrangement	Total
<b>Gross block</b>				
As at 1st April 2012	398.20	1,044.89	-	1,443.09
Add: Foreign currency translation adjustment	-	8.20	-	8.20
Less: Adjustment pursuant to change in share holding pattern	-	558.50	-	558.50
<b>As at 31st March 2013</b>	<b>398.20</b>	<b>494.59</b>	<b>-</b>	<b>892.79</b>
Additions during the Year	21.98	-	57.23	79.21
Add: Foreign currency translation adjustment	-	23.61	-	23.61
<b>As at 31st March 2014</b>	<b>420.18</b>	<b>518.20</b>	<b>57.23</b>	<b>995.61</b>
<b>Amortization</b>				
At 1 April 2012	228.39	-	-	228.39
Charge for the year	79.56	-	-	79.56
<b>As at 31st March 2013</b>	<b>307.95</b>	<b>-</b>	<b>-</b>	<b>307.95</b>
Charge for the year	64.48	-	0.12	64.60
<b>As at 31st March 2014</b>	<b>372.43</b>	<b>-</b>	<b>0.12</b>	<b>372.55</b>
<b>Net block</b>				
<b>As at 31st March 2013</b>	<b>90.25</b>	<b>494.59</b>	<b>-</b>	<b>584.84</b>
<b>As at 31st March 2014</b>	<b>47.75</b>	<b>518.20</b>	<b>57.11</b>	<b>623.06</b>

## 12. CAPITAL WORK IN PROGRESS (CWIP)

(Rs. In Lakhs)

DESCRIPTION	As at 1st April, 2013	Additions	Adjustment pursuant to acquisition of Joint Venture	Less: Adjustment for CWIP written off/ Capitalised	Less: Adjustments on Conversion of a Subsidiary into Associate/Sale of Subsidiary	As at 31st March, 2014
Buildings Under Construction	9,268.89	2,588.23	-	11.71	209.81	11,635.60
Plant & Machinery Under Erection	5,520.81	285.66	318.86	-	-	6,125.33
Toll Road under Construction	13,062.46	12,387.28	-	-	-	25,449.74
<b>Total</b>	<b>27,852.16</b>	<b>15,261.17</b>	<b>318.86</b>	<b>11.71</b>	<b>209.81</b>	<b>43,210.67</b>
Project Development Expenditure (Refer note - 34)	6,519.09	3,668.28	61.32	206.19	765.76	9,276.74
Less: Capital Subsidy against projects under execution	3,948.26	4,339.13	-	-	-	8,287.39
<b>Total</b>	<b>30,422.99</b>	<b>14,590.32</b>	<b>380.18</b>	<b>217.90</b>	<b>975.57</b>	<b>44,200.02</b>
<b>Previous Year's Total</b>	<b>19,145.33</b>	<b>15,406.52</b>	<b>-</b>	<b>3,814.82</b>	<b>314.04</b>	<b>30,422.99</b>

## 13a. Non Current Investments

(Rs. In Lakhs)

Particulars	No. of Shares/ Debentures	Face Value Per Share/ Debentures (Rs.)	March 31, 2014	March 31, 2013
<b>Long Term (At Cost)</b>				
<b>(A) Other than Trade Quoted</b>				
<b>(a) Equity Shares (Fully Paid - up)</b>				
Arihant Leasing & Holding Limited	24,000 (24,000)	10	0.75	0.75
Indian Arcylics Limited	100 (100)	10	0.01	0.01
Petrochem Industries Limited	500 (500)	10	0.14	0.14
Best & Crompton Engineering Limited	200 (200)	10	0.10	0.10
SPML India Limited	10,000 (10,000)	10	1.50	1.50
Hindustan Engineering & Industries Limited (Bonus Shares)	4 (4)	10	-	-
<b>(b) Debentures (Fully Paid - up)</b>				
Escorts Tractors Limited	25 (25)		0.01*	0.01*
Hindustan Engineering & Industries Limited	110 (110)		0.06	0.06
			<b>2.57</b>	<b>2.57</b>
<b>Less: Provision For Diminution in Value of Investments</b>			<b>2.56</b>	<b>2.56</b>
<b>Net Quoted Investments</b>			<b>0.01*</b>	<b>0.01*</b>
<b>(B) Trade Unquoted</b>				
<b>Equity Shares (Fully Paid-up)</b>				
Bharat Hydro Power Corporation Limited (Refer note no. 1 below)	3,294,150 (3,294,150)	10	211.85	211.85
Jaora Nayagaon Toll Road Company Private Limited (Refer note no. 2 below)	24,423,700 (22,889,425)	10	2,442.37	2,289.00
Om Metals- SPML Infra projects Pvt. Ltd.	- (4,999)	10	-	0.50
			<b>2,654.22</b>	<b>2,501.35</b>
<b>In Associate Companies</b>				
Pondicherry Port Limited	181,600	10	472.30	472.30
Less : Share in losses of the Associate Company	(181,600)		(472.30)	(5.49)
			-	<b>466.81</b>
Hydro Comp Enterprises (India) Limited	2,296,265	1	22.96	22.96
Less : Share in losses of the Associate Company	(2,296,265)		(22.96)	(22.96)
			-	-
Sanmati Infra Developers Private Limited	500,000	10	50.00	50.00
Less : Share in losses of the Associate Company	(500,000)		(50.00)	(48.66)
			-	<b>1.34</b>
PT Vardhaman Mining Services	456,500	USD 1	232.59	232.59
Less : Share in losses of the Associate Company	(456,500)		(272.80)	(248.13)
Add: Foreign Currency Translation differences			40.21	15.54
			-	-

Contd...

(Rs. In Lakhs)

Particulars	No. of Shares/ Debentures	Face Value Per Share/ Debentures (Rs.)	March 31, 2014	March 31, 2013
PT Vardhaman Logistics (Includes Rs. 10.13 lakhs (Rs. 10.13 lakhs) towards Goodwill)	137,500 (137,500)	USD 1	69.78	69.78
Add : Share in Profits/(Loss) of the Associate Company			9.87	(0.67)
Add: Foreign Currency Translation differences			11.57	4.77
			<b>91.21</b>	<b>73.88</b>
Rabaan (S) Pte. Ltd.	11,413	SGD 1	4.49	4.49
Less : Share in losses of the Associate Company	(11,413)		(4.69)	(4.26)
Add/(Less): Foreign Currency Translation differences			0.20	(0.23)
			-	-
PT Bina Insan Sukes Mandiri (Includes Rs. 230.47 lakhs(Rs. 230.47 lakhs) towards Goodwill)	2,738 (2,738)	IDR 1million	8,276.20	8,276.20
Add : Share in Profit of the Associate Company			951.68	913.03
Add: Foreign Currency Translation differences			564.84	1,097.57
			<b>9,792.72</b>	<b>10,286.80</b>
Doon Valley Waste Management (P) Ltd.	3,706,400	10	2.50	2.50
Less : Share in losses of the Associate Company	(3,706,400)		(2.50)	(2.50)
			-	-
Mizoram Mineral Development Corporation Ltd.	73,000	10	7.30	7.30
Less : Share in losses of the Associate Company	(73,000)		(7.30)	(7.30)
			-	-
ADD Realty Limited (exclude Capital Reserve of Rs. 515.11 lakhs(Rs. 515.11))	45,000,000	1	450.00	450.00
Add : Share in Profit of the Associate Company	(45,000,000)		(47.12)	0.58
			<b>402.88</b>	<b>450.58</b>
Aurangabad City Water Utility Company Ltd.	19,405	1	1.94	-
Add : Share in Profit of the Associate Company	(-)		0.58	-
			<b>2.52</b>	-
Central Zone Water Services Private Limited	24,000	10	2.40	-
			<b>2.40</b>	-
Aurangabad Jal Supply Solutions Private Limited	2,600	10	0.26	0.26
Less : Share in losses of the Associate Company	(2,600)		(0.06)	(0.06)
			<b>0.20</b>	<b>0.20</b>
Jamshedpur Waste Processing Co. Pvt Ltd.	3,085,000	1	0.35	0.35
Less : Share in losses of the Associate Company	(3,085,000)		(0.17)	(0.08)
			<b>0.18</b>	<b>0.27</b>
SPML Bhiwandi Water Supply Infra Ltd.	224,700	1	2.25	2.25
Less : Share in losses of the Associate Company	(224,700)		(0.18)	-
			<b>2.07</b>	<b>2.25</b>
SPML Bhiwandi Water Supply Management Ltd.	250,000	1	2.50	2.50
Less : Share in losses of the Associate Company	(250,000)		(0.24)	-
			<b>2.26</b>	<b>2.50</b>
Aurangabad Jal Constructions Private Limited	2,600	10	0.26	-
Less : Share in losses of the Associate Company	(-)		(0.08)	-
			<b>0.18</b>	-
<b>Total</b>			<b>10,296.63</b>	<b>11,284.63</b>



Contd...

(Rs. In Lakhs)

Particulars	No. of Shares/ Debentures	Face Value Per Share/ Debentures (Rs.)	March 31, 2014	March 31, 2013
Preference Shares				
Doon Valley Waste Management (P) Ltd.	36,814,000	1	368.14	-
Less: Provision for the diminution in the value of Investment	(-)		(88.09)	-
			280.05	-
Jamshedpur Waste Processing Co. Pvt Ltd.	3,050,000	1	30.50	-
			310.55	-
<b>Equity Share Warrants</b>				
Sanmati Infra Developers Private Limited	450,000	10	45.00	50.00
			45.00	50.00
<b>Others:</b>				
<b>Unquoted</b>				
National Saving Certificate			0.72	0.72
Units of PNB Mutual Fund	50,000 (50,000)	10	5.00	5.00
			5.72	5.72
<b>TOTAL</b>			<b>13,312.13</b>	<b>13,841.71</b>
<b>AGGREGATE VALUE OF INVESTMENTS</b>				
(I) QUOTED (Net of Provision)			0.01	0.01
(II) UNQUOTED			13,312.12	13,841.70
Net Investments			<b>13,312.13</b>	<b>13,841.71</b>
Market Value of Quoted Investments			0.01	0.01

**Note:**

1. Excludes 51,00,000 equity shares which were received pursuant to order of Hon'ble Supreme Court as a settlement between Assam State Electricity Board and Bharat Hydro Power Corporation Limited (BHPCL), being held in trust of BHPCL. A petition for reduction of Share Capital of BHPCL by cancellation of the said 51,00,000 equity shares has been approved by the Hon'ble High Court of Guwahati and Registrar of Companies issued a certificate of registration confirming reduction of capital on May 22, 2014.

2. Shares are pledged with IDBI Trusteeship Service Limited against loan taken by Investee Company

**13 b. Current Investments**

(Rs. In Lakhs)

Particulars	No. of Shares/ Units/ Debentures	Face Value per share/unit/ Debenture (Rs.)	As at 31 March 2014	As at 31 March 2013
<b>(Valued at lower of cost and fair value, unless stated otherwise)</b>				
<b>(a) Unquoted Mutual Fund</b>				
Units of Canara Robeco Short Term Fund	69,680 (-)	10	10.00	-
<b>Total</b>			<b>10.00</b>	<b>-</b>

## 14. LOANS AND ADVANCES

Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Loans (Partly bearing interest)</b>				
- to Related parties	2,436.92	2,655.74	2,953.19	3,825.32
- to Others	-	435.00	352.43	60.03
<b>Capital advances</b>				
- to Related parties	3,090.43	4,518.63	-	-
- to Others	1,545.96	2,197.87	-	-
<b>Advances recoverable in cash or kind</b>				
- to Related parties	156.11	-	3,882.10	2,690.78
- to Others	154.93	-	4,685.14	1,512.69
<b>Other loans and advances</b>				
Advance income-tax (Net of provision for tax of Rs. 4,478.10 (Rs. 4,797.86 lakhs))	6,490.20	8,212.10	267.14	169.21
Mat Credit Entitlement	732.98	708.31	-	-
Security Deposits/Earnest Money Deposits	109.28	344.55	1,096.45	952.22
Prepaid expenses	99.09	133.23	872.47	796.38
VAT Input credit receivable	1,061.05	1,118.58	1,624.89	1,467.62
Balances with statutory/government authorities	13.78	10.56	261.87	204.83
<b>Advances towards share application money</b>				
- to Related parties	502.85	916.39	-	-
- to Others	49.89	550.69	-	-
Subsidies Recievable	-	-	413.66	672.78
	<b>16,443.47</b>	<b>21,801.65</b>	<b>16,409.34</b>	<b>12,351.86</b>

## 15. TRADE RECEIVABLES (UNSECURED)

(Rs. In Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Trade receivables outstanding for a period exceeding six months from the date they became due for payment</b>				
- Considered good	23,018.93	6,731.80	10,081.15	19,913.30
- Considered doubtful	1,846.54	1,846.54	-	-
	<b>24,865.47</b>	<b>8,578.34</b>	<b>10,081.15</b>	<b>19,913.30</b>
- Provision for doubtful receivables	(1,846.54)	(1,846.54)	-	-
<b>(A)</b>	<b>23,018.93</b>	<b>6,731.80</b>	<b>10,081.15</b>	<b>19,913.30</b>
<b>Others</b>				
- Considered good	8,477.13	2,827.11	30,990.22	31,500.24
<b>(B)</b>	<b>8,477.13</b>	<b>2,827.11</b>	<b>30,990.22</b>	<b>31,500.24</b>
<b>Total (A + B)*</b>	<b>31,496.06</b>	<b>9,558.91</b>	<b>41,071.37</b>	<b>51,413.54</b>

\* Includes retention money Rs. 18,141.17 lakhs (Rs. 18,474.31 lakhs) and debts under arbitration Rs. 2,135.12 lakhs (Rs. 2,601.13 lakhs).

## 16. Other assets

## Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Non-Current bank balances (Refer note no. 18)	5,536.89	3,355.73	-	-
Unbilled Revenue				
- Construction Contracts	-	3,659.70	44,195.05	35,583.03
- Power Distribution	-	-	876.19	-
Interest accrued on fixed deposits/ other loans	300.62	263.62	783.01	420.12
Interest accrued on Arbitration Awards	6,737.45	-	-	-
	<b>12,574.96</b>	<b>7,279.05</b>	<b>45,854.25</b>	<b>36,003.15</b>

## 17. Inventories (valued at lower of cost and net realisable value)

(Rs. In Lakhs)

Name	As at 31st March 2014	As at 31st March 2013
Material at sites	3,162.48	2,740.26
Traded Goods	-	451.65
Work in progress	980.06	946.59
Finished Goods	122.83	5.53
Stores and spares	469.77	372.08
	<b>4,735.14</b>	<b>4,516.11</b>

## 18. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	-	-	3,625.10	4,118.77
Deposits with original maturity of less than three months*	-	-	8.26	911.79
On unpaid dividend account	-	-	8.48	7.59
Cash on hand	-	-	84.63	82.51
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>3,726.47</b>	<b>5,120.66</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months*	5,536.89	3,355.73	2,688.23	1,633.78
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	5,477.06	2,370.57
	<b>5,536.89</b>	<b>3,355.73</b>	<b>8,165.29</b>	<b>4,004.35</b>
Amount disclosed under non-current assets (refer note 16)	(5,536.89)	(3,355.73)	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>8,165.29</b>	<b>4,004.35</b>
<b>(A+B)</b>	<b>-</b>	<b>-</b>	<b>11,891.76</b>	<b>9,125.01</b>

\*Receipts lying with banks as security against letters of credit and Guarantees issued by them and with clients

**19. Revenue from operations***(Rs. In Lakhs)*

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Sales of Products &amp; Services</b>		
- Construction Contracts	102,871.74	92,738.52
- Trading sales	21,463.71	26,290.45
- Power Generation/Distribution	4,183.69	1,272.66
- Municipal Services	6,208.01	6,035.83
- Space Contract	391.60	392.02
<b>Other operating revenue</b>		
- Operation and Maintenance	1,782.53	1,134.02
- Claims as per arbitration awards (Refer note no. 41)	12,520.34	6,624.71
- Miscellaneous	791.94	205.20
	<b>150,213.56</b>	<b>134,693.41</b>
<b>Detail of Trading Sales</b>		
Steel Products	1,660.47	7,936.94
Coal	19,803.24	18,353.51
	<b>21,463.71</b>	<b>26,290.45</b>

**20. OTHER INCOME***(Rs. In Lakhs)*

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Interest income on</b>		
- Loans given	895.67	403.82
- Bank deposits	762.74	713.38
- Arbitration award (Refer note no 41)	2,902.94	-
- Interest on Income tax refund	500.00	-
- Others	217.23	-
Gain on sale of investments (net) *	-	189.75
Insurance Claims received	15.32	60.61
Sundry balances/liabilities written back (Refer note no.37)	2,683.46	2,405.35
Miscellaneous Receipts	831.39	267.82
Exchange Differences (net)	-	312.36
Company's share in Profit of Joint Venture (Refer note no.54)	118.27	-
	<b>8,927.02</b>	<b>4,353.09</b>

**\*represents the following :**

Profit on sale of investments	-	1,099.50
Less: Loss on sale of investments	-	909.75
	-	<b>189.75</b>

**21. MATERIALS CONSUMED & DIRECT EXPENSES***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
<b>Materials Consumed</b>		
Opening Stock	2,740.26	6,327.85
Add: Purchases	62,380.23	52,876.37
	<b>65,120.49</b>	<b>59,204.22</b>
Less: Closing Stock	3,162.48	2,740.26
	<b>61,958.01</b>	<b>56,463.96</b>
<b>Direct Expenses:</b>		
Stores and Spares Consumed	100.22	32.40
Subcontractor Payments (including Turnkey Contracts)	33,655.57	22,280.65
Drawing & Designing	13.59	91.31
Equipment Hire and Running Charges	447.52	765.55
Cost of Energy Purchased	1,322.10	-
Other Direct Expenses	2,725.52	2,922.35
	<b>38,264.52</b>	<b>26,092.26</b>
	<b>100,222.53</b>	<b>82,556.22</b>

**22. DECREASE IN INVENTORIES***(Rs. In Lakhs)*

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>a) Work In Progress</b>		
Opening	946.59	534.62
Closing	(980.06)	(946.59)
	<b>(33.47)</b>	<b>(411.97)</b>
<b>b) Finished Goods</b>		
Opening	5.53	5.53
Closing	(122.83)	(5.53)
	<b>(117.30)</b>	<b>-</b>
<b>Total</b>	<b>(150.77)</b>	<b>(411.97)</b>

**23. Employee Benefits***(Rs. In Lakhs)*

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	5,505.21	5,034.77
Director's Remuneration (Refer note no. 48)	267.44	273.23
Contribution to provident and other funds	266.45	240.23
Gratuity expense (Refer note no. 33 (a))	89.73	27.75
Staff welfare expenses	138.64	179.21
	<b>6,267.47</b>	<b>5,755.19</b>

**24. Other expenses***(Rs. In Lakhs)*

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Rent	403.80	468.24
Rates and Taxes	221.48	490.82
Repairs and Maintenance:		
- Building	31.76	13.65
- Plant & Machinery	118.03	136.35
- Others	58.26	127.89
Insurance	453.52	451.14
Advertisement expenses	40.53	23.28
Legal and professional charges	1,162.86	1,057.57
Vehicle Running Charges	461.06	399.86
Travelling & Conveyance	580.50	478.22
Communication Expenses	129.97	174.44
Power and Fuel	304.66	276.75
Charity & Donations	25.65	15.85
Auditor's Remuneration	133.99	104.24
Project expenditure written off (Refer note no. 49)	217.90	613.00
Selling Expenses	430.30	144.45
Exchange Difference (Net)	721.53	1.72
Bad Debts/ Sundry Balances Written Off	7,020.56	2,000.82
Provision for doubtful debts	-	388.00
Loss on Sale/Discard of Fixed Assets (net)	23.92	8.26
Miscellaneous Expenses	1,169.11	791.91
	<b>13,709.39</b>	<b>8,166.46</b>

**25. Finance costs***(Rs. In Lakhs)*

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest expense (including on Mobilisation Advance)	14,604.36	13,073.60
Other Finance charges	2,150.71	2,062.79
	<b>16,755.07</b>	<b>15,136.39</b>

**26. Contingent liabilities not provided for in respect of-**

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Claims against the Group not acknowledged as debt	1,070.72	2,054.77
Claims towards liquidated damages not acknowledged as debts by the Company Against the above, debts of the like amount are withheld by the customers. However, the Company expects no liability to accrue on account of these claims.	7,049.47	6,242.42
Disputed demands*		
(a) Income Tax (includes proportionate share in joint venture – Rs. 60.64 lakhs (Rs. 60.64 lakhs)) #	318.62	60.64
(b) Excise/ Service Tax	289.42	289.43
(c) Sales Tax / VAT	10,752.60	6,572.27
(d) Others	139.87	-
Corporate guarantees given for body corporates	3,820.40	1,527.05

\* In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the financial statements.  
# Refer Note No. 36 also

**27. Capital and other commitments**

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Capital Advances] [Share in Joint Venture – Rs. Nil (Rs. Nil)]	3,317.21	11,273.61

28. The Group has operating leases for office premises that are renewable on a periodic basis and are cancelable by giving a notice period ranging from one month to three months. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. There are no contingent rents.

The amount of rent expenses included in the Consolidated Statement of Profit and Loss / project development expenditure towards operating Leases aggregate to Rs. 424.10 lakhs (Rs. 508.31 lakhs).

29. Basis for calculation of Basic and Diluted Earnings/loss per Share is as under:

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Profit /(loss) after tax and Minority Interest (Rs. in lakhs)	(1,247.81)	542.86
Weighted average number of equity shares outstanding during the year	36,650,276	36,650,276
Nominal value of equity per share (Rs.)	2	2
Basic and Diluted Earnings/(loss) per Share (Rs.)	(3.40)	1.48

**30. Segment Information****Business Segment (Primary):**

Business Segment: The business segments have been identified on the basis of the activities undertaken by the Group. Accordingly, the Group has identified the following business segments.

<b>Construction</b>	Consists of execution of turnkey projects.
<b>Trading</b>	Consists of sale of steel items and coal.
<b>Hydro Power Generation</b>	Consists of electricity generated from hydel projects.
<b>Waste Management</b>	Consists of Municipal Waste Collection, segregation and transportation to landfill sites.
<b>Toll Road</b>	Consists of Toll Road operation under DBFOT model (presently under construction phase).
<b>Others</b>	Consists of manufacturing of pipes, power distribution and other utility management.

## Primary Segment Information (Business Segment)

(Rs. In Lakhs)

OTHER INFORMATION	Construction		Hydro Power Generation		Toll Road*		Waste Management		Trading		Others		Total	
	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14
<b>1. Total Assets</b>														
Segment Assets	142,601.46	116,818.02	21,182.19	21,121.29	30,243.55	22,617.11	10,969.71	10,580.11	16,741.92	18,375.02	5,088.33	2,272.86	226,827.16	191,784.41
Unallocated Corporate/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	32,278.60	27,309.85
<b>Total</b>													<b>259,105.76</b>	<b>219,094.26</b>
<b>2. Total Liabilities</b>														
Segment Liabilities	48,076.04	34,229.61	452.74	796.68	160.12	1,717.23	2,387.90	2,217.99	8,051.89	18,238.27	288.16	260.10	59,416.85	57,459.88
Unallocated Corporate/Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	142,492.90	102,955.81
<b>Total</b>													<b>201,909.75</b>	<b>160,415.69</b>
<b>3. Capital Expenditure (net of Capital Subsidy)</b>	829.71	1,433.91	2,333.90	763.60	10,509.65	13,685.00	161.76	476.60	-	-	2,174.68	1.91	16,009.71	16,361.02
<b>4. Depreciation/Amortisation</b>	1,016.01	1,055.43	625.87	568.45	-	-	994.40	858.86	-	-	22.36	23.36	2,658.64	2,506.10
<b>5. Non cash expenses other than Depreciation included in segment expenses for arriving at Segment Results</b>	6,749.00	2,374.32	123.81	617.80	-	-	-	9.70	-	-	365.64	-	7,238.45	3,001.82

\*Construction in progress

(Rs. In Lakhs)

OTHER INFORMATION	Construction		Hydro Power Generation		Waste Management		Trading		Others		Total	
	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14	31-Mar 13	31-Mar 14
<b>1. Revenue</b>												
External Sales	104,654.27	93,872.54	1,873.16	1,272.66	6,595.61	6,427.85	21,463.71	26,290.45	3,102.47	205.20	137,693.22	128,068.70
Intersegment Sales	307.29	1,148.00	-	-	394.00	-	-	-	-	-	701.29	1,148.00
Less: Eliminations	(307.29)	(1,148.00)	-	-	(394.00)	-	-	-	-	-	(701.29)	(1,148.00)
<b>Total Revenue</b>	<b>104,654.27</b>	<b>93,872.54</b>	<b>1,873.16</b>	<b>1,272.66</b>	<b>6,595.61</b>	<b>6,427.85</b>	<b>21,463.71</b>	<b>26,290.45</b>	<b>3,102.47</b>	<b>205.20</b>	<b>137,693.22</b>	<b>128,068.70</b>
<b>2. Results</b>												
<b>Segment Results</b>												
Unallocated Income (Net)	7,866.94*	10,562.24*	(96.91)	249.24	678.31	1,575.36	427.21	871.69	(133.45)	35.20	8,742.10	13,293.73
Operating Profit											2,236.52	1,125.58
Interest & Finance Expenses (net of interest income)											10,978.62	14,419.31
Profit/(Loss) before tax											11,533.17	14,031.17
Tax Charge/(Credit)											(554.55)	388.14
(Current tax, Deferred tax and adjustments on account of previous years)											156.69	(94.15)
Profit/(Loss) after tax											(711.24)	482.29
Share of Net Profit/(Loss) from Associates											(515.08)	260.07
Profit/(Loss) after taxation but before Minority Interest											(1,226.32)	742.36

\* Includes Arbitration Income of Rs. 12,520.34 lakhs (Rs. 6,624.71 lakhs)



**Geographical Segment (Secondary):**

Although the Group's major operating divisions are managed in India, the operations are also in other geographical areas of the world (other countries). The following table represents information relating to geographical segments:

(Rs. In Lakhs)

Particulars	2013-14	2012-13
<b>Segment Revenue</b>		
Within India	117,889.99	109,715.19
Outside India	19,803.24	18,353.51
<b>Capital Expenditure</b>		
Within India	16,009.71	16,361.02
Outside India	-	-
<b>Segment Assets</b>		
Within India	206,249.72	175,014.86
Outside India	16,742.00	16,769.55

**31. RELATED PARTIES****(a) Particulars of Related Parties with whom transactions have taken place during the year**

<b>Associates Companies</b>	Pondicherry Port Ltd. Doon Valley Waste Management Pvt. Ltd. Sanamti Infra Developers Pvt. Ltd. Hydro Comp Enterprises (India) Ltd. PT Vardhaman Mining Services PT Vardhaman Logistics Rabaan (S) Pte Ltd. PT Bina Insan Sukses Mandiri Mizoram Mineral Development Corporation Ltd. ADD Realty Ltd. Jamshedpur Waste Processing Company Pvt. Ltd. SPML Bhiwandi Water Supply Infra Ltd. SPML Bhiwandi Water Supply Management Ltd. Aurangabad Jal Supply Solution Pvt. Ltd. Aurangabad City Water Utility Co. Ltd. (w.e.f 31st December, 2013) Add Eco Environment ADD Industrial Park (TN) Ltd. Central Zone Water Services Pvt. Ltd. (w.e.f 23rd November, 2013)
<b>Joint Ventures</b>	SPML JV- Institutum Malviya Nagar Water Services Pvt. Ltd. OM Metals Consortium JV Siddharth- Mahaveer SPML –JV SPML-CISC JV SPML-HCIL JV SUEZ -SPML JV Gurha Thermal Power Co. Ltd. SPML - Simplex JV MVV Water Utility Pvt. Ltd.
<b>Key Management Personnel (KMP)</b>	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Deepak Sethi

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**(c) Relatives of Key Management Personnel**

Mr. Anil Kumar Sethi	Brother of Chairman & MD
Mr. Harshavardhan Sethi	Son of Chairman
Mr. P. C. Sethi	Father of Ex- Chairman, Chairman and Managing Director
Mrs. Maina Devi Sethi	Mother of Ex- Chairman, Chairman and Managing Director
Mrs. Preeti Devi Sethi	Wife of Anil Kumar Sethi
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
Mrs. Vineetha Sethi	Wife of Director

**(c) Relatives of Key Management Personnel****Enterprises owned by KMP's or their relatives or where the KMP's have significantly influence**

Acropolis Properties Pvt. Ltd.  
 Add Technologies (India) Ltd.  
 Arihant Leasing & Holding Co. Ltd.  
 Bharat Hydro Power Corporation  
 Dia Infralog Ltd.  
 Essel Infraprojects Ltd.  
 International Construction Ltd.  
 Jayneer Capital Pvt. Ltd.  
 Kakade Infrastructure Pvt. Ltd.  
 Latur Water Supply Management Company Ltd.  
 Meena Holdings Ltd.  
 Meena Homes Ltd.  
 OM Metals Infraprojects Ltd.  
 Om Metal-SPML Infra Project Pvt. Ltd.  
 Oxive Environmental Management Pvt. Ltd.  
 PAN India Network Infravest Ltd.  
 PAN India Network Ltd.  
 PAN India Utilities Distribution Co. Ltd.  
 Pondicherry Sez Company Pvt. Ltd.  
 Risabh Fire Management Pvt. Ltd.  
 Sanmati Corporate Investments Pvt. Ltd.  
 Sanmati Corporate Pvt. Ltd.  
 Sanmati Power Company Pvt. Ltd.  
 SPML Semitech India Pvt. Ltd.  
 VidyaEdutech Pvt. Ltd.  
 Punam Chand Subhash Chand Sethi Charitable Trust  
 SPM Engineers Ltd.  
 SPML India Ltd.  
 SPML-SEW-AMR Joint Venture  
 Subhash International Pvt. Ltd.  
 Subhash Power Company Ltd.  
 Subhash Systems Pvt. Ltd.  
 Sonal Agencies Pvt. Ltd.  
 Rishabh Commercial Pvt. Ltd.  
 Abhinandan Enterprise Pvt. Ltd.  
 Zoom Industrial Services Ltd.  
 20th Century Engineering Ltd.  
 Sanmati Infra Projects Pvt. Ltd.  
 Emco Overseas Pte. Ltd.

## Related party disclosures

## Aggregated Related party disclosures as at and for the year ended 31st march 2014

(Rs. In Lakhs)

Company Name	Transactions during the year											Outstanding as on the Balance sheet date				
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Repaid/Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary	Commission Paid	Debit balance	Credit balance	Guarantee Given	
<b>ASSOCIATES COMPANIES</b>  Add eco Environment  ADD Industrial Park (TN) Ltd.  ADD Realty Ltd.  Aurangabad City Water Utility Co. Ltd  Aurangabad Jal Supply Solution Private Limited  Central Zone Water Services Pvt Ltd.  Doon Valley Waste Management Private Ltd  Hydro Comp Enterprises (India) Limited  Jamshedpur Waste Processing Co. Pvt Ltd  Mizoram Mineral Development Corporation Ltd  Pondicherry Port Limited  Sanmati Infra Developers (p) Ltd.  SPML Bhiwandi Water Supply Infra Limited  SPML Bhiwandi Water Supply Management Limited	-	-	6.31 (4.27)	0.06	-	- (29.06)	511.84	-	-	-	-	-	0.00	-	-	
	-	-	-	-	-	-	99.00	-	-	-	-	-	-	(69.56)	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	0.62	-	114.93	-	-	-	-	-	252.55	-	-	
	-	-	-	-	(8.43)	-	(52.00)	-	-	-	-	-	(164.62)	-	-	
	-	-	-	-	8.44	-	3.43	1.00	-	-	-	-	219.80	-	792.00	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	(0.26)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	2.40	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	0.50	-	404.14	-	368.14	-	-	-	-	386.32	-	50.00
	-	-	-	-	-	(72.58)	-	-	-	-	-	-	-	-	(7.27)	-
	-	-	-	-	-	0.01	-	-	-	-	-	-	-	151.90	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(154.43)	-	-
	-	-	-	-	-	-	32.66	-	30.50	-	-	-	-	30.50	-	-
	-	-	-	-	-	-	(0.34)	-	(0.35)	-	-	-	-	(0.69)	-	-
	-	-	-	-	-	-	0.84	-	-	-	-	-	-	2.42	-	-
	-	-	-	-	-	-	(0.44)	-	-	-	-	-	-	(1.58)	-	-
	-	-	-	-	4.10	-	115.16	-	-	-	-	-	-	115.16	-	-
	-	-	-	-	(0.81)	-	(8.73)	-	-	-	-	-	-	-	-	-
-	-	-	-	1.90	-	46.53	-	-	-	-	-	-	46.53	-	-	
-	-	-	-	(0.19)	-	(2.93)	-	-	-	-	-	-	-	-	-	
-	-	-	-	85.29	-	-	25.49	-	-	-	-	-	691.62	-	-	
-	-	-	-	-	-	-	(53.59)	(2.75)	-	-	-	-	(614.23)	-	-	
-	-	-	-	-	4.57	-	0.30	-	-	-	-	-	38.42	-	-	
-	-	-	-	-	-	-	(4.75)	(2.50)	-	-	-	-	(34.01)	-	-	

Contd...

(Rs. In Lakhs)

Company Name	Transactions during the year											Outstanding as on the balance sheet date			
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary	Commission Paid	Debit balance	Credit balance	Guarantee Given
PT Vardhman Mining Services	-	-	-	-	-	-	42.81	-	-	-	-	-	486.46 (443.65)	-	-
PT Vardhman Logistics	-	-	-	-	-	0.26	-	-	-	-	-	-	-	2.98	-
PT Bina Insan Sukes Mandiri	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.72)	-
Rabaan (S) Pte Ltd.	-	14,372.96 (14,448.31)	-	-	-	-	1,240.42	-	-	-	-	-	-	2,515.38 (3,755.80)	-
SPML JV- Instituform	-	-	-	-	-	-	208.57	-	-	-	-	-	2,308.27 (2,099.70)	-	-
Malviya Nagar Water Services Pvt.Ltd	691.60	-	-	-	-	-	-	-	-	-	-	-	218.49	-	1,228.50
OM Metals Consortium JV	-	-	-	-	-	-	-	-	4.24	-	-	-	1,175.12	-	-
Siddharth- Mahaveer SPML –JV	-	-	-	-	-	-	-	-	4.23 (9.29)	-	-	-	88.34	-	2,127.22
SPML-CISC JV	-	-	-	-	-	-	-	90.49	-	-	-	-	11.57	-	-
SPML-HCIL JV	-	-	-	-	-	-	-	-	-	-	-	(12.27)	-	-	(280.61)
SUEZ -SPML JV	-	-	-	-	-	337.48	-	-	-	-	-	-	-	337.48	-
Gurha Thermal Power Co Ltd	-	-	-	-	36.83	-	255.14	-	1.25	-	-	-	288.28	-	261.00
SPML - Simplex JV	-	-	-	-	-	-	-	43.90	-	-	-	-	9.76 (107.32)	-	-
MVV Water Utility Private Limited	171.27	-	-	-	-	(297.40)	8.32	-	(47.02)	-	-	-	-	348.88 (297.40)	-

Contd...

(Rs. In Lakhs)

Company Name	Transactions during the year											Outstanding as on the balance sheet date			
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b><u>KEY MANAGEMENT PERSONNEL (KMP)</u></b>															
Mr. Subhash Chand Sethi	-	-	-	2.30	-	-	9.28	-	-	-	84.75 (86.44)	-	-	-	-
Mr. Sushil Kumar Sethi	-	-	-	-	-	4.30	-	-	3.85	(0.21)	84.75 (86.44)	-	4.30	-	-
Mr. Deepak Sethi	-	-	-	-	-	86.44 (132.00)	-	-	-	-	76.64 (73.54)	-	-	36.16 (20.56)	-
<b><u>RELATIVES OF KEY MANAGEMENT PERSONNEL</u></b>															
Mr. Anil Kumar Sethi	-	-	-	-	-	13.00	-	-	-	0.18 (1.35)	-	-	-	0.72 (5.58)	-
Mr. Harshavardhan Sethi	-	-	-	7.02	-	-	-	-	-	-	-	-	-	-	-
Mr. P. C. Sethi	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.57)	-
Mrs. Maina Devi Sethi	-	-	-	-	-	-	-	-	-	1.20	-	-	-	(1.20)	-
Mrs. Preeti Devi Sethi	-	-	-	-	-	-	-	-	-	(1.18)	-	-	-	1.18 (1.18)	-
Mrs. Suman Sethi	-	-	-	-	-	-	0.21	-	-	(0.21)	-	-	-	(0.21)	-
Mr. Abhinandan Sethi	-	-	-	-	-	-	10.45 (7.74)	-	-	(3.39)	24.00	-	-	(10.45)	-
Mrs. Sandhya Rani Sethi	-	-	-	-	-	(1.50)	13.22	-	-	-	-	-	-	(13.22)	-
Mr. Rishabh Sethi	-	-	-	-	-	-	-	-	-	-	30.00	-	-	-	-

Contd...

(Rs. In Lakhs)

Company Name	Transactions during the year											Outstanding as on the balance sheet date			
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b>ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KMP OR THEIR RELATIVES</b>															
Acropolis Properties Pvt Ltd	- (35.55)	-	-	-	-	35.55	-	-	-	-	-	-	- (35.55)	-	-
Add Technologies (India) Limited	-	572.19 (455.40)	-	-	1.80 (5.40)	50.86 (18.70)	-	-	-	-	-	-	-	291.61 (263.64)	1,633.00 (47.00)
Arihant Leasing & Holding Co. Ltd.	-	-	-	-	-	-	1.30 (1.81)	-	-	6.00 (5.40)	-	-	-	34.62 (30.52)	-
Bharat Hydro Power Corporation	-	-	147.08 (60.21)	-	-	- (3,690.26)	485.17	-	-	-	-	-	-	1,162.35 (1,635.95)	-
Dia Infarlog Ltd	-	1,200.27	-	-	-	-	-	-	-	-	-	-	-	204.38	-
Essel Infraprojects Ltd.	-	-	-	-	-	- (29.00)	-	-	-	-	-	-	-	- (30.34)	-
International Construction Limited	-	17.18	-	-	229.69 (183.43)	395.11	- (435.71)	-	-	-	-	-	2,204.49 (2,687.36)	-	-
Jayneer Capital Pvt. Ltd.	-	-	-	-	-	- (120.00)	-	-	-	-	-	-	-	- (120.00)	-
Kakade Infrastructure Pvt. Ltd.	-	-	-	-	-	- (960.70)	-	-	-	-	-	-	-	- (1,107.46)	-
Latur Water Supply Managment Company Limited	-	-	-	-	-	-	- (8.64)	-	-	-	-	-	611.09 (626.19)	-	-
Meena Holdings Ltd.	-	-	-	-	-	43.74	- (91.58)	-	-	- (42.74)	-	-	-	43.74	-
Meena Homes Limited	-	-	-	-	67.30 (3.12)	146.96 (692.91)	-	-	-	-	-	-	2,243.51 (2,244.60)	1,882.06 (1,824.70)	-

Contd...

(Rs. In Lakhs)

Company Name	Transactions during the year												Outstanding as on the Balance sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/Advance Taken	Loan/Advance Repaid/Share Application Money	Sale/transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary	Commission Paid	Debit balance	Credit balance	Guarantee Given
OM Metals Infraprojects Limited	-	-	-	-	-	-	-	-	-	-	-	-	2,055.06	-	-
Om Metal-SPML Infra Project Private Limited	-	-	-	-	-	-	(4,518.63)	-	-	-	-	-	(4,518.63)	-	(539.00)
Oxive Environmental Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	134.33	-
PAN India Network Infravest Ltd.	-	-	-	-	-	-	42.38	-	-	-	-	-	79.39	-	(2,742.00)
PAN India Network Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.51)	-
PAN India Utilities Distribution Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.40)	-
Pondicherry Sez Company (P) Ltd.	-	2.20	126.42 (119.73)	-	-	-	107.80 (131.97)	-	-	-	-	-	-	1,070.41 (1,062.23)	-
Risabh Fire Management Pvt Ltd	-	-	-	-	-	-	0.06	-	-	-	-	-	-	-	-
Sanmati Corporate Investments Pvt. Ltd.	-	-	-	-	0.01	0.11	(0.10)	-	-	-	-	-	0.00 (0.13)	-	-
Sanmati Corporate Pvt Limited	-	-	-	-	-	-	-	-	-	-	-	-	52.00	-	-
Sanmati Power Company Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	251.25 (251.25)	-	-
SPML Semitech India Pvt. Ltd	-	-	-	-	-	-	-	-	-	-	-	-	(133.96)	-	-
VidyaEdutech Pvt. Ltd.	-	-	(1.91)	-	-	-	0.03	-	-	-	-	-	6.53 (6.50)	-	-
Punam Chand Subhash Chand Sethi Charitable Trust	-	-	-	(1.05)	-	-	-	-	-	-	-	-	-	-	-

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(Rs. In Lakhs)

Company Name	Transactions during the year											Outstanding as on the Balance sheet date			
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Repaid/Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary	Commission Paid	Debit balance	Credit balance	Guarantee Given
SPM Engineers Ltd.	-	- (50.99)	-	-	14.31 (15.79)	-	3.20	-	-	-	-	-	106.08 (91.58)	-	-
SPML India Ltd.	-	-	0.76 (0.99)	-	-	-	9.10 (1.23)	-	-	-	-	-	-	(8.42)	-
SPML-SEW-AMR Joint Venture	-	-	-	-	-	-	-	-	-	-	-	131.41	-	-	-
Subhash International Pvt. Ltd.	-	-	-	-	-	-	16.44	-	-	-	-	-	-	(16.44)	-
Subhash Power Company Ltd.	-	-	-	-	- (20.55)	7.08	-	-	-	-	-	-	155.25 (162.33)	-	-
Subhash Systems Pvt. Ltd.	-	-	-	-	0.04	-	1.86 (3.01)	1.34	-	1.70 (1.70)	-	-	(1.13)	-	-
Sonal Agencies Pvt Ltd.	-	-	-	-	-	(1.00)	-	-	-	-	-	-	-	-	-
Rishabh Commercial Pvt. Ltd.	-	-	-	-	-	(0.46)	-	-	-	-	-	-	-	-	-
Abhinandan Enterprise Pvt. Ltd.	-	-	-	-	-	(0.51)	-	-	-	-	-	-	-	-	-
Zoom Industrial Services Ltd.	-	-	0.32 (0.51)	-	-	-	3.97 (1.70)	-	-	-	-	-	-	(3.68)	-
20th Century Engineering Ltd.	-	-	0.24 (0.32)	-	-	-	2.84 (0.81)	-	-	-	-	-	-	(2.63)	-
Sanmati Infra Projects (P) Ltd.	-	-	- (9.30)	-	-	-	47.00 (117.30)	-	-	-	-	-	-	(47.00)	-
Emco Overseas Pte. Ltd.	-	-	-	-	-	-	917.29	-	-	-	-	-	917.29	-	-

Note:  
1. Also refer Note 4 & 8 as regards loans and other funded facilities personally guaranteed by promoter directors of the Group & others.



32. Information relating to Construction contracts as per Accounting Standard 7 (Revised) notified by the Companies Accounting Standards Rules, 2006 (as amended), read with the General Circular 08/2014 dated 04 April, 2014 issued by the Ministry of Corporate Affairs, are given below:

(Rs. In Lakhs)

Particulars	2013-14	2012-13
Contract income recognized as revenue during the year	102,871.74	92,738.52
Aggregate amount of costs incurred and recognized profits (less recognised losses) till date for contracts in progress	410,042.52	408,368.44
Advances received (unadjusted) for contracts in progress	32,466.02	10,997.87
Retention amount for contracts in progress	11,041.48	11,307.79
Gross amount due from customers for contracts in progress	45,863.49	44,011.50
Gross amount due to customers for contracts in progress	582.91	600.78

### 33. (a) Gratuity plans (AS 15 Revised)

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of services is entitled to Gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is unfunded.

The following tables summaries the components of net benefit expenses recognized in the Consolidated Statement of Profit & Loss and amounts recognized in the balance sheet:

(Rs. In Lakhs)

Particulars	2013-14	2012-13
<b>(i) Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	59.71	52.26
Interest cost on benefit obligation	35.67	33.78
Net Actuarial losses recognized	1.56	49.86
Total employer expense recognized in the Consolidated statement of Profit and Loss*	93.83	36.18
<b>(ii) Actual return on plan assets</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>(iii) Benefit Liability</b>		
Defined benefit obligation	(455.55)	(402.15)
Benefit Liability	(455.55)	(402.15)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	402.15	411.13
Interest cost	35.67	33.78
Current service cost	59.71	52.26
Benefit paid	(40.43)	(45.16)
Actuarial (gains) / losses on obligation	(1.56)	49.86
Closing benefit obligation	455.55	402.15
<b>(v) Movement in fair value of plan assets</b>	<b>Not Applicable</b>	<b>Not Applicable</b>

\*Includes Rs. 4.10 lakhs (Rs. 8.43 lakhs) charged to capital Work in Progress during the year.

The Principal actuarial assumptions are as follows:

Particulars	2013-14	2012-13
Discount rate	8.25%	8.00%
Withdrawal Rate	Varying between 8% per annum and 1% per annum depending on duration and age of employees	Varying between 8% per annum and 1% per annum depending on duration and age of employees
Expected rate of return on Plan assets	Not Applicable	Not Applicable
Expected Average remaining working lives of employees (years)	21.60	21.13
Experience Adjustments on Plan Liabilities	Not Available*	Not Available*

\* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities are not readily available and hence not disclosed.

**(b) Amount incurred as expenses for defined contribution plans***(Rs. In Lakhs)*

Particulars	2013-14	2012-13
Contribution to Provident and other funds	266.45	240.23

Notes:

a. The estimate of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. The gratuity liabilities are unfunded. Accordingly, information regarding planned assets are not applicable.

c. Amounts for the current and previous four periods are as follows:

Description	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Defined Benefit Obligation	455.55	402.15	411.13	396.16	323.80
Benefit Liability	(455.55)	(402.15)	(411.13)	(396.16)	(323.80)

34. During the year, certain subsidiaries have capitalized the following expenses of revenue nature to Capital work in progress. Consequently, expenses disclosed under the respective notes are net of amount capitalized by the subsidiaries.

*(Rs. In Lakhs)*

Particulars of Expenses	As at 31st March, 2013	Add: Incurred during the year	Adjustment pursuant to acquisition of Joint Venture	Less: Adjustments on Conversion of a Subsidiary into Associate	Less: Adjustment for CWIP written off	As at 31st March, 2014
<b>a) Employee benefits expenses</b>						
Salaries, Wages and Allowance	766.16	149.44	20.85	141.33	88.30	706.82
Gratuity	19.82	4.10	-	1.33	1.32	21.27
<b>b) Other expenses</b>						
Rent	87.02	20.30	-	18.49	2.20	86.63
Rates and Taxes	347.15	17.34	2.50	5.13	38.33	323.52
Insurance	79.06	50.06	-	0.52	0.02	128.58
Repairs & Maintenance						-
- Others	47.26	3.22		21.34	0.41	28.73
Travelling & Conveyance	173.40	12.65	1.77	32.07	15.92	139.83
Professional Charges & Consultancy fees	757.60	136.22	15.72	331.97	37.08	540.49
Communication Expenses	13.92	0.79	-	2.36	0.38	11.97
Advertisement Expenses	2.64	0.05	-	-	0.15	2.54
Charity & Donation	6.66	-	-	-	-	6.66
Miscellaneous Expenses	291.99	175.57	4.46	23.25	4.42	444.36
Equipment Hire Charges	80.36	-	-	15.96	16.06	48.33
Depreciation	71.44	6.56	-	1.58	0.93	75.50
Survey charges	0.03	36.92	-	-	-	36.95

Contd...

(Rs. In Lakhs)

Particulars of Expenses	As at 31st March, 2013	Add: Incurred during the year	Adjustment pursuant to acquisition of Joint Venture	Less: Adjustments on Conversion of a Subsidiary into Associate	Less: Adjustment for CWIP written off	As at 31st March, 2014
<b>c) Finance Costs</b>						-
Interest & Finance Expenses	3,880.85	3,096.41	16.02	180.43	0.67	6,812.18
<b>Total</b>	<b>6,625.36</b>	<b>3,709.63</b>	<b>61.32</b>	<b>775.76</b>	<b>206.19</b>	<b>9,414.36</b>
<b>Less: Income</b>	-	-	-	-	-	-
Insurance Claim	(18.01)	(41.35)	-	-	-	(59.36)
Tender Application Money	(16.50)	-	-	(10.00)	-	(6.50)
Interest on Fixed Deposit/Loans	(71.76)	-	-	-	-	(71.76)
<b>Total</b>	<b>6,519.09</b>	<b>3,668.28</b>	<b>61.32</b>	<b>765.76</b>	<b>206.19</b>	<b>9,276.74</b>
<b>Previous year's total</b>	<b>5549.4</b>	<b>2768.01</b>	<b>-</b>	<b>253.04</b>	<b>1545.28</b>	<b>6519.09</b>

35. The Group has following un-hedged foreign currencies exposures:

(Rs. In Lakhs)

Particulars	Currency	As at 31st March, 2014		As at 31st March, 2013	
		Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees
<b>Investment in:</b>					
PT. Bina Insan Sukses Mandiri	Indonesian Rupee (IDR)	1,848,415.27	9,792.72	1,832,062.41	10,286.80
PT. Vardhaman Logistics	USD	1.53	91.21	1.37	73.88
Buyer's Credit	USD	31.66	1,892	Nil	Nil

36. The Company has claimed income tax benefits of Rs. 28,380.19 lakhs (Rs. 27,894.44 lakhs upto March 31, 2013) approx. having tax impact of Rs. 8,197.86 lakhs (upto March 31, 2013: Rs. 8,034.45 lakhs) including Rs. 163.41 lakhs (March 31, 2013 : Rs 552.41 lakhs) for the year under section 80IA of the Income Tax Act, 1961, on construction contracts for certain infrastructure projects executed on behalf of various departments / agencies of different State Governments during the financial years 2003-04 onwards. In the tax assessments for the financial years upto 2010-11, the above claims were initially disallowed by the Tax Authorities, but the appellate authority during the previous year allowed the aforesaid claims for the years 2005-2006 to 2009-2010. Accordingly, the Company feels that all such claims under Section 80IA would be allowed for subsequent years also. The Company's writ with the Honourable Calcutta High Court, challenging the validity of the retrospective amendment in Section 80IA, which, as per legal opinion obtained by the Company, is ultra vires to the main section of the Income Tax Act, 1961, however, remains pending disposal. In view of the above 80IA deductions, the Company is not carrying MAT credit in the books.

37. Trade payables aggregating Rs 2,683.46 lakhs (previous year Rs. 2,405.35 lakhs) consisting of numerous balances being unclaimed / unmoved since long (mostly more than three years) have been written back during the year as the management believes that these amounts are no longer payable.

38. (a). During the year, one of the clients of the Company has completely foreclosed the contract which was partially offloaded in previous financial year. Pending initiation of the arbitration, the management, based on the fact of the case is confident to recover the receivables and net book value of fixed assets of Rs 1,904 lakhs and Rs. 1,608 lakhs respectively.
- (b). In respect of above Contract, the Company on a prudent basis, has written off an amount of Rs 3,035.48 lakhs during the year, representing unbilled work in progress and other receivables in view of uncertainty as regards to its ultimate collection.
39. Subsequent to adoption of stand-alone financial statements of the Company, as at March 31, 2014, a contract has been foreclosed by one of the client. The matter relating to the aforesaid foreclosure is presently sub-judice. Pending this, the management, based on the fact of the case is confident to recover the unbilled revenue and receivables of Rs. 1,922 lacs and Rs. 822 lacs respectively.
40. In respect of a project, during the year, the Company on a prudent basis, has written-off an amount of Rs 1,283.76 lakhs representing work in progress in view of uncertainty as regards its ultimate collection.
41. The Company has recognised income of Rs. 12,520.34 lakhs during the year arising out of arbitration awards pronounced in favour of the Company (including Rs. 10,952.02 lakhs in respect of arbitration awards pronounced in earlier years) and Rs.2,902.94 lakhs as interest thereon upto March 31,2014, and also the arbitration award of Rs 3,028.30 lakhs recognized in the previous year, both remaining outstanding as on March 31, 2014. Against these awards, the customers have preferred appeals in the jurisdictional courts and the legal proceedings are going on. Pending the outcome of the said legal proceedings, the above amounts are being carried forward as receivable as the management believes that the final outcome of the appeals would be in favour of the Company based on the facts of the respective cases and it is confident to recover the aforesaid claims in full.

#### 42. Details in respect of Trading Activities:

(Rs. In Lakhs)

	Steel items		Coal	
	2013-14	2012-13	2013-14	2012-13
Cost of Sales	1,656.97	7,827.29	18,575.83	17,122.68
Sales	1,660.47	7,936.94	19,803.24	18,353.51

43. Trade receivables aggregating Rs. 2,135.12 lakhs (previous year Rs 2,601.13 lakhs) are under arbitration proceedings. The management is confident that based on the facts of the respective cases; there is no uncertainty as regards their realization.
44. (a). The Company has entered into certain transactions aggregating Rs. 35.55 lakhs in the previous year requiring Central Government prior approval under Section 297 of the Companies Act, 1956. The Company is in the process of filing necessary applications for obtaining the said approval.
- (b). The Company has entered into an EPC contract with a Joint Venture during the year, which requires prior approval of Central Government under section 297 of the Companies Act, 1956. The Company has applied with appropriate authority for obtaining the requisite approval.
- (c). The Company has entered into an EPC contract with a Joint Venture, which requires prior approval under section 297 of the Companies Act, 1956. In view of non-approval of the application filed by the Company in this regard by the Central Government, the Company is now in the process of filing for compounding of offences under the relevant provisions of the Companies Act. During the year, the Company has recognised revenue of Rs. 1,532.02 lakhs, having approximate profit of Rs. 146.47 lakhs, from this contract.
45. In respect of a project, based on the representation made by the Company to its customer, it has considered additional price increase impact of Rs.5,250 lakhs (Rs.4,816.61 lakhs upto March 31, 2013) in the contract value for billing to be made subsequent to March 31, 2014, considering Extension of Time (EOT) for the entire contract. The management is confident that EOT for the entire contract will be granted by the customer based on similar decisions taken in some other contracts and also based on the merits of the case.
46. During the year, based on technical and legal evaluation, the Company has revised the contract value of a project to bring it in line with the agreement signed with the client, which was not considered earlier. Consequently, sales for the year include an amount of Rs. 4,198 lakhs on account of the aforesaid revision in the contract value.

**47. Capital work in progress includes:**

- a) The construction of 4.5 MW Hydro Electric Projects, on Neogal khad, Luni Khad and Awad Khad, in the state of Himachal Pradesh which is expected to be commissioned in the next year.
- b) The implementation of 4.5 MW Hydro Electric Project on Luni khad, in the state of Himachal Pradesh is in progress and is expected to be commissioned by the end of next year.

The Group shall own, operate and maintain the above projects in accordance with Supplementary Implementation Agreement entered with the Government of Himachal Pradesh.

**48. The Company has received approval from the Central government dated June 2, 2013 for payment of remuneration to managerial person, notwithstanding the limit laid down in sub-section (3) of section 309 and the overall limit of 11% of the net profit as laid down in sub section (1) of section 198 of Companies Act 1956.****49. Certain subsidiaries of the Group have written off part of its capital expenditure aggregating to Rs. 217.90 lakhs (Rs. 613 lakhs), as the management believes that no benefits would accrue from these expenditures due to delay in completion of the project.****50. 2,506,875 (2,506,875) equity shares of IQU Power Company Private Limited, 13,122,000 (13,122,000) equity shares of Subhash Kabini Power Corporation Limited (SKPCL), 1,241,661 (510,022) equity shares of Bhilwara Jaipur Toll Road Private Limited (BJTPL), three subsidiaries of the Company, are pledged with respective banks against loans obtained by these companies. The Company has also given an undertaking to the bank not to sell its shareholding in the above companies till the full repayment of the loan by these subsidiaries****51. In respect of an associate, in view of numerous litigations relating to clearances from various authorities, the management of the investee Company has decided to terminate the underlying project, started as per concession agreement dated January 21, 2006, with the Government of Pondicherry (GOP) and filed mandatory arbitration by nominating arbitrator. Pursuant to this, an arbitration pannel has been constituted, before which the investee Company has made a claim, among others for reimbursement of expenses incurred in relation to the project, compensation for abandonment etc. Consequently, the investee Company has written off entire Capital Work in Progress in the Consolidated Statement of Profit and Loss. The Group's share of the loss from the investee Company amounting to Rs. 539 lacs is disclosed under share of loss from associates.****52. Discontinuing Operations:**

SPML Industries Limited, a subsidiary company, in the business of manufacturing of pipe, included under 'Others' Segment' in Segment Reporting has been considered as discontinuing operations.

The following statement shows the revenue and expenses of discontinuing operations:

(Rs. In Lakhs)

Particulars	31-Mar-14	31-Mar-13
<b>Income</b>		
Revenue from operations	8.59	17.25
Other income	47.96	33.38
Total revenue	<b>56.55</b>	<b>50.63</b>
<b>Expenses</b>		
Materials consumed & Direct Expenses	6.27	2.99
Employee benefits expense	2.46	1.98
Other expenses	42.48	10.64
Total	51.22	15.61
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>	<b>5.33</b>	<b>35.02</b>
Depreciation and amortization expense	8.52	8.22
Finance costs	2.81	0.21
Profit/ (loss) before tax	(6.00)	26.59
Tax expenses (including deferred tax)	-	5.07
<b>Profit / (loss) after tax</b>	<b>(6.00)</b>	<b>21.52</b>

The carrying amounts of the total assets and liabilities of the discontinuing operation is as follows:

(Rs. In Lakhs)

	2013-14	2012-13
Total assets	1,113.43	1,176.41
Total liabilities	19.21	76.49
<b>Net assets</b>	<b>1,094.22</b>	<b>1,099.92</b>
The net cash flows attributable to the discontinuing operation is as below:		
Operating activities	(15.57)	(103.97)
Investing activities	-	(10.10)
Financing activities	(2.81)	(0.21)
<b>Net cash outflows</b>	<b>(18.38)</b>	<b>(114.28)</b>

The Company has not entered into a binding sale agreement to sale any of these assets.

53. Details of the Group's share in Joint Venture included in the Consolidated Financial Statements are as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Fixed Assets</b>		
Tangible assets	155.62	20.22
Intangible assets	57.11	0.00
Capital work-in-progress	1,601.17	1,221.06
Deferred tax assets	7.97	0.00
Long-term loans and advances	182.84	0.00
Trade receivables	147.42	0.00
	<b>2,152.13</b>	<b>1,241.28</b>
<b>Current assets</b>		
Inventories	110.41	104.69
Trade receivables	124.31	400.15
Cash and bank balances	379.09	99.89
Short-term loans and advances	1,228.13	585.22
Other current assets	253.12	86.53
	<b>2,095.06</b>	<b>1,276.48</b>
<b>Total Assets</b>	<b>4,247.18</b>	<b>2,517.76</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	830.95	0.00
Other long-term liabilities	156.64	152.46
	<b>987.59</b>	<b>152.46</b>
<b>Current liabilities</b>		
Short-term borrowings	0.00	2.50
Trade payables	729.20	362.41
Other current liabilities	1,058.96	499.43
Short-term provisions	28.67	8.48
	<b>1,816.83</b>	<b>872.82</b>
<b>Total Liabilities</b>	<b>2,804.42</b>	<b>1,025.28</b>

Contd...

(Rs. In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Income</b>		
Sales	493.37	146.98
Other Income	152.33	11.98
	<b>645.70</b>	<b>158.96</b>
<b>Expenses</b>		
Materials Consumed & Direct expenses	658.26	402.55
Payroll Cost	161.03	15.16
Other Expenses	126.07	37.96
Finance Charges	37.92	7.30
Depreciation	4.22	14.07
	<b>987.49</b>	<b>477.04</b>

54. During the year, the Company had renounced its risk and reward in a joint venture through a supplementary agreement in favour of the joint venture partner for a specified consideration of Rs. 118.27 lakhs and had accounted it upfront as Company's share of profit in the joint venture.

55. (a) Previous year's figures including those given in brackets, have been regrouped / rearranged wherever considered necessary.

(b) Figures pertaining to subsidiaries and joint ventures have been reclassified wherever considered necessary to bring them in line with the holding company's financial statements.

#### As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
**Firm Registration No: 301003E**  
Chartered Accountants

**per Raj Agrawal**  
Partner  
Membership No.: 082028

Place: Gurgaon  
Dated: July 30, 2014

**For SUNIL KUMAR GUPTA & CO.**  
**Firm Registration No: 003645N**  
Chartered Accountants

**Per S.K.GUPTA**  
Partner  
Membership No 082486

Place: Gurgaon  
Dated: July 30, 2014

**As Approved**  
For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**Abhay Raj Singh**  
Company Secretary

**Sushil Kr. Sethi**  
Managing Director

**Swadesh Mathur**  
Chief Finance Officer

## Notes

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## Notes

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## Notes

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## SPML Infra Limited

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*Offices in Bangalore, Chennai, Kolkata, Mumbai*

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies wherein Annual Report can be sent by e-mail address to its members. To support this green initiative of the Government, members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with Depository through their concerned depository participants.