

Making human life comfortable  
with world class infrastructure



Annual Report 2012-13





**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. Amit Kanodia**  
Director



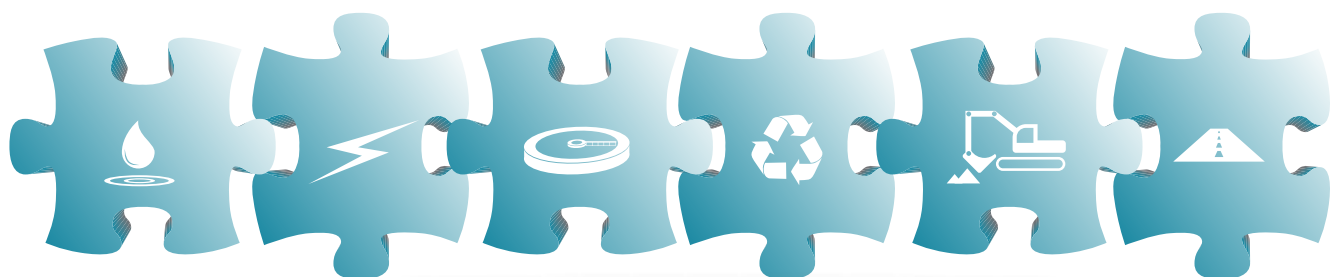
**Mr. R.L. Gaggar**  
Director



**Mr. K. B. Dubey**  
Director



**Mr. Ajay Tandon**  
Director



## Chairman's Message

I am pleased to inform you that during the year 2012-13 we accomplished better results and our winning streak of new orders continued. This year we focused on effecting organizational change that can deliver the required growth to meet our aspiration in making SPML as one of the most preferred infrastructure developer in the country.

I am happy to inform you that despite slow market conditions, we managed a healthy growth and company's overall turnover increased by 23% and profit after tax increased by almost 300% as compared to last year. We expect this trend will continue in current financial year as well. With the economic reforms and moderate pace of growth in the country, SPML is ideally positioned through its water, power and environment sectors to meet the infrastructure requirements of rapidly growing cities and urban areas.

During the year, we completed and commissioned a number of projects which is going to provide millions of people with drinking water facility and illuminating their lives with power connections at their homes. Despite challenges, the SPML team is working very hard to ensure timely completion of all the ongoing projects to build state of the art infrastructure facilities. Certainly this would enhance SPML's market positioning and generate good returns for the shareholders. This year we have also entered into a number of joint venture agreements with renowned water companies from the world to provide best-in-class services to our clients and to be a preferred partner for utilities across 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 Delhi, Rajasthan, Bihar and Karnataka among others. We ventured into two new segments; installation of consumer and bulk water meters in Delhi and a project for power distribution in Bhagalpur, Bihar. These new businesses have opened new avenues and we are hopeful that we will be able to secure more such projects in future. The order book position for our company crossed the mark of Rs. 4000 Crore with the contribution of new orders worth over Rs. 2200 Crore during the year. The new orders are an authentication of our capabilities in executing large projects with quality and consistency and the trust, our esteemed clients' places on us.

Our performance has continued to be recognized by the media and a large number of interviews and media stories were published about our projects in national and international publications. SPML being a thought leader has been invited to speak at various national and international forums and conferences. SPML has been on the forefront in number of policy deliberations and committees constituted by different ministries of Govt. of India and also chairing various expert committees set up by leading industry associations at national and state levels.

I am also pleased to inform you that our efforts towards nation building has been recognized and several esteemed awards such as Infrastructure Excellence Awards and Construction Week India Awards were received by the company during the year. These awards give us much needed morale boosting to continue doing the excellent work.

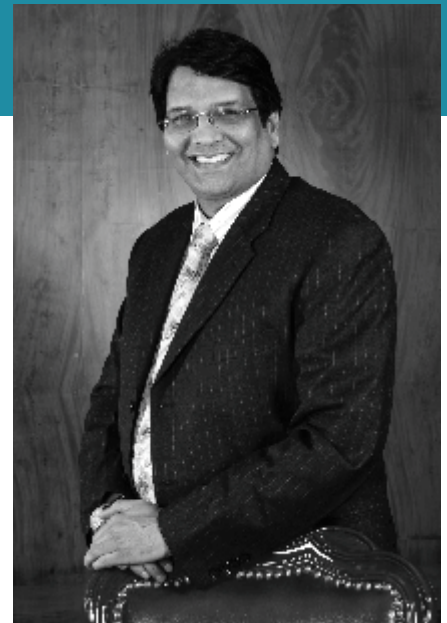
We perceive Corporate Social Responsibility (CSR) as a very important part of our business. Our approach has been to make enduring social impact through programs that build sustainability. We have created a comprehensive and integrated network to provide effective healthcare and eye care facilities to rural and economically deprived community at all our project areas and beyond. We are also supporting education and environmental initiatives that can raise the awareness level and teaching standards in rural schools.

SPML believes in fairness, transparency, professionalism, accountability and decency in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive scenario. With strong legacy of ethical governance practices, we followed the fundamental ideologies of Trust, Value and Service. The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on constantly improving on these aspects.

In conclusion, I would like to place my appreciation to board members, the management, our shareholders, bankers, lenders, partners, suppliers, associates and especially 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  
SPML Infra Limited



## Corporate Information

**Mr. Lalit Khetan**

Chief Financial Officer

**Mr. Ravi Prakash Mundhra**

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

**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 32<sup>nd</sup> Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31<sup>st</sup> March 2013.

### Financial Results

The performance of the Company for the financial year ended March 31, 2013 is summarized below:

(Rs. in Lacs)

Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
Gross Operating Revenue & Others Income		113016.05		92044.33
Profit before Interest, Depreciation and Taxes		15417.34		11824.46
Less :- Finance Cost	13394.25		10308.06	
Less :- Depreciation	1055.44		1050.83	
Profit Before Tax		967.65		465.57
Tax Expenses				
- Current tax( MAT entitlement)	271.32		286.56	
- Deferred Tax	(478.97)		(119.78)	
Profit After Tax		1175.30		298.79
Add : Balance brought forward from previous year		20765.71		20466.92
Surplus carried to Balance Sheet		21941.01		20765.71

### Business

During the year under review, your company's turnover was Rs. 1094.36 Crores as against Rs.905.87 Crores achieved in the previous year, recording a growth of 20.8%. Earnings Before interest, depreciation, tax & appropriations (EBITA) amounted to Rs. 154.17 Crores as against Rs. 118.24 Crores in the previous year. Net profit for the year was Rs. 11.75 Crores as against Rs.2.99 Crores clocked in the previous year, recording a growth of 292.97%.

### 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.

### Dividend

In view of inadequacy of profits earned during the year and also requirement of ploughing back of funds in business, your Directors do not recommend any dividend for the financial year 2012-13.

### Capital Expenditure

During the year under review, the Company has made additions of Rs. 10.56 Crores 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, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India. The Consolidated Statements reflects the results of the Company and that of its Subsidiaries, Joint Ventures and Associates.

As required by Clause 32 of the Listing Agreement with the Stock Exchanges in India, where the shares of the Company are listed, the Audited Consolidated Financial Statements together with the Auditors Report thereon are annexed and forms part of this Annual Report.



## Subsidiary Companies

Your Company has 25 subsidiaries (including 8 step down subsidiaries) as on March 31, 2013. The major subsidiaries of the Company are into urban and rural infrastructural development, water treatment and transmission projects, municipal solid waste management, power projects etc.

During the year under review, Your Company has acquired/sold equity shares in subsidiary companies. Your Company has added 2 new step down subsidiaries by way of acquisition of shares in these companies by Delhi Waste Management Ltd, a subsidiary of your Company. These are SJA Developers Private Limited and Synergy Promoters Private Limited.

SPML Bhiwandi Water Supply Infra Ltd and SPML Bhiwandi Water Supply Management Ltd ceased to be the subsidiaries of your Company and have become associates of the Company consequent upon sale of part of shares held by the Company.

In pursuance of General Circular no. 2/2011 dated 8th of February, 2011 issued by Ministry of Corporate Affairs, granting general exemption under section 212(8) for attaching subsidiaries' financial statements, the Board of Directors of the Company had consented for not attaching the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies. However, a statement of summarized financials of all Subsidiaries of your Company as required under Section 212 (8) of the Companies Act, 1956 including capital, reserves, total assets, total liabilities, details of investment, turnover, profit before and after taxation, provision for taxation and proposed dividend pursuant to the General Circular issued by Ministry of Corporate Affairs, forms part of this Report. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any Member of the Company as well as shareholder of the Subsidiary Companies who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company and also at the Registered Office of the Subsidiary Companies concerned on any working day during business hours.

## Directors

Mr. R. L. Gaggar and Mr. Amit Kanodia retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board has recommends their re-election.

## Auditors and Auditors' Report

The joint statutory auditors of the Company, M/s. S. R. Batliboi & Company LLP, Chartered Accountants and M/s. Sunil Kr. Gupta & Company, Chartered Accountants, retire at the conclusion of the 32nd Annual General Meeting and being eligible have offered themselves for reappointment to hold office from the conclusion of the 32nd Annual General Meeting upto the conclusion of the 33rd Annual General Meeting. The Company has received letters from both of them to the effect that their proposed appointment, if made, would be within the limits specified under section 224 (1B) of the Companies Act, 1956.

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

## Deposits

During the year under review the Company has neither accepted nor renewed any public deposits under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

## 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, 2013.

### Quality Management System

The Company has maintained strict Quality Management System in all aspects of EPC Contracts and is ISO 9001:2008 certified.

### 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 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

### Corporate Governance

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.

### 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 preparation of the annual accounts, for the year ended 31st March 2013 the applicable accounting standards have been duly followed;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care 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 had 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 Practising Company Secretary. The findings of the audit have been satisfactory.

### Acknowledgement

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 and Members 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 14, 2013

**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 equipments 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:**

	2012-13	2011-12
Earnings in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	22.04	47.23

On behalf of the Board

Place : Gurgaon  
Date : August 14, 2013

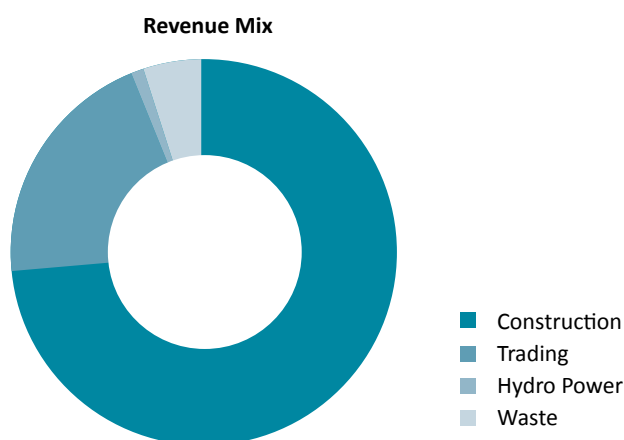
Subhash Chand Sethi  
Chairman

## Management Discussion & Analysis

SPML Infra Limited is one of leading Engineering, Procurement and Construction Company in India specializing in water treatment and transmission, waste water handling, treatment, recycling, solid waste management and civil infrastructure development. From its humble beginning in 1981 to date, SPML has implemented over 400 projects across 27 states in India in EPC (Engineering, Procurement and Construction), PPP (Public Private Partnership) and BOOT (Built, Own, Operate and Transfer) basis

During its journey spanning over three decades, it has always looked to create competitive advantage by adopting world class practices and operational processes and is one of the pioneers in promoting value based infrastructure development in India.

Today, your Company is focused on optimizing its strategy and operations on efficient handling of challenges facing the sector and better leverage of opportunities coming its way to emerge and develop into as a world class Infrastructure Company.



### Major Project Highlights till date:-

- World's highest single stage pumping station set up at Lunglei in Mizoram.
- India's first Integrated Management Contract from source to tap set up under Latur Water Supply Scheme.
- Integrated Bulk Water Supply and Management executed for Bhiwandi Nizampur City Municipal Corporation.
- Executed Central Government aided biggest APDRP Project till date in India.
- Executed Yelahanka Primary/Tertiary Sewage Plant- the first ever tertiary sewage treatment plant of its kind in India for reuse of municipal waste water.

### MACRO ECONOMIC OVERVIEW

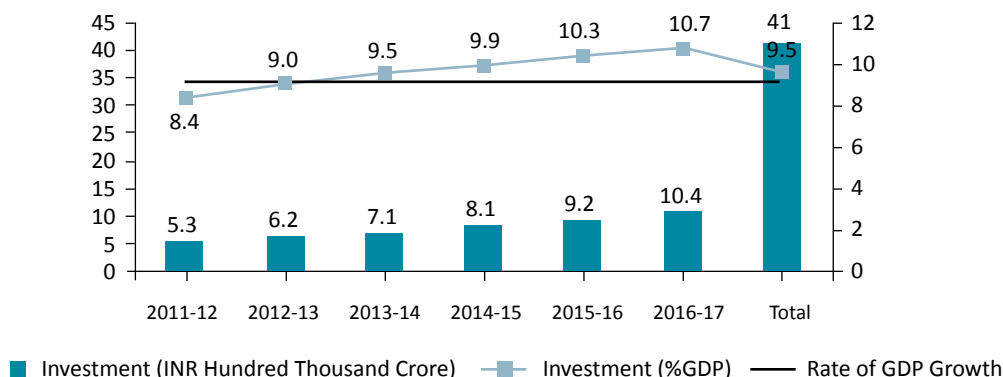
Four years after the eruption of the global financial crisis, the world economy is still struggling to recover. During 2012-13, global economic growth has weakened further. A growing number of developed economies have fallen into a double-dip recession. Those in severe sovereign debt distress moved even deeper into recession, caught in the downward spiraling dynamics from high unemployment, weak aggregate demand compounded by fiscal austerity, high public debt burdens, and financial sector fragility. Growth in the major developing countries, including the BRIC nations (Brazil, Russia, India and China) and economies in transition has also decelerated notably, reflecting both external vulnerabilities and domestic challenges. Most low-income countries have held up relatively well so far, but now face intensified adverse spillover effects from the slowdown in both developed and major middle-income countries. The prospects for the next two years continue to be challenging, fraught with major uncertainties and risks slanted towards the downside.

### INDUSTRY OVERVIEW

Development of infrastructure is the key to long-term sustainable growth of the economy as it ensures percolation of economic resources to the lower strata of society and the Government of India certainly realizes that for achieving a high growth rate of 9% and above, development of infrastructure plays an important part and is focused on this sector.

An initial investment of USD 1 trillion is targeted towards development of Infrastructure including roads, railways, ports, airports electricity, telecommunications, oil and gas pipelines and irrigation in the Twelfth FYP (2012-17), as per an approach paper by the Planning Commission, which is a growth of more than 10.5% over budget allocations over the Eleventh FYP. As per projections, at least 50% of this investment is expected to be made by the private sector, a rise of 36% from the Eleventh FYP. This planned investment, if realized, can propel the country's economic growth to a higher trajectory. Figure-1 represents projections data for the 12th Five Year Plan released during the mid-term appraisal of the 11th Five year Plan.

**Figure 1-Projected investments in infrastructure in the 12th Five Year Plan Rs. Crore at 2006-07 prices**



The government has also been favorable towards development of infrastructure in India by offering tax concessions under Section 80IA and 80IB of the Income Tax. During Budget 2013-14, the exemptions have been further extended for another 10 years. Besides, under the Foreign Direct Investment policy of the Government of India, 100% FDI is allowed in almost every sector except for aviation and petroleum refining to soothe the economic environment of Infrastructure development in India, which is at present struggling with the problem of liquidity and decision making and is going through a lean phase due to lack of inertia on the part of government and its agencies in project execution and development.

To ensure faster implementation of major planned projects, the Government has announced a single-window clearance mechanism under the Cabinet Secretary for review and issue of clearances associated with major projects. The clearance board, to be set up on similar lines of the Foreign Investment Promotion Board (FIPB), would act as a problem-resolver and investment tracker for projects over Rs 1,000 crore (US\$ 184.16 million) and will include representatives from the ministries of home, defense, environment and forests, commerce, coal, department of space and other infrastructure and energy-related ministries and departments.

All these are positive developments for the Industry and present a vast opportunity for private players in all the Infrastructural sectors which are being catered by your company. However, to wean out this phase of pain and churn for the infrastructure sector in India, increased thrust will be required on scaling up sustainable public private partnership models by redefining contours of their participation and fast decision making and its implementation by the Government and its agencies besides driving sufficient inflow of funds for infrastructural projects.

*(Source: Economic Survey, Government of India)*

## COMPANY OUTLOOK AND STRATEGY

SPML Infra Limited at present operates in verticals comprising of water, environment, electrical and civil infrastructure works. Your Company will continue to focus on its current operational verticals and strive to become a quality player in new areas of its operations, like power distribution and waste management. Your Company is already an established player in the water management sector and will strive to achieve greater heights in this area.

During the year under review, your Company has identified new areas of operations in the Infrastructure sector which will help in augmenting the results of the Company and optimization of the capabilities of the Company. As a strategy to achieve its goals, the Company has deputed a team of professionals to identify and bid for projects in the operating verticals of the Company. The Company has also started implementing measures to minimize escalation costs by embarking on timely completion of projects.

During the year under review, your company has signed MoU worth Rs. 3000 Crore with Govt. of Gujarat to setup a number of Water Treatment Plants, Augmentation of Water Supply Schemes, Sewage Treatment & Recycling Plant, Sewerage Management Network and facility for Municipal Solid Waste management for the state and received new orders worth Rs. 1800 Crore from the states of Rajasthan and Delhi for water supply and distribution network and development of infrastructure for water and solid waste management. Among the new orders received by the company, one of the order is the prestigious orders received from Delhi Jal Board for improvement in water distribution networks in South Delhi neighborhoods of Malviya Nagar, Mehrauli and Vasant Vihar and adjoining areas of India's capital city Delhi.

## BUSINESS SECTOR PERFORMANCE REVIEW

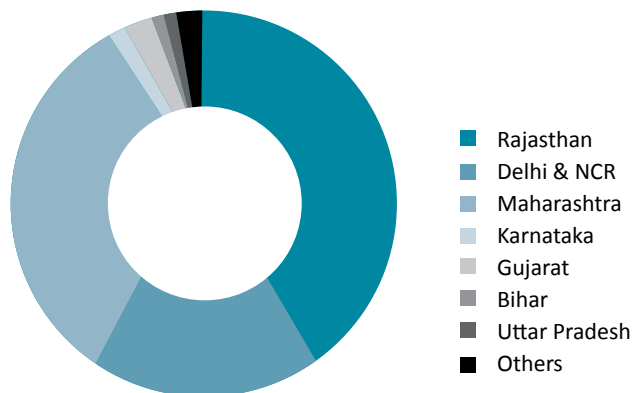
The Company's order backlog as on 31st March, 2013 was Rs. 4009 Crores. The order backlog is distributed mainly into Water and power sector. Besides these sectors, the company has also expanded its operations in other areas to garner revenue and increase shareholders' worth.

### Water and Waste Water Segment

The Company has focused mostly on this segment and has an order book worth Rs. 3791 Crores as on 31st March, 2013. During the year under review, your company has won orders worth Rs. 991 Crores from PHED Rajasthan for installation, supply and distribution of drinking water to various regions of Rajasthan.

The Company has also secured orders worth Rs. 720 Crores from Delhi Jal Board for for improving efficiency of water distribution network under Malviya Nagar UGR command area, with Operation & Maintenance for 12 years, and for improvement in Service Level for Water Supply in Mehrauli Project Area and Vasant Vihar Project Area, with Operation & Maintenance for 8/10 years for a value of Rs. 200.80 Crores.

Region wise orders in Water and Waste Water for 2012-13



### Major New Developments:-

- Order received from Gwalior Municipal Corporation worth Rs. 30.15 Crores for providing and laying of Trunk sewer within the limits of Gwalior Municipal Corporation.
- Letter of Indent from Delhi Jal Board, Government of NCT of Delhi worth Rs. 177.81 Crores for supply, installation and maintenance of AMR/Non-AMR water meters in Delhi.
- Orders worth Rs. 421 Crores obtained from PHED, Laxmangarh-Fatehpur in the state of Rajasthan for installation, supply and maintenance of water supply in 72 villages across the area covered under Laxmangarh-Fatehpur districts.

### Power

This has been another focus area of operations for the Company during the year under review. The Company operates in both hydro and thermal based power projects. Total value of contracts in the power sector as on 31st March, 2013 was Rs. 218 Crores. The largest of these is from Rajasthan Rajya Vidyut Nigam Limited worth Rs. 105 Crores.

The Company through its subsidiaries Subhash Kabini Power Corporation Limited, owns, maintains and operates the 20MW Kabini Hydro Electric power project in the state of Karnataka. The Company is also undertaken 5 small Hydro Electric projects in the State of Himachal Pradesh aggregating 22.5 MW and 3 small Hydro Electric projects, aggregating 42 MW in the State of Uttarakhand on Build, Own and Operate scheme.

**Major new Developments:-**

- The Company has obtained orders worth Rs. 192 Crores from Bangalore Metro Rail Corporation Limited for underground cabling work.
- The Company has obtained letter of Intent from Bihar State Electricity Board for acting as distribution franchisee for Bhagalpur town and adjoining region.

**Solid Waste Management Solutions**

The company has stated to have a strong foothold in providing end to end solid waste management solution to Municipalities, Airports and Industries across India. The Company has incorporated a special purpose vehicle Delhi Waste Management Private Limited to carry out collection, segregation and transportation of municipal solid wastes from 3 out of 12 zones of Delhi. The Company is also engaged in collection, segregation and transportation of solid wastes at Indira Gandhi International Airport, Delhi and Hyderabad International Airport.

The Company has also been engaged by Madurai and Allahabad Municipalities for providing solid waste management solutions to them on BOOT basis.

**Infrastructure**

SPML is involved in the construction of roads, bridges, flyovers, highways and other infrastructural activities. Major projects under progress are as follows:-

- Development of infrastructural activities for relocation of Industries at Bawana, Delhi.
- Construction of Dalkhola Bypass in the State of West Bengal.
- Offsite Area Civil work for Barh Super Thermal Power Project.
- Major plant civil work for Korba Super Thermal Power Project, Chattisgarh.
- Development of State Highways in various regions of Bihar and Madhya Pradesh.

**Operational Performance:-**

During the year under review, the Company's revenue from operations stood at Rs. 1094.36 Crores, registering a growth of 20.81% over last year's revenues of Rs. 905.87 Crores. Your Company was successful in securing projects by bidding aggressively and better handling of competition. Out of the total revenues from operations, 86% is derived from Construction contracts and other operating revenues contributing the rest.

**Expenditure****Direct expenditure**

Direct expenditure for the year under review increased to Rs. 789.57 Crores as against 652.09 Crores recorded in the previous year, registering an increase of 21.08%.

**Overheads**

Overheads during the year under review stood lower at Rs. 110.75 Crores, representing 10% Income from Operations as against Rs. 117.58 Crores, representing 13% of the operating revenue in the previous year.

**Operating Profit**

During the year under review, the operating profits (EBITA) of the Company stood at Rs. 154.17 Crores, representing 14.09% of the income from operations compared to Rs. 118.24 Crores, representing 13.05% of the operating revenues in previous year.

**Profit after Tax**

Net profit after tax earned by the Company during the year increased by 292.97% to Rs. 11.75 Crores from Rs. 2.99 Crores in the previous year.

**Finance Cost**

During the year under review, finance costs increased by 30% to Rs. 133.94 Crores from Rs. 103.08 Crores in the previous year. This was mainly due to increase in Mobilisation Advance during the current year.



## RISKS, CONCERNS AND THREATS

This section enumerates forward looking statements that involve risks, threats and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. This section lists risks, concern and threats:-

### **Industry Risks**

Any change in the economic conditions of the Country can affect the performance of the Company by having a cascading effect over the business of the Company and its earnings. Besides, Government policies on the infrastructure sector and business environment will also play a crucial role in the sustainability of long term goals of the Company.

### **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 will effect 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 for projects. Economics of scale with competitors and unfair competition can effect our operations thereby affecting market share and business.

### **Risk Mitigation Strategy of the Company**

Your Company has identified the above risks and 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

The Company has adequate systems of internal controls to ensure that all the assets of the Company are secure, safeguarded and productive. The Company has ensured that proper checks and balances are in place and reviewed on regular intervals to ensure that transactions are properly authorized and accounted for in a correct and proper manner. The Internal Control Systems are reviewed by the Audit Committee and top management in consultation with the Internal Auditors of the Company, whenever necessary and corrective measures, if any required, is initiated wherever necessary. The CEO and CFO Certification provided in the CEO and CFO Certification section of the Annual Report provides an insight on the adequacy of Internal controls.

## HUMAN RESOURCES

Human resource is the biggest assets of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. Relations with the employees of the Company remained cordial through out the year. Total employee strength as on 31st March, 2013 stood at 750.

## CAUTIONARY STATEMENT

The Statements in the management discussion and analysis report describing the Company's objectives, plans, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in the statement depending on the circumstances.

## Report on Corporate Governance

In terms of regulations of clause 49 of the Listing Agreement entered into with Stock Exchanges, the Company hereby submits a report on the matters as mentioned in the said clause and practices followed by the Company.

Your Company's policy on corporate governance is based on the foundations of Trusteeship, Transparency, Empowerment and Accountability and control with a vision to achieve ethically driven business processes that is committed to values and conduct. At SPML, we believe that as we move closer towards our aspirations of becoming a global corporation, our corporate governance standards must be globally benchmarked. This gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in prudent and sustainable manner. The Board of Directors of your Company has always laid emphasis on the highest standards of Corporate Governance to create value that can be sustained over the long term for all stakeholders, including shareholders, employees, customers, government and the lenders.

### 1. Board of Directors

#### Composition

The business of the Company is managed by the Board of Directors. The SPML Board is a balanced Board comprising of Executive & Non-Executive Directors. The Non- Executive Directors include independent professionals. The Chairman and Managing Director along with Senior Executives of the Company manage the day to day operations of the Company.

The Board's policy is to maintain optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2013, the Board comprised of Eight (8) Directors, out of which 4 were Independent Directors. During the year under review 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	Committee Memberships	Committee Chairmanships
1	Mr. Subhash Chand Sethi	Promoter & Executive Director - Chairman	12	4	2
2	Mr. Sushil Kumar Sethi	Promoter & Executive Director- Managing Director	6	—	—
3	Mr. Deepak Sethi	Promoter & Non- Executive Director	13	1	1
4	Mr. R.L.Gaggar	Non- Executive & Independent Director	11	10	—
5	Mr. Sarthak Behuria	Non- Executive & Independent Director	2	2	1
6	Mr. T.S. Siva Shankar *	Non- Executive & Non Independent Director- Nominee of Citi Group	NA	NA	NA
7	Mr. Ajay Tandon **	Non- Executive & Non Independent Director- Nominee of Citi Group	—	—	—
8	Mr. Amit Kanodia	Non- Executive & Independent Director	—	1	—
9	Mr. Kailash Bihari Dubey **	Non- Executive & Independent Director	3	—	—

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 have 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 Committee(s) except for payment of professional service fees to Mr. Sarthak Behuria.

\* Mr. T.S. Siva Shankar resigned w.e.f. 30.08.2012

\*\* Mr. Kailash Bihari Dubey was appointed as an additional Director w.e.f.07.08.2012 and Mr. Ajay Tandon was appointed as an additional Director w.e.f.30.08.2012.

#### Notes:

1. The information provided above pertains to the following committee in accordance with the provisions of clause 49 of the Listing Agreement.

(a) Audit Committee

(b) Shareholders'/Investors' grievances Committee

2. Membership of Committees includes chairmanship, if any.

3. No. of Directorship in other Companies excludes Private Limited Companies & LLPs

4. None of the Directors holds membership of more than 10 Committees of Boards neither any Director is a Chairman of more than 5 Committees of boards.

## Meetings & Attendance

Four (4) Board Meetings were held during the year. The Board Meetings were held on following dates:

(i) 29.05.2012, (ii) 07.08.2012, (iii) 09.11.2012 and (iv) 31.01.2013. The maximum time gap between two meetings was not more than four calendar months.

Last Annual General Meeting was held on 26th September, 2012.

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

Sl. No.	Name of the Directors	No. of Board Meetings attended	Whether attended the Last AGM
1	Mr. Subhash Chand Sethi	4	Yes
2	Mr. Sushil Kumar Sethi	4	Yes
3	Mr. Deepak Sethi	1	No
4	Mr. R.L. Gaggar	1	No
5	Mr. Sarthak Behuria	3	Yes
6	Mr. Ajay Tandon **	2	No
7	Mr. T.S. Siva Shankar*	2	NA
8	Mr. Amit Kanodia	3	No
9	Mr. Kailash Behari Dubey **	3	No

\*Mr. T.S. Siva Shankar resigned w.e.f. 30.08.2012.

\*\* Mr. Kailash Bihari Dubey was appointed as an additional Director w.e.f. 07.08.2012 and Mr. Ajay Tandon was appointed as an additional Director w.e.f. 30.08.2012.

## 2. Committees of the Board

There are six committees of the Board- the Audit Committee, Share Transfer / Investors' Grievance committee, the Remuneration Committee, the Compensation Committee, Selection Committee and Committee for Regular Banking Operational Matters.

### 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 four times. The Audit Committee Meetings were held on (i) 29.05.2012, (ii) 4.08.2012, (iii) 9.11.2012 and (iv) 31.01.2013. 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	1
3	Mr. Amit Kanodia	4

**ii) Share Transfer/Investors' Grievance Committee.**

Terms of reference of the Share Transfer/Investors' Grievance Committee are as per guidelines set out in the Listing Agreements with the Stock Exchanges and pursuant to the Articles of Association of the Company. 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 31.03.2013, the Share Transfer 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	—

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 31.03.2013	Nil

The Company Secretary (Mr. Ravi Prakash Mundhra) acts as the e Compliance Officer of the Company.

**iii) Remuneration Committee**

The Committee comprises of three Independent Directors, namely, Mr. Sarthak Behuria, Mr. Amit Kanodia and Mr. R.L. Gaggar. 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) Committee for Regular Banking Operational Matters.**

The Committee comprises of four Directors namely, Mr. Sushil Kumar Sethi, , Mr. Subhash Chand Sethi , Mr. Deepak Sethi and Mr. Sarthak Behuria under the Chairmanship of Mr. Sushil Kumar Sethi 13 nos. of Committee meetings were held. the company Secretary of the Company acted as Secretary to the Committee.

Sl. No.	Name of the Director	No. of Meetings attended
1	Mr. Sushil Kumar Sethi - Chairman	13
2	Mr. Subhash Chand Sethi	13
3	Mr. Deepak Sethi ( Nominated w.e.f 29.05.2012)	10
4	Mr. Sarthak Behuria	–
5.	Mr. Anil Kumar Sethi (Resigned w.e.f 29.05.2012)	1

### 3. Remuneration of Directors

Details of remuneration paid to the Wholetime Directors for the period from 01.04.2012 to 31.03.2013.

Name of the Director	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund (Rs.)	Terms of Appointment
Mr. Subhash Chand Sethi	72,00,000	Nil	12,01,000	1,44,000	5 years from 01.01.2010
Mr. Sushil Kr. Sethi	72,00,000	Nil	12,01,000	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 months notice period for severance of any of the executive directors and no severance fees are payable to any directors.

Details of sitting fees / Professional fees paid to the Non-Executive Directors for 2012-13.

Sl.No.	Name Director	Professional fees (Rs)	Board Meeting (Rs)	Committee Meetings (Rs)	Total( Rs)
1	Mr. R.L.Gaggar	–	20,000	–	20,000
2	Mr. Sarthak Behuria	10,00,000	60,000	20,000	10,80,000
3	Mr. Amit Kanodia	–	40,000	15,000	55,000
4	Mr. Kailash Bihari Dubey	–	60,000	–	60,000

**NOTE:**

The Non-Executive Directors were paid remuneration by way of sitting fees as under:  
Rs. 20,000/- and Rs.5, 000/- for each meeting attended of the board & audit committee respectively.

### 4. Disclosures

**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**

- 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.
- The Company has adopted and complied with all the mandatory requirements under clause 49 of the listing agreement other than those disclosed else were in the Corporate Governance.

**(iv)** The Company has adopted non-mandatory requirement under clause 49 of the listing agreement to the extent relating to setting up of Remuneration Committee. Please refer details provided under section “Remuneration Committee” of this report.

## 5. Means of Communication

- (a) Quarterly results are published in Economic Times (English), all Editions, as well as Nava Bharat Times (Hindi) daily in Delhi. The information on Quarterly Results are 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
2011-12	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	26th September,2012	11.30AM	Yes
2010-11	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	29th September,2011	2.30PM	No
2009-10	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	30th September,2010	11.30AM	NO

Location and the time of Extraordinary General Body Meetings held:

Year	Venue	Date	Time	Special Resolution passed
2012	Postal Ballot	24th February,2012	NA	Yes
2011	Postal Ballot	10th January,2011	NA	Yes
2010	Postal Ballot	31st March,2010	NA	Yes
2008	F-27/2, Okhla Industrial Area, Phase-II, New Delhi - 110020	8th February, 2008	3:00 P.M	Yes

The following special resolutions were passed:

### A Annual General Meeting held on 26th September, 2012:-

- Special Resolution for payment for availing professional services from Mr. Sarthak Behuria, Independent & Non-Executive Director of the Company w.e.f 01.04.2012 at a fee not exceeding Rs. 10 Lacs p.a.

### B Postal Ballot dated 31st March, 2010:-

- Special Resolution for change of name of the company to "SPML Infra Limited".
- Special resolution for alteration of Memorandum of Association with regard to name clause.
- Special Resolution for alteration of Articles of Association with regard to change of name of the company.

### C Postal Ballot dated 10th January,2011:-

**Particulars of the Resolutions passed by the above Postal Ballot:**

- Special Resolution for issue of equity shares to Qualified Institutional Buyers under guidelines for QIP.

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
Total postal ballot forms received	53	21658993	NA
Less Invalid postal ballot forms	1	3755	NA
Net valid postal ballot forms	52	21655238	100.00
Postal ballot forms with assent for the resolution	51	21654738	99.99
Postal ballot forms with dissent for the resolution	1	500	0.01

The resolution was passed with requisite majority.

- Special Resolution for increasing the limit of investment by FII's or their sub-accounts, registered under SEBI upto 49% in the Company.

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
Total postal ballot forms received	53	21658993	NA
Less Invalid postal ballot forms	1	3755	NA
Net valid postal ballot forms	52	21655238	100.00
Postal ballot forms with assent for the resolution	51	21654738	99.99
Postal ballot forms with dissent for the resolution	1	500	0.01

The resolution was passed with requisite majority

- Special Resolution for modification of the benefits under 'exercise price' percentage of discount increasing from maximum of 25% to maximum of 50%

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
Total postal ballot forms received	53	21658993	NA
Less Invalid postal ballot forms	1	3755	NA
Net valid postal ballot forms	52	21655238	100.00
Postal ballot forms with assent for the resolution	51	21654738	99.97
Postal ballot forms with dissent for the resolution	1	500	0.03

The resolution was passed with requisite majority.

Smt. Mamta Binay, Practising Company Secretary was appointed as Scrutinizer for conducting the above postal ballot.



**D Postal Ballot dated 24th February, 2012:-****Particulars of the Resolutions passed by the above Postal Ballot:**

- Special Resolution for providing Corporate Guarantee and pledging of shares in connection with the loan of Rs. 206 Crores from the lenders of Bhilwara Jaipur Toll Road Private Limited.

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
a) Total postal ballot forms received	28	16153950	0
b) Less Invalid postal ballot forms	0	0	0
c) Net valid postal ballot forms	28	16153950	100.00
d) Postal ballot forms with assent	28	16153950	100.00
e) Postal ballot forms with dissent	0	0	0
f) Postal Ballot Forms abstained	0	0	0

The resolution was passed with requisite majority

- Special Resolution for making investments, extend guarantee, provide security , make inter-corporate loans upto an amount of Rs. 2000 crores.

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
a) Total postal ballot forms received	28	16153950	0
b) Less Invalid postal ballot forms	0	0	0
c) Net valid postal ballot forms	28	16153950	100.0000
d) Postal ballot forms with assent	26	16153910	99.9998
e) Postal ballot forms with dissent	0	0	0
f) Postal Ballot Forms abstained	2	40	0.0002

The resolution was passed with requisite majority.

- Special Resolution for revision in the remuneration of Mr. Rishabh Sethi, Chief Operating Officer.

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
a) Total postal ballot forms received	28	16153950	0
b) Less Invalid postal ballot forms	0	0	0
c) Net valid postal ballot forms	28	16153950	100.0000
d) Postal ballot forms with assent	25	16153395	99.9966
e) Postal ballot forms with dissent	1	515	0.0032
f) Postal Ballot Forms abstained	2	40	0.0002

The resolution was passed with requisite majority.

- Special Resolution for appointment of Mr. Abhinandan Sethi as Management Trainee under section 314(1B) of the Companies Act, 1956.

**Voting Pattern on the above resolution:-**

Particulars	No. of Postal Ballot form	No. of shares voted	% of voting
a) Total postal ballot forms received	28	16153950	0
b) Less Invalid postal ballot forms	0	0	0
c) Net valid postal ballot forms	28	16153950	100.0000
d) Postal ballot forms with assent	26	16153910	99.9998
e) Postal ballot forms with dissent	0	0	0
f) Postal Ballot Forms abstained	2	40	0.0002

The resolution was passed with requisite majority.

Smt. Mamta Binani, Practicing Company Secretary was appointed as Scrutinizer for conducting the above postal ballot.

## 7. Shareholder Information

- (i) 32nd Annual General Meeting : 26th September, 2013  
PHD Chamber of Commerce , PHD House,  
4/2, Sri Institutional Area, August Kranti Marg, New Delhi – 110 016
- (ii) Financial Calendar : Financial Year April 1 to March 31  
Adoption of Results  
a) For the Quarter Ending June 30, 2013 – Second week of August, 2013  
b) For the Quarter Ending September 30, 2013- Second week of November, 2013.  
c) For the Quarter Ending December 31, 2013 - Second week of February, 2013  
d) For the Quarter Ending March 31, 2014  
(Audited)- Fourth week of May, 2014. (Tentitive)
- (iii) Book Closure Date : 21st September to 26th September, 2013 (Both days inclusive)
- (iv) Dividend Payment Date : Not Applicable
- (v) Listing on Stock Exchanges : The Bombay Stock Exchange 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 year 2012-13 has been paid to the Stock Exchanges.  
Confirmations of delisting from Guwahati/Calcutta Stock Exchanges are awaited.
- (vi) Stock Code : Stock Code - BSE '500402'  
Trading Symbol – NSE 'SPMLINFRA'
- (vii) Registrar & Transfer Agents : Maheshwari Datamatics Pvt Ltd.  
6, Mangoe Lane, 2nd Floor,  
Kolkata – 700 001  
Phone: +91-033-2248 2248

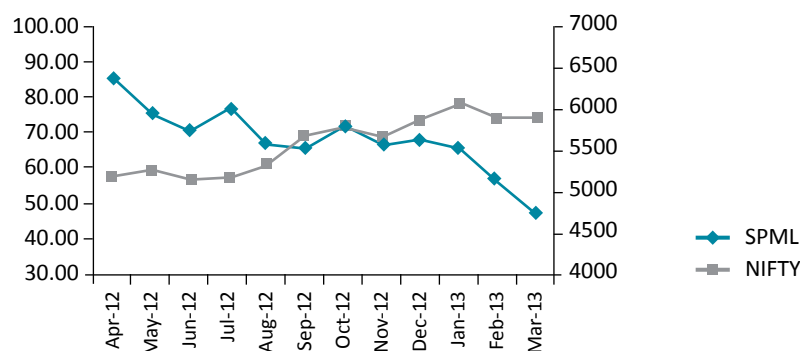
(viii) Stock Prices data and performance of Company's share prices vis-à-vis Nifty and Sensex;

a) Share Price data at BSE & NSE

(Rs. Per share)

Month	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April,2012	94.00	77.40	94.10	78.00
May,2012	88.00	62.35	85.95	60.45
June,2012	80.00	62.10	81.50	65.55
July,2012	89.45	64.10	89.60	67.60
August,2012	73.75	60.10	77.95	60.10
September,2012	75.85	56.10	76.45	56.60
October,2012	80.25	63.60	81.40	62.65
November,2012	73.00	60.75	69.10	60.00
December,2012	75.20	61.10	75.60	60.60
January,2013	75.20	57.20	74.95	57.05
February,2013	68.95	44.10	61.90	45.00
March,2013	52.40	42.00	51.90	42.20

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



x) Share Transfer System

The Board has constituted the Share Transfer Committee and delegated the power of transfer to the Committee. 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.

x) 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, 2013 Equity Shares of the Company, forming 99.04% of total shareholding stand dematerialized. Company's ISIN No. is 'INE 937A01015'.

xi) Liquidity of Shares

The Equity Shares of the Company have been included in the Sensex and are traded in the B2 Group at the Mumbai Stock Exchange. Its shares are also traded at the National Stock Exchange.

## xii) Share Ownership Pattern as on March 31, 2013.

Category	No. of Shares held	% shareholding
Promoters	21816485	59.53
Mutual Funds	3040803	8.30
Non-resident Indians	15762	.04
Banks & Financial Institutions	200	–
Foreign Institutional Investors	103703	0.28
Corporate Bodies	8608432	23.49
Public	3064891	8.36
<b>Total:</b>	<b>36650276</b>	<b>100.00</b>

## xiii) Distribution of Shareholding by size as on March 31, 2013

Shares held		Shareholders		Shares	
From	To	Number	% of Total Shareholders	Number	% of Shares
1	500	5323	87.5349	727264	1.9843
501	1000	346	5.6899	293999	0.8022
1001	2000	188	3.0916	279000	0.7612
2001	3000	60	0.9867	156419	0.4268
3001	4000	18	0.2960	66618	0.1818
4001	5000	23	0.3782	107488	0.2933
5001	10000	42	0.6907	314918	0.8593
10001	Above	81	1.3320	34704570	94.6911
<b>Total</b>		<b>6081</b>	<b>100.0000</b>	<b>36650276</b>	<b>100.0000</b>

## xiv) Outstanding Warrant

There was no outstanding warrant.

## xv) 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: (124) 4204601, Fax: (124) 4269139

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, 2013.

## 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 Ltd.

**Subhash Chand Sethi**  
Chairman

Date: May 27, 2013

## 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, 2013, 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 Company's 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 except for the following, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements:

1. *From April 1, 2012 to August 6, 2012, the Company's board of directors consisted of three independent directors as against the minimum requirement of four independent directors as per the then prevailing constitution of the board.*
2. *From April 1, 2012 to September 7, 2012, the Company has not appointed one of its independent directors on the board of Subhash Kabini Power Corporation Limited, a material non-listed Indian subsidiary company.*

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**  
Firm Registration No.301003E  
Chartered Accountants

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

Place : Gurgaon  
Date : May 27, 2013

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

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

Place : Gurgaon  
Date : May 27, 2013

## Independent Auditors' Report

To

The Members of SPML INFRA LIMITED

### 1. 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, 2013, 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.

### 2. 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

### 3. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Basis for qualified opinion

*Attention is drawn to Note No. 43 in respect of a contract partially terminated by the client, the matters relating to settlement of claims, counter claims and consequential damages whereof are presently sub-judice. Accordingly, we are unable to comment about the impact, if any, of the aforesaid termination on the related contract value, contract cost and unbilled revenue and its consequential impact on the profit for the year and the reserves and surplus of the company as at the Balance Sheet date.*

*The audit report for the year ended March 31, 2012 was also modified for the above matter.*

### 5. Qualified Opinion

Except for the possible effect of the matter stated in paragraph 4 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 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, 2013;
- (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.

### 6. Emphasis of Matter

Attention is drawn to Note No.48 to the financial statements regarding the arbitration claims of Rs.6,624.71 lakhs (including Rs.3,596.41 lakhs awarded in an earlier year) having been recognised in the books as income during the year as the management believes that these awards have reached their finality and it is confident to recover these arbitration claims in full. Our opinion is not qualified in respect of this matter.

## 7. 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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**  
 Firm Registration No.301003E  
 Chartered Accountants

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

Place : Gurgaon  
 Date : May 27, 2013

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

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

Place : Gurgaon  
 Date : May 27, 2013



## Annexure referred to in paragraph 7(1) under the heading “Report on other legal and regulatory requirement” of our 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) 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 four parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2,740.83 lakhs and the year end balances of loans granted to such parties was Rs. 2,698.79 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) 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 there under.
- (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 accounts 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, excise 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.*
- (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 Payment	Nature of The Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of
The Bihar Value Added Tax Act, 2005	Works Contract Tax (including interest)	290.01	2008-09 to 2011-12	20th day of subsequent month	Not yet paid
Finance Act, 1994	Service Tax (including interest)	53.84	2011-12 to 2012-13	5th day of subsequent month	Not yet paid
The Bihar Value Added Tax Act, 2005	Entry tax including interest)	85.22	2007-2008 to 2012-13	20th day of subsequent month	Not yet paid
Income Tax Act, 1961	Interest on TDS	14.43	2012-13	7th day of subsequent month	Not yet paid
Employees Provident Fund, 1952	Interest on Provident Fund	4.91	2012-13	15th day of subsequent month	Not yet paid
The Assam Value Added Tax Act, 2003	Value Added Tax	7.24	2011-12	20th day of subsequent month	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 the amount relates	Forum where Dispute is pending
West Bengal CST Act 1956	Non-Production of 'C' Forms	105.10	2005-06	President, Appellate & Revision Board, Kolkata
	CST 6(2) sales determined as pre conceived sale and taxed at full rates.	991.62	2006-07	President, Appellate & 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 & Revision Board, Kolkata
	CST 6(2) sales determined as pre conceived sale and hence taxed at full rates.	785.45	2008-09	Sr Joint Commr, Comml Taxes (south circle), Kolkata
		105.34	2007-08	President, Appellate & Revision Board, Kolkata
West Bengal VAT Act		343.60	2009-10	President, Appellate & Revision Board, Kolkata
	Disallowance of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Sales	137.72	2006-07	President, Appellate & Revision Board, Kolkata
	Local Sale and RGGVY sales are added to WCT and taxed	261.70	2008-09	Sr Joint Commr, Comml Taxes (south circle), Kolkata
		344.14	2009-10	

Name of the Statute	Nature of The Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where Dispute is pending
Bihar VAT Act	Disallowance of Labour Component	471.02	2006-07 to 2009-10	JCCT, Appeals, Patna
MP General Sales Tax Act	Entry Tax	34.67	2004-05	Joint Commissioner (Appeal), Bhopal
Delhi Sales Tax Act	Non-submission of 'C' Forms	17.04	1991-92, 1999-00, 1998-99	Deputy Commissioner (Commercial Tax) Asst. STO, Delhi
Uttar Pradesh CST Act	Disallowance of Assessed E-1 Sales out of West Bengal State	333.73	2005-06 to 2007-08	Additional Commissioner - Agra
Jharkhand VAT Act	Disallowance of Assessed E-1 Sales out of West Bengal State/Suppression of Turnover	1313.74	2004-05 to 2010-11	Joint Commissioner , Ranchi
Delhi VAT Act	Miscellaneous	26	2012-13	Commissioner DVAT, Delhi
Central Excise Act, 1944	Penalty under Rule 26 of the Central Excise Rules, 2002	52.64	2004-05 to 2005-06	CESTAT, Mumbai
Finance Act, 1994	Service tax on advance received	23.13	2005-06 to 2006-07	Commissioner Service Tax, Kolkata

- (x) 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, explanations and documents produced to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has no outstanding dues from any debenture holders.
- (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**

Firm Registration No.301003E

Chartered Accountants

**Per R. K. Agrawal**

Partner

Membership No.16667

Place : Gurgaon

Date : May 27, 2013

**For Sunil Kumar Gupta & Co.**

Firm Registration No.003645N

Chartered Accountants

**S. K. Gupta**

Partner

Membership No.82486

Place : Gurgaon

Date : May 27, 2013

## Balance Sheet as at 31st March 2013

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	819.45	819.45
Reserves and surplus	3	44,019.59	42,844.29
		<b>44,839.04</b>	<b>43,663.74</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	9,860.88	6,408.67
Other long-term liabilities	5	2,109.96	1,211.29
Long-term provisions	7	247.92	285.74
Deferred tax liability (net)	6	427.00	905.97
		<b>12,645.76</b>	<b>8,811.67</b>
<b>Current liabilities</b>			
Short-term borrowings	8	35,211.85	37,700.78
Trade payables	9	39,019.14	34,020.95
Other current liabilities	10	26,162.95	26,568.29
Short-term provisions	7	164.28	188.67
		<b>100,558.22</b>	<b>98,478.69</b>
<b>TOTAL</b>		<b>158,043.02</b>	<b>150,954.10</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11 (a)	8,991.05	8,919.73
Intangible assets	11 (b)	90.07	169.63
Capital work-in-progress	12	291.06	252.17
Non-current investments	13	20,258.88	17,993.57
Long-term loans and advances	14	11,603.21	8,390.40
Trade receivables	15	9,558.91	12,180.50
Other non-current assets	16	6,058.79	6,344.60
		<b>56,851.97</b>	<b>54,250.60</b>
<b>Current assets</b>			
Inventories	17	4,041.74	6,927.24
Trade receivables	15	46,127.23	45,402.33
Cash and bank balances	18	6,069.20	4,497.60
Short-term loans and advances	14	9,068.35	8,780.74
Other current assets	16	35,884.53	31,095.59
		<b>101,191.05</b>	<b>96,703.50</b>
<b>TOTAL</b>		<b>158,043.02</b>	<b>150,954.10</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 R. K. AGRAWAL  
Partner  
Membership No 16667

Per S.K.GUPTA  
Partner  
Membership No 082486

R. P. Mundhra  
Company Secretary

Lalit Khetan  
Chief Financial Officer

Place: Gurgaon  
Dated: May 27, 2013

Place: Gurgaon  
Dated: May 27, 2013

## Statement of Profit and Loss for the Year Ended March 31, 2013

(Rs. In Lakhs)

Particulars	Notes	2012-13	2011-12
<b>INCOME</b>			
Revenue from operations	19	109,436.14	90,587.07
Other income	20	3,579.91	1,457.26
<b>Total revenue (I)</b>		<b>113,016.05</b>	<b>92,044.33</b>
<b>EXPENSES</b>			
Materials Consumed & Direct expenses	21	78,957.95	65,208.56
Cost of Traded Goods		7,827.29	-
(Increase) / Decrease in work-in-progress	22	(261.17)	3,252.68
Employee benefit expenses	23	4,197.94	5,331.47
Other expenses	24	6,876.70	6,427.16
<b>Total expenses (II)</b>		<b>97,598.71</b>	<b>80,219.87</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		15,417.34	11,824.46
Depreciation and amortization expenses	11(a) & 11(b)	1,055.44	1,050.83
Finance costs	25	13,394.25	10,308.06
<b>Profit before tax</b>		<b>967.65</b>	<b>465.57</b>
<b>Tax expenses</b>			
-Current tax (Minimum Alternate Tax) (Refer Note No. 40)		271.32	286.56
-Deferred tax (credit)		(478.97)	(119.78)
<b>Total tax expense</b>		<b>(207.65)</b>	<b>166.78</b>
<b>Profit for the year</b>		<b>1,175.30</b>	<b>298.79</b>
Earnings per equity share (nominal value of equity share Rs.2 each)			
<b>Basic and Diluted (in Rs.)</b>	29	3.21	0.82
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

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Managing Director

Per R. K. AGRAWAL  
Partner  
Membership No 16667

Per S.K.GUPTA  
Partner  
Membership No 082486

R. P. Mundhra  
Company Secretary

Lalit Khetan  
Chief Financial Officer

Place: Gurgaon  
Dated: May 27, 2013

Place: Gurgaon  
Dated: May 27, 2013

## Cash Flow Statement for the Year Ended 31st March, 2013

(Rs. In Lakhs)

	2012-13	2011-12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	967.65	465.57
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Company's share in loss of Joint Ventures	304.96	163.84
Depreciation and amortization expenses	1,055.44	1,050.83
Loss on sale/ discard of fixed assets	3.98	349.27
Gain on sale of investments (net)	(0.83)	—
Unrealized foreign exchange loss (net)	1.72	66.50
Sundry balances/liabilities written back	(2,390.15)	(412.73)
Provision for Doubtful debts	388.00	753.42
Bad Debts/ Sundry Balances Written Off	1,986.32	454.96
Interest expenses	13,394.25	8,838.03
Interest income on loans and fixed deposits given	(868.41)	(775.59)
Dividend income	—	(2.94)
<b>Operating profit before working capital changes</b>	<b>14,842.92</b>	<b>10,951.16</b>
Movements in working capital :		
Increase/ (decrease) in trade payables / other liabilities	10,738.45	(6,652.12)
Increase/ (decrease) in provisions	(62.21)	44.36
Decrease/ (increase) in trade receivables	(435.08)	2,195.78
Decrease in inventories	2,885.50	3,060.73
Increase in loans and advances/ other assets	(4,074.47)	(2,736.97)
Cash generated from operations	23,895.12	6,862.94
Direct taxes paid (net of refunds)	(2,135.06)	(1,887.05)
<b>Net cash flow from operating activities (A)</b>	<b>21,760.06</b>	<b>4,975.89</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances	(723.45)	(539.47)
Proceeds from sale of fixed assets	4.58	351.87
Proceeds from sale of non-current investment	663.99	28.13
Purchase of non-current investments:		
-Subsidiaries	(2,762.42)	(4,394.52)
-Others (Net)	(12.82)	197.00
Loans given to related parties/ others	(2,383.62)	(356.15)
Share application money refunded / (paid)	(768.02)	2,510.04
Advance towards purchase of shares	(507.33)	(860.00)
Maturity/ (investment) of/in fixed deposits (having original maturity of more than three months)	(12.27)	342.24
Interest received on loans given and Bank Deposits	837.96	791.76
Dividends received from subsidiary Company	—	2.94
<b>Net cash flow used in investing activities (B)</b>	<b>(5,663.40)</b>	<b>(1,926.16)</b>

## Cash Flow Statement for the Year Ended 31st March, 2013

Contd...

(Rs. In Lakhs)

	2012-13	2011-12
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(3,267.86)	(1,678.94)
Proceeds from long-term borrowings	6,517.65	30.08
Proceeds/ (Repayment) of Mobilisation Advances (net)	(2,682.75)	1,463.60
Proceeds / (Repayment) from / of short-term borrowings (net)	(2,488.93)	6,886.65
Interest paid	(13,965.85)	(8,505.57)
Dividend paid on equity shares (including dividend tax)	—	(183.25)
<b>Net cash flow used in financing activities (C)</b>	<b>(15,287.74)</b>	<b>(1,987.43)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>808.92</b>	<b>1,062.30</b>
Cash and cash equivalents at the beginning of the year	2,347.63	1,285.33
<b>Cash and cash equivalents at the end of the year</b>	<b>3,156.55</b>	<b>2,347.63</b>
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2013</b>	<b>31st March, 2012</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	40.69	67.26
Cheques in hand	—	50.27
With banks- on current account	2,201.01	1,933.91
- on deposit account *	907.26	288.60
- unpaid dividend accounts**	7.59	7.59
<b>Total cash and cash equivalents (note 18)</b>	<b>3,156.55</b>	<b>2,347.63</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 utilize such bank balances only towards payment of the unpaid dividend.

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 R. K. AGRAWAL**  
 Partner  
 Membership No 16667

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

**R. P. Mundhra**  
 Company Secretary

**Lalit Khetan**  
 Chief Financial Officer

Place: Gurgaon  
 Dated: May 27, 2013

Place: Gurgaon  
 Dated: May 27, 2013



# Notes to the financial statements as at and for the year ended 31st March, 2013

## 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 respects with the accounting standards notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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 prescribe 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.

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 year 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 whichever is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Stock of trading goods is valued at lower of cost, which is ascertained using First in First out (FIFO) Method, or net realizable value which is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Cost of work yet to be certified / billed, as it pertains to contract costs that relate to future activity of the contract, is recognized as contract work in progress provided it is probable that the same will be recovered. Work-in-progress is valued at cost. However, in case of contracts where losses are likely to occur, the stock is considered at net realisable value. Costs include materials, labour and appropriate portion of construction overheads.

**(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 expected loss is recognized immediately. 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, which being technical matters have been relied upon by the auditors. 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 or when there are no significant uncertainties as regards the collection of the arbitration award ruled in favor of the Company by the arbitrator.

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 the revenue.

**(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) 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 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 an conversion of monetary items, are recognized as income or expenses in the year in which they arise.

**(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 in the year when the contributions to the funds are due. 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 the 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 expenses.

**(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.

##### **Allocation of common costs**

Common allocable costs are allocated to each segment on 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **(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**

In respect of joint ventures entered into with other parties in the form of 'integrated joint ventures', the accounting treatment is done as below in terms of Accounting Standard 27 notified by the Companies Accounting Standards Rules, 2006 (as amended):

- (a) Company's share in profits and losses is accounted for on determination of profits or losses by the Joint Ventures;
- (b) Investments are carried at cost, net of the Company's share of profits or losses recognized in the accounts.

**(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 31st March, 2013	As at 31st March, 2012
<b>AUTHORIZED SHARES</b>		
200,000,000 (200,000,000) Equity Share 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</b>		
36,650,276 (36,650,276) Equity Share 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**

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	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	—	—	—	—
Outstanding at the end of the year	<b>36,650,276</b>	<b>733.01</b>	36,650,276	733.01

**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

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% holding in	No. of shares	% holding in
Anil Kumar Sethi	1,903,335	5.19%	2,237,070	6.10%
Subhash Chand Sethi	1,525,250	4.15%	1,973,300	5.38%
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	3,581,575	9.61%	3,521,575	9.61%
Reliance Capital Trustee Co. Ltd.	2,322,803	6.33%	3,076,196	8.39%
CVCIGP II Employee Rosehill Limited	1,972,301	5.38%	1,972,301	5.38%

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, 2013	As at 31st March, 2012
<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	20,765.71	20,466.92
Add: Profit for the year	1,175.30	298.79
<b>Total surplus in the Statement of Profit and Loss</b>	<b>21,941.01</b>	<b>20,765.71</b>
<b>Total reserves and surplus (A+B+C+D)</b>	<b>44,019.59</b>	<b>42,844.29</b>

## 4. LONG-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Term Loans (Secured)</b>				
From Banks (Indian Rupees)	6,333.33	6,250.00	2,916.67	2,977.43
<b>Deferred Payment credits (Secured)</b>				
- From Banks	—	25.27	25.63	45.29
- From Others	27.67	133.40	123.14	245.14
<b>From a Body Corporate (Secured)</b>	<b>3,499.88</b>	—	—	—
<b>Sub Total</b>	<b>9,860.88</b>	<b>6,408.67</b>	<b>3,065.44</b>	<b>3,267.86</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 10)	—	—	(3,065.44)	(3,267.86)
<b>Total</b>	<b>9,860.88</b>	<b>6,408.67</b>	<b>—</b>	<b>—</b>

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

- a. a. Term loan of Rs. 3,750 lakhs carries interest @ 11 % p.a. and is repayable in twelve quarterly installments 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.
- b. Term loan of Rs. 2,500 lakhs carries interest @ 11.25 % p.a. and is repayable in ten quarterly installments of Rs. 416.67 lakhs each along with interest thereon by 27th August 2014. The said loan is secured against an exclusive charge over the Company's landed property located at Gurgaon.
- c. Term loan of Rs. 3,000 lakhs carries interest @ 13.50 % p.a. and is repayable in quarterly installments of Rs. 187.50 lakhs each along with interest thereon by March 2018. The said loan is secured against an exclusive charge over the Company's landed property located at Gurgaon.

**4.2** 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 installments carrying interest rates ranging from 10% to 12% p.a.

**4.3** Loan from a Body Corporate carries interest @ 12.50% p.a. and is repayable in a single bullet payment in the month of January 2015. 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 31 March, 2013	As at 31 March, 2012
Trade payables (Due to Micro and Small Enterprises Rs Nil (Rs Nil))	—	388.63
Mobilisation Advance from customers (partly bearing interest )	2,109.96	389.52
Due to other creditors	—	433.14
	2,109.96	1,211.29

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

In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs. 478.97 lakhs (DTA of Rs.119.78 lakhs) has been recognized in the accounts during the year and consequently the net Deferred Tax Liabilities ( DTL ) as at 31st March, 2013 stands at Rs 427 lakhs (Rs. 905.97 lakhs).

The break-up of DTL is as follows:

*(Rs. In Lakhs)*

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liability</b>		
On timing differences of depreciable assets	632.05	735.64
On retentions by the customers	488.22	488.24
<b>(A)</b>	<b>1,120.27</b>	<b>1,223.88</b>
<b>Deferred Tax Assets</b>		
Expenses allowable against taxable income in future years	(693.27)	(317.91)
<b>(B)</b>	<b>(693.27)</b>	<b>(317.91)</b>
<b>Net Deferred Tax Liability (A) - (B)</b>	<b>427.00</b>	<b>905.97</b>

## 7. PROVISIONS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Provision for employee benefits</b>				
Gratuity (refer note 39(a))	247.92	285.74	41.92	55.40
Leave benefits	—	—	122.36	133.27
	<b>247.92</b>	<b>285.74</b>	<b>164.28</b>	<b>188.67</b>

## 8. SHORT-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>SECURED</b>		
<b>From Banks</b>		
In foreign currency		
- Buyer's Credit *	—	597.43
In Indian Rupee		
- Demand Loans **	1,000.00	1,000.00
- Cash Credit and working capital facilities **	30,401.13	29,627.78
<b>Unsecured</b>		
Loan from related parties repayable on demand ( partly bearing interest)***	1,109.23	2,470.96
From Bodies Corporates ***	2,701.49	4,004.61
	<b>35,211.85</b>	<b>37,700.78</b>
The above includes:	31,401.13	31,225.21
Unsecured Borrowings	3,810.72	6,475.57
	<b>35,211.85</b>	<b>37,700.78</b>

\* Buyer's credit were 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 carried interest @ Libor plus 1.30%

\*\* 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% to 16% p.a.

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

## 9. TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Trade payables (including acceptances of Rs 21,271.64 lakhs(Rs 14,024.67 lakhs)) (refer note 33 for detail of dues to micro and small enterprises)	39,019.14	34,020.95



## 10. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Mobilisation Advances from Customers ( including Rs 2,562.07 lakhs (Rs. 5,132.48 lacs) due to subsidiaries) (partly bearing interest )	16,444.07	20,847.26
<b>Other liabilities</b>		
Current maturities of long-term borrowings (refer note 4)	3,065.44	3,267.86
Interest accrued and due on borrowings	166.00	194.40
Interest accrued but not due on Mobilisation advance/borrowings	913.79	459.60
Investor Education and Protection Fund ( not yet due for deposits):		
Unpaid dividend	7.59	7.59
Advance from Customers (Includes Rs 2,114.07 lakhs towards sale of investment in a joint venture)	3,911.80	—
Statutory dues payable	1,654.26	1,791.58
	<b>26,162.95</b>	<b>26,568.29</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
Cost								
As at 1st April 2011	145.14	995.35	2,280.51	6,631.45	1,695.12	1,027.86	1,735.90	14,511.33
Additions during the year	–	398.50	0.30	648.96	35.43	37.56	200.88	1,321.63
Sale/Disposals during the year	–	–	–	(469.46)	–	(0.37)	–	(469.83)
<b>As at 31st March 2012</b>	<b>145.14</b>	<b>1,393.85</b>	<b>2,280.81</b>	<b>6,810.95</b>	<b>1,730.55</b>	<b>1,065.05</b>	<b>1,936.78</b>	<b>15,363.13</b>
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>As at 31st 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>
Depreciation								
At 1 April 2011	–	105.97	2,266.56	1,683.87	447.87	440.02	649.55	5,593.84
Charge for the year	–	22.11	0.55	620.83	105.82	80.51	142.43	972.25
On Sales/Disposals	–	–	–	(122.56)	–	(0.13)	–	(122.69)
<b>As at 31st March 2012</b>	<b>–</b>	<b>128.08</b>	<b>2,267.11</b>	<b>2,182.14</b>	<b>553.69</b>	<b>520.40</b>	<b>791.98</b>	<b>6,443.40</b>
Charge for the year	–	26.98	2.70	625.45	101.50	80.76	138.49	975.88
On Sales/Disposals	–	–	–	–	–	(12.00)	–	(12.00)
<b>As at 31st 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>
Net Block								
<b>As at 31st March 2012</b>	<b>145.14</b>	<b>1,265.77</b>	<b>13.70</b>	<b>4,628.81</b>	<b>1,176.86</b>	<b>544.65</b>	<b>1,144.80</b>	<b>8,919.73</b>
<b>As at 31st March 2013</b>	<b>145.14</b>	<b>1,238.79</b>	<b>13.84</b>	<b>4,894.74</b>	<b>1,084.05</b>	<b>455.33</b>	<b>1,159.16</b>	<b>8,991.05</b>

\* Includes Rs. 369.45 lakhs towards reversal of fixed assets sold in 2011-2012.

## 11 (B). INTANGIBLE ASSETS

(Rs. In Lakhs)

Description	Computer Software
Gross block	
As at 1st April 2011	387.92
Additions during the Year	9.83
<b>As at 31st March 2012</b>	<b>397.75</b>
Additions during the Year	—
<b>As at 31st March 2013</b>	<b>397.75</b>
<b>Amortization</b>	
At 1 April 2011	149.54
Charge for the year	78.58
<b>As at 31st March 2012</b>	<b>228.12</b>
Charge for the year	79.56
<b>As at 31st March 2013</b>	<b>307.68</b>
<b>Net block</b>	
<b>As at 31st March 2012</b>	<b>169.63</b>
<b>As at 31st March 2013</b>	<b>90.07</b>

## 12. CAPITAL WORK-IN-PROGRESS

(Rs. In Lakhs)

Particulars	As at 1st April, 2012	Additions	As at March, 2013
Building under construction	252.17	38.89	291.06
	<b>252.17</b>	<b>38.89</b>	<b>291.06</b>

## 13. NON CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	31st March, 2013	31st March, 2012
<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	10	0.75	0.75
Indian Arcyls Limited	100	10	0.01	0.01
Petrochem Industries Limited	500	10	0.14	0.14
Best & Crompton Engineering Limited	200	10	0.10	0.10
SPML India Limited	10,000	10	1.50	1.50
Hindustan Engineering & Industries Limited (Bonus Shares)	4	10	—	—
<b>(b) Debentures (Fully Paid-up)</b>				
Escorts Tractors Limited	25	1	0.01	0.01
Hindustan Engineering & Industries Limited	110	1	0.06	0.06
			2.57	2.57
<b>Less Provision for Diminution in Value of investments</b>			2.56	2.56
<b>Net Quoted Investments</b>			0.01	0.01
<b>(B) Trade Unquoted</b>				
<b>Equity Shares (Fully Paid-up)</b>				
Bharat Hydro Power Corporation Limited (refer note no. 3 below)	3,294,150	10	211.85	211.85
Om Metal - SPML Infraproject Pvt Limited	4,999	10	0.50	0.50
<b>In Associate Companies</b>				
Doon Valley Waste Management Private Limited	25,000	10	2.50	2.50
Mizoram Mineral Development Corporation Ltd.	73,000	10	7.30	7.30
Insituform Pipelines Rehabilitation Private Limited (Refer Note No 47)	— (10,986,717)	10	—	1,098.67
SPML Bhiwandi Water Supply Infra Limited (refer note 4 below)	224,700	1	2.25	—
SPML Bhiwandi Water Supply Management Limited (refer note 4 below)	250,000	1	2.50	—
Aurangabad Jal Water Supply	2,600	10	0.26	—
Jamshedpur Waste Processing Company Private Limited	35,000	10	0.35	—
Pondicherry Port Limited	100	10	0.01	0.01
			227.52	1,320.83
<b>Equity Shares In Subsidiary Companies (Fully Paid -up)</b>				
Neogal Power Co. (P) Limited	8,451,060	1	1,284.82	1,284.82
Awa Power Company (P) Limited	10,952,105	1	1,684.99	1,684.99
Luni Power Company (P) Limited	6,882,931	1	1,033.92	1,033.92
IQU Power Company (P) Limited	6,705,500	1	1,005.53	1,005.53
Subhash Kabini Power Corporation Limited (refer note 1 below)	13,586,300	10	1,358.63	1,358.63
SPML Industries Limited	1,243,618	10	211.82	211.82
Binwa Power Company (P) Limited	2,948,340	1	436.09	436.09

Contd...

(Rs. In Lakhs)

Particulars	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	31st March, 2013	31st March, 2012
SPML Energy Limited	99,550,000	1	995.50	995.50
SPML Infrastructure Limited	3,360,500	1	2,841.05	2,841.05
ADD Urban Enviro Ltd.	2,438,200	1	1,749.65	1,749.65
SPML Utilities Limited	199,999,700	1	2,000.00	2,000.00
SPML Bhiwandi Water Supply Infra Limited (refer note 4 below)	— (500,000)	1	—	5.00
SPML Bhiwandi Water Supply Management Limited (refer note 4 below)	— (500,000)	1	—	5.00
Mathura Nagar Waste Processing Co. Pvt. Ltd.	255,000	1	2.55	2.55
Allahabad Waste Processing Co. Pvt. Ltd.	255,000	1	2.55	2.55
Bhilwara Jaipur Toll Road Private Limited (refer note 2 below)	3,208,302 (510,022)	10	3,673.42	51.00
Delhi Waste Management Limited	292,500	10	29.25	29.25
Mizoram Power Development Corporation Ltd.	89,125	10	8.91	8.91
			<b>18,318.68</b>	<b>14,706.26</b>
<b>Investment in Joint Ventures (refer note 31)</b>				
Om Metal Consortium			1,300.98	1,300.24
Siddharth- Mahavir- SPML JV			93.45	84.35
SPML – Simplex JV			107.32	101.98
SPML - CISC JV (Refer note no. 44)			204.10	470.05
Malviya Nagar Water Services Pvt Limited	13,000		1.30	—
			<b>1,707.15</b>	<b>1,956.62</b>
<b>Others:</b>				
<b>Unquoted</b>				
National Saving Certificate			0.52	4.79
Indira Vikas Patra			—	0.06
Units of PNB Mutual Fund	50,000	10	5.00	5.00
			<b>5.52</b>	<b>9.85</b>
Total			<b>20,258.88</b>	<b>17,993.57</b>
<b>Aggregate Value of Investments</b>				
(I) Quoted (net of provision)			0.01	0.01
(II) Unquoted			20,258.87	17,993.56
Market Value of Quoted Investments			0.01	0.01

## Notes:

1) 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.

2) Includes 510,022 (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."

3) Excludes 51,00,000 equity shares received during the year pursuant to the settlement between Assam State Electricity Board and Bharat Hydro Power Corporation Limited (BHPCL), pending clarification from BHPCL as to the nature of settlement.

4) pursuant to sale of a part of the shares held by the Company, these investee companies, being subsidiaries of the Company, have become associates.

## 14. LOANS AND ADVANCES

Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Loans ( partly bearing interest)</b>				
- to Related Parties	—	—	5,421.92	3,041.66
- to Others	—	—	29.80	26.44
<b>Capital advances</b>	255.46	257.21	—	—
<b>Advances recoverable in cash or kind</b>	—	—	902.19	1,476.99
<b>Other loans and advances</b>				
Advance income-tax (net of provision for taxation of Rs. 4309.86 lakhs (Rs. 4038.54 lakhs))	8,173.60	6,309.86	—	—
Security Deposits/ Earnest Money Deposits	287.43	433.46	745.45	679.44
Prepaid expenses	133.23	170.31	751.65	649.80
VAT balances / Input credit receivable	1,118.58	—	1,121.03	2,632.00
Balances with statutory/government authorities	—	—	96.31	274.41
Advance against purchase of shares *	507.33	860.00	—	—
Advances towards share application money				
- to Related Parties	1,084.22	316.20	—	—
- to Others	43.36	43.36	—	—
	<b>11,603.21</b>	<b>8,390.40</b>	<b>9,068.35</b>	<b>8,780.74</b>

\* to related party Rs. Nil (Rs. 860 lakhs)

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

Name	Current	
	31st March, 2013	31st March, 2012
<b>Amount included under Security Deposit</b>		
Breeze Commodeal (P) Ltd.	—	12.45
<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, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
considered good	6,731.80	8,881.53	19,152.91	15,355.04
considered doubtful	1,846.54	1,458.54	—	—
	<b>8,578.34</b>	<b>10,340.07</b>	<b>19,152.91</b>	<b>15,355.04</b>
Provision for doubtful receivables	(1,846.54)	(1,458.54)	—	—
<b>(A)</b>	<b>6,731.80</b>	<b>8,881.53</b>	<b>19,152.91</b>	<b>15,355.04</b>
<b>Others</b>				
considered good	2,827.11	3,298.97	26,974.32	30,047.29
<b>(B)</b>	<b>2,827.11</b>	<b>3,298.97</b>	<b>26,974.32</b>	<b>30,047.29</b>
<b>Total</b>	<b>(A + B)*</b>			
	<b>9,558.91</b>	<b>12,180.50</b>	<b>46,127.23</b>	<b>45,402.33</b>

\*Includes retention money Rs. 18, 474.31 lakhs (Rs. 17,490.27 lakhs) and debts under arbitration Rs. 2,601.13 lakhs (Rs. 3,562.48 lakhs)

**16. OTHER ASSETS****UNSECURED, CONSIDERED GOOD**

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Non-current bank balances (Refer note no. 18)	2,242.58	2,992.99	—	—
Unbilled Revenue on Construction Contracts	3,659.70	3,129.00	35,496.50	30,946.38
Interest accrued on fixed deposits/other loans	156.51	222.61	388.03	149.21
	<b>6,058.79</b>	<b>6,344.60</b>	<b>35,884.53</b>	<b>31,095.59</b>

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

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Materials at sites (Refer Note no. 50)	3,191.26	6,327.85
Stores and spares	58.10	68.18
Work in progress	792.38	531.21
	<b>4,041.74</b>	<b>6,927.24</b>

## 18. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	—	—	2,201.01	1,933.91
Deposits with original maturity of less than three months*	—	—	907.26	288.60
On unpaid dividend account	—	—	7.59	7.59
Cash on hand	—	—	40.69	67.26
Cheques in hand	—	—	—	50.27
	—	—	<b>3,156.55</b>	<b>2,347.63</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months*	2,242.58	2,992.99	1,623.74	1,082.49
Deposits with original maturity for more than 3 months but less than 12 months*	—	—	1,288.91	1,067.48
Amount disclosed under non-current assets (refer note 16)	(2,242.58)	(2,992.99)	—	—
	—	—	<b>6,069.20</b>	<b>4,497.60</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	2012-13	2011-12
<b>Sale of products and Services</b>		
- Construction Contracts	93,887.45	88,617.00
<b>Traded Goods</b>	7,936.94	—
<b>Other operating revenue</b>		
Operation and Maintenance	987.04	731.15
Claims as per arbitration awards (refer note no. 48)	6,624.71	1,238.92
	<b>109,436.14</b>	<b>90,587.07</b>

## 20. OTHER INCOME

(Rs. In Lakhs)

Particulars	2012-13	2011-12
<b>Interest income on</b>		
- Loans Given	446.24	357.16
- Bank deposits	422.17	418.43
Dividend received on Long term trade investments	—	2.94
Insurance Claims received	60.24	57.93
Sundry balances/liabilities written back (refer note no. 42)	2,390.15	412.73
Miscellaneous Receipts	252.84	208.07
Reversal of Provision for Gratuity expense (refer note 39(a))	7.44	—
Gain on sale of investments (Net) *	0.83	—
	<b>3,579.91</b>	<b>1,457.26</b>

\*Represents the following:

Profit on sale of investments	1,099.50	—
Less: Loss on sale of investments	1,098.67	—
	0.83	—



**21. MATERIALS CONSUMED & DIRECT EXPENSES**

(Rs. In Lakhs)

Particulars	2012-13	2011-12
<b>Materials Consumed</b>		
Opening Stock	6,327.85	6,137.12
Add: Purchases	53,396.47	38,520.81
	<b>59,724.32</b>	<b>44,657.93</b>
Less: Closing Stock	2,739.61	6,327.85
	<b>56,984.71</b>	<b>38,330.08</b>
<b>Direct Expenses:</b>		
Stores and Spares Consumed	29.94	26.23
Subcontractor Payments ( including Turnkey Contracts)	19,832.14	24,432.17
Drawing & Designing	91.31	6.41
Equipment Hire and Running Charges	757.61	1,318.87
Other Direct Expenses	1,262.24	1,094.80
	<b>21,973.24</b>	<b>26,878.48</b>
	<b>78,957.95</b>	<b>65,208.56</b>

**22. DECREASE IN WORK IN PROGRESS**

(Rs. In Lakhs)

Particulars	2012-13	2011-12
Opening Work in Progress	531.21	3,783.89
Closing Work in Progress	(792.38)	(531.21)
	<b>(261.17)</b>	<b>3,252.68</b>

**23. EMPLOYEE BENEFIT**

(Rs. In Lakhs)

Particulars	2012-13	2011-12
Salaries, wages and bonus	3,705.67	4,721.60
Director's Remuneration* (refer note 32)	148.25	148.25
Contribution to provident and other funds	211.56	278.27
Gratuity expense (refer note 39(a))	—	32.43
Staff welfare expenses	132.46	150.92
	<b>4,197.94</b>	<b>5,331.47</b>
 *Including directors' sitting fees	 <b>1.69</b>	 <b>1.50</b>

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

Particulars	2012-13	2011-12
Rent	397.40	640.11
Rates and Taxes	406.75	257.44
Repairs and Maintenance:		
- Building	13.65	6.23
- Plant & Machinery	125.55	125.77
- Others	98.32	59.26
Insurance	400.40	475.19
Advertisement expenses	23.28	12.38
Professional Charges & Consultancy Fess	740.71	866.79
Vehicle Running Charges	397.95	488.32
Travelling & Conveyance	386.42	480.86
Communication Expenses	146.64	155.40
Power and Fuel	248.53	249.55
Charity & Donations	9.30	5.82
Auditor's Remuneration (Refer details below)	80.69	76.54
Selling Expenses	144.45	160.45
Exchange Difference (Net)	1.72	66.50
Loss on Sale of fixed assets (Net)	3.98	349.27
Company's share in Loss of Joint Ventures (Net) (refer note no. 31)	304.96	163.84
Bad Debts/ Sundry Balances Written Off	1,986.32	454.96
Provision for doubtful debts	388.00	753.42
Miscellaneous Expenses	571.68	579.06
	<b>6,876.70</b>	<b>6,427.16</b>
<b>PAYMENT TO AUDITORS</b>		
<b>As auditor:</b>		
Audit fee	37.00	37.00
Tax audit fee	5.00	5.00
Limited review	30.00	30.00
Out of pocket expenses	3.69	4.54
<b>In other capacity:</b>		
Other services (certification fees)	5.00	—
	<b>80.69</b>	<b>76.54</b>

**25. FINANCE COSTS***(Rs. In Lakhs)*

Particulars	2012-13	2011-12
Interest expense (including interest on Mobilisation Advance)	11,228.23	8,796.41
Other finance charges	2,166.02	1,470.03
Exchange difference to the extent considered as an adjustment to Borrowing costs	—	41.62
	<b>13,394.25</b>	<b>10,308.06</b>

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

(Rs. In Lakhs)

	As at 31st March, 2013	As at 31-Mar -2012
Claims against the Company not acknowledged as debts	1,704.54	2,398.96
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.	6,242.42	7,247.34
Outstanding bank guarantees (including Rs. 3,130.60 lakhs (Rs. 3,239.33 lakhs) for joint ventures)	116,674.57	119,505.56
Disputed demands*		
(a) Income Tax	#	3,130.99
(b) Excise/ Service Tax	75.77	75.77
(c) Sales Tax / VAT	6,432.92	2,803.95
Corporate guarantees given for Subsidiaries and other body corporate	34,840.00	42,593.00

\*In respect of above cases, based on favorable 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 any liability has been made in the financial statements.  
# Refer Note No. 40

**27. CAPITAL AND OTHER COMMITMENTS**

(Rs. In Lakhs)

Capital and other commitments	As at 31st March, 2013	As at 31st March, 2012
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil

**28.** The Company 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 Statement of Profit and Loss towards operating Leases aggregate Rs. 397.40 lakhs (Rs. 640.11 lakhs).

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

(Rs. In Lakhs)

	As at 31st March, 2013	As at 31st March, 2012
Profit after tax (Rs. in lakhs)	1,175.30	298.79
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.)	3.21	0.82

## 30. RELATED PARTIES

(a) Particulars of related parties where control exists	
Subsidiary Companies	<p> Subhash Kabini Power Corporation Limited  SPML Industries Limited  SPML Energy Limited  SPML Infrastructure Limited  SPM Holdings Pte. Ltd.  Binwa Power Corporation (P) Limited  Awa Power Company (P) Limited  IQU Power Company (P) Limited  Neogal Power Company (P) Limited.  Luni Power Company (P) Limited  Tons Valley Power Company (P) Limited  Rupin Tons Power Company (P) Limited  Uttarkashi Tons Hydro Power (P) Limited  Delhi Waste Management Limited  ADD Urban Enviro Ltd  Madurai Municipal Waste Processing Co. (P) Ltd.  SPML Utilities Ltd.  Allahabad Waste Processing Co. Ltd.  Mathura Nagar Waste Processing Co. Pvt. Ltd.  Mizoram Power Development Corporation Ltd.  Bhilwara Jaipur Toll Road Private Limited  PT Sanmati Natural Resources  Aurangabad City Water Utility Co. Ltd  SJA Developers Private Limited (w.e.f 1st September, 2012)  Synergy Promoters Private Limited (w.e.f 1st September, 2012)  SPML Bhiwandi Water Supply Infra Ltd. ( up to 25th March 2013)  SPML Bhiwandi Water Supply Management Ltd. (up to 25th March 2013) </p>
(b) Other Related Parties with whom transactions have taken place during the year	
Associate companies	<p> Pondicherry Port Limited  Hydrocomp Enterprises (India) Limited  Doon Valley Waste Management Private Limited  Jamshedpur Waste Processing Company Pvt. Ltd. (w.e.f 1st August, 2012)  Mizoram Mineral Development Corporation Ltd.  SPML Bhiwandi Water Supply Infra Ltd. (w.e.f 26th March 2013)  SPML Bhiwandi Water Supply Management Ltd. (w.e.f 26th March 2013)  Aurangabad Jal Supply Solution Pvt. Ltd. (w.e.f 1st January, 2013)  ADD Realty Ltd.  Insituform Pipelines Rehabilitation Private Limited (upto 31st December, 2012) </p>
Joint Ventures	<p> SPML – CISC JV  SPML – Simplex JV  SPML – HCIL JV  Om Metal Consortium  SPML – Degroment JV  Siddartha – Mahavir – SPML JV  KBL – SPML JV  MVV Water Utility Pvt. Ltd (w.e.f 12th September, 2013) (through a subsidiary company)  Malviya Nagar Water Services Pvt. Ltd. (w.e.f 19th September, 2012) </p>
Key Management Personnel (KMP)	<p> Mr. Anil Kumar Sethi – Chairman (upto 28th May, 2012)  Mr. Subhash Chand Sethi – Chairman (w.e.f. 29th May, 2012)  Mr. Sushil Kumar Sethi – Managing Director  Mr. Deepak Sethi – Director </p>

Contd...

(c) Relatives of Key Management Personnel	
Mr. P. C. Sethi	Father of Chairman, Vice Chairman and Managing Director
Mrs. Maina Devi Sethi	Mother of Chairman, Vice Chairman and Managing Director
Mrs. Preeti Devi Sethi	Wife of Anil Kumar Sethi (Chairman till 28th May, 2012)
Mrs. Vineetha Sethi	Wife of Director
Mrs. Suman Sethi	Wife of Chairman
Mr. Harshavardhan Sethi	Son of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
Enterprises owned by KMPs or their relatives or whether the KMP's have significant influence	<p> Arihant Leasing and Holdings Ltd.  Rishabh Commercial Pvt. Ltd.  Rishabh Fire Management Pvt. Ltd.  Abhinandan Enterprise Pvt. Ltd.  Subhash Systems Pvt. Ltd.  International Constructions Ltd.  SPM Engineers Ltd.  Zoom Industrial Services Ltd.  20th Century Engineering Ltd.  Subhash Power Company Ltd.  SPML India Ltd.  SubhashYurim Textiles Ltd.  Subhash International Pvt. Ltd.  Sonal Agencies Pvt Ltd.  ADD Eco Enviro Ltd.  Sanmati Power Company Pvt. Ltd.  Meena Holdings Ltd.  SPML Semitech India Pvt. Ltd.  VidyaEdutech Pvt. Ltd.  ADD Technologies (India) Ltd.  Sushil Kumar Sethi &amp; Sons (HUF)  Poonam Chand Sethi (HUF)  Subhash Chand Sethi (HUF)  Anil Kumar Sethi &amp; Sons (HUF)  Breeze Commodeal (P) Ltd.  Pondicherry SEZ Company Pvt. Ltd.  Sanmati Corporate Investments Pvt. Ltd.  Sanmati Infra Projects (P) Ltd.  Om Metal SPML Infra Project Pvt Limited  Acropolis Properties (P) Ltd. </p>

**Related party disclosure:**

(c) Aggregated Related Party Disclosures as at and for the year ended 31st March 2013

(Rs. in lakhs)

	Transactions 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 Repaid/Share Application Money	Sale/transfer of Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b><u>SUBSIDIARY COMPANIES</u></b>																
Subhash Kabini Power Corporation Ltd.	-	-	104.80 (31.30)	5.74 (30.37)	-	2,072.22 (-)	-	-	-	-	-	-	-	954.02 (-)	-	-
SPML Industries Ltd.	-	(83.28)	-	-	-	0.87	-	-	-	-	-	-	-	-	57.52 (58.39)	-
SPML Energy Ltd.	-	-	-	6.64	31.01	127.50	-	-	-	-	-	-	-	103.10	-	-
SPML Infrastructure Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.04)	(-)
	-	(-)	-	-	-	-	-	860.00 *	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(745.95)	(-)	(2,835.80)	(-)	(-)	(-)	(-)	(-)	(860)*	(-)	(-)
Binwa Power Corporation (P) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	503.77#	-
Awa Power Company (P) Ltd.	77.41 (151.46)	-	-	-	-	318.00	-	-	-	(-)	(-)	(-)	(-)	(-)	(503.77)	(12.00)
IQU Power Company (P) Ltd.	9.02 (0.98)	-	-	-	-	220.70 (94.98)	-	-	-	(-)	(-)	(-)	(-)	324.70	-	-
Neogal Power Company (P) Ltd.	65.29 (20.90)	(-)	(-)	(-)	-	166.43 (74.00)	(-)	(391.00)	(-)	(-)	(-)	(-)	(-)	307.16 (78.99)	-	(12.00)
Luni Power Company (P) Ltd.	48.99 (27.53)	-	-	-	-	166.04	(-)	(680.00)	(-)	(-)	(-)	(-)	(-)	-	-	1,432.00 (1,697.00)
Delhi Waste Management Ltd.	-	111.07	201.41 (264.71)	-	-	2,257.47	-	(468.39)	(-)	(-)	(-)	(-)	(-)	225.55	-	-
ADD Urban Enviro Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(28.13)	-	(-)	(-)	(2.94)	(-)	(-)	(-)	54.00 (2,110.41)	300.00 (2,300.00)
SPML Utilities Ltd.	(-)	(-)	(-)	(-)	(-)	-	(-)	(1,744.65)	(-)	(-)	(-)	(-)	(-)	-	-	(-)
Allahabad Waste Processing Co. Ltd.	217.17 (538.37)	-	221.88	-	-	100.62 (183.75)	-	-	-	(-)	(-)	(-)	(-)	376.66 (276.04)	-	-
Mathura Nagar Waste Processing Co. Pvt. Ltd.	162.39 (187.32)	(-)	(-)	(-)	(-)	372.83	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	942.45 # (1310.57) #	1,880.00 (2,840.00)
Bhilwara Jaipur Toll Road Private Ltd.	-	(-)	240.92	(0.38)	(-)	602.78	-	-	-	(-)	(-)	(-)	(-)	-	1,205.85 # (1730.1) #	1,155.00 (1,610.00)
Mizoram Power Development Corporation Ltd.	-	(-)	(-)	(2.04)	(-)	(55.99)	(-)	2,762.42 (51.00)	(-)	(-)	(-)	(-)	(-)	(5.51)	-	20,600.00 (20,600.00)
	(-)	(-)	-	-	1.13	0.52 (1.42)	(-)	-	-	(-)	(-)	(-)	(-)	0.81 (1.42)	-	(-)

(Rs. in lakhs)

Contd...

	Transactions 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 Repaid/Share Application Money	Sale/transfer of Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b><u>STEP DOWN SUBSIDIARY COMPANIES</u></b>																
SPM Holding Pte. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,787.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(8,032.00)
Madurai Municipal Waste Processing Co. (P) Ltd.	117.04	-	-	44.83	-	140.32	-	-	-	-	-	-	-	586.36	-	1,418.00
	(-)	(-)	(-)	(-)	(-)	(131.13)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(284.17)	(-)	(2,576.00)
Aurangabad City Water Utility Co. Ltd.	-	-	-	-	-	50.43	-	-	-	-	-	-	-	148.34	-	-
	(-)	(-)	(-)	(-)	(-)	(93.26)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(97.91)	(-)	(-)
<b><u>JOINT VENTURES</u></b>																
SPML – CISC JV	-	-	-	-	-	265.95	-	-	-	-	-	-	-	204.1**	-	280.61
	(-)	(-)	(-)	(-)	(-)	(18.29)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(470.05)	(-)	(280.61)
SPML – Simplex JV	-	-	-	-	-	-	-	5.34	-	-	-	-	-	107.32**	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(101.98)	(-)	(-)
SPML JV - Insituform	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,159.01)	(-)	(1,137.77)
SPML – HCIL JV	1,140.79	-	-	-	-	-	-	-	-	-	-	-	12.27	65.75	-	2,307.99
	(2,031.55)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(19.58)	(-)	(313.32)	(1,109.95)
Om Metal Consortium	-	-	-	-	-	-	-	0.74 **	-	-	-	-	-	1,300.98 **	-	542.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,300.24)	(-)	(261.00)
SPML – Degroment JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Siddharth - Mahavir SPML JV	-	-	-	-	-	-	-	9.29	-	-	-	-	-	93.46**	-	-
	(4.83)	(-)	(-)	(-)	(-)	(-)	(-)	(13.66)	(-)	(-)	(-)	(-)	(-)	(84.17)	(-)	(-)
KBL – SPML JV	6,109.48	-	-	-	-	-	-	-	-	-	-	-	-	1,427.11	-	-
	(11,787.30)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(450.00)
Malviya Nagar Water Services Pvt. Ltd.	-	-	-	-	-	-	-	0.13	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
MVV Water Utility Pvt. Ltd. (through a subsidiary)	-	-	-	-	578.79 #	-	-	-	-	-	-	-	-	-	578.79	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Contd....

(Rs. in lakhs)

	Transactions 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 Repaid/Share Application Money	Sale/transfer of Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b>ASSOCIATE COMPANIES</b>  Insituform Pipeline Rehabilitation Pvt. Ltd. (IPRPL)  Jamshedpur Waste Processing Company Pvt Limited  Doon Valley Waste Management Private Ltd.  Mizoram Mineral Development Corporation Ltd.  SPML Bhiwandi Water Supply Infra Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(63.70)	(-)	(-)	(-)	(-)	(-)	(-)	(167.21)	(-)
	(-)	(-)	(-)	(-)	(-)	0.34	(-)	0.35	(-)	(-)	(-)	(-)	(-)	0.69	(-)	(-)
	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	7.27	(-)
	(-)	(-)	(-)	(-)	(8.31)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.64)	(-)
	-	-	-	(0.04)	0.82	1.26	-	-	-	-	-	-	-	-	1.58	(-)
	(-)	(-)	(-)	(-)	(-)	(1.14)	-	(7.30)	(-)	(-)	(-)	(-)	(-)	(1.14)	(-)	(-)
	-	-	-	-	-	53.59	2.75	-	-	-	-	-	-	468.88	(-)	(-)
	(-)	(-)	(-)	(-)	(-)	(415.29)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(415.29)	(-)	(-)
	-	-	-	-	-	4.75	2.50	-	-	-	-	-	-	19.01	(-)	(-)
(-)	(-)	(-)	(-)	(-)	(10.24)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(14.26)	(-)	(-)	
 Aurangabad Jal Supply Solutions Private Limited  Add Realty Ltd  <b>KEY MANAGEMENT PERSONNEL (KMP)</b>  Mr. Sushil Kumar Sethi  Mr. Subhash Chand Sethi  Mr. Deepak Sethi  <b>RELATIVES OF KMP</b>  Mr. Anil Kumar Sethi  Mr. P. C. Sethi	-	-	-	-	-	-	-	0.26	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	8.43	-	52.00	-	-	-	-	-	-	-	164.62	(-)	(-)
	(-)	(-)	(-)	(4.16)	(-)	(104.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(104.16)	(-)	(-)
	-	-	-	-	-	-	-	-	-	86.44	-	-	-	-	-	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(85.45)	(-)	(5.36)	(-)	(-)	(12.18)	(-)
	-	-	-	-	-	-	-	-	0.21	86.44	-	-	-	-	9.28	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.20)	(85.45)	(-)	(7.62)	(-)	(-)	(13.01)	(-)
	-	-	-	-	-	-	-	-	1.18	-	-	-	-	-	20.56	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.15)	(-)	(-)	(2.91)	(-)	(-)	(-)	(-)
	-	-	-	-	-	-	-	-	1.17	-	-	-	-	-	5.58	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.15)	(-)	(-)	(9.52)	(-)	(-)	(4.41)	(-)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.57	(-)
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.86)	(-)	(-)	(1.57)	(-)	



Contd...

(Rs. in lakhs)

	Transactions 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	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
Mrs. Maina Devi Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.20 (1.20)	- (-)
Mrs. Preeti Devi Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.18 (7.15)	- (-)	- (-)	- (-)	- (-)	- (-)	1.18 (0.01)	- (-)
Mrs. Suman Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.21 (5.81)	- (-)	- (-)	- (-)	- (-)	- (-)	0.21 (-)	- (-)
Mr. Harshavardhan Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Mr. Abhinandan Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	7.74 (40.25)	- (-)	- (-)	3.39 (40.25)	- (6.00)	- (-)	- (2.70)	- (-)	- (-)	10.45 (14.80)	- (-)
Mrs. Sandhya Rani Sethi	- (-)	- (-)	- (-)	- (-)	1.50 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.32)	- (-)	- (-)	13.22 (11.72)	- (-)
Mr. Rishabh Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (28.00)	- (-)	- (0.47)	- (-)	- (-)	- (-)	- (-)
ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KMP OR THEIR RELATIVES																
Arhant Leasing and Holdings Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	1.81 (-)	- (-)	- (-)	5.40 (6.00)	- (-)	- (-)	- (2.18)	- (-)	- (-)	30.52 (26.93)	- (-)
Rishabh Commercial Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	0.46 (-)	(0.46)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.01)	- (-)	- (-)	- (-)	- (-)
Rishabh Fire Management Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Abhinandan Enterprise Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	0.51 (-)	(0.51)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.01)	- (-)	- (-)	- (-)	- (-)
Subhash Systems Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	3.01 (-)	- (-)	- (-)	1.70 (1.68)	- (-)	- (-)	- (-)	- (-)	1.13 (-)	- (0.17)	- (-)
International Constructions Ltd.	- (-)	- (-)	- (-)	215.48 (137.14)	- (-)	745.06 (592.70)	- (-)	- (-)	- (1.20)	- (-)	- (-)	- (4.40)	- (-)	- (2,443.75) (1,483.20)	- (-)	- (-)
SPM Engineers Ltd.	- (-)	50.99 (-)	- (-)	15.79 (1.06)	- (-)	- (86.76)	- (-)	- (-)	- (-)	- (-)	- (-)	- (6.40)	- (-)	- (91.58) (126.56)	- (-)	- (-)

Contd....

(Rs. in lakhs)

	Transactions 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 Repaid/Share Application Money	Sale/transfer of Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given	
Meena Homes Limited	(-)	(-)	15.31	(-)	1,687.76	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	1,703.07	(-)	-
Zoom Industrial Services Ltd.	(-)	(-)	0.51	(-)	(-)	1.70 (67.05)	(-)	(-)	(-)	(-)	(-)	(15.37)	(-)	(-)	-	3.68 (4.87)	(-)
20th Century Engineering Ltd.	-	-	0.32	-	-	0.81	-	-	-	-	-	-	-	-	-	2.63 (3.12)	-
Subhash Power Company Ltd.	(-)	(-)	(-)	20.55 (11.63)	(-)	(12.42)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	162.33 (141.78)	(-)	(-)
SPML India Ltd.	-	(-)	0.99	(-)	(-)	1.23	(-)	(-)	(-)	(-)	(-)	(11.68)	(-)	(-)	-	8.42 (8.66)	(-)
Subhash International Pvt. Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(16.50)	(-)	(-)	(-)	(-)	(-)	-	16.44 (16.44)	(-)
Sonal Agencies Pvt Ltd.	(-)	(-)	(-)	(-)	1.00	(1.00)	(-)	(-)	(-)	(-)	(-)	(0.03)	(-)	(1.00)	(-)	(-)	(-)
Add Eco Enviro Limited	(-)	(-)	(-)	(-)	411.00	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	411.00	(-)
Sanmati Power Co. Pvt. Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	251.25 (251.25)	(-)
Meena Holdings Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	42.74 (169.06)	(-)	(-)	(-)	(-)	(-)	-	(9.96)	(-)
SPML Semitech India Pvt. Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	133.96 (133.96)	(-)
VidyaEduTech Pvt. Ltd.	(-)	(-)	1.91	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	(1.91)	(-)
ADD Technologies (India) Ltd.	(-)	455.40 (518.71)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	275.23 (180.22)	47.00 (1,000.00)
Breeze Commoddeal (P) Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.00)	(-)	(-)	(-)	(-)	(-)	-	(12.45)	(-)
Poonam Chand Sethi (HUF)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.47)	(-)	(-)	-	(-)	(-)
Anil Kumar Sethi & Sons (HUF)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.67)	(-)	(-)	-	(-)	(-)

Contd...

(Rs. in lakhs)

	Transactions 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 Repaid/Share Application Money	Sale/transfer of Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
Sushil Kumar Sethi & Sons (HUF)	-	-	-	-	-	-	-	-	-	-	-	(1.95)	-	-	(1.57)	-
Subhash Chand Sethi (HUF)	-	-	-	-	-	-	-	-	-	-	-	(2.25)	-	-	-	-
Pondicherry SEZ Company (P) Ltd	-	-	119.73	-	(1,074.48)	131.97	-	-	-	-	-	-	-	-	1,062.23 (1,074.48)	-
Sanmati Corporate Investments Private Limited	-	-	-	-	-	0.10	-	-	-	-	-	-	-	0.10	-	-
Sanmati Infra Projects (P) Ltd	-	-	9.30	-	(155.00)	117.30	-	-	-	-	-	-	-	-	47.00 (155.00)	-
OM Metal SPML Infra Project Pvt Ltd.	(769.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,742.00 (1,171.00)
Acropolis Properties (P) Ltd	35.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bharat Hydro Power Corporation Ltd.	-	-	60.21	(8.69)	2,190.26	(39.25)	-	-	-	-	-	(6.96)	-	-	135.95 (55.52)	- (900.00)

Also refer Note 4 &amp; 8 as regards loans and other funded facilities personally guaranteed by promoter directors of the Company &amp; others.

\* Shares of Bhilwara Jaipur Toll Road Private Limited from SPML Infrastructure Limited for which the advance was given last year.

\*\* Investment in Un-incorporated JV

# Mobilisation Advances against Project.

**31. INTEREST IN JOINT VENTURES:**

Particulars of the Company's interest in Jointly Controlled Entities are as below:

Name of Joint Venture	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 – Insituform (Refer Note No. 47)	50%	India	India
SPML - CISC	50%	India	India
SPML - HCIL ***	33%	India	India
SPML - Simplex	50%	India	India
Malviya Nagar Water Services Pvt. Ltd.	26%	India	India

\*\*\*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” work contract has been awarded to the Company by the JV entities. 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 jointly controlled entities as at and for the year ended 31st March, 2013 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**	639.10 (629.38)	545.64 (554.89)	351.08 (75.54)	341.80 (66.54)	9.28 (9.00)
Om Metal Consortium **	1,222.97 (1,182.60)	11.48 (8.20)	- -	- -	- -
SPML - Insituform #	- (2,885.65)	- (3,019.05)	- (551.05)	311.64 (1,001.58)	-311.6 (-450.53)
SPML - CISC **	238.82 (237.91)	53.33 (323.32)	- (9.25)	7.94 (3.06)	(7.94) (6.19)
SPML - Simplex	121.26 (114.16)	13.93 (12.18)	57.30 (3.88)	51.96 (1.41)	5.34 (2.47)
Malviya Nagar Water Services Pvt. Ltd. **	1.30 (-)	1.30 (-)	- (-)	- (-)	- (-)
Total	2,223.45 (5,049.70)	625.68 (3,917.64)	408.38 (639.72)	713.34 (1,072.59)	-304.96 (-432.87)
Share of Net Assets / Profit / (loss) after tax	1,597.77 (1,132.06)		-304.96 (-432.87)*		

\* The Company had renounced a major part of its risk and reward in the joint venture through supplementary agreement in favor 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. 267.54 lakhs.

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

# Refer Note No.47

Capital Expenditure Commitments and Contingent Liabilities of the Joint Ventures –Rs. Nil (Rs.60.63 lakhs).

**32. MANAGERIAL REMUNERATION**

Details of managerial remuneration for chairman and managing director are as follows:

(Rs. In Lakhs)

	2012-13	2011-12
Salary	144.00	144.00
Contribution to provident fund	2.75	2.75
Perquisites	26.13	24.15
<b>Total</b>	<b>172.88</b>	<b>170.90</b>

Note:

As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not included above.

**33.** 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)

	2012-13	2011-12
(i) Principal amount remaining unpaid to suppliers at the end of accounting year	24.72	25.91
(ii) Interest due on above	2.01	0.65
<b>Total of (i) &amp; (ii)</b>	<b>26.73</b>	<b>26.56</b>
(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	9.86
(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	0.70
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year	52.49	49.68
(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	2.81	1.35

**34.** 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	2012-13	2011-12
<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	22.04	8.47
Interest	—	38.76
<b>Total</b>	<b>22.04</b>	<b>47.23</b>
<b>Value of imports calculated on CIF basis</b>		
Materials	546.15	Nil
Capital Goods	Nil	Nil
<b>Total</b>	<b>546.15</b>	<b>Nil</b>
<b>Net dividend remitted in foreign exchange</b>	<b>Nil</b>	<b>Nil</b>

35. 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.

**36. (a) Imported and indigenous materials and components consumed**

	2012-13		2011-12	
	Percentage of total consumption	Value (Rs. in lakhs)	Percentage of total consumption	Value (Rs. in lakhs)
Imported	0.96%	546.15	—	—
Indigenous	99.04%	56,438.56	100.00%	38,330.08
Total	100.00%	56,984.71	100.00%	38,330.08

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

	2011-13		2010-12	
	Percentage of total consumption	Value (Rs. in lakhs)	Percentage of total consumption	Value (Rs. in lakhs)
Imported	—	—	—	—
Indigenous	100.00%	29.94	100.00%	26.23
Total	100.00%	29.94	100.00%	26.23

**37. CONSTRUCTION CONTRACTS DISCLOSURE**

Information relating to Construction contracts as per Accounting Standard 7 (Revised) notified by the Companies Accounting Standards Rules, 2006 (as amended) are given below:

(Rs. In Lakhs)

	2012-13	2011-12
Contract income recognized as revenue during the year	93,887.45	88,617.00
Aggregate amount of costs incurred and recognized profits (less recognized losses) till date for contracts in progress	410,236.73	411,829.95
Advances received (unadjusted) for contracts in progress	13,599.94	17,593.43
Retention amount for contracts in progress	11,307.79	11,150.69
Gross amount due from customers for contract work for contracts in progress	44,011.50	45,311.66
Gross amount due to customers for contract work for contracts in progress	600.78	1,739.14

38. The following amounts are due from subsidiaries, associates and Companies in which directors are interested as on the balance sheet date:

**A. Loans & Advances (including advances given towards share application money):**

(Rs. In Lakhs)

Name	As at 31st March, 2013		As at 31st March, 2012	
	Balance Outstanding	Maximum Amount Outstanding during the year	Balance Outstanding	Maximum Amount Outstanding during the year
<b>(i) From subsidiaries/ Associates Subsidiaries</b>				
SPML Infrastructure Ltd.	—	860.00	860.00	3,191.86
Subhash Kabini Power Corporation Limited	954.02	2684.93	—	—
Awa Power Company Private Limited	331.36	331.36	—	—
IQU Power Company (P) Ltd.	321.70	321.70	94.98	101.00
Neogal Power company Private Limited	262.38	262.38	—	—
Luni Power Company Pvt. Ltd.	168.77	168.77	—	—
SPML Industries Ltd.	—	—	—	64.10
SPML Energy Ltd.	103.10	157.61	0.04	661.07
SPML Utilities Ltd.	376.66	376.51	276.04	277.13
ADD Urban Enviro Ltd.	—	—	—	5.50
Madurai Municipal Waste Processing Co.(P) Ltd.	468.87	468.87	284.17	438.37
Bhilwara Jaipur Toll Road Private Ltd.	—	—	55.99	56.51
Allahabad Waste Processing Company Ltd.	—	—	—	750.00
Mizoram Power Development Corporation Ltd.	0.81	0.81	1.42	13.58
Aurangabad City Water Utility Co. Ltd.	148.34	148.34	93.26	93.26
Mathura Nagar Waster Management (P) Ltd.	—	—	—	950.00
<b>Associates</b>				
Mizoram Mineral Development Corporation Ltd.	1.58	1.58	1.14	14.13
SPML Bhiwandi Water Supply Infra Ltd.	428.98	428.98	14.20	14.20
SPML Bhiwandi Water Supply Management Ltd.	17.82	17.82	415.35	415.35
Aurangabad Jal Water Supply	0.26	0.26	—	—
Insituform Pipeline Rehabilitation (P) Ltd. (IPRPL)	—	—	—	63.7
<b>(ii) From companies in which directors are interested</b>				
International Construction Ltd.	2,443.75	2,443.74	1,483.20	1,532.83
Subhash Power Co Ltd.	162.33	162.33	141.78	141.78
Subhash Systems Private Ltd.	1.13	1.56	—	1.39
ADD Realty Ltd.	164.62	164.62	104.16	340.00
SPM Engineers Ltd.	148.98	148.98	126.56	133.96
Sanmati Corporate Investments Private Limited	0.10	0.10	—	—

**B. Disclosures 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 advances given towards share application money)	As given in 38A (i) 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. 38A (i) and 38A (ii) 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. 38A (ii) above	

**39. (a) Gratuity plans (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 favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is unfunded.

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

(Rs. In Lakhs)

	2012-13	2011-12
<b>(i) Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	41.51	54.86
Interest cost on benefit obligation	28.39	26.50
Net Actuarial (gains) / losses recognized in the year	(77.34)	(48.93)
Total employer expense recognized in the Statement of Profit and Loss	(7.44)	32.43
<b>(ii) Actual return on plan assets</b>	<b>Not Applicable</b>	Not Applicable
<b>(iii) Benefit Asset/(Liability)</b>		
Defined benefit obligation	(289.84)	(341.14)
Benefit Asset / (Liability)	(289.84)	(341.14)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	341.14	321.52
Interest cost	28.39	26.50
Current service cost	41.51	54.86
Benefit paid	(43.86)	(12.81)
Actuarial (gains)/losses on obligation	(77.34)	(48.93)
Closing benefit obligation	289.84	341.14
<b>(v) Movement in fair value of plan assets</b>	<b>Not Applicable</b>	Not Applicable



The Principal actuarial assumptions are as follows:

	2012-13	2011-12
Discount rate	8.00%	8.00%
Withdrawal Rate	Varying between 8% per annum and 1% per annum depending on duration and age of employees	Varying between 2% 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)	21.13	21.58
Experience Adjustments on Plan Liabilities	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 expense for defined contribution plans**

(Rs. In Lakhs)

	2012-13	2011-12
Contribution to Provident and other funds	214.31	281.02

Notes:

- 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.
- The gratuity liabilities are unfunded. Accordingly, information regarding planned assets are not applicable.
- Amounts for the current and previous periods are as follows:

(Rs. In Lakhs)

Description	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009
Defined Benefit Obligation	289.84	341.14	321.52	278.15	213.22
Assets/ ( Liability)	(289.84)	(341.14)	(321.52)	(278.15)	(213.22)

**40.** The Company has claimed income tax benefits of Rs. 27,894.44 lakhs (Rs. 26,191.83 lakhs upto March 31, 2012) approx. having tax impact of Rs. 8,034.45 lakhs (March 31, 2012: Rs. 7,482.04 lakhs) including Rs. 552.41 lakhs (March 31, 2012 : Rs 574.40 lakhs) for the year, approx. 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 2008-09, the above claims were initially disallowed by the Tax Authorities, but the appellate authorities during the year have allowed the aforesaid claims for the years 2005-2006 to 2008-2009. Accordingly, the Company feels that all such claims under Section 80IA would be allowed for subsequent years also. The Company's writ with the Honorable 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.

**41.** Minimum Alternate Tax entitlement aggregating Rs. 2,322.99 lakhs (Rs. 2,051.67 lakhs upto March 31, 2012) (including Rs. 271.32 lakhs (March 31, 2012: Rs. 286.56 lakhs) for the year) has not been recognized in these accounts since the Company does not have convincing evidence that it would have sufficient taxable profits within the specified period in future to claim the above entitlements.

**42.** Trade payables aggregating Rs. 2,390.15 lakhs (Rs. 412.73 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.

43. During an earlier year, one of the clients of the Company had partially terminated a part of the contract with consequential damages. The Company has challenged the said termination in the Hon'ble Supreme Court. However, as a matter of prudence, the Company has revised the contract value and contract cost, as per the management's best estimate and the expected loss has been duly provided for in the accounts. The Company has also lodged counter claims on the client and it does not expect any further loss arising out of such termination.

44. SPML CISC JV, a joint venture entity (JV) has foreclosed its underlying project. The JV has receivable in its books towards claims against the client as awarded by the arbitrator. Although the said client has disputed the award, yet the Company is confident of recovery of its investment in the JV.

#### 45. 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".

#### 46. Details in respect of Trading Activities

(Rs. In Lakhs)

Steel products	2012-13	2011-12
Cost of Sales (Steel)	7,827.29	Nil
Sales (Steel)	7,936.94	Nil

47. Pursuant to a settlement reached with the Insituform group, the Company has exited during the year from the Insituform Joint Venture together with a commitment to sell its shares in the associate Company, namely, Insituform Pipeline Rehabilitation Private Limited (IPRPL) at a nominal value and remission of receivables from Insituform JV. As a result, the shares of IPRPL have been sold by the Company to Insituform group for Rs. 0.01 lakhs resulting into a loss of Rs. 1,098.67 lakhs and also the receivables of Rs. 1,173.46 lakhs from Insituform group have been written off in the accounts.

48. Arbitration claims of Rs. 6,624.71 lakhs awarded in two cases in favor of the Company (including Rs. 3,596.41 lakhs awarded in an earlier year) have been recognized as income in these accounts, as the management feels that these awards have reached their finality, and it is confident to recover these arbitration claims in full.

49. Trade receivables aggregating Rs. 2,601.13 lakhs (Rs. 3,562.48 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.

50. Materials at site includes stock of trading goods aggregating Rs. 451 lakhs (Rs. Nil)

51. The Company has entered into certain transactions aggregating Rs. 35.55 lakhs during the 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.

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

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

Place: Gurgaon  
Dated: May 27, 2013

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

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

Place: Gurgaon  
Dated: May 27, 2013

#### As Approved

For and behalf of the Board of Directors

**Subhash Chand Sethi**  
Chairman

**R. P. Mundhra**  
Company Secretary

**Sushil Kr. Sethi**  
Managing Director

**Lalit Khetan**  
Chief Financial Officer

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

Sl	Name of the Subsidiary Company	Add Urban Enviro Limited	Allahabad Processing Co. Ltd. Company Ltd	Aurangabad Waste City Water Utility	Awa Power Company Private Limited	Bhilwara Jaipur Toll Road (P) Ltd.	Binwa Power Company Private Limited
1	Financial Year of the Subsidiary Company	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	a) Number of Shares held in Subsidiary Company on the above date  b) Extent of Holding	2,438,200 Equity Shares of Rs. 1 each	255,000 Equity Shares of Rs. 1 each	NIL Equity Shares of Rs. 1 each	10,952,105 Equity Shares of Rs. 1 each	3,208,302 Equity Shares of Rs. 10 each	2,948,340 Equity Shares of Rs. 1 each
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.) b) for the previous Financial year since it becomes the Holding company's Subsidiary  Capital Reserves Total Assets Total Liabilities Details of Investment (except investment in Subsidiaries) Turnover Profit Before Taxation Provision for Taxation Prior Period Adjustments Profit after Taxation Proposed Dividend						
		2,438,500	24,990,000	500,000	21,474,720	47,731,000	5,781,250
		171,120,324	68,060,306	0	328,325,977	671,569,500	78,898,973
		178,154,007	346,114,916	15,093,119	558,493,314	2,032,855,826	88,627,405
		178,154,007	346,114,916	15,093,119	558,493,314	2,032,855,826	88,627,405
		0	0	0	0	20,000	0
			83,565,026	1,000,000	0	0	0
		-85,460	-7,239,627	-68,851,700	-319,477	0	243,005
		0	0	0		0	
					484,319		770
		-85,460	-7,239,627	-68,851,700	-803,796	0	242,235

Contd...

Sl	Name of the Subsidiary	Delhi Waste Management Ltd.	IQU Power Company Private Limited	Luni Power Company Private Limited	Madhurai Municipal Waste Processing Company Pvt. Ltd.	Mathura Nagar Waste Processing Co. Ltd	Mizoram Power Development Corporation Ltd.
1	Financial Year of the Subsidiary Company	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	a) Number of Shares held in Subsidiary Company on the above date  b) Extent of Holding	292,500 Equity Shares of Rs. 10 each	6,705,500 Equity Shares of Rs. 1 each	6,882,931 Equity Shares of Rs. 1 each	NIL Equity Shares of Rs. 10 each	255,000 Equity Shares of Rs. 1 each	89,125 Equity Shares of Rs. 10 each
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.) b) for the previous Financial year since it becomes the Holding company's Subsidiary  Capital Reserves Total Assets Total Liabilities Details of Investment (except investment in Subsidiaries) Turnover Profit Before Taxation Provision for Taxation Prior Period Adjustments Profit after Taxation Proposed Dividend	        15,000,000 555,487,260 803,107,553 803,107,553 45,000,000 573,145,395 34,166,255 7,042,462 2,232 27,123,793	        13,147,916 128,347,062 310,280,905 310,280,905 0 3,909,090 -41,323,841 11,488,803 2,232 -52,814,876	        13,496,320 148,152,281 288,295,107 288,295,107 0 0 -61,569,440 0 319,688 -61,889,128	        108,436,000 -965,688 446,128,796 446,128,796 0 0 -210,819 -425,159 214,340	        10,252,000 85,424,852 218,508,610 218,508,610 0 4,868,893 -5,036,735 0 -5,036,735	        1,500,000 -1,491,174 118,050 118,050 0 0 -52,522 0 -52,522

Contd...

Sl	Name of the Subsidiary	Neogal Power Company Private Limited	PT Sanmati Natural Resources	Rupin Tons Power Private Limited	SJA Developers Private Limited	SPM Holdings Pte Ltd (Rs. In \$)	SPML Energy Limited
1	Financial Year of the Subsidiary Company	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	a) Number of Shares held in Subsidiary Company on the above date  b) Extent of Holding	8,451,060 Equity Shares of Rs. 1each	NIL	NIL Equity Shares of Rs. 10 each	NIL Equity Shares of Rs. 10 each	NIL	99,550,000 Equity Shares of Rs. 1 each
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.) b) for the previous Financial year since it becomes the Holding company's Subsidiary  Capital Reserves Total Assets Total Liabilities  Details of Investment (except investment in Subsidiaries) Turnover Profit Before Taxation Provision for Taxation Prior Period Adjustments Profit after Taxation Proposed Dividend	             16,499,312 253,691,381 487,510,903 487,510,903  0 0 -634,059 0 819,611 -1,453,670	             5,645,858 47,676,650 1,035,449,066 1,035,449,066  1,034,747,200 0 42,536,654 0  42,536,654	             1,907,500 -336,016 1,704,536 1,704,536  0 0 -115,489 0  -115,489	             31,483,000 -753,440 73,754,255 73,754,255  0 0 -774,456 0  -774,456	             8,900,730 -3,860,747 27,500,600 27,500,600  694,540 33,791,365 942,375 140,544  801,831	             113,800,000 -97,954,721 226,042,770 226,042,770  0  -43,258,177 0  -43,258,177

Contd...

Sl	Name of the Subsidiary	SPML Industries Limited	SPML Infrastructure Ltd	SPML Utilities Limited	Subhash Kabini Power Corporation Ltd.	Synergy Promoters Private Limited	Tons Valley Power Company Private	Uttarkashi Tons Hydro Power Limited
1	Financial Year of the Subsidiary Company	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	a) Number of Shares held in Subsidiary Company on the above date Equity Shares of Rs. 10 each  b) Extent of Holding	1,243,618 Equity Shares of Rs. 10 each	3,360,500 Equity Shares of Rs. 1 each	199,999,700 Equity Shares of Rs. 1 each	13,586,300 Equity Shares of Rs. 10 each	NIL Equity Shares of Rs. 10 each	NIL Equity Shares of Rs. 10 each	NIL Equity Shares of Rs. 10 each
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.) b) for the previous Financial year since it becomes the Holding company's Subsidiary  Capital Reserves Total Assets Total Liabilities Details of Investment (except investment in Subsidiaries) Turnover Profit Before Taxation Provision for Taxation Prior Period Adjustments Profit after Taxation Proposed Dividend	24,384,670 85,607,714 117,868,683 117,868,683 1,010,000 1,725,362 2,658,921 506,657  2,152,264	3,360,800 280,145,787 299,259,758 299,259,758 285,629,000  281,803 217,876  63,927	200,000,000 -1,842,967 249,927,779 249,927,779 6,998,398  -39,994 0  -39,994	437,400,000 749,537,002 2,235,379,952 2,235,379,952 0 123,357,091 9,198,086 -14,801,115  23,999,201	44,436,000 -695,133 70,331,294 70,331,294 0 0 -646,122 0  -646,122	8,717,500 -341,843 8,652,066 8,652,066 0 0 -121,848 0  -121,848	2,330,000 -332,976 2,110,955 2,110,955 0 0 -115,618 0  -115,618

## 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 to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 in respect of a contract partially terminated by the client, the matters relating to settlement of claims, counter claims and consequential damage whereof are presently sub-judice. Accordingly, we are unable to comment about the impact, if any, of the aforesaid termination on the related contract value, contract cost and unbilled revenue and its consequential impact on the profit for the year and the reserves and surplus of the Group as at the Balance Sheet date
- (b) The audited financial statements in respect of certain associates as detailed in Note No. 1(i)(I), wherein the carrying value of the Group's investment is Rs. 10,360.88 lakhs as at March 31, 2013, after accounting for the Group's share of net profit after tax of Rs. 493.91 lakhs for the year, have not been received and these have been incorporated in the consolidated financial statements on the basis of management certified unaudited financial statements produced to us. Accordingly we are unable to comment on the impact, if any, had those financial statements been subjected to audit.
- (c) The audited financial statements of a subsidiary and certain joint ventures as detailed in Note No. 1(i)(I) to the consolidated financial statements which reflect total assets, total revenue and net cash outflows of Rs. 12,813.07 lakhs, Rs. 478.25 and Rs. 6.18 lakhs respectively, have not been received and these have been incorporated in the consolidated financial statement on the basis of management certified unaudited financial statements produced to us. Accordingly we are unable to comment on the impact, if any, had those financial statements been subjected to audit.

The audit report for the year ended March 31, 2012 was also modified for the above matters.

## 5. Qualified Opinion

Except for the possible effects of the matters stated in paragraphs 4 (a,) 4(b) and 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, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (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 following Notes to the financial statements:

- (a) Note No.42 regarding the arbitration claims of Rs.6,624.71 lakhs (including Rs.3,596.41 lakhs awarded in an earlier year) having been recognised in the books as income during the year as the management believes that these awards have reached their finality and it is confident to recover these arbitration claims in full, which we have relied upon.
- (b) Note No.51 regarding the delay in implementation of the Port project in an associate wherein the Group's investment stands at Rs.466.81 lakhs as at the balance sheet date. All direct and incidental expenses related to the project have been accounted for as Capital Work In Progress since the management feels that the project status will be maintained as it is during the year and appropriate decision with regard to the write off, if any, will be taken in the subsequent financial years.

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. 48,238.16 lakhs as at March 31, 2013 and total revenue of Rs. 25,812.27 lakhs and net cash flows (outflow) of Rs. 1,462.22 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. 17,602.28 lakhs as on March 31, 2013 and total revenue of Rs. 18,275.66 lakhs and net cash flow ( cash outflow) of Rs. 812.61 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. 10,360.68 lakhs after accounting for the share of net profit after tax of Rs. 493.97 lakhs for the year ended on that date, as more fully disclosed vide Note No. 1(i)(c) to the consolidated financial statements, have been prepared under the applicable local reporting GAAP and audited by auditors in their respective countries and our opinion, in so far it relates to amounts included in respect of these subsidiaries / associates, is based solely on the reports of the other auditors.

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

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

Place : Gurgaon  
Date : June 18, 2013

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

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

Place : Gurgaon  
Date : June 18, 2013



## Consolidated Balance Sheet as at 31 March, 2013

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	819.45	819.45
Reserves and surplus	3	46,396.00	46,242.35
		<b>47,215.45</b>	<b>47,061.80</b>
Minority Interest		<b>11,463.12</b>	<b>10,651.46</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	39,117.12	26,063.14
Deferred tax liability	5	427.03	905.97
Other long-term liabilities	6	6,552.19	1,526.29
Long-term provisions	7	355.06	759.27
		<b>46,451.40</b>	<b>29,254.67</b>
<b>Current liabilities</b>			
Short-term borrowings	8	39,122.69	36,989.93
Trade payables	9	48,280.26	45,315.99
Other current liabilities	10	26,259.26	32,038.93
Short-term provisions	7	302.08	363.75
		<b>113,964.29</b>	<b>114,708.60</b>
<b>TOTAL</b>		<b>219,094.26</b>	<b>201,676.53</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11 (a)	21,958.80	20,803.57
Intangible assets	11 (b)	584.84	1,214.70
Capital work-in-progress	12	30,422.99	19,145.33
Non-current investments	13	13,841.71	14,415.96
Deferred Tax Asset	5	236.64	316.62
Long-term loans and advances	14	21,801.65	14,120.22
Trade receivables	15	9,558.91	12,180.50
Other non-current assets	16	7,279.05	7,638.19
		<b>105,684.59</b>	<b>89,835.09</b>
<b>Current assets</b>			
Inventories	17	4,516.11	7,259.98
Trade receivables	15	51,413.54	49,220.22
Cash and bank balances	18	9,125.01	8,600.50
Short-term loans and advances	14	12,351.86	13,685.17
Other current assets	16	36,003.15	33,075.57
		<b>113,409.67</b>	<b>111,841.44</b>
<b>TOTAL</b>		<b>219,094.26</b>	<b>201,676.53</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 R. K. AGRAWAL**  
Partner  
Membership No 16667

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

**R. P. Mundhra**  
Company Secretary

**Lalit Khetan**  
Chief Financial Officer

Place: Gurgaon  
Dated: June 18, 2013

Place: Gurgaon  
Dated: June 18, 2013

# Consolidated Statement of Profit and Loss for the year ended 31st March 2013

(Rs. In Lakhs)

Particulars	Notes	2012-13	2011-12
<b>INCOME</b>			
Revenue from operations	19	134,693.41	109,164.14
Other income	20	4,353.09	1,516.34
<b>Total revenue (I)</b>		<b>139,046.50</b>	<b>110,680.48</b>
<b>EXPENSES</b>			
Materials Consumed & Direct expenses	21	82,556.22	68,259.44
Cost of Traded goods		24,949.97	7,647.73
(Increase)/Decrease in work-in-progress	22	(411.97)	3,515.09
Employee benefit expenses	23	5,755.19	6,762.34
Other expenses	24	8,166.46	7,621.96
<b>Total expenses (II)</b>		<b>121,015.87</b>	<b>93,806.56</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>18,030.63</b>	<b>16,873.92</b>
Depreciation and amortization expenses	11 (a) & (b)	2,506.10	2,456.63
(after adjusting revaluation reserve of Rs.0.41 lakhs (Rs. 3.83 lakhs)) Finance costs	25	15,136.39	12,301.77
<b>Profit before tax</b>		<b>388.14</b>	<b>2,115.52</b>
<b>Tax expenses</b>			
- Current tax (Includes proportionate share in Joint Ventures Rs. 2.38 lakhs (Rs. 1.11 lakhs))		444.67	777.36
- Deferred tax credit (net) (Includes proportionate share in Joint Ventures Rs. 3.46 lakhs (Rs. Nil ))		(398.96)	(246.94)
- Minimum Alternate Tax (MAT) Credit		(18.07)	(140.76)
- Income Tax for earlier years		(121.79)	443.97
<b>Total tax expenses</b>		<b>(94.15)</b>	<b>833.63</b>
<b>Profit after Tax but before share of Associates and Minority Interest</b>		<b>482.29</b>	<b>1,281.89</b>
Add: Share in Net Profit of Associates (after adjusting Rs. Nil (Previous Year -loss of Rs.77.54 lakhs))		260.07	79.83
Less: Minority Interest		199.50	574.53
<b>Net Profit</b>		<b>542.86</b>	<b>787.19</b>
Earnings per equity share (nominal value of equity share Rs.2 each) 29 Basic and Diluted (in Rs.)		1.48	2.15
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 R. K. AGRAWAL**  
Partner  
Membership No 16667

Place: Gurgaon  
Dated: June 18, 2013

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

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

Place: Gurgaon  
Dated: June 18, 2013

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

**Subhash Chand Sethi**  
Chairman

**R. P. Mundhra**  
Company Secretary

**Sushil Kr. Sethi**  
Managing Director

**Lalit Khetan**  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31st March 2013

(Rs. In Lakhs)

	2012-13	2011-2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	388.14	2,115.52
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	2,506.10	2,456.63
Loss on sale/ discard of fixed assets	8.26	434.11
Interest expenses	13,073.60	10,744.29
Gain on sale of current investments (net)	(189.75)	—
Provision for doubtful debts	388.00	753.42
Bad Debts/ Sundry Balances written off	2,000.82	564.14
Project expenditure written off	613.00	—
Sundry Balances/Liabilities written back	(2,405.35)	(436.05)
Interest income on loans given	(391.84)	(45.05)
Interest income on fixed deposits	(713.38)	(743.26)
<b>Operating profit before working capital changes</b>	<b>15,277.60</b>	<b>15,843.75</b>
Movements in working capital :		
Increase in trade receivables	(2,889.61)	(195.50)
Decrease in inventories	2,669.13	3,302.36
Increase in loans & advances/ other assets	(3,050.50)	(2,205.32)
Increase / (decrease) in trade payables/ other liabilities	14,810.54	(1,863.35)
Increase / (decrease) in provisions	6.86	(6.16)
<b>Cash generated from operations</b>	<b>26,824.02</b>	<b>14,875.78</b>
Direct taxes paid (net of refunds)	(2,832.41)	(2,136.11)
<b>Net cash flow from operating activities (A)</b>	<b>23,991.61</b>	<b>12,739.67</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances	(17,478.74)	(11,926.32)
Proceeds from sale of fixed assets	87.88	351.87
Proceeds from sale of non-current investment		
- Subsidiaries	663.98	—
- Associates	0.01	—
Purchase of non-current investments		
- Associates	(0.61)	(1,139.95)
Loans given to/taken from related parties/ others	(4,449.83)	1,991.62
Subsidy received in respect of Capital Expenditure	1,962.43	2,191.16
Share application money refunded	132.11	—
Advance towards purchase of shares	(507.33)	—
Investment in bank fixed deposits (having original maturity of more than three months)	(299.21)	(491.66)
Interest received on loans given	322.50	45.10
Interest received on bank deposits	571.11	702.46
<b>Net cash flow used in investing activities (B)</b>	<b>(18,995.70)</b>	<b>(8,275.72)</b>

# Consolidated Cash Flow Statement for the year ended 31st March 2013

Contd...

(Rs. In Lakhs)

	2012-13	2011-2012
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contribution by Minorities ( Net)	607.51	2,284.99
Repayment of long term borrowings	(13,887.44)	(14,117.01)
Proceeds from long term borrowings	17,685.10	11,331.96
Proceeds from short-term borrowings (net)	2,563.11	5,765.66
Proceeds from Mobilisation Advances (net)	61.87	732.17
Interest paid	(12,770.91)	(10,465.67)
Dividend paid on equity shares (including dividend tax)	—	(183.25)
<b>Net cash flow used in financing activities (C)</b>	<b>(5,740.76)</b>	<b>(4,651.15)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(744.85)</b>	<b>(187.20)</b>
Cash Balances of Subsidiary Companies acquired/(disposed) on:		
Acquisition of subsidiaries	30.26	—
Disposal of subsidiaries and a joint venture	(42.79)	—
Cash and cash equivalents at the beginning of the year	5,880.02	5,963.62
Effect of Foreign currency Translation	97.91	103.60
<b>Cash and cash equivalents at the end of the year</b>	<b>5,220.55</b>	<b>5,880.02</b>
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2013</b>	<b>31st March, 2012</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash-on-hand	82.51	114.88
Cheques in Hand	—	102.22
<b>Balances with Scheduled Banks on :</b>		
- Deposit accounts *	911.79	302.83
- Current Accounts	4,118.77	5,253.28
- Unpaid Dividend Account **	7.59	7.59
Proportionate Share of Joint Ventures	99.89	99.22
<b>Total cash and cash equivalents (note 18)</b>	<b>5,220.55</b>	<b>5,880.02</b>

\* Receipts lying with banks as security against Letter of Credits and Guarantees issued by them and with clients. Deposits excludes fixed deposits with banks having maturity of more than three months.

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

## As per our report of even date.

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

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

Place: Gurgaon  
 Dated: June 18, 2013

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

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

Place: Gurgaon  
 Dated: June 18, 2013

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

**Subhash Chand Sethi**  
 Chairman

**R. P. Mundhra**  
 Company Secretary

**Sushil Kr. Sethi**  
 Managing Director

**Lalit Khetan**  
 Chief Financial Officer

# Notes to the consolidated financial statements as at and for the year ended 31st March 2013

## 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) on the following basis:

- (a) The financial statements of the Company and its subsidiaries 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 Company 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:

#### 1). Subsidiaries

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31st March, 2013	31st March, 2012
Subhash Kabini Power Corporation Limited	India	53.06%	53.06%
SPML Industries Limited	India	51.00%	51.00%
SPML Energy Limited	India	87.48%	87.48%
Binwa Power Company (P) Limited	India	81.16%	81.16%
Awa Power Company (P) Limited	India	77.74%	77.74%
IQU Power Company (P) Limited	India	78.32%	78.32%
Neogal Power Company (P) Limited	India	78.26%	78.26%
Luni Power Company (P) Limited	India	80.94%	80.94%
Delhi Waste Management Limited	India	55.87%	55.87%
SPML Infrastructure Limited	India	100.00%	100.00%
SPML Utilities Limited	India	100.00%	100.00%
ADD Urban Enviro Limited	India	100.00%	100.00%
Allahabad Waste Processing Company Limited	India	85.92%	51.00%
Mathura Nagar Waste Processing Company Limited	India	85.92%	51.00%
Bhilwara Jaipur Toll Road Private Ltd.	India	51.00%	51.00%
Mizoram Power Development Corporation Limited	India	59.42%	59.42%
SPML Bhiwandi Water Supply Infra Ltd	India	- @	100.00%
SPML Bhiwandi Water Supply Management Ltd	India	- @	100.00%

@ Pursuant to sale of a part of shares held by the Company, these investee companies, being subsidiaries of the Company, have become associates during the year.

**II). Step down subsidiaries**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31st March, 2013	31st March, 2012
<b>Subsidiaries of SPML Energy Limited:</b> Rupin Tons Power Company (P) Limited Tons Valley Power Company (P) Limited Uttarkashi Tons Hydro Power (P) Limited	India India India	79.03% 95.41% 82.83%	79.03% 95.41% 82.83%
<b>Subsidiary of Subhash Kabini Power Corporation Limited:</b> SPM Holdings Pte. Ltd	Singapore	100.00%	100.00%
<b>Subsidiary of SPM Holdings Pte. Ltd:</b> PT Sanmati Natural Resources	Indonesia	99.00%	99.00%
<b>Subsidiaries of SPML Utilities Limited:</b> Madurai Municipal Waste Processing Company Private Limited Aurangabad City Water Utility Company Limited	India India	100.00% 58.81%	100.00% 58.81%
<b>Subsidiaries of Delhi Waste Management Limited:</b> SJA Developers Private Limited Synergy Promoters Private Limited	India India	70.94% 67.01%	* *

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

**(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 in order to arrive at the net income attributable to the shareholders of the Company. 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. PT. Sanmati Natural Resources	Singapore Financial Reporting Standards Indonesian Financial Accounting Standards
<b>Associates</b> PT Vardhaman Mining Services PT Vardhaman Logistics Rabaan (S) Pte. Ltd. PT Bina Insan Sukses Mandiri	Indonesian Financial Accounting Standards Indonesian Financial Accounting Standards Singapore Financial Reporting Standards 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 a foreign currency translation reserve in the financial statements 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 for the year ended 31st March, 2013 are given below:

Particulars	Acquisition	Disposal
<b>EQUITY AND LIABILITY</b>		
Share Capital	759.19	10.00
Reserves and Surplus	(14.49)	(13.08)
	<u>744.70</u>	<u>3.08</u>
Share application money pending allotment	100.35	230.00
<b>Non-current liability</b>		
Long-term borrowings	558.38	-
	<u>558.39</u>	<u>-</u>
<b>Current Liabilities</b>		
Short-term borrowings	-	512.71
Trade payables	-	2.94
Other current liabilities	37.42	31.36
	<u>37.42</u>	<u>547.01</u>
<b>TOTAL</b>	<u>1,440.86</u>	<u>773.93</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Fixed Assets</b>		
Tangible assets	-	1.81
Capital work-in-progress	-	367.62
Long-term loans and advances	1,410.60	84.66
	<u>1,410.60</u>	<u>454.09</u>
<b>Current assets</b>		
Inventories	-	62.01
Cash and bank balances	30.26	3.69
Short-term loans and advances	-	254.14
	<u>1,440.86</u>	<u>773.93</u>
Total Revenue from Operations and other Income considered in the consolidated financial statements	-	-
Loss considered in the consolidated financial statements	(14.21)	(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).
- (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. 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 associate 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:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31st March, 2013	31st March, 2012
<b>I) Associates of the Company</b>			
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	35.00%	*
SPML Bhiwandi Water Supply Infra Limited	India	45.00%	*
SPML Bhiwandi Water Supply Management Limited	India	50.00%	*
Aurangabad Jal Supply Solutions Private Limited	India	26.00%	*
Instituform Pipelines Rehabilitation Pvt Ltd	India	**	49.50%
<b>II) Associates of Subsidiaries</b>			
<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>Associate of SPML Utilities Limited:</b>			
Hydro Comp Enterprises ( India ) Limited	India	50.00%	50.00%
<b>Associate of Delhi Waste Management Limited:</b>			
ADD Realty Ltd.	India	38.14%	38.14%
<b>III) Associates of Step down subsidiaries</b>			
<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%

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

\*\* No current year's information given since the associate has been disposed off during the year. Also refer Note No. 41.

- (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:

Name of the Company	Country of Incorporation	Proportion of Ownership	
		31st March, 2013	31st March, 2012
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%
SPML – Insituform (Refer Note No. 41)	India	–	50%
KBL – SPML (JV)	India	50%**	50%
Malviya Nagar Water Services Private Limited	India	46%	*
MVV Water Utility Private Limited (through SPML Utilities Limited)	India	50%	*

\* No Previous year 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:

<b>Step Down Subsidiary</b>	PT Sanmati Natural Resources
<b>Associates</b>	Hydro Comp Enterprises India P Ltd PT Bina Insan Sukses Mandiri PT Vardhaman Logistics PT Vardhaman Mining Services Doon Valley Waste Management Pvt Ltd. Rabaan (S) Pte. Ltd. Aurangabad Jal Supply Solutions Pvt Ltd.
<b>Joint Ventures</b>	Om Metal Consortium MVV Water Utility Private Limited Malviya Nagar Water Services Private Limited Siddharth – Mahavir – SPML JV SPML – Insituform KBL – SPML (JV) SPML – HCIL

(m) As per Accounting Standard 21 – Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006 (as amended), 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 subsidiary 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 respects with the accounting standards notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in respect of tangible fixed assets for which revaluation is carried out and for insurance claims which 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. Income earned during the construction period is deducted from the indirect expenditure. 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 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.

#### **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 cost which is ascertained on weighted average basis.

Stock of trading goods is valued at cost which is arrived at using First in First Out (FIFO) Method.

Cost of work yet to be certified/billed as it pertains to contract cost that relate to future activity of the contract, is recognized as contract work in progress provided it is probable that the same will be recovered. Work-in-progress is valued at cost. However, in case of contracts where losses are likely to occur, the stock is considered at net realisable value. Costs include materials, labour and appropriate portion of construction overheads.

#### **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 expected loss is recognized immediately. 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,

which being technical matters have been relied upon by the auditors. 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 pro-rata basis.

Disputed claims towards extra work, damages etc. are accounted for on settlement of the arbitration proceedings / legal cases or when there is no significant uncertainties as regards the collection of the arbitration award ruled in favor of the Company by the arbitrator.

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.

**(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**

Income from power generation is recognized as per the invoices raised on the customers based on the Power Purchase Agreements approved by the regulatory authority.

Income from power trading is based on the agreements entered into with the buyers as well as the quantum of energy traded, as certified by the Approved Authority.

**(d) Sale of Carbon Credits**

Revenue is recognized when carbon credit units are sold to third parties.

**(e) 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.

**(f) Interest**

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

**(g) 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 an 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 Consolidated Statement of Profit and Loss in the year when the contributions to the funds are due. 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 the 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 Consolidated Statement of Profit and Loss based on estimates.

Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year, which is done as per the projected unit credit method.

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

**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.

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 normal 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 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 Group operate.

### **Allocation of common costs**

Common allocable costs are allocated to each segment on 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 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.

## **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, 1956, 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 31st March, 2013	As at 31st March, 2012
<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</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 shares outstanding at the beginning and at the end of the year****Equity shares**

	As at 31st March, 2013		As at 31st March, 2012	
	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	—	—	—	—
Outstanding at the end of the year	36,650,276	733.01	36,650,276	733.01

**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**

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% holding in	No. of shares	% holding in
Anil Kumar Sethi	1,903,335	5.19%	2,237,070	6.10%
Subhash Chand Sethi	1,525,250	4.15%	1,973,300	5.38%
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	3,581,575	9.61%	3,521,575	9.61%
Reliance Capital Trustee Co. Ltd.	2,322,803	6.33%	3,071,196	8.38%
CVCIGP II Employee Rosehill Limited	1,972,301	5.38%	1,972,301	5.38%

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, 2013	As at 31st March, 2012
<b>A. Capital reserve</b>		
Balance as per the last financial statements	885.73	885.73
<b>B. Capital Reserve on Consolidation</b>		
Balance as per the last financial statements	141.91	141.91
<b>C. Securities premium account</b>		
Balance as per the last financial statements	15,263.80	15,263.80
<b>D. General reserve</b>		
Balance as per the last financial statements	5,941.14	5,941.14
<b>E. Foreign Currency Translation Reserve</b>		
Balance as per the last financial statements	459.12	433.29
Arisen on consolidation during the year (Refer Note No. 1(i)(d))	(388.80)	25.83
	<b>70.32</b>	<b>459.12</b>
<b>F. Revaluation Reserve</b>		
Balance as per the last financial statements	711.88	733.92
Less: amount transferred to the statement of profit and loss as reduction from depreciation	(0.41)	(3.83)
Less: Adjustment towards disposal of assets	—	(18.21)
	<b>711.47</b>	<b>711.88</b>
<b>G. Surplus in the Consolidated Statement of Profit and Loss</b>		
Balance as per the last financial statements	22,838.77	22,051.58
Profit for the year	542.86	787.19
<b>Net surplus in the Consolidated Statement of Profit and Loss</b>	<b>23,381.63</b>	<b>22,838.77</b>
<b>Total reserves and surplus (A+B+C+D+E+F+G)</b>	<b>46,396.00</b>	<b>46,242.35</b>

## 4. LONG-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Secured</b>				
Term Loans				
From Banks (Indian Rupees)	32,695.70	25,628.24	4,825.28	5,224.60
<b>Deferred Payment credits</b>				
- From Banks	92.22	301.50	241.18	265.63
- From Others	27.67	133.40	123.14	245.14
From a Body Corporate	3,499.88	-	-	-
<b>Unsecured</b>				
Loans and Advances from related parties	2,801.65	-	-	-
Term loan from a bank - in foreign currency	-	-	-	8,152.07
<b>Sub Total</b>	<b>39,117.12</b>	<b>26,063.14</b>	<b>5,189.60</b>	<b>13,887.44</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(5,189.60)	(13,887.44)
<b>Total</b>	<b>39,117.12</b>	<b>26,063.14</b>	<b>-</b>	<b>-</b>



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

Outstanding * (Rs. in lakhs)		Nos. of installments outstanding as on March 31, 2013 (remaining)"		Rate of interest	Nature of securities
As at 31st March, 2013	As at 31st March, 2012	Quarterly	Monthly		
—	60.76			13.75%	Hypothecation of construction equipments purchased against such loans.
3,750.00	5,000.00	12	—	11.00%	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
2,500.00	4,166.67	6	—	11.25%	Exclusive charge over the Company's landed property located at Gurgaon.
3,000.00	—	16	—	13.50%	
389.06	—	—	120	10.75%	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
169.32	—	—	84	12.75%	
1,880.00	2,030.77	24	—	BPLR + 4.15%	Hypothecation of all current assets (both present and future) and fixed assets of the respective borrowing Companies.
1,155.00	1,200.00	21	—	BPLR + 4.15%	
300.00	900.00	3	—	12.50%	
1,112.02	1,395.84	15	—	BR + 5.5%	
1,221.18	1,476.45	17	—	BPLR + 3%	
11,362.32	2,907.48	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 Promoters Director of the Company.
1,400.00	1,550.00	35***	—	BR + 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.
1,432.08	1,714.57	29	—	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 Companies.
7,850.00	8,450.30	24	—	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.
37,520.98	30,852.84				

\* includes current maturities

\*\* repayment would start after 18 months from September 2014

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

4.2 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 installments carrying interest rates ranging from 10% to 12% p.a.

4.3 Loan from a Body Corporate carries interest @ 12.50% p.a. and is repayable in a single bullet payment in the month of January 2015. 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.

#### 4.4 Loan from Related Parties:

- Rs. 2,631.96 lakhs is repayable after one year and carries interest rate @ 13% p.a.
- Rs. 127.06 lakhs is repayable after three years and carries interest rate @ 14.5% p.a.
- Rs. 42.63 lakhs is repayable after three years and carries interest rate @ 12% p.a."

#### 4.5 Default in repayment of Loans:

(Rs. In Lakhs)

Name of the Company	Amount	Duration	Remarks
Subhash Kabini Power Corporation Limited, a subsidiary Company	377.12*	0 - 90 days	Since paid

\* includes interest of Rs. 27.12 lakhs

## 5. DEFERRED TAXES

In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs.398.96 lakhs (DTA of Rs.246.94 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, 2013 stands at Rs. 190.39 lakhs (Rs. 589.35 lakhs).

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

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liability</b>		
On timing differences of depreciable assets	487.38	547.59
On retentions by the customers	488.22	488.24
<b>Deferred Tax Assets</b>		
Carry forward of losses	(82.65)	(120.10)
Expenses allowable against taxable income in future years	(702.56)	(326.38)
	<b>190.39</b>	<b>589.35</b>

## 6. OTHER LONG-TERM LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Trade payables (Due to Micro and Small Enterprises Rs. Nil (Rs. Nil))		
- a related party	2,735.01	—
- Others	1,494.76	839.02
Mobilization Advance from customers (partly bearing interest )	2,109.96	389.52
Security deposit	60.00	297.75
	<b>6,399.73</b>	<b>1,526.29</b>
Add: Proportionate Share in Joint Ventures	152.46	—
	<b>6,552.19</b>	<b>1,526.29</b>

## 7. PROVISIONS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Provision for employee benefits</b>				
Gratuity (refer note 34(a))	347.57	330.79	54.58	80.34
Leave benefits	7.49	5.12	148.21	139.74
	<b>355.06</b>	<b>335.91</b>	<b>202.79</b>	<b>220.08</b>
<b>Other provisions</b>				
"Provision for Taxation (Net of Advance Tax - Rs. Nil (Rs. 21.78 lakhs))"	—	423.36	90.81	136.80
	—	423.36	90.81	136.80
Add: Proportionate Share in Joint Ventures	—	—	8.48	6.87
	<b>355.06</b>	<b>759.27</b>	<b>302.08</b>	<b>363.75</b>

## 8. SHORT-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>SECURED</b>		
<b>From Banks</b>		
In foreign currency		
- Buyer's Credit*	—	597.43
In Indian Rupee		
- Demand Loans**	1,000.00	1,000.00
- Cash Credit and working capital facilities**	31,736.93	30,015.98
<b>UNSECURED</b>		
Loan from related parties repayable on demand ( partly bearing interest)***	1,492.20	1,168.74
From Bodies Corporates***	2,744.04	4,205.28
Cash Credit facility - in foreign currency ****	2,147.02	—
	<b>39,120.19</b>	<b>36,987.43</b>
Add: Proportionate Share in Joint Ventures	2.50	2.50
	<b>39,122.69</b>	<b>36,989.93</b>

\* Buyer's credit were 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 carried interest @ Libor plus 1.30% p.a.

\*\* 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% to 16% 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, 2013	As at 31st March, 2012
Trade payables (including acceptances of Rs 23,962.97 lakhs (Rs 14,024.67 lakhs)) ( refer note 32 for detail of dues to micro and small enterprises) *	47,917.85	41,136.71
Add: Proportionate Share in Joint Ventures	362.41	4,179.28
	<b>48,280.26</b>	<b>45,315.99</b>

\* Includes Rs. 1,020.79 lakhs (Rs. 991.78 lakhs) payable to a related party.

## 10. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Mobilization Advances from Customers (partly bearing interest )	13,534.92	15,193.49
<b>Other liabilities</b>		
Current maturities of long-term borrowings (refer note 4)	5,189.60	13,887.44
Interest accrued and due on borrowings	271.96	479.78
Interest accrued but not due on Mobilization advance/borrowings	970.11	459.60
Investor Education and Protection Fund ( not yet due for deposits): Unpaid dividend	7.59	7.59
Advance from Customers (Includes Rs 2,114.07 lakhs towards sale of investment in a joint venture)	3,911.80	—
Statutory dues payable	1,873.85	1,947.61
	<b>25,759.83</b>	<b>31,975.51</b>
Add: Proportionate Share in Joint Ventures	499.43	63.42
	<b>26,259.26</b>	<b>32,038.93</b>

## 11 (A). TANGIBLE ASSETS

(Rs. in lakhs)

Description	Freehold Land (b)	Leashold Land	Buildings (b)	Temporary site sheds & shuttering materials	Plant & Machinery	Furniture and Fixtures	Vehicles	Site office/ Equipments	Proportionate share in Joint venture	Add: Total
<b>Cost</b>										
As at 1st April 2011	911.44	31.57	5,221.31	2,280.54	18,450.24	1,764.81	1,758.37	1,821.08	980.74	33,220.10
Additions during the year	-	-	481.34	0.30	1,044.72	38.74	54.03	225.51	-	1,844.64
Sale/Disposals during the year	-	-	(66.33)	-	(325.53)	-	(0.37)	(2.61)	-	(394.84)
<b>As at 31st March 2012</b>	<b>911.44</b>	<b>31.57</b>	<b>5,636.32</b>	<b>2,280.84</b>	<b>19,169.43</b>	<b>1,803.55</b>	<b>1,812.03</b>	<b>2,043.98</b>	<b>980.74</b>	<b>34,669.90</b>
Additions during the year	18.24		2,893.42*	159.94	763.95**	24.65	54.99	191.67	20.28	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>2,440.78</b>	<b>19,905.86</b>	<b>1,822.41</b>	<b>1,821.73</b>	<b>2,215.00</b>	<b>525.71</b>	<b>38,222.48</b>
<b>Depreciation</b>										
At 1st April 2011	-	0.12	1,068.16	2,266.55	6,241.47	475.64	560.69	697.36	311.86	11,621.85
Charge for the year	-	1.05	443.96	0.55	1,353.86	114.71	200.94	152.45	179.49	2,447.01
On Sales/Disposals	-	-	(17.72)	-	(176.52)	-	(5.68)	(2.61)	-	(202.53)
<b>As at 31st March 2012</b>	<b>-</b>	<b>1.17</b>	<b>1,494.40</b>	<b>2,267.10</b>	<b>7,418.81</b>	<b>590.35</b>	<b>755.95</b>	<b>847.20</b>	<b>491.35</b>	<b>13,866.33</b>
Charge for the year (a)	-	1.05	592.02	36.10	1,394.38	109.46	176.60	148.52	14.07	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>2,303.20</b>	<b>8,789.13</b>	<b>695.70</b>	<b>899.57</b>	<b>982.02</b>	<b>505.42</b>	<b>16,263.68</b>
<b>Net Block</b>										
As at 31st March 2012	911.44	30.40	4,141.92	13.74	11,750.62	1,213.20	1,056.08	1,196.78	489.39	20,803.57
As at 31st March 2013	929.68	29.35	6,443.32	137.58	11,116.73	1,126.71	922.16	1,232.98	20.29	21,958.80

Note:

(a) Includes Rs. 45.25 lakhs (Rs. 65.13 lakhs) allocated to Capital Work-in-Progress.

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

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

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

## 11 (B). INTANGIBLE ASSETS

(Rs. In Lakhs)

Description	Computer Software	Goodwill on Consolidation	Total
<b>Gross block</b>			
As at 1st April 2011	388.37	201.06	589.43
Additions during the Year	9.83	811.12	820.95
Foreign currency translation adjustment	–	32.71	32.71
<b>As at 31st March 2012</b>	<b>398.20</b>	<b>1,044.89</b>	<b>1,443.09</b>
Add: Foreign currency translation adjustment	–	8.20	8.20
Less: Adjustment pursuant to change in share holding pattern during the year	–	558.50	558.50
<b>As at 31st March 2013</b>	<b>398.20</b>	<b>494.59</b>	<b>892.79</b>
<b>Amortization</b>			
At 1 April 2011	149.81	–	149.81
Charge for the year	78.58	–	78.58
<b>As at 31st March 2012</b>	<b>228.39</b>	<b>–</b>	<b>228.39</b>
Charge for the year	79.56	–	79.56
<b>As at 31st March 2013</b>	<b>307.95</b>	<b>–</b>	<b>307.95</b>
<b>Net block</b>			
<b>As at 31st March 2012</b>	<b>169.81</b>	<b>1,044.89</b>	<b>1,214.70</b>
<b>As at 31st March 2013</b>	<b>90.25</b>	<b>494.59</b>	<b>584.84</b>

## 12. CAPITAL WORK-IN-PROGRESS

(Rs. In Lakhs)

Description	As at 1st April, 2012	Additions	Less Capitalised/ Adjustments	Less Adjustment on sale of subsidiary	As at 31st March, 2013
Buildings Under Construction	12,989.35	1,012.59	5,886.75	–	8,115.19
Plant & Machinery Under Erection	4,797.10	1,105.11	320.40	61.00	5,520.81
Toll Road Under Construction	–	13,062.46	–	–	13,062.46
<b>Total</b>	<b>17,786.45</b>	<b>15,180.16</b>	<b>6,207.15</b>	<b>61.00</b>	<b>26,698.46</b>
“Project Development Expenditure (Refer Note no. 48)”	5,549.40	2,700.72	1,545.28	253.04	6,451.80
Less: Subsidy	5,403.16	2,482.71	3,937.61	–	3,948.26
Add: Proportionate Share in Joint Ventures	1,212.64	8.35	–	–	1,220.99
<b>Total</b>	<b>19,145.33</b>	<b>15,406.52</b>	<b>3,814.82</b>	<b>314.04</b>	<b>30,422.99</b>
<b>Previous year's total</b>	<b>15,792.75</b>	<b>4,106.80</b>	<b>754.22</b>	<b>–</b>	<b>19,145.33</b>

## 13. NON CURRENT INVESTMENTS

(Rs. In Lakhs)

	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	As at 31st March, 2013	As at 31st March, 2012
<b>LONG TERM (AT COST)</b>				
<b>(A) Other than Trade</b>				
<b>Quoted</b>				
<b>(a) Equity Shares (Fully Paid-up)</b>				
Arihant Leasing & Holding Limited	24,000	10	0.75	0.75
Indian Arcylcs Limited	100	10	0.01	0.01
Petrochem Industries Limited	500	10	0.14	0.14
Best & Crompton Engineering Limited	200	10	0.10	0.10
SPML India Limited	10,000	10	1.50	1.50
Hindustan Engineering & Industries Limited (Bonus Shares)	4	10	—	—
<b>(b) Debentures (Fully Paid - up)</b>				
Escorts Tractors Limited	25		0.01	0.01
Hindustan Engineering & Industries Limited	110		0.06	0.06
			2.57	2.57
<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</b>				
<b>Unquoted</b>				
<b>Equity Shares (Fully Paid-up)</b>				
Bharat Hydro Power Corporation Limited (Refer note no. 1 below)	3,294,150	10	211.85	211.85
Jarora Nayagaon Toll Road Company Pvt. Ltd. (Refer note no. 2 below)	22,889,425	10	2,289.00	2,289.00
Om metals - SPML Infra projects Pvt. Ltd.	4,999	10	0.50	0.50
			2,501.35	2,501.35
<b>In Associate Companies</b>				
Pondicherry Port Limited	181,600	10	472.30	472.30
Less : Share in losses of the Associate Company			(5.49)	(3.61)
			466.81	468.69
HYDRO Comp Enterprises (India) Limited (Includes Rs. 10.87 lakhs (Rs. 10.87 lakhs) towards Goodwill)	2,296,265	1	22.96	22.96
Less : Share in losses of the Associate Company			(22.96)	(22.96)
Sanmati Infra Developers Private Limited (Includes Rs. 16 lakhs (Rs. 16 lakhs) towards Goodwill)	500,000	10	50.00	50.00
Less : Share in losses of the Associate Company			(48.66)	(27.15)
			1.34	22.85
P T Vardhaman Mining Services (Includes Rs. 45.07 lakhs (Rs. 45.07 lakhs) towards Goodwill)	456,500	USD 1	232.59	232.59
Less : Share in losses of the Associate Company			(248.13)	(237.76)
Add: Foreign Currency Translation differences			15.54	5.17
			—	—
PT Vardhaman Logistics (Includes Rs. 10.13 lakhs (Rs. 10.13 lakhs) towards Goodwill)	137,500	USD 1	69.78	69.78
Less : Share in losses of the Associate Company			(0.67)	(4.19)
Add: Foreign Currency Translation differences			4.77	1.87
			73.88	67.46
Rabaan (S) Pte. Ltd. (Includes Rs. 3.77 lakhs (Rs. 3.77 lakhs) towards Goodwill)	11,413	SGD 1	4.49	4.49
Less : Share in losses of the Associate Company			(4.26)	(4.08)
Add: Foreign Currency Translation differences			(0.23)	(0.41)
			—	—

Contd...

(Rs. In Lakhs)

	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	As at 31st March, 2013	As at 31st March, 2012
Instituform Pipelines Rehabilitation Pvt Ltd (Net of Rs. 5.76 lakhs (Rs. 5.76 lakhs) towards Capital Reserve) (10,349,700)	—	10	—	1,098.67
Less : Share in losses of the Associate Company (Refer Note No. 41)			—	(188.92)
			<b>—</b>	<b>909.75</b>
PT Bina Insan Sukes Mandiri (Includes Rs. 230.47 lakhs (Rs. 230.47 lakhs) towards Goodwill)	2,738	IDR 1million	8,276.20	8,276.20
Add : Share in Profit of the Associate Company			913.03	412.03
Add: Foreign Currency Translation differences			1,097.57	1,251.49
			<b>10,286.80</b>	<b>9,939.72</b>
Doon Valley Waste Management (P) Ltd.	25,000	10	2.50	2.50
Less : Share in losses of the Associate Company			(2.50)	(2.50)
			<b>—</b>	<b>—</b>
Mizoram Mineral Development Corporation Ltd.	73,000	10	7.30	7.30
Less : Share in losses of the Associate Company			(7.30)	(6.97)
			<b>—</b>	<b>0.33</b>
ADD Realty Limited (includes Capital Reserve of Rs. 515.11 lakhs)	45,000,000	1	450.00	450.00
Add : Share in Profit of the Associate Company			0.58	0.75
			<b>450.58</b>	<b>450.75</b>
Aurangabad Jal Supply Solution Pvt. Ltd.	2,600	10	0.26	—
Less : Share in losses of the Associate Company			(0.06)	—
			<b>0.20</b>	<b>—</b>
Jamshedpur Waste Processing Co. Pvt Ltd.	35,000	10	0.35	—
Less : Share in losses of the Associate Company			(0.08)	—
			<b>0.27</b>	<b>—</b>
SPML Bhiwandi Water Supply Infra Ltd.	224,700	1	2.25	—
Less : Share in losses of the Associate Company			—	—
			<b>2.25</b>	<b>—</b>
SPML Bhiwandi Water Supply Management Ltd.	250,000	1	2.50	—
Less : Share in losses of the Associate Company			—	—
			<b>2.50</b>	<b>—</b>
			<b>11,284.63</b>	<b>11,859.55</b>
<b>Equity Share Warrants</b>				
Sanmati Infra Developers Private Limited	450,000	10	50.00	45.00
			<b>50.00</b>	<b>45.00</b>
<b>Others:</b>				
Unquoted				
National Savings Certificates			0.72	4.99
Indira Vikas Patra			—	0.06
Units of PNB Mutual Fund	50,000	10	5.00	5.00
			<b>5.72</b>	<b>10.05</b>
<b>TOTAL</b>			<b>13,841.71</b>	<b>14,415.96</b>
<b>AGGREGATE VALUE OF INVESTMENTS</b>				
(I) Quoted (Net of Provision)			0.01	0.01
(II) Unquoted			13,841.70	14,415.95
Market Value of Quoted Investments			0.01	0.01

Note:

1) Excludes 51,00,000 equity shares received during the year pursuant to the settlement between Assam State Electricity Board and Bharat Hydro Power Corporation Limited (BHPCL), pending clarification from BHPCL as to the nature of settlement.

2) Shares are pledged with IDBI Trusteeship Service Limited against loan taken by the investee company.



## 14. LOANS AND ADVANCES

Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
<b>Loans (partly bearing interest)</b>				
- to Related parties	2,655.74	—	3,825.32	2,033.05
- to Others	435.00	465.00	60.03	28.21
<b>Capital advances</b>				
- to Related parties	4,518.63	3,806.51	—	—
- to Others	2,197.87	815.73	—	—
<b>Advances recoverable in cash or kind</b>				
- to Related parties	—	—	2,452.15	2,854.61
- to Others	—	—	1,512.69	2,981.24
<b>Advance against purchase of shares</b>	507.33	—	—	—
<b>Other loans and advances</b>				
Advance income-tax (net of provision for tax - Rs. 4,797.86 lakhs ( Rs. 4,691.06 lakhs))	8,212.10	6,318.63	169.21	22.49
Mat Credit Entitlement	708.31	690.25	—	—
Security Deposits/ Earnest Money Deposits	344.55	466.32	952.22	1,255.90
Prepaid expenses	133.23	170.31	796.38	693.93
VAT Input credit receivable	1,118.58	—	1,121.03	2,646.77
Balances with statutory/government authorities	10.56	10.56	204.83	329.64
<b>Advances towards share application money</b>				
- to Related parties	916.39	817.42	—	—
- to Others	43.36	557.70	—	—
Grant Recievables	—	—	672.78	—
	<b>21,801.65</b>	<b>14,118.43</b>	<b>11,766.64</b>	<b>12,845.84</b>
Add: Proportionate Share in Joint Ventures	—	1.79	585.22	839.33
	<b>21,801.65</b>	<b>14,120.22</b>	<b>12,351.86</b>	<b>13,685.17</b>

## 15. TRADE RECEIVABLES (UNSECURED)

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
<b>Trade receivables outstanding for a period exceeding six months from the date they became due for payment</b>				
considered good	6,731.80	8,881.53	19,913.30	14,649.31
considered doubtful	1,846.54	1,458.54	—	—
	<b>8,578.34</b>	<b>10,340.07</b>	<b>19,913.30</b>	<b>14,649.31</b>
Provision for doubtful receivables	(1,846.54)	(1,458.54)	—	—
<b>(A)</b>	<b>6,731.80</b>	<b>8,881.53</b>	<b>19,913.30</b>	<b>14,649.31</b>
<b>Others</b>				
considered good	2,827.11	3,298.97	31,100.09	33,294.83
<b>(B)</b>	<b>2,827.11</b>	<b>3,298.97</b>	<b>31,100.09</b>	<b>33,294.83</b>
Add: Proportionate Share in Joint Ventures	—	—	400.15	1,276.08
<b>(C)</b>	<b>—</b>	<b>—</b>	<b>400.15</b>	<b>1,276.08</b>
<b>Total (A + B + C)</b>	<b>9,558.91</b>	<b>12,180.50</b>	<b>51,413.54</b>	<b>49,220.22</b>

\* Includes retention money Rs. 18,474.31 lakhs (Rs.17,490.27 lakhs) and debts under arbitration Rs. 2,601.13 lakhs (Rs. 3,562.48 lakhs)

## 16. OTHER ASSETS

## UNSECURED, CONSIDERED GOOD

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Bank balances ( Refer note no. 18)	3,355.73	4,240.50	—	—
Unbilled Revenue on Construction Contracts	3,659.70	3,129.00	35,496.50	30,946.38
Interest accrued on fixed deposits/other loans	263.62	268.69	420.12	203.44
Preliminary Expenditure	—	—	86.53	1,925.75
Add: Proportionate Share in Joint Ventures	7,279.05	7,638.19	36,003.15	33,075.57

## 17. INVENTORIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Material at sites	3,191.26	6,327.85
Stores and spares	268.04	276.80
Finished Goods	5.53	5.53
Work in progress	946.59	534.62
	4,411.42	7,144.80
Add: Proportionate Share in Joint Ventures	104.69	115.18
	4,516.11	7,259.98

## 18. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	—	—	4,118.77	5,253.28
Deposits with original maturity of less than three months*	—	—	911.79	302.83
On unpaid dividend account	—	—	7.59	7.59
Cash on hand	—	—	82.51	114.88
Cheque in hand	—	—	—	102.22
	—	—	5,120.66	5,780.80
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months*	3,355.73	4,240.50	1,633.78	1,471.66
Deposits with original maturity for more than 3 months but less than 12 months*	—	—	2,270.68	1,248.82
Amount disclosed under non-current assets (refer note 16)	(3,355.73)	(4,240.50)	3,904.46	2,720.48
Add: Proportionate Share in Joint Ventures	—	—	99.89	99.22
	—	—	9,125.01	8,600.50

\*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	2012-13	2011-12
<b>Sale of products and Services</b>		
- Construction Contracts	92,738.52	87,875.88
- Trading sales	26,290.45	8,581.25
- Power Generation	1,272.66	2,856.84
- Municipal Services	6,035.83	6,583.03
- Space Contract	392.02	357.93
<b>Other operating revenue</b>		
- Operation and Maintenance	987.04	731.15
- Claims as per arbitration awards (Refer note no. 42)	6,624.71	1,238.92
- Miscellaneous	205.20	39.42
Company's share in Profit of Joint Venture	—	267.54
	<b>134,546.43</b>	<b>108,531.96</b>
Add: Proportionate Share in Joint Ventures	146.98	632.18
	<b>134,693.41</b>	<b>109,164.14</b>
<b>DETAIL OF TRADING SALES</b>		
Steel Items	7,936.94	—
Coal	18,353.51	8,581.25
	<b>26,290.45</b>	<b>8,581.25</b>

## 20. OTHER INCOME

(Rs. In Lakhs)

Particulars	2012-13	2011-12
<b>Interest income on</b>		
- Loans Given	391.84	45.05
- Bank deposits	713.38	743.26
Insurance Claims received	60.61	58.92
Sundry balances/liabilities written back ( Refer note no.37)	2,405.35	436.05
Miscellaneous Receipts	267.82	210.10
Gain on sale of investments (net) *	189.75	—
Exchange Differences (net)	312.36	—
	<b>4,341.11</b>	<b>1,493.38</b>
Add: Proportionate Share in Joint Ventures	11.98	22.96
	<b>4,353.09</b>	<b>1,516.34</b>
* represents the following:		
Profit on sale of investments	1,099.50	—
Less: Loss on sale of investments	909.75	—
	<b>189.75</b>	<b>—</b>

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

Particulars	2012-13	2011-12
<b>Materials Consumed</b>		
Opening Stock	6,327.85	6,310.15
Add: Purchases	52,876.37	37,895.21
	<b>59,204.22</b>	<b>44,205.36</b>
Less: Closing Stock	2,740.26	6,327.85
	<b>56,463.96</b>	<b>37,877.51</b>
<b>Direct Expenses:</b>		
Stores and Spares Consumed	32.40	59.44
Subcontractor Payments ( including Turnkey Contracts)	21,878.10	26,245.83
Drawing & Designing	91.31	6.41
Equipment Hire and Running Charges	765.55	1,381.07
Other Direct Expenses	2,922.35	2,433.09
	<b>25,689.71</b>	<b>30,125.84</b>
	<b>82,153.67</b>	<b>68,003.35</b>
Add: Proportionate Share in Joint Ventures	402.55	256.09
	<b>82,556.22</b>	<b>68,259.44</b>

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

Particulars	2012-13	2011-12
<b>a) Work In Progress</b>		
Opening	534.62	3,829.29
Closing	(946.59)	(534.62)
	<b>(411.97)</b>	<b>3,294.67</b>
<b>b) Finished Goods</b>		
Opening	5.53	14.57
Closing	(5.53)	(5.53)
	<b>—</b>	<b>9.04</b>
Add: Proportionate Share in Joint Ventures	—	211.38
	<b>(411.97)</b>	<b>3,515.09</b>

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

Particulars	2012-13	2011-12
Salaries, wages and bonus	5,019.61	5,990.91
Director's Remuneration	273.23	182.47
Contribution to provident and other funds	240.23	296.77
Gratuity expense (Refer note 34(a))	27.75	19.68
Staff welfare expenses	179.21	208.70
	<b>5,740.03</b>	<b>6,698.53</b>
Add: Proportionate Share in Joint Ventures	15.16	63.81
	<b>5,755.19</b>	<b>6,762.34</b>

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

Particulars	2012-13	2011-12
Rent	468.24	691.19
Rates and Taxes	490.82	330.46
Repairs and Maintenance:		
- Building	13.65	9.53
- Plant & Machinery	136.35	129.88
- Others	127.89	92.58
Insurance	451.14	511.76
Advertisement expenses	23.28	12.86
Professional Charges & Consultancy Fess	1,057.57	1,196.91
Vehicle Running Charges	399.86	514.59
Travelling & Conveyance	478.22	604.06
Communication Expenses	174.44	173.95
Power and Fuel	276.75	283.24
Charity & Donations	15.85	21.03
Auditor's Remuneration	104.24	100.81
Selling Expenses	144.45	176.26
Exchange Difference (Net)	1.72	188.64
Loss on Sale/Discard of Fixed Assets (net)	8.26	434.11
Bad Debts/ Sundry Balances Written Off	2,000.82	564.14
Provision for doubtful debts	388.00	753.42
Miscellaneous Expenses	753.95	774.36
Project expenditure written off	613.00	—
	<b>8,128.50</b>	<b>7,563.78</b>
Add: Proportionate Share in Joint Ventures	37.96	58.18
	<b>8,166.46</b>	<b>7,621.96</b>

**25. FINANCE COSTS***(Rs. In Lakhs)*

Particulars	2012-13	2011-12
Interest expense (including on Mobilization Advance)	13,066.30	10,679.14
Bank charges	2,062.79	1,557.48
Exchange difference to the extent considered as an adjustment to Borrowing cost	—	41.62
	<b>15,129.09</b>	<b>12,278.24</b>
Add: Proportionate Share in Joint Ventures	7.30	23.53
	<b>15,136.39</b>	<b>12,301.77</b>

**26. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:***(Rs. In Lakhs)*

	As at 31st March, 2013	As at 31st March, 2012
Claims against the Group not acknowledged as debt	2,054.77	2,410.79
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.	6,242.42	7,247.34
Outstanding bank guarantees and letters of credit (including Rs. 3,130.60 lakhs (Rs.3,239.33 lakhs) for joint ventures)	117,476.57	119,505.56
Disputed demands*		
(a) Income Tax ( includes proportionate share in joint venture – Rs. 60.64 lakhs (Rs. 60.64 lakhs))	60.64 <sup>#</sup>	3,323.75
(b) Excise/ Service Tax	289.43	289.43
(c) Sales Tax / VAT	6,572.27	2,942.18
(d) Others	–	3.27
Corporate guarantees given for body corporates	1,527.05	5,621.94

\* 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. 35 also

**27. CAPITAL AND OTHER COMMITMENTS***(Rs. In Lakhs)*

	As at 31st March, 2013	As at 31st March, 2012
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)]	11,273.61	29,563.75

**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. 508.31 lakhs (Rs. 705.45 lakhs).

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

(Rs. In Lakhs)

	2012-13	2011-12
Profit after Minority Interest	542.86	787.19
Weighted average number of equity shares outstanding during the year	36,650,276	36,650,276
Nominal value of equity per share (Rs.)	2.00	2.00
Basic and Diluted Earnings Per Share (Rs.)	1.48	2.15

### 30. SEGMENT INFORMATION

#### Business Segment:

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.

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





**Geographical Segment:**

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	2012-13	2011-12
<b><u>Segment Revenue</u></b>		
Within India	109,715.19	99,076.43
Outside India	18,353.51	8,581.25
<b><u>Capital Expenditure</u></b>		
Within India	16,361.02	5,553.26
Outside India	—	—
<b><u>Segment Assets</u></b>		
Within India	175,014.86	165,061.25
Outside India	16,769.55	16,192.92

**31. RELATED PARTIES**

(a) (a) Particulars of related parties with whom transactions have taken place during the year	
Associate companies	Pondicherry Port Limited Doon Valley Waste Management Pvt. Ltd. Sanmati Infra Developers Private Limited Hydro Comp Enterprises (India) Limited 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. (w.e.f 1st August, 2012) SPML Bhiwandi Water Supply Infra Ltd. (subsidiary upto 25th March 2013) SPML Bhiwandi Water Supply Management Ltd. (subsidiary upto 25th March 2013) Aurangabad Jal Supply Solution Pvt. Ltd. Insituform Pipelines Rehabilitation Private Limited (upto 31st December, 2012)
Joint Ventures	Om Metal Consortium SPML JV - Insituform SPML – HCIL JV SPML – CISC JV KBL – SPML JV MVV Water Utility Pvt. Ltd (w.e.f. 12th September, 2012)
Key Management Personnel (KMP)	Mr. Anil Kumar Sethi – Chairman ( upto 28th May, 2012) Mr. Subhash Chand Sethi –Chairman (w.e.f. 29th May, 2012) Mr. Sushil Kumar Sethi – Managing Director Mr. Deepak Sethi – Director

Contd...

Relatives of Key Management Personnel	
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 Ex-Chairman
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mr. Harshvardhan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
Mr. Vineeth Jain	Daughter's husband of Chairman
Ms. Shilpa Sethi	Son's wife of Chairman
Mrs. Vineetha Sethi	Wife of Director
Enterprises owned or significantly influenced by key management personnel or their relatives or major shareholders of the Company/Subsidiaries	<p> Arihant Leasing and Holdings Ltd.  Rishabh Commercial Pvt. Ltd.  Abhinandan Enterprise Pvt. Ltd.  Subhash Systems Pvt. Ltd.  Bharat Hydro Power Corporation Ltd.  International Constructions Ltd.  SPM Engineers Ltd.  Zoom Industrial Services Ltd.  20th Century Engineering Ltd.  Subhash Power Company Ltd.  SPML India Ltd.  ADD Eco Enviro Ltd.  ADD Technologies (India) Ltd.  Breeze Commodeal (P) Ltd.  Subhash International Pvt. Ltd.  Sanmati Power Co. Pvt. Ltd.  Pondicherry Sez Company Private Limited  Meena Homes Ltd.  Meena Holdings Ltd.  Sonal Agencies Pvt Ltd.  SPML Semitech India Pvt. Ltd.  Vidya Edutech Pvt. Ltd.  Sushil Kumar Sethi &amp; Sons (HUF)  Poonam Chand Sethi (HUF)  Subhash Chand Sethi (HUF)  Anil Kumar Sethi &amp; Sons (HUF)  Latur Water Supply Management Co. Ltd.  Sanmati Infra Projects (P) Ltd.  Sanmati Corporate Investment (P) Ltd.  Sanmati Leisure Ltd.  Punam Chand Subhash Chand Sethi Charitable Trust  Acropolis Properties (P) Ltd.  Om Metal Infraprojects Ltd.  Om Metal SPML Infra Projects Pvt. Ltd.  Kakade Infrastructure Private Ltd.  Essel Infraprojects Ltd.  Jayneer Capital Pvt Ltd.  Pan India Network Ltd.  Pan India Network Infravest Pvt Ltd. </p>

**Related party disclosure:**

(b) Aggregated Related Party Disclosures as at and for the year ended 31st March 2013

(Rs. in lakhs)

	Transactions amount 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 Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b><u>JOINT VENTURES</u></b>																	
SPML JV - Insituform (Refer Note No. 41)	13.77 (272.66)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (700.24)	- (-)	- (1,137.77)
SPML – CISC JV	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 280.61 (280.61)
SPML – HCIL JV	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12.27 (19.58)	- (-)	- (-)	- 2,307.99 (1,109.95)
Om Metal Consortium	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 542.00 (261.00)
KBL – SPML JV	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (450.00)
MVV Water Utility Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	297.40 #	- (-)	- (-)	47.02 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 297.40 (-)	- (-)
<b><u>ASSOCIATE COMPANIES</u></b>																	
Pondicherry Port Ltd.	- (-)	- (-)	- (-)	- (-)	0.81 (-)	- (-)	8.73 (-)	- (-)	- (469.80)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Insituform Pipeline Rehabilitation Pvt. Ltd. (IPRPL)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (63.70)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (167.21)	- (-)
Jamshedpur Waste Processing Company Pvt Limited	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.34 (-)	- (-)	0.35 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 0.69 (-)	- (-)	- (-)
Doon Valley Waste Management Private Ltd.	- (-)	- (150.00)	- (14.07)	- (-)	- (-)	72.95 (8.31)	0.37 (50.25)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (50.25)	7.27 (30.34)	- (-)
Mizoram Mineral Development Corporation Ltd.	- (-)	- (-)	- (-)	- (-)	- (0.04)	0.82 (-)	1.26 (1.14)	- (-)	- (7.30)	- (-)	- (-)	- (-)	- (-)	- (-)	- 1.58 (1.14)	- (-)	- (-)
SPML Bhiwandi Water Supply Infra Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	53.59 (415.29)	2.75 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 698.88 (415.29)	84.65 (-)	- (-)
SPML Bhiwandi Water Supply Management Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4.75 (10.24)	2.50 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 34.01 (14.26)	- (-)	- (-)
Aurangabad Jal Supply Solutions Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.26 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Latur water Supply	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	8.64 (116.31)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 626.19 (-)	- (-)	- (-)
Hydro-Comp Enterprises (India) Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.29)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- 154.43 (-)	- (-)	- (-)

Contd... (Rs. in lakhs)

	Transactions amount 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/ Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
P.T. Vardhman Mining Services	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	443.65 (425.24)	- (-)	- (-)
PT. Vardhaman Logistics	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.72	- (-)
PT. Bina Insan Sukses Mandiri	- (-)	14,448.31 (7,759.37)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3,755.80 (991.78)	- (-)
Rabaan (S) Pte Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,099.70 (2,012.56)	- (-)	- (-)
Sanmati Infradevelopers Private Limited	- (-)	- (-)	- (-)	- (-)	0.19 (0.06)	2.93 (-)	- (1.76)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.76)	- (-)	- (-)
Add Realty Ltd	- (-)	- (-)	- (-)	- (-)	8.43 (4.16)	- (-)	52.00 (104.16)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	164.62 (104.16)	- (-)	- (-)
<b>KEY MANAGEMENT PERSONNEL (KMP)</b>																	
Mr. Sushil Kumar Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (6.00)	86.44 (85.45)	- (-)	- (5.36)	- (-)	- (-)	- (12.18)	- (-)
Mr. Subhash Chand Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.21 (1.20)	86.44 (85.45)	- (-)	- (7.62)	- (-)	- (-)	- (13.01)	- (-)
Mr. Deepak Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	132.00 (-)	- (-)	- (-)	- (-)	1.18 (7.15)	73.54 (21.37)	- (-)	- (2.91)	- (-)	- (-)	- (20.56)	- (-)
<b>RELATIVES OF KMP</b>																	
Mr. Anil Kumar Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.35 (7.33)	- (-)	- (-)	- (9.52)	- (-)	- (-)	- (5.58)	- (-)
Mr. P. C. Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.86)	- (-)	- (-)	- (1.57)	- (-)
Mrs. Maina Devi Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.76)	- (-)	- (-)	- (1.20)	- (-)
Mrs. Preeti Devi Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.18 (7.15)	- (-)	- (-)	- (7.24)	- (-)	- (-)	- (1.18)	- (-)
Mrs. Suman Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.21 (5.81)	- (-)	- (-)	- (0.92)	- (-)	- (-)	- (0.21)	- (-)
Mr. Harshavardhan Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (3.07)	- (-)	- (-)	- (-)	- (-)
Mr. Abhinandan Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.74 (-)	- (-)	- (-)	3.39 (40.25)	- (-)	- (-)	- (2.70)	- (-)	- (-)	- (10.45)	- (-)

Contd... (Rs. in lakhs)

	Transactions amount 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 Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given	
Enterprises Owned or significantly influenced by KMP or their relatives or major shareholders of the Company/Subsidiaries	-	-	-	-	-	-	1.81	-	-	5.40	-	-	-	-	-	30.52	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6.00)	(-)	(-)	(2.18)	(-)	(-)	(26.93)	(-)	
	-	-	-	-	-	0.46	-	-	-	-	-	-	-	-	-	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(0.46)	(-)	(-)	(0.72)	(-)	(-)	(0.01)	(-)	(0.46)	(-)	(-)	
	-	-	-	-	-	0.51	-	-	-	-	-	-	-	-	-	-	(-)	
	(-)	(-)	(-)	(-)	(-)	(-)	(0.51)	(-)	(-)	(0.65)	(-)	(-)	(0.01)	(-)	(0.51)	(-)	(-)	
	-	-	-	-	-	-	3.01	-	-	1.70	-	-	-	-	1.13	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.68)	(-)	(-)	(-)	(-)	(-)	(0.17)	(-)	
	-	-	32.05	-	215.48	234.35	670.06	-	-	-	-	-	-	-	-	2,842.76	155.40	-
	(-)	(-)	(-)	(-)	(137.14)	(176.68)	(592.87)	(-)	(-)	(1.20)	(-)	(-)	(4.40)	(-)	(-)	(1,882.21)	(43.89)	(-)
	-	50.99	-	-	15.79	-	-	-	-	-	-	-	-	-	-	91.58	-	-
	(-)	(-)	(-)	(-)	(1.06)	(-)	(86.76)	(-)	(-)	(-)	(-)	(-)	(6.40)	(-)	(-)	(126.56)	(-)	(-)
	-	-	50.41	-	53.53	2,937.51	2,244.60	-	-	-	-	-	-	-	-	2,244.60	1,824.70	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	0.51	-	-	-	1.70	-	-	-	-	-	-	(15.37)	(-)	-	3.68	-
	(-)	(-)	(-)	(-)	(-)	(-)	(67.05)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4.87)	(-)	(-)
	-	-	0.32	-	-	(3.12)	0.81	-	-	-	-	-	-	(7.19)	(-)	2.63	(3.12)	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	20.55	-	-	-	-	-	-	-	-	-	-	162.33	-	-
	(-)	(-)	(-)	(-)	(11.63)	(-)	(12.42)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(141.78)	(-)	(-)
-	-	0.99	-	-	-	-	1.23	-	-	-	-	-	(11.68)	(-)	-	8.42	(-)	
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(8.66)	(-)	
-	-	-	-	-	-	-	-	-	-	(16.50)	(-)	(-)	(-)	(-)	(-)	16.44	(-)	
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(16.44)	(-)	
-	-	-	-	-	1.00	-	-	-	-	-	-	-	(0.03)	(-)	-	-	-	
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)	(-)	(-)	
-	-	4.27	-	-	440.20	411.14	-	-	-	-	-	-	-	-	411.14	480.70	-	
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
-	-	-	-	-	-	-	-	-	-	-	(-)	(-)	(-)	(-)	251.25	-	-	
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(251.25)	(-)	(-)	
-	-	-	-	7.31	-	-	91.58	-	-	42.74	-	-	-	-	-	-	-	
(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(169.06)	(-)	(-)	(-)	(-)	(-)	(9.96)	(-)	

(Rs. in lakhs)

	Transactions amount 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 Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
SPML Semitech India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133.96	-	-
VidyaEduTech Pvt. Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(133.96)	(-)	(-)
ADD Technologies (India) Ltd.	-	-	1.91	-	-	-	-	-	-	-	-	-	-	-	6.50	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(6.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6.50)	(1.91)	(-)
Breeze Commodreal (P) Ltd.	-	455.40	-	-	5.40	18.70	-	-	-	-	-	-	-	-	11.59	275.23	47.00
	(-)	(518.71)	(-)	(-)	(0.59)	(-)	(30.30)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(30.30)	(180.22)	(1,000.00)
Poonam Chand Sethi (HUF)	-	-	-	-	-	-	-	-	-	(3.00)	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(12.45)	(-)	(-)
Anil Kumar Sethi & Sons (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	(2.47)	-	-	(-)	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.67)	(-)	(-)	(-)	(-)
Sushil Kumar Sethi & Sons (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.95)	(-)	(-)	(1.57)	(-)
Subhash Chand Sethi (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.25)	(-)	(-)	(-)	(-)
Pondicherry SEZ Company (P) Ltd	-	-	119.73	-	-	-	131.97	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(1,074.48)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,074.48)	(-)
Sanmati Corporate Investments Private Limited	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	0.13	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sanmati Leisures Limited	-	-	-	-	-	(6.50)	-	-	(46.72)	-	-	-	-	-	-	(6.50)	(-)
Punam Chand Subhash Chand Sethi Charitable Trust	-	-	-	1.05	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(10.82)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sanmati Infra Projects (P) Ltd	-	-	9.30	-	-	-	117.30	-	-	-	-	-	-	-	-	47.00	-
	(-)	(-)	(-)	(-)	(-)	(155.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(155.00)	(-)
Kakade Infrastructure Private Limited	-	-	-	-	-	960.70	-	-	-	-	-	-	-	-	-	1,107.46	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Essel Infraprojects Ltd.	-	-	-	-	-	29.00	-	-	-	-	-	-	-	-	-	30.34	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Jayneer Capital Pvt Ltd	-	-	-	-	-	120.00	-	-	-	-	-	-	-	-	-	120.00	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Pan India Network Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.40	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Contd...

(Rs. in lakhs)

	Transactions amount 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 Investment	Purchase of Investment	Rent Paid Accrued	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
Pan India Network Infravest Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.51	-
Bharat Hydro Power Corporation Ltd.	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
OM Metal Infraprojects Ltd.	-	-	60.21	-	(8.69)	3,690.26	(39.25)	-	-	-	(-)	(-)	(6.96)	(-)	(96.02)	1,635.95	(900.00)
OM Metal SPML Infra Project Pvt Ltd.	(-)	(-)	-	(-)	(-)	(-)	4,518.63	(-)	(-)	(-)	(-)	(-)	(-)	(-)	4,518.63	-	539.00
	(769.39)	(-)	(-)	(-)	(-)	(-)	(3,806.51)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3,806.51)	(-)	(539.00)
Acropolis Properties (P) Ltd	35.55	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(332.34)	(-)	2,742.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	35.55	(-)	(-)

Note -

Also refer Note 4 &amp; 8 as regards loans and other funded facilities personally guaranteed by promoter directors of the Company &amp; others.

# Mobilisation Advances against Project.

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

(Rs. In Lakhs)

	2012-13	2011-12
(i) Principal amount remaining unpaid to suppliers at the end of accounting year	24.72	25.91
(ii) Interest due on above	2.01	0.65
Total of (i) & (ii)	26.73	26.56
(iii) Amount of interest paid by the Group to the suppliers	Nil	Nil
(iv) Amounts paid to the suppliers beyond the respective due date	10.16	9.86
(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	0.70
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year	52.49	49.68
(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	2.81	1.35

**33. Construction contracts disclosure:**

Information relating to Construction contracts as per Accounting Standard 7 (Revised) notified by the Companies Accounting Standards Rules, 2006 (as amended) are given below:

(Rs. In Lakhs)

Particulars	2012-13	2011-12
Contract income recognized as revenue during the year	92,885.5	88,508.06
Aggregate amount of costs incurred and recognized profits (less recognized losses) till date for contracts in progress	408,368.44	420,151.92
Advances received (unadjusted) for contracts in progress	10,997.87	15,583.51
Retention amount for contracts in progress	11,307.79	11,150.69
Gross amount due from customers for contract work for contracts in progress	44,011.50	47,221.23
Gross amount due to customers for contract work for contracts in progress	600.78	1,739.14

**34. (a) Gratuity plans (AS 15 Revised)**

The Group 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 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)

	2012-13	2011-12
<b>(i) Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	52.26	64.06
Interest cost on benefit obligation	33.78	32.47
Net Actuarial gains recognized in the year	49.86	68.75
Total employer expense recognized in the Consolidated Statement of Profit and Loss*	36.18	27.78
<b>(ii) Actual return on plan assets</b>	Not Applicable	Not Applicable
<b>(iii) Benefit Asset/(Liability)</b>		
Defined benefit obligation	(402.15)	(411.13)
Benefit Asset/(Liability)	(402.15)	(411.13)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	411.13	396.16
Interest cost	33.78	32.47
Current service cost	52.26	64.06
Benefit paid	(45.16)	(12.81)
Actuarial gains on obligation	49.86	68.75
Closing benefit obligation	402.15	411.13
<b>(v) Movement in fair value of plan assets</b>	Not Applicable	Not Applicable

\*Includes Rs. 8.43 lakhs (Rs.8.10 lakhs) charged to Capital Work in Progress during the year.



The Principal actuarial assumptions are as follows:

Discount rate	8.00%	8.00%
Withdrawal Rate	Varying between 8% per annum and 1% per annum depending on duration and age of employees	Varying between 2% 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)	21.13	22.58
Experience Adjustments on Plan Liabilities	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 expense for defined contribution plans**

(Rs. In Lakhs)

	2012-13	2011-12
Contribution to Provident Fund	240.23	296.77

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 periods are as follows:

(Rs. In Lakhs)

Description	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009
Defined Benefit Obligation	402.15	411.13	396.16	323.80	264.08
Assets/( Liability)	(402.15)	(411.13)	(396.16)	(323.80)	(264.08)

35. The Company has claimed income tax benefits of Rs. 27,894.44 lakhs (Rs. 26,191.83 lakhs upto March 31, 2012) approx. having tax impact of Rs. 8,034.45 lakhs (March 31, 2012: Rs. 7,482.04 lakhs) including Rs. 552.41 lakhs (March 31, 2012 : Rs 574.40 lakhs) for the year, approx. 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 2008-09, the above claims were initially disallowed by the Tax Authorities, but the appellate authorities during the year have allowed the aforesaid claims for the years 2005-2006 to 2008-2009. Accordingly, the Company feels that all such claims under Section 80IA would be allowed to the Company for subsequent years also. The Company's writ with the Honorable 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.

36. Minimum Alternate Tax entitlement aggregating Rs. 2,322.99 lakhs ( Rs. 2,051.67 lakhs upto March 31, 2012) ( including Rs. 271.32 lakhs (Rs. 286.56 lakhs) for the year) has not been recognized in these accounts since the Company does not have convincing evidence that it would have sufficient taxable profits within the specified period in future to claim the above entitlements.

37. Trade payables aggregating Rs. 2,405.35 lakhs (Rs.436.05 lakhs) consisting of numerous balances being unclaimed / unmoved since long (mostly more than three years) have been written back during the year.

38. During an earlier year, one of the client of the Company had partially terminated a part of the contract with consequential damages. The Company has challenged the said termination in the Hon'ble Supreme Court. However, as a matter of prudence, the Company has revised the contract value and contract cost, as per the management's best estimate and the expected loss has been duly provided for in the accounts. The Company has also lodged counter claims on the client and it does not expect any further loss arising out of such termination.
39. SPML CISC JV, a joint venture entity (JV) has foreclosed its underlying project. The JV has receivable in its books towards claims against the client as awarded by the arbitrator. Although the said client has disputed the award, yet the Company is confident of recovery of its investment in the JV.

40. Details in respect of Trading Activities

(Rs. In Lakhs)

	Steel items		Coal	
	2012-13	2011-12	2012-13	2011-12
Cost of Sales	7,827.29	—	17,122.68	7,647.73
Sales	7,936.94	—	18,353.51	8,581.25

41. Pursuant to a settlement reached with the Insituform group, the Company has exited during the year from the Insituform Joint Venture together with a commitment to sell its shares in the associate Company, namely, Insituform Pipeline Rehabilitation Private Limited (IPRPL) at a nominal value and remission of receivables from Insituform JV. As a result, the shares of IPRPL have been sold by the Company to Insituform group for Rs. 0.01 lakhs resulting into a loss of Rs. 909.75 lakhs and also the receivables of Rs. 1173.46 lakhs from Insituform group have been written off in the accounts.
42. Arbitration claims of Rs. 6,624.71 lakhs awarded in two cases in favor of the Company (including Rs. 3,596.41 awarded in an earlier year) have been recognized as income in these accounts, as the management feels that these awards have reached their finality, and is confident to recover these arbitration claims in full.
43. Trade receivables aggregating Rs.2,601.13 lakhs (Rs.3,562.48 lakhs) of the Company 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. Materials at site includes stock of trading materials of Rs.451 lakhs (Rs.Nil)
45. The Company has entered into certain transactions aggregating Rs.35.55 lakhs during the 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.
46. Luni Power Company (P) Limited, a subsidiary company, has written off part of its capital expenditure aggregating to Rs. 613 lakhs (Rs. 570.09 lakhs included in pre-operative expenses), as the management believes that no benefits would accrue from these expenditures due to delay in completion of the project.
47. 13,122,000 equity shares of Subhash Kabini Power Corporation Limited (SKPCL), 510,022 equity shares of Bhilwara Jaipur Toll Road Private Limited (BJTPL), two 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.
48. During the year, certain subsidiaries have capitalized the following expenses of revenue nature to the cost of tangible asset/ Capital work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the subsidiaries.

(Rs. In Lakhs)

Particular of Expenses	As at 31st March, 2012 the year	Add: Incurred during pursuant to sale of subsidiaries	Less: Adjustments Adjustments	Less: Capitalised/ Capitalised/	As at 31st March, 2013
a) Employee benefits expenses					
Salaries, Wages and Allowance	554.35	396.75	37.43	150.99	762.68
Gratuity	18.04	8.43	—	6.65	19.82
b) Other expenses					
Rent	52.98	40.07	—	6.35	86.70
Rates and Taxes	139.60	205.87	0.60	2.05	342.82
Insurance	63.62	38.30	—	22.86	79.06
Repairs & Maintenance					
- Others	5.57	105.64	—	63.95	47.26
Travelling & Conveyance	162.60	55.39	13.10	32.55	172.34
Professional Charges & Consultancy Fees	571.43	255.83	42.82	36.77	747.67
Communication Expenses	11.10	4.71	0.17	2.41	13.23
Advertisement Expenses	4.52	0.95	—	3.11	2.36
Charity & Donation	12.20	0.01	—	6.05	6.16
Miscellaneous Expenses	265.91	122.99	1.96	103.11	283.83
Equipment Hire Charges	19.42	69.11	4.58	3.59	80.36
Depreciation	93.70	45.25	0.62	66.89	71.44
c) Finance costs					
Interest & Finance Expenses	3,658.76	1626.82	151.76	1291.48	3842.34
Total	5,633.80	2,976.12	253.04	1,798.81	6,558.07
Less: Income					
Insurance Claim	—	82.00	—	64.00	18.00
Test Run	—	152.45	—	152.44	0.01
Tender Application Money	5.70	10.80	—	—	16.50
Interest on Fixed Deposit/Loans	78.70	30.15	—	37.09	71.76
Total	5,549.40	2700.72	253.04	1545.28	6,451.80
Previous year's total	3037.36	2,512.04	—	—	5,549.40

49. The Group has following un-hedged foreign currency exposures:

(Rs. In Lakhs)

Particulars	Currency	As at 31st March, 2013		As at 31st March, 2012	
		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))	18,32,062.41	10,286.80	16,88,304.24	9,939.72
PT. Vardhaman Logistics	USD	1.37	73.88	1.37	67.46
Buyer's Credit	EURO	Nil	Nil	8.93	617.51

50. In the year 2011-12, 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. 267.54 lakhs and had accounted it upfront as Company's share of profit in the joint venture.

51. A Concession Agreement (CA) was signed between the Government of Pondicherry (GOP), SPML Infra Limited (SPML) and Om Metals Ltd (OML) on 21.01.2006 for the development of Pondicherry port on BOT basis. Immediately on 4.2.2006, SPML and OML (with GOP as a confirming Party) assigned the said CA in favour of Pondicherry Port Limited (PPL), a step down associate of the Company. The Group investment as on date in respect of the said associate is Rs. 466.81 lakhs

Earlier, after the above said assignment, two public interest litigations (PIL) which were filed against the Government of Pondicherry (GoP) and PPL before the Hon'ble High Court of Madras, Chennai were dismissed by the Hon'ble Court in August

2006. Subsequent appeals that were filed before the Hon'ble Supreme Court were also quashed on 14/05/2009. According to the verdict of the Hon'ble Supreme Court, Pondicherry port, being a minor port, is a matter to be dealt by the GoP and therefore, approval of Government of India (GoI) is not required at any stage of its development. Further, the Ministry of Home Affairs (MHA), GoI had approached the Hon'ble Supreme Court seeking a review of its final judgement by which the apex court had upheld the Union Territory's administration action to award the work of development of the port to the private developer. The Hon'ble Supreme Court admitted the review petition and the matter was disposed off in favour of PPL on May 4, 2010. Subsequently, the MHA has sought a further review of the judgement, which was also dismissed by the Hon'ble Supreme Court in November 12, 2010. Thus all legal hurdles faced by the Project were cleared by that time.

But, from the side of GOP during the last 6 years, there have been hardly any effective steps taken to facilitate the implementation of the project. The lack of commitment of GOP combined with red-tapism and constant backtracking from the terms of the CA as well as decisions taken in these 6 years have ensured that not even a brick has been laid on the project as of date.

Even after years of effort, PPL is still at the preliminary stage of obtaining approvals and licenses, whereas other port projects, including nearly a half a dozen in Tamil Nadu have started operations in the meanwhile. The repeated breaches of CA committed by the GOP have rendered all the efforts of PPL totally redundant. The Conditions Precedent as well as Covenants held out by the GOP have not been fulfilled till date. As such, PPL was constrained to issue a notice vide letter No. PPL/GOP/2012/1698 dated 16.04.2012 (hereinafter referred to as 'Notice') conveying the intention of PPL to terminate the CA under its Clauses 16.2, 16.3.1 and 16.3.3 due to "GOP Events of Default" and claiming compensation for the delay occurred on the Project implementation under various heads of accounts.

After taking continuous efforts by PPL with GOP and after the issue of the above 'Notice', the GoP sent on 7.5.12, the EIA and RA reports furnished by M/s National Environmental Engineering Research Institute (NEERI) which is required for getting the Environment Clearance along with Revised DPR duly approved by the GOP which is still awaited by PPL to proceed. PPL replied on 29.5.12 that the GOP had lost interest in furtherance of the Project by sending the said report after the issue of the termination Notice by PPL and further sought the clear direction from GOP whether it is interested in implementing the CA or the project should be treated as terminated.

In response to the above 'Notice', GOP effectively repudiated the charges with its letter No. 2002/EE/Port/2012-13/435 dt, 8.10.12 by stating that GOP would be entering into a CA with PPL in accordance with the verdict of the Hon'ble Supreme Court after the Project is cleared by the Ministry of Environment and Forest (MoEF) and the compensation claimed by PPL was unwarranted thereby giving rise to disputes.

With a view to allow one more opportunity for resolution of all disputes, PPL invoked the provisions of Clause 20.2 of the CA in order to amicably settle the disputes between the parties. For purposes of this settlement, PPL nominated Mr. Anil Sethi and / or Mr. C. P. Kothari, Directors of PPL to be assisted by Mr. Sharad Sogani and the CEO in the proceedings. GOP in turn nominated the Secretary (Ports) and / or Joint Secretary (Ports) to be assisted by the Director of Ports and the Executive Engineer (Ports).

As proposed finally by GOP, a meeting was held on 18.02.2013 to resolve the disputes between PPL and GOP on the basis of the notices issued by PPL under Clauses 16.3.5, 18 and 20 of the CA. In the said meeting, PPL had put forth a number of issues of concern and after the meeting, PPL was advised to send a brief note of the said issues. Accordingly and absolutely on 22.2.13 without prejudice to the 'Notice' of PPL dated 16.04.2012, PPL addressed the following major points around which the discussions were held with a view to allow an opportunity to GOP to act upon immediately for resolution of disputes:

1. Existing Port Operations
2. Transport Infrastructure Linkages
3. Environmental Clearance
4. Concession Agreement

PPL is now looking up with its hopes that the GOP would immediately take necessary action based on the above and awaits the response of GOP.

Considering the above facts and status of the project of PPL, the expenses incidental and directly related to project has been continued to be accounted in the Capital Work in progress during the year. The board is of the opinion the project status will be maintained as it is during the year and appropriate decision with regard to write off will be taken in the subsequent financial years. Accordingly the Statement of Profit and Loss of PPL is drawn up for the year and the expense which is not related to the Project nor is incidental thereto is charged to its Statement of Profit and Loss.

## 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	31st March, 2013	31st March, 2012
<b>Income</b>		
Revenue from operations	17.25	39.42
Other income	33.38	19.03
Total revenue	50.63	58.45
<b>Expenses</b>		
Materials consumed & Direct Expenses	2.99	27.41
Decrease in work-in-progress	—	50.93
Employee benefits expense	1.98	0.74
Other expenses	10.64	89.37
Total	15.61	168.45
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>	<b>35.02</b>	<b>(110.00)</b>
Depreciation and amortization expense	8.22	29.40
Finance costs	0.21	3.44
Profit before tax	26.59	(142.84)
Tax expenses (including deferred tax)	5.07	(18.26)
<b>Profit after tax</b>	<b>21.52</b>	<b>(124.58)</b>
The carrying amounts of the total assets and liabilities of the discontinuing operation is as follows:		
Total assets	1,178.69	1,160.32
Total liabilities	78.76	81.50
<b>Net assets</b>	<b>1,099.93</b>	<b>1,078.82</b>
The net cash flows attributable to the discontinuing operation is as below:		
Operating activities	(103.97)	(49.57)
Investing activities	(10.10)	227.34
Financing activities	(0.21)	(79.06)
<b>Net cash inflows / (outflows)</b>	<b>(114.28)</b>	<b>98.71</b>

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

53. (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 R. K. AGRAWAL**  
 Partner  
 Membership No 16667

Place: Gurgaon  
 Dated: June 18, 2013

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

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

Place: Gurgaon  
 Dated: June 18, 2013

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

**Subhash Chand Sethi**  
 Chairman

**R. P. Mundhra**  
 Company Secretary

**Sushil Kr. Sethi**  
 Managing Director

**Lalit Khetan**  
 Chief Financial Officer





## SPML Infra Limited

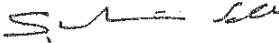
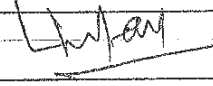
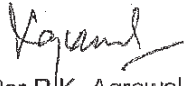
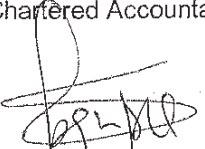
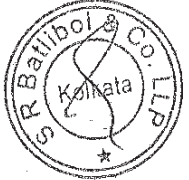
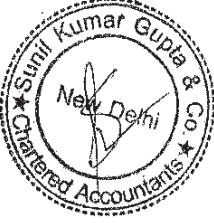
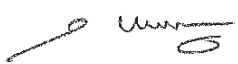
**Corporate office:** SPML House, Plot No. 65, Sector-32, Institutional Area, Gurgaon - 122001  
 Tel: +91-124-3944555, Fax: +91-124-3983201, Email: [info@spml.co.in](mailto:info@spml.co.in) Web: [www.spml.co.in](http://www.spml.co.in)

*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.

Form A

Format for covering letter of the annual audit report to be filed with the stock exchanges

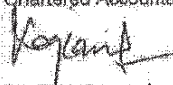

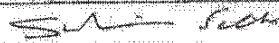


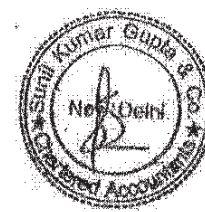
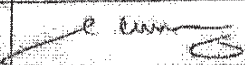
Sl. No.	Name of the Company:	SPML Infra Limited
1	Annual financial statements for the year ended	31st March 2013
2	Type of Audit Observation	Matter of Emphasis:  Attention is drawn to Note No.48 to the financial statements regarding the arbitration claims of Rs.6,624.71 lakhs (including Rs.3,596.41 lakhs awarded in an earlier year) having been recognised in the books as income during the year as the management believes that these awards have reached their finality and it is confident to recover these arbitration claims in full. Our opinion is not qualified in respect of this matter.
3	Frequency of Observation	Appearing for the first time
4	Signature:	
	<b>Managing Director</b> Mr. Sushil Sethi	
	<b>Chief Financial Officer</b> Mr. Lalit Khetan	
	<b>Auditors</b> For S.R. Batliboi & Co. LLP Firm Registration No: 310003E Chartered Accountants   Per R.K. Agrawal Partner Membership No: 16667 Place: Gurgaon Date: May 27, 2013  For Sunil Kumar Gupta & Co. Firm Registration No: 003645N Chartered Accountants   Per S.K. Gupta Partner Membership No: 82486 Place: Gurgaon Date: May 27, 2013	  
	<b>Chairman, Audit Committee</b> Mr. Sarthak Behuria	

Please also refer Form B as there is a qualification in the auditor's report.



**Form B**

**Format for covering letter of the annual audit report to be filed with the stock exchanges**

Sl. No.	Name of the Company:	SPML Infra Limited
1	Annual financial statements for the year ended	31st March 2013
2	Type of Audit qualification	"Except for"
3	Frequency of qualification	Repetitive since December 2010 quarter (2 Years)
4	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Attention is drawn to Note No. 43 in respect of a contract partially terminated by the client, the matters relating to settlement of claims, counter claims and consequential damage whereof are presently sub-judice. Accordingly, we are unable to comment about the impact, if any, of the aforesaid termination on the related contract value, contract cost and unbilled revenue and its consequential impact on the profit for the year and the reserves and surplus of the company as at the Balance Sheet date.
5	Additional comments from the board / audit committee chair	During an earlier year, one of the client of the Company had partially terminated a part of the contract with consequential damages. The Company has challenged the said termination in the Hon'ble Supreme Court. However, as a matter of prudence, the Company has revised the contract value and contract cost, as per the management's best estimate and the expected loss has been duly provided for in the accounts. The Company has also lodged counter claims on the client and it does not expect any further loss arising out of such termination.
6	Signature: Managing Director Mr. Sushil Sethi Chief Financial Officer Mr. Lalit Khatri Auditors For S.K. Bhatnagar & Co. LLP Firm Registration No: 310008E Chartered Accountants  Per R.K. Agrawal Partner Membership No: 16667 Place: New Delhi Date: May 27, 2013  For Sunil Kumar Gupta & Co. Firm Registration No: 003645N Chartered Accountants  Per S.K. Gupta Partner Membership No: 82486 Place: New Delhi Date: May 27, 2013	   
	Chairman, Audit Committee Mr. Sarthak Bahuria	

Please also refer Form A as there is an emphasis of matter paragraph in the auditor's report.