

# Passion for delivering world-class infrastructure solutions

ANNUAL REPORT  
2011 - 12





**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



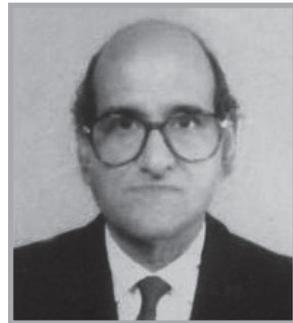
**Mr. Deepak Sethi**  
Director



**Mr. Sarthak Behuria**  
Director



**Mr. Amit Kanodia**  
Director



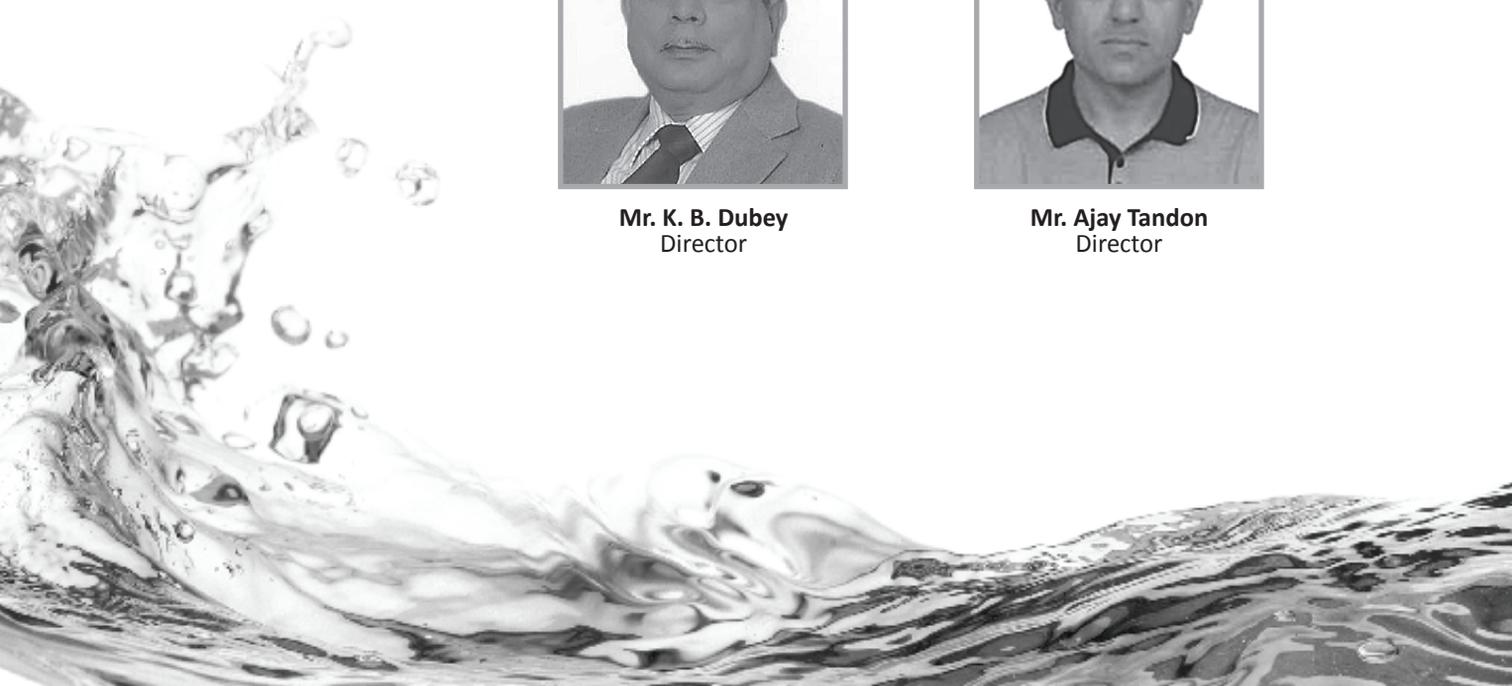
**Mr. R.L. Gaggar**  
Director



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



**Mr. Ajay Tandon**  
Director



## Chairman's Message

The current economic situation is a matter of grave concern in India but we are confident that we will sail through this tough time again as we did it in 1991 and in 2008 when the great recession engulfed the entire world. India has been the second-fastest growing economy in the world and set to grow at a faster pace than the Chinese economy. This is expected to result in continued demand for quality services and will herald the revival of investor and consumer sentiment.

India's infrastructure has been improving steadily over recent years and foreign investors becoming increasingly keen to invest in the sector. The High Powered Expert Committee (HPEC) set up by the Government of India have projected large investment requirements for providing public services to specified norms and also supporting the growth process. It is estimated that India will see a high level of urbanization and the country's urban population will reach close to 600 million by 2031.

Government strategy to increase investment in infrastructure through a combination of public investment and public private partnerships indicates an increased thrust in the sector. 27% increase in the budget allocation for infrastructure development for rural drinking water and sanitation is a welcome move. Various financing measures being taken to boost infrastructure financing and private sector participation has been positive.

SPML has come a long way in its journey to become one of the largest and most admired infrastructure development companies in India. Decades of organizational dedication have created significant value with the provision of safe drinking water, improved sewerage facilities, better municipal solid waste management, building roads and highways and lighting up homes to improve the quality of life for the people of India. Nothing is more important than delivering on our mission and last year was a landmark year for our company, during which we successfully completed a number of projects.

We have been developing infrastructure for drinking water supply and wastewater treatment in different states of India and I am delighted to inform you that SPML has received prestigious orders from Delhi and Rajasthan worth over Rs. 1000 Crore to deliver services at the cutting edge of water reform. The two orders from Delhi Jal Board are for improvement in water distribution networks in India's capital city in the South Delhi neighborhood of Malviya Nagar, Mehrauli and Vasant Vihar. The PHED Ajmer order are for infrastructure development for water supply for Nagaur city in Rajasthan and for the long term operations & maintenance of the scheme. These new wins are a testimony to our capabilities in executing water projects and the trust, our clients has placed in us. With proven domain expertise of over three decades, we are proud to be a preferred partner for utilities and water reform agencies across the country.

I am also pleased to share with you that SPML has continued to be recognized as a thought leader and have received a number of prestigious awards- KPMG Infrastructure Today Awards 2011 for Most Admired Infrastructure Company in Water and Urban Infrastructure; Infrastructure Excellence Award 2012 for Water & Sanitation by CNBC TV 18 and Construction Week India Award 2012 for Water Project of the Year. Our company has also received good media attention and a number of articles on our achievements and project management were published in leading national and international publications. You will be happy to know that SPML was invited to share its experience in water management in India at the prestigious international water summit, Singapore International Water Week.

SPML's foray into the reverse osmosis process for desalination of water with an alliance with Aqualyng, a global leader in the international desalination market has added a new service to our business. Unequal water distribution exists within our country and with decreasing fresh water sources; desalination is seen as the alternative for meeting temporary & long term water supply needs. SPML's JV with Aqualyng would go a long way to address the scarcity of fresh water in coastal regions of our country, both for industrial and drinking purposes.

Growth in the environmental sector is essential to the economic future of India. We are spreading our wings in this domain across the length and breadth of our country and building great customer relationships with most of the utilities in all the states. We have always believed that building strong leaders is a strategic imperative. We are developing people as guardians of SPML's culture, champions of our legacy, and protectors of our reputation.

It was a great loss for all of us that our guiding light, my father and Chairman Emeritus, Shri P C Sethi ji left for heavenly abode on 19<sup>th</sup> August 2012. He inspired us to strive for excellence in all things we do. Nothing is more important than delivering on our mission, superior project management, innovation, quality and commitment. He has established those values and beliefs — simple words, but strong in how they guide us in nation building with world class infrastructure.

I'm excited about what the future holds for SPML as we deliver on our mission. There are many blessings that my father left for all of us, including our values and culture. I can't help but believe that as we represent SPML's shareholders, these principles will continue to guide us, and we will be even stronger in the years to come.

I acknowledge the efforts of all stake holders in our growth- our clients, employees, partners, bankers, suppliers, associates and community members. I also assure them that the Company will continue to practice what it has always done, deliver values for all those who depend on us, work with us and invest in us.

Sincerely,

**Subhash Chand Sethi**  
Chairman  
SPML Infra Limited



## Corporation Information

### **Mr. B. N. Choudhary**

President (Finance) & 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  
Mfar Silverline Tech Park, 2<sup>nd</sup> Floor, Plot No.180, EPIP II Phase, whitefield,  
Bangalore-560066, Tel: +91-80-40520200, 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
- Bank of Baroda
- Canara Bank
- ICICI Bank
- Oriental Bank of Commerce
- Punjab National Bank
- State Bank of India
- State Bank of Travancore
- State Bank of Hyderabad
- State Bank of Mysore
- State Bank of Bikaner & Jaipur
- Syndicate Bank
- Union Bank of India
- Yes Bank Ltd.

### **Auditors:**

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

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 31<sup>st</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 2012.

### Financial Results

The performance of the Company for the financial year ended March 31, 2012 is summarized below :

(Rs. in Lacs)

Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
Gross Operating Revenue & Other Income		<b>92044.33</b>		<b>123495.68</b>
Profit before Interest, Depreciation and Taxes		11824.46		13370.41
Less :- Interest and Financial Charges		10308.06		9107.51
Less :- Depreciation		1050.83		1173.35
Profit Before Tax		465.57		3089.55
Provision for Taxation	286.56		601.63	
Provision for Deferred Tax	(119.78)	166.78	(395.40)	206.24
Profit After Tax		<b>298.79</b>		<b>2883.31</b>
Add : Balance brought forward from previous year		20466.92		18297.30
Profit available for Appropriation		<b>20765.71</b>		<b>21180.61</b>
Appropriations :-				
Proposed Dividend			183.25	
Tax on Distributed Profits			30.44	213.69
Transfer to General Reserve				500.00
Surplus carried to Balance Sheet		20765.71		20466.92

### Operating Results

Your company achieved a turnover of Rs.914.18 Crores as against Rs.1222.87 Crores achieved in the previous year. The company earned a gross profit of Rs.118.24 Crores before interest and depreciation as against Rs.133.70 Crores in the previous year. After deducting interest and finance charge of Rs.103.08 Crores, providing a sum of Rs.10.51 Crores towards depreciation, tax provision of Rs.1.67 Crores (Net), the operations resulted in a net profit of Rs.2.99 Crores as against Rs.28.83 Crores in the previous year.

The management Discussion and Analysis Report of 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 a 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 for long term performance and future growth plans, the Directors do not recommend any dividend for the financial year 2011-12.

## Subsidiary Companies

Your Company has the following Subsidiary Companies:

- |   |   |
|---|---|
| 1. IQU Power Company Private Ltd.           | 14. SPM Holdings Pte. Limited                       |
| 2. Neogal Power Company Private Ltd.        | 15. Madurai Municipal Waste Processing Co. (P) Ltd. |
| 3. Awa Power Company Private Ltd.           | 16. ADD Urban Enviro Limited.                       |
| 4. Luni Power Company Private Ltd.          | 17. SPML Utilities Limited.                         |
| 5. Binwa Power Company Private Ltd.         | 18. SPML Bhiwandi Water Supply Infra Ltd.           |
| 6. Tons Valley Power Company Private Ltd.   | 19. SPML Bhiwandi Water Supply Management Limited   |
| 7. Rupin Tons Power Private Ltd.            | 20. Mathura Nagar Waste Processing Co. Pvt. Ltd.    |
| 8. Uttarkashi Tons Hydro Power Private Ltd. | 21. Allahabad Waste Processing Co. Pvt. Ltd.        |
| 9. SPML Energy Limited                      | 22. Bhilwara Jaipur Toll Road Pvt. Limited,         |
| 10. Subhash Kabini Power Corporation Ltd    | 23. PT Sanmati Natural Resources                    |
| 11. Delhi Waste Management Ltd.             | 24. Mizoram Power Development Corporation Ltd.      |
| 12. SPML Industries Limited,                | 25. Aurangabad City Water Utility Co. Ltd.          |
| 13. SPML Infrastructure Limited,            |   |

Companies under Serial Nos. 1 to 5 are engaged in development of 4.5 MW Hydro Power Projects each, under Build Own Operate and Transfer (BOOT) basis, in the state of Himachal Pradesh. Out of these, project under serial No.1 is in operation. Projects under Serial Nos. 2 to 4 will be commissioned by March, 2013 and project under Serial No. 5 is delayed for want of certain approvals.

Companies under Serial Nos. 6 to 8 are into development and management of mini-hydel power generation projects (aggregate capacity of 42 MW) under Build, Own, Operate (BOO) & Design, Construction, Operation (DCO) basis, in the state of Uttarakhand and are awaiting requisite approvals from the Government and Statutory Authorities.

SPML Energy Limited has invested in the Group Companies engaged in the execution and management of Hydro Power Projects.

Company under Serial No.10 is the second largest private sector mini hydel scheme in Karnataka, with an aggregate capacity of 20 MW and annual generation of approx. 65 MU.

Delhi Waste Management Limited is engaged in collection, segregation and disposal of Waste from South, Central and City Zones of Delhi.

SPML Industries Limited has ceased manufacturing of pre stressed concrete pipes, looking for new business avenues

SPML Infrastructure Limited has invested in the Group Companies engaged in development of Roads, Ports and other projects.

SPM Holdings Pte Limited, Singapore is a step down subsidiary (subsidiary of Subhash Kabini Power Corporation Limited) and is in the business of general wholesale trade (including imports & exports).

Madurai Municipal Waste Processing Company Private Limited is into processing and disposal of solid waste for Madurai Municipal Corporation.

ADD Urban Enviro Limited at present is into collection, segregation and disposal of Waste from Airports of Delhi and Hyderabad.

SPML Utilities Limited has invested into shares of Water Utility Projects undertaken on Private Public Partnership (PPP) and Build-Own-Operate-Transfer (BOOT) basis, by the Group.

Company under Serial No. 18 leads the integrated bulk water supply project for Bhiwandi–Nizampur City Municipal Corporation under PPP Scheme.

Company under Serial No. 19 leads the water management for Bhiwandi-Nizampur Municipal Corporation under PPP scheme.

Companies under Serial No. 20 & 21 are engaged into collection, processing and disposal of Waste from Mathura & Allahabad Cities.

Company under Serial No. 22 is developing a road projects on toll basis linking Jaipur and Bhilwara.

Company under Serial No. 23 is a subsidiary of SPM Holdings Pte Ltd. and has invested into shares of PT Bina Insan Sukses Mandiri, a Mining Company in Indonesia.

Company under Serial No.24 is into development of power plant in Mizoram.

Company under Serial No. 25 is into development of water project for Aurangabad City under Public Private Partnership (“PPP”)

In pursuance of General Circular 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 annual accounts of the subsidiaries.

The annual accounts of the Subsidiary Companies and other related detailed information shall be made available to shareholders of the holding & subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection of shareholders in the head office of the holding company.

A statement pursuant to Section 212(8) of the Companies Act, 1956, containing the details of the subsidiaries of the Company forms part of the Annual Report.

### **Consolidated Financial Statements**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in associates, your Directors provide the Audited Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2012 forming part of the Annual Report and Accounts.

### **Directors**

Mr. Surinder Singh Kohli & Mr. T.S. Siva Shankar resigned from the Board of Directors w.e.f. 25.07.2011 and 30.08.2012 respectively. Mr. Anil Kumar Sethi resigned from the office of the Chairman and Directorship w.e.f. 29.05.2012. The Board acknowledges and places on record its deep appreciation for the contribution made by Mr. Anil Kumar Sethi as a Director and Chairman of the Company, Mr. Surinder Singh Kohli and Mr. T.S. Siva Shankar as Directors of the Company. Mr. Sarthak Behuria and Mr. Deepak Sethi retire by rotation and being eligible, offer themselves for re-election. The Board has recommended their re-election.

Mr. Kailash Bihari Dubey & Mr. Ajay Tandon were appointed as Additional Directors of the Company w.e.f. 07.08.2012 and 30.08.2012 respectively and their appointments will be regularized in the ensuing Annual General Meeting of the Company.

### **Auditors and Auditors’ Report**

The joint statutory auditors of the Company, M/s. S. R. Batliboi & Co, Chartered Accountants and M/s. Sunil Kumar Gupta & Co., Chartered Accountants, retire at the conclusion of the 31<sup>st</sup> Annual General Meeting and being eligible have offered themselves for reappointment to hold office from the conclusion of the 31<sup>st</sup> Annual General Meeting upto the conclusion of the 32<sup>nd</sup> Annual General Meeting..

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 not accepted any public deposits.

### **Particulars of Energy Conservation, etc.**

Your Company is not covered by schedule, which requires furnishing of details in Form A & B as per the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1968.

## Foreign Exchange Earnings and Outgo

The information is contained in item Nos 36 and 37 in Notes to Accounts.

## Particulars of Employees

Details in respect of remuneration paid to the employees as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended forms part of the Report. However, in pursuance of the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, this Report is being sent to all the members of the Company excluding the aforesaid information and the said details are made available at the registered office of the Company. The members interested in obtaining such details 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 31<sup>st</sup> March, 2012.

## Quality Management System

The Company has maintained strict Quality Management System in all aspects of EPC Contracts and has ISO 9001 certificate.

## 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, 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.

## 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 30, 2012

Subhash Ch. Sethi  
Chairman

## Management Discussion & Analysis

### Economic and Business Overview

India's GDP growth slowed down to 6.90 % in 2011-12 compared to 8.50 % in the preceding fiscal, mainly due to the weak industrial Growth in India and uncertain global economic scenario. But beside the low growth of 6.90 % India remains the fastest growing economies of the world as all major countries including the fast growing emerging economics are seeing a significant slowdown. The anticipated growth for 2012-13 and 2013-14 is 7.60% and 8.6% respectively and faster beyond that.

During the fiscal under review, the Indian construction industry grew by 4.8% as against 8.80% growth in 2010-11. The construction sector is reviving itself from the global economic downturn witnessed in the last few fiscal and is poised to grow at a pace of 18% by the end of fiscal 2014.

### Results of Operations

#### Income from Operations

During the year under review, the Company has achieved a turnover of Rs. 914.18 Crores, registering a fall of 25% over last year's turnover of Rs.1222.88 Crores. Your company passed through a difficult phase last year. The company had to face very tough competition from the new Entrants and could not make adequate order booking. Further, your company restricted its business areas and focused on Water Projects only, which also effected the turnover.

#### Profit Before Depreciation, Interest and Tax

The Gross Profit of the Company for the year under review works out to Rs. 118.24 Crores as against Rs.133.70 Crores in 2010-11. This is mainly due to decline in topline, while overheads remaining more or less same.

#### Profit After Tax

The Company's operations during the year under review have resulted in a net profit after tax of Rs. 2.99 Crores as against Rs. 28.83 Crores in 2010-11. The decline in net profit is due to decline in turnover with no proportionate decline in Overheads coupled with an increase of Rs. 12 Crores in the finance costs.

#### Direct Cost

The direct cost for the year under review works out to 74.89 % of the turnover as against 80.15% last year.

#### Overheads

Overheads, comprising salaries and administrative expenses, work out to Rs.117.59 Crores for the last year under review as against Rs.121.15 Crores in the previous year. Overheads have declined marginally due to lower business operations.

#### Interest and Finance Cost

During the year under review, there was an increase in the Finance costs from Rs.91.08 Crores to Rs.103.08 Crores.

#### Depreciation

Depreciation for the year was Rs.10.50 Crores as against Rs.11.73 Crores in the previous year.

#### Provision for Taxation

The Company provided for net Income Tax of Rs.1.67 crores during the year.

### Financial Condition

#### Reserves & Surplus

The Reserves & Surplus of the Company has increased marginally to Rs.428.44 Crores as on 31<sup>st</sup> March 2012 from Rs.425.45 Crores at the end of the previous year.

#### Loan Funds

Secured loans as on 31<sup>st</sup> March 2012 stood at Rs.409.01 Crores as compared to Rs. 358.79 Crores at the end of the previous year. The Unsecured Loans were Rs. 64.75 Crores as compared to Rs. 62.61 Crores in the previous year.

### **Fixed Assets**

The Company's fixed assets (gross block) increased by Rs 8.52 Crores in 2011-12 to Rs.153.63 Crores, mainly on account of additional machinery purchased.

### **Investments**

Total Investments as on 31<sup>st</sup> March 2012 stood at Rs 179.93 Crores as compared to Rs 110.89 Crores at the end of the previous year. The amount remaining in share application money were largely converted into shares after allotments were received from the various Investee companies.

### **Inventories**

Inventories have decreased by Rs.30.61 Crs. to Rs.69.27 Crs. as on 31<sup>st</sup> March, 2012 as compared to Rs. 99.88 Crores at the end of the previous year. The inventories are 7.58 % of the revenues at the end of the financial year representing an Inventory Holding Period of 28 days as compared to 8.17 % of the revenues at the end of preceding year representing a Stock Holding Period of 30 days.

### **Sundry Debtors**

Sundry Debtors as on 31<sup>st</sup> March 2012 stood at Rs 575.83 Crores as compared to Rs. 609.87 Crores, thereby showing a decrease of Rs 34.04 Crores over the previous year. The debtors of the Company are all Government Departments/Undertakings and public Sector Organizations.

The Debtors are 62.99 % of revenues from operations of the current year representing an Outstanding period of 230 days as compared to 49.88 % of the revenues from operation for the previous year representing an Outstanding period of 182 days.

### **Loans and Advances**

Loans and Advances decreased to Rs 171.71 Crores from Rs 231.96 Crores during the year under review. A large portion of amounts lying as application money towards shares was converted into Investments during the year.

### **Net Worth**

The Company's net worth increased from Rs 433.65 Crs. to Rs 436.64 Crs. primarily due to internal generation of profits.

## **Contingent Liabilities**

A major part of contingent liabilities of SPML is the performance & advance bank guarantees given by the bankers to the clients under the terms of contract. These are issued on the strength of counter-indemnities of SPML. Keeping in view the track record of SPML in meeting its contractual performance, the chances of contingent liabilities becoming real liabilities are remote. The bank guarantee alongwith the Letters of Credit utilization with Banks has increased marginally from Rs 1189.87 Crores to Rs 1195.05 Crores during the year.

## **Opportunities and Future Outlook**

The company at present has verticals comprising of water, environment, electrical, and civil infrastructure works. We, thus, have a diversified business portfolio which helps us in mitigating the risk of slow down in any one particular segment. During the last 30 years, we have executed various infrastructure projects all over the country. The client list of the company includes most of the State Govts, public sector undertakings and government organizations. It is well recognized for quality consciousness and timely completion of the projects without cost over run. The track record of the company and proven skills of its employees at various levels will be useful in further improving the performance of the company in the years to come.

During the year under review, the company has bagged new orders valued at Rs 616.72 Crores approx. as detailed below:-

1. From Gujarat Water Infrastructure Limited, a govt. of Gujarat Undertaking, Gandhinagar
  - i. Rs, 267.21 Crores for execution of Water Supply Scheme for bulk Water transmission main 2300 mm dia (FID), 14 mm thick M.S. Pipe line for 42.400 km.
  - ii. Rs. 246.07 Crores for execution of Water Supply Scheme for bulk Water transmission main 2400 mm dia (FID), 16 mm thick M.S. Pipe line for 33.50 km.

2. Rs. 79.02 Crores from Public Health Engineering Dept., Jaipur for execution of RWSS of 153 villages under Bisalpur Dudu Water Supply Project.
3. Rs. 24.42 Crores from Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur for supply and service contract towards construction of 400 km D/C ACSR Moose line from proposed 400 kv substation chittorgarh to 400 kv substation Bhilwara.

The overall outlook of the construction industry looks positive in view of the current economic scenario. Given the economic fundamentals and committed efforts of the Government to drive growth, the future of the Indian economy in general and that of construction industry in particular appears to be optimistic.

### Internal Controls & Adequacy

SPML has adequate systems of internal controls to ensure that all the assets are secure, safeguarded and productive. Checks and balances are in place and are reviewed in regular intervals to ensure that transactions are properly authorized and accounted for correctly. The internal control systems are reviewed at regular intervals by the Audit Committee and top management in consultation with the internal auditors and corrective action(s) are initiated, wherever deemed necessary.

### Human Resources

Human resources are continued to be one of the biggest assets of the Company. The management has been paying special attention to various aspects like training, welfare and safety thereby further strengthening the human resources. Relations with the employees at all project sites remained cordial throughout the year. The total employee strength as of 31<sup>st</sup> March, 2012 stood around 900.

### Risks, Concerns and Threats

SPML follows a process of risk management that comprises risk identification, risk analysis and measures for mitigation. The risks are discussed hereunder,

#### Industry Risk

Impact-A deceleration in the general economic conditions can adversely affect the company's business and its earnings.

Mitigation-Governments want to continue economic reforms, encourage large investments in infrastructure and construction industries, which bodes well for the company. Besides, SPML has diversified interests across several verticals, reducing its excessive dependence on any single sector.

#### Strategy Risk

Impact-Skewed business strategy may result in lost opportunities.

Mitigation- Annual business plans and the long term business strategy are discussed thoroughly before vetting by the Board of Directors.

#### Competition Risk

Impact-Increasing competition from domestic and international companies affecting market share and profitability.

Mitigation-By use of newer technologies, forging alliances with large domestic and international players in bidding for large projects.

#### Liquidity Risk

Impact-Delays in recovery of dues has a direct impact on the liquidity position which will affect the operations and earnings of the company.

Mitigation-Effective measures are taken to collect the dues from clients to ensure smooth flow of funds. Short term gaps are bridged by working capital facilities from Banks.

### **Government Policy Risk**

Impact-Uncertainties with government policies can significantly affect operations.

Mitigation-The Government has been giving priorities to infrastructure investments, limiting the inherent policy risk. The residual risk is managed by proactive actions to control costs to limit the adverse policy changes.

### **Operational Risk**

Impact-Competency gaps affecting company's operations

Mitigation-SPML provides adequate training to all of its staff on operating procedures and policies. Crisis management teams have been established at all project sites to manage any eventuality.

### **Price Inflation Risk**

Impact-Volatility in prices of inputs may cause cost overruns affecting the profitability.

Mitigation-Most of the contracts have inbuilt escalation clauses, which ensure to compensate the increases in input costs. In case of non escalation contracts, the bid estimate process is being carried out in such a way, to insulate the possible increase in the inputs of the contracts. Further, the company has implemented adequate procurement procedures that include long term contracts to cover price volatilities.

## **Shareholder Value**

Our aspiration is to be the "THE MOST PREFERRED ORGANISATION TO BE ASSOCIATED WITH" by our stakeholders. The creation of shareholder value is one of the prime objectives of the management. Towards this end all efforts are made to enhance the value through measures such as continuous cost control, improving company's position in strategic markets and strengthening its brand equity to improve the return to shareholders.

### **Cautionary Statement**

The statement in the management discussion and analysis report describing the Company's objectives plans, projection, estimates and expectations may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ materially 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.

The Company believes that good Corporate Governance is essential to achieve long term corporate goals and enhance stakeholders' value. The Company is committed to achieve good standard of Corporate Governance on continuous basis in such a way as 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 balance Board comprising of Executive & Non-Executive Directors. The Non-Executive Directors include independent professionals. The Chairman and Managing Director along with senior executives 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 31<sup>st</sup> March, 2012, the Board comprised of 7 Directors, out of which 3 were Independent Directors. In order to meet the stipulated requirements of clause 49 of the Listing Agreement with the Stock Exchanges, the Company was required to appoint one Independent Director. The Board consists of eminent persons with varied expertise. 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. Anil Kumar Sethi *	Promoter & Non-Executive Director- Chairman	12	--	--
2	Mr. Subhash Chand Sethi	Promoter & Executive Director- Chairman	12	--	--
3	Mr. Sushil Kumar Sethi	Promoter & Executive Director- Managing Director	10	--	--
4	Mr. Deepak Sethi	Promoter & Non-Executive Director	14	--	1
5	Mr. R.L.Gaggar	Non-Executive & Independent Director	11	9	-
6	Mr. Sarthak Behuria	Non-Executive & Independent Director	--	2	1
7	Mr. Surinder Singh Kohli *	Non-Executive & Independent Director	NA	NA	NA
8	Mr. T.S Shiv Shankar	Non-Executive & Non-Independent Director- Nominee of Citi Group	1	2	--
9	Mr. Amit Kanodia	Non-Executive & Independent Director	-	1	--

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 meeting of the Board and/or its Committee(s).

\*Mr. Surinder Singh Kohli resigned w.e.f 25.07.2011 & Mr. Anil Kumar Sethi resigned w.e.f 29.05.2012.

#### Notes:

- The information provided above pertains to the following committee in accordance with the provisions of clause 49 of the Listing Agreement.
  - Audit Committee
  - Shareholders'/Investors' grievances Committee
- Membership of Committees includes chairmanship, if any.
- No. of Directorship in other Companies excludes Private Limited Companies,
- No Director holds membership of more than 10 committees of Boards nor 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) 30.05.2011, (ii) 12.08.2011, (iii) 14.11.2011 and (iv) 14.02.2012. The maximum time gap between two meetings was not more than four calendar months.

Last Annual General Meeting was held on 29<sup>th</sup> September, 2011.

### 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. Anil Kumar Sethi *	1	NO
2	Mr. Subhash Chand Sethi	2	NO
3	Mr. Sushil Kumar Sethi	4	Yes
4	Mr. Deepak Sethi	2	NO
5	Mr. R.L.Gaggar	1	No
6	Mr. Sarthak Behuria	4	Yes
7	Mr. Surunder Singh Kohli *	1	NA
8	Mr. T.S. Shiv Shankar	4	NO
9	Mr. Amit Kanodia	4	NO

\*Mr. Surinder Singh Kohli resigned w.e.f 25.07.2011 & Mr. Anil Kumar Sethi resigned w.e.f 29.05.2012.

## 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) 30.05.2011, (ii) 12.08.2011, (iii) 14.11.2011 and (iv) 14.02.2012. Mr. B.N.Choudhary, President-Finance & Co. Secretary acts as Secretary of the Committee.

Sl. No.	Name of the Director	No. of Meetings attended
1	Mr. Surinder Singh Kohli, Chairman (Resigned w.e.f 25.07.2011)	1
2	Mr. Sarthak Behuria- Chairman *	4
3	Mr. Deepak Sethi	2
4	Mr. Amit Kanodia *	4

\* Mr. Sarthak Behuria - Chairman and Mr. Amit Kanodia, Member nominated w.e.f 12.08.2011

## 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 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 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. Mr. B.N.Choudhary, President – Finance & Co. Secretary acts as Secretary of the Committee.

### Composition and Attendance

During the year ended 31.03.2012, 8 nos of Share Transfer Committee meetings were held.

Sl. No.	Name of the Director	No. of Meetings attended
1	Mr. Deepak Sethi- Chairman	8
2	Mr. Anil Kumar Sethi *	5
3	Mr. Subhash Chand Sethi	8
4	Mr. Sarthak Behuria	-

\* Mr. Anil Kumar Sethi resigned w.e.f 29.05.2012

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	- 7
(b) No. of complaints not resolved to the satisfaction of the Shareholders	-Nil
(c) No. of pending complaints as on 31.03.2012	- Nil

Mr. B.N.Choudhary, President - Finance & Co. Secretary is the Compliance Officer of the Company.

## iii) Remuneration Committee

The Committee consists of three Non-Executive Independent Directors, namely, Mr. Sarthak Behuria, Mr. Amit Kanodia (nominated w.e.f 12.08.2011), Mr. R.L.Gaggar and Mr. Surinder Singh Kohli (resigned w.e.f. 25.07.2011). The Chairman of the Committee is Mr. Sarthak Behuria. The broad terms of reference of the Committee remain unchanged. The terms of reference are reviewing remuneration package, details of fixed components, performance linked incentives, service contract, notice period and severance fees etc. There was no meeting held during the year under review. Mr. B.N.Choudhary, President – Finance & Co. Secretary acts as Secretary of the Committee.

## iv) Compensation Committee

The Committee comprises of Four Directors namely Mr. Sarthak Behuria, Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi, Mr. Amit Kanodia (nominated w.e.f. 12.08.2011), Mr. Surinder Singh Kohli (resigned w.e.f. 25.07.2011). The Chairman of the Committee is Mr. Sarthak Behuria, Non-Executive Independent Director. Mr. B.N.Choudhary, President – Finance & Co. Secretary acts as Secretary of the Committee. There was no meeting held during the year under review.

## v) Selection Committee:

The Committee comprised of three Directors namely Mr. Sarthak Behuria, Mr. Surinder Singh Kohli (resigned w.e.f 25.07.2011), Mr. Amit Kanodia (nominated w.e.f 12.08.2011) and Mr. R.L.Gaggar under the Chairmanship of Mr. Sarthak Behuria. One Meeting was held on 14.11.2011 during the year under review. Mr. B.N.Choudhary, President – Finance & Co. Secretary acts as Secretary of the Committee.

**vi) Committee for regular Banking Operational Matters.**

The Committee comprises of four Directors namely Mr. Sushil Kumar Sethi, Mr. Anil Kumar Sethi (resigned w.e.f 29.05.2012), Mr. Deepak Sethi (Nominated w.e.f. 29.05.2012) Mr. Subhash Chand Sethi, Mr. Surinder Singh Kohli (resigned w.e.f. 25.07.2011) and Mr. Sarthak Behuria (nominated w.e.f. 12.08.2011) under the Chairmanship of Mr. Sushil Kumar Sethi 11 nos. of Committee meetings were held.

Sl. No.	Name of the Director	No. of Meetings attended
1	Mr. Sushil Kumar Sethi - Chairman	11
2	Mr. Anil Kumar Sethi ( Resigned w.e.f 29.05.2012)	11
3	Mr. Subhash Chand Sethi	11
4	Mr. Surinder Singh Kohli (Resigned w.e.f. 25.07.2011)	–
5	Mr. Sarthak Behuria (Nominated w.e.f.12.08.2011)	–
6	Mr. Deepak Sethi (Nominated w.e.f. 29.05.2012)	–

**3. Remuneration Of Directors**

Details of remuneration paid to the Wholtime Directors for the period from 01.04.2011 to 31.03.2012.

Name of the Director	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund (Rs.)	Terms of Appointment
Mr. Subhash Ch. Sethi	72,00,000	Nil	12,01,000	1,44,000	5 years from 01.01.2010
Mr. Sushil Kumar Sethi	72,00,000	Nil	12,01,000	1,44,000	5 years from 01.01.2010

**NOTES:**

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

Details of sitting fees paid to Non- Executive Directors for 2011-12.

Sl. No.	Director	Board Meeting (Rs.)	Committee Meetings (Rs.)	Total (Rs.)
1.	Mr. R.L.Gaggar	20000.00	--	20000.00
2.	Mr. Sarthak Behuria	65000.00	17000.00	82000.00
3.	Mr. Surinder Singh Kohli	5000.00	2000.00	7000.00
4.	Mr. Amit Kanodia	40000.00	10000.00	50000.00

**NOTE:**

The Non-Executive Directors were paid remuneration by way of sitting fees as under:

- Rs. 5,000/- and Rs.2,000/- for each meeting attended of the board & board committee respectively upto the held on 30.05.2011
- Rs. 20,000/- and Rs.5,000/- for each meeting attended of the board & board committee respectively for all meetings held after 30.05.2011.

**4. Disclosures****i) Equity shares held by Non-Executive Directors.**

Except Mr. Anil Kumar Sethi (resigned w.e.f. 29.05.2012) and Mr. Deepak Sethi who held 22,37,070 and 582250 equity shares respectively , no other non-executive & independent Director of the Company held any equity shares of the Company.

**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.

**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 of Quarterly Results is sent to stock exchanges to enable them to post it on their websites.
- (b) The financial results 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
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
2008-09	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	30th September,2009	11.30AM	Yes

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-110 020	8th February,2008	3.00 PM	Yes

The following special resolutions were passed:

**(A) Annual General Meeting held on 30<sup>th</sup> September,2009**

- Approval for revision of remuneration payable to Mr. Anil Kumar Sethi, Chairman, Mr. Subhash Chand Sethi, Vice Chairman & Managing Director and Mr. Sushil Kumar Sethi, Managing Director
- Special Resolution for re-appointment of Wholetime Directors namely; Mr. Subhash Chand Sethi, Vice Chairman & Managing Director and Mr. Sushil Kumar Sethi, Managing Director and fix their remuneration.
- Approval for appointment of Chief Operating Officer (Corporate Planning) pursuant to the provisions of Section 314(!B) of the Companies Act,1956.
- Special Resolution for change of name of the company to "SPML India 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.

**B) Extra – Ordinary General Meeting held on 8<sup>th</sup> February,2008**

- Approval for appointment of M/S Sunil Kumar Gupta & Co., Chartered Accountants as Joint Auditor.

**C) Postal Ballot dated 31<sup>st</sup> 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.

**D) Postal Ballot dated 10<sup>th</sup> January,2011**

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

**Voting Pattern**

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

Result: Passed with requisite majority.

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

**Voting Pattern**

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

Result: 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**

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	21650738	99.97
Postal ballot forms with dissent for the resolution	2	4500	0.03

Result: Passed with requisite majority.

**E) Postal Ballot dated 24th February,2012**

- 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**

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

Result: 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**

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	26	16153910	99.9998
e)Postal ballot forms with dissent	0	0	0
f) Postal Ballot Forms abstained	2	40	0.0002

Result: Passed with requisite majority.

**Voting Pattern**

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

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	25	16153395	99.9966
e) Postal ballot forms with dissent	1	515	0.0032
f) Postal Ballot Forms abstained	2	40	0.0002

Result: 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**

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	26	16153910	99.9998
e) Postal ballot forms with dissent	0	0	0
f) Postal Ballot Forms abstained	2	40	0.0002

Result: Passed with requisite majority.

- Person who conducted the postal ballot process: Smt. Mamta Binany, Practising Company Secretary.

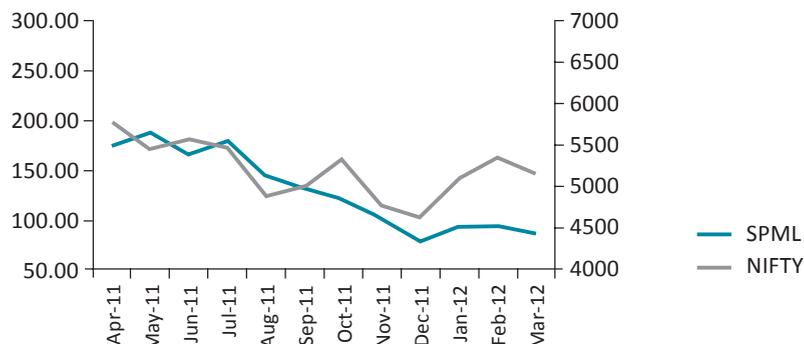
## 7. Shareholder Information

- (i) 31st Annual General Meeting : 26th September,2012 at 11.30 AM.  
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 30,2012 - Second week of August, 2012  
(b) For the Quarter Ending September 30,2012-Second week of  
November,2012.  
(c) For the Quarter Ending December 31,2012-Second week of  
February,2013  
(d) For the Quarter Ending March31,2013 (Audited-Fourth week of  
May,2013.  
Annual General Meeting - End of September, 2013
- (iii) Book Closure Date : 25th September to 26th September, 2012 (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.  
Confirmation of delisting from Guwahati/Kolkata 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 NSE;  
a) Share Price data

(Rs. Per share)

Month	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April,2011	194.80	155.20	183.00	156.50
May,2011	219.80	159.00	217.45	16.20
June,2011	188.90	148.00	187.90	147.15
July,2011	203.55	157.70	205.25	159.00
August,2011	176.45	116.00	182.00	120.00
September,2011	144.75	122.00	145.95	115.00
October,2011	129.40	114.10	130.00	115.00
November,2011	122.50	83.50	120.85	83.05
December,2011	93.00	67.00	89.45	66.10
January,2012	116.30	73.00	116.25	71.50
February,2012	106.00	87.10	108.50	90.30
March,2012	101.00	73.40	103.75	76.00

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

**(ix) 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 to consider all matters concerning transfer and transaction of shares. The Company's shares are 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, 2012 Equity Shares of the Company, forming 99.01% of total shareholding stand dematerialized. Company's ISIN No. is '937A01023'.

**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, 2012.**

Category	No. of Shares held	% shareholding
Promoters	21460460	58.5547
Mutual Funds	3089196	8.4288
Non-resident Indians	52630	0.1436
Banks & Financial Institutions	200	0.0005
Foreign Institutional Investors	114552	0.3126
Corporate Bodies	8679965	23.6832
Public	3253273	8.8766
<b>Total :</b>	<b>36650276</b>	<b>100.0000</b>

**xiii) Distribution of Shareholding by size as on March 31, 2012**

Shares held		Shareholders		Shares	
From	To	Number	% of Total Share Holders	Number	% of Shares
1	500	5426	87.8704	725667	1.9800
501	1000	340	5.5061	287843	0.7854
1001	2000	173	2.8016	257933	0.7038
2001	3000	62	1.0040	161594	0.4409
3001	4000	22	0.3563	80775	0.2204
4001	5000	25	0.4049	119867	0.3271
5001	10000	47	0.7611	365273	0.9966
10001	Above	80	1.2955	34651324	94.5459
<b>Total</b>		<b>6175</b>	<b>100.0000</b>	<b>36650276</b>	<b>100.0000</b>

**xiv) Outstanding Warrant**

There was no outstanding warrants.

**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 President (Finance) & Secretary (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, 2012.

**9. Code of Conduct**

In accordance with clause 49(1D) of the listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the senior management personal of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2012

For SPML Infra Ltd.

Subhash Chand Sethi  
 Chairman  
 Date: May 29, 2012

## Auditors' Certificate

We have examined the compliance of conditions of corporate governance by **SPML Infra Limited**, for the year ended on March 31, 2012, 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 the 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 subject to the following, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements:

- 1. The Company's board of directors consists of four independent directors as against the minimum requirement of five independent directors as per the current constitution of the Board and that the appointment of independent director has not been made within a period of 180 days from the date of resignation of an independent director.*
- 2. 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. R. Batliboi & Co.**

Firm Registration No.301003E  
Chartered Accountants

**Per R. K. Agrawal**

Partner  
Membership No.16667

Place : New Delhi

Date : May 29, 2012

**For Sunil Kumar Gupta & Co.**

Firm Registration No.003645N  
Chartered Accountants

**Per S. K. Gupta**

Partner  
Membership No.82486

Place : New Delhi

Date : May 29, 2012

## Auditors' Report

To

**The Members of SPML INFRA LIMITED**

1. We have audited the attached Balance Sheet of SPML Infra Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is drawn to the following notes to the financial statements :*
  - (a) *Note No. 32 regarding accounting of share of loss (net) amounting to Rs. 433.85 lakhs from seven Joint Ventures on the basis of unaudited financial statements as certified by the management. Further adjustments, if any, on this account are presently not ascertainable.*
  - (b) *Note No.44 regarding non provision of tax liability of Rs. 7482.04 lakhs as on March 31, 2012 (including Rs. 6,907.64 lakhs upto March 31, 2011) arising on account of the amendment to Section 80IA of the Income Tax Act, 1961 in the Finance Act, 2009. The Company has filed a writ with the Hon'ble High Court at Calcutta, challenging the validity of the above retrospective amendment, which as per legal opinion obtained by the Company, is ultra vires to the main section of the above Act. The income tax officer has since disallowed the aforesaid claim of the Company in view of the said retrospective amendment, against which the Company has filed appeals with the appellate authorities. Till the matter is decided by the Hon'ble High Court, the liability, if any, in this regard is unascertainable. We are unable to comment on the impact of the above non-provision of tax on the Company's profit for the year and reserves and surplus at the year end. Further, because of the above, the Company has also not considered Minimum Alternate Tax benefit of Rs. 2051.67 lakhs (including Rs. 1,765.11 lakhs upto March 31, 2011) as credit in the accounts.*
  - (c) *Note No .45 regarding the premature termination by a client, of a part of the contract with consequential damages, which has been challenged by the Company in the Hon'ble Supreme Court. The Company has also lodged counter claims against the client for the losses suffered due to delay on their part and feels that no further liability would accrue to the Company because of the above termination. The matter being sub-judice, we are unable to comment on 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, 2011 was also modified for the matters stated in paragraphs (a), (b) and (c) above.*

5. Further to our comments in the Annexure referred to above, we report that :
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of our observations stated in para 4 above*, the said accounts give the information required by the Companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2012,
    - b. in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
    - c. in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

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

Place : Gurgaon  
Date : May 29, 2012

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

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

Place : Gurgaon  
Date : May 29, 2012

## Annexure referred to in paragraph 3 of our report of even date

### Re: SPML INFRA LIMITED

- (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. 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.2,148.57 lakhs and the year end balances of loans granted to such parties was Rs. 1,855.70 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 taken loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 177.06 lakhs and the year-end balances of the above loans taken from such parties were Rs. 12.51 lakhs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) The above loans taken are stated to be re-payable by the Company on demand. As informed, the repayment of above loans, to the extent demanded by the lenders, was paid by the Company during the year and thus, there has been no default on the part of the Company. The loans taken are interest free.
- (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 or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) We have broadly reviewed the books of 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, cess and other material statutory dues 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, income-tax, wealth-tax, sales tax, customs duty, excise duty, employees' state insurance, cess and other material statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable, are as follows :*

Name of the statute	Nature of the dues	Amount (Rs in lakhs)	Period to which the amount relates
Sale Tax Act for various States Finance Act, 1994	Works Contract Tax Service Tax	258.38 127.11	2008-09 to 2011-12 2011-12

- (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	Non-Production of 'C' Forms	105.10	2005-06	President, Appellate & Revision Board, Kolkata
CST Act 1956	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
West Bengal VAT Act	Disallowance of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Sales	137.72	2006-07	President, Appellate & Revision Board, Kolkata
	Levy of tax on CST Sales to WB Projects, RGGVY Sales	105.34	2007-08	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
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
Kerala VAT Act	Tax demand on advances received	71.34	2007-08	CTO - WC - Ernakulam
Income Tax Act, 1961	Income Tax demand due to disallowance of benefit u/s 80IA	2951.78	2004-05 to 2008-09	CIT (Appeals), Kolkata
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) *Without considering the consequential effects, if any, of the matters stated in paras 4(a) to 4(c) of our audit report, whose impact, if any, is presently unascertainable, 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. The Company has no outstanding dues from any financial institution or 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.**  
Firm Registration No.301003E  
Chartered Accountants

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

Place : Gurgaon  
Date : May 29, 2012

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

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

Place : Gurgaon  
Date : May 29, 2012

## Balance Sheet as at 31st March 2012

(Rs. In Lakhs)

Particulars	Notes	As at	
		31st March, 2012	31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	819.45	819.45
Reserves and surplus	3	42,844.29	42,545.50
		<b>43,663.74</b>	<b>43,364.95</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	6,408.67	9,611.02
Other long-term liabilities	5	821.77	2,465.74
Long-term provisions	7	285.74	264.87
Deferred tax liability (net)	6	905.97	1,025.75
		<b>8,422.15</b>	<b>13,367.38</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	37,700.78	30,814.13
Trade payables	9	34,020.95	38,855.30
Other current liabilities	10	26,957.81	24,098.35
Short-term provisions	7	188.67	378.87
		<b>98,868.21</b>	<b>94,146.65</b>
<b>TOTAL</b>		<b>150,954.10</b>	<b>150,878.98</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11 (a)	8,919.73	8,917.49
Intangible assets	11 (b)	169.63	238.38
Capital work-in-progress	12	252.17	896.07
Non-current investments	13	17,993.57	11,088.70
Long-term loans and advances	14	8,220.09	11,743.83
Trade receivables	15	5,043.41	4,622.93
Other non-current assets	16	3,215.60	3,679.63
		<b>43,814.20</b>	<b>41,187.03</b>
<b>Current assets</b>			
Inventories	17	6,927.24	9,987.97
Trade receivables	15	52,539.43	56,364.07
Cash and bank balances	18	4,497.60	3,475.77
Short-term loans and advances	14	8,951.05	11,453.34
Other current assets	16	34,224.58	28,410.80
		<b>107,139.90</b>	<b>109,691.95</b>
<b>TOTAL</b>		<b>150,954.10</b>	<b>150,878.98</b>
Summary of significant accounting policies	1		

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

For S. R. BATLIBOI & CO.  
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

Per R. K. AGRAWAL  
Partner  
Membership No 16667

Per S.K.GUPTA  
Partner  
Membership No 082486

**Sushil Kr. Sethi**  
Managing Director

Place: Gurgaon  
Dated: May 29, 2012

Place: Gurgaon  
Dated: May 29, 2012

**B. N. Choudhary**  
President (Finance) & Company Secretary

## Statement of Profit and Loss for the Year Ended March 31, 2012

(Rs. In Lakhs)

Particulars	Notes	2011-12	2010-11
<b>INCOME</b>			
Revenue from operations	19	91,418.23	122,287.91
Other income	20	626.10	1,207.77
<b>Total revenue (I)</b>		<b>92,044.33</b>	<b>123,495.68</b>
<b>Expenses</b>			
Materials Consumed & Direct expenses	21	65,208.56	90,167.34
Purchase of traded goods		-	6,354.37
Decrease in work-in-progress	22	3,252.68	1,488.51
Employee benefits expense	23	5,331.47	6,269.81
Other expenses	24	6,423.66	5,769.28
Prior period items	25	3.50	75.96
<b>Total expenses (II)</b>		<b>80,219.87</b>	<b>110,125.27</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		11,824.46	13,370.41
Depreciation and amortization expense	11(a) & 11(b)	1,050.83	1,173.35
Finance costs	26	10,308.06	9,107.51
<b>Profit before tax</b>		<b>465.57</b>	<b>3,089.55</b>
<b>Tax expenses</b>			
-Current tax		286.56	601.64
-Deferred tax credit		(119.78)	(395.40)
<b>Total tax expense</b>		<b>166.78</b>	<b>206.24</b>
<b>Profit for the year</b>		<b>298.79</b>	<b>2,883.31</b>
Earnings per equity share (nominal value of equity share Rs.2 each) (Refer note no. 30)			
<b>Basic and Diluted (in Rs.)</b>	30	0.82	7.87
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.  
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

Per R. K. AGRAWAL  
Partner  
Membership No 16667

Per S.K.GUPTA  
Partner  
Membership No 082486

**Sushil Kr. Sethi**  
Managing Director

Place: Gurgaon  
Dated: May 29, 2012

Place: Gurgaon  
Dated: May 29, 2012

**B. N. Choudhary**  
President (Finance) & Company Secretary

## Cash Flow Statement for the Year Ended 31st March, 2012

(Rs. In Lakhs)

	2011-12	2010-11
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	465.57	3,089.55
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Company's share in loss of Joint Ventures	163.84	110.84
Depreciation/ amortization	1,050.83	1,173.35
Loss/ (profit) on sale/ discard of fixed assets	349.27	(529.42)
Unrealized foreign exchange loss	66.50	-
Sundry balances/liabilities written back	(412.73)	(357.54)
Provision for Doubtful debts	753.42	340.59
Bad Debts/ Sundry Balances Written Off	454.96	58.34
Interest expenses	8,838.03	7,111.17
Interest income on loans given	(357.16)	(128.77)
Dividend income	(2.94)	-
<b>Operating profit before working capital changes</b>	<b>11,369.59</b>	<b>10,868.11</b>
Movements in working capital :		
Increase/ (decrease) in trade payables/ other liabilities	(6,652.12)	15,771.41
Increase in provisions	44.36	75.26
Decrease / (increase) in trade receivables	2,195.78	(15,722.09)
Decrease in inventories	3,060.73	2,139.37
Maturity of bank fixed deposits (having original maturity of more than three months)	342.24	664.17
(Increase)/Decrease in loans and advances/ other assets	(2,736.97)	1,244.90
Cash generated from operations	7,623.61	15,041.13
Direct taxes paid (net of refunds)	(1,887.05)	(1,818.72)
<b>Net cash flow from operating activities (A)</b>	<b>5,736.56</b>	<b>13,222.41</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances (net of refund of Rs. 501.42 lacs (Nil))	(539.47)	(1,459.18)
Proceeds from sale of fixed assets	351.87	37.42
Proceeds from sale of non-current investment	28.13	0.01
Purchase of non-current investments:		
- Subsidiaries	(4,394.52)	(0.52)
- Others (Net)	197.00	(371.12)
Loans given to related parties/ others	(356.15)	(1,237.65)
Share application money refunded / (paid)	2,510.04	(1,628.89)
Advance towards purchase of shares	(860.00)	-
Interest received on loans given	373.33	158.77
Dividends received from subsidiary Company	2.94	-
<b>Net cash flow used in investing activities (B)</b>	<b>(2,686.83)</b>	<b>(4,501.16)</b>

## Cash Flow Statement for the Year Ended 31st March, 2012

Contd...

(Rs. In Lakhs)

	2011-12	2010-11
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(1,678.94)	(3,409.98)
Proceeds from long-term borrowings	30.08	12,500.00
Proceeds/ (Repayment) of Mobilisation Advances (net)	1,463.60	(3,241.79)
Proceeds / (Repayment) from / of short-term borrowings (net)	6,886.65	(6,579.71)
Interest paid	(8,505.57)	(7,069.08)
Dividend paid on equity shares (including dividend tax)	(183.25)	(340.74)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,987.43)</b>	<b>(8,141.30)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>1,062.30</b>	<b>579.95</b>
Cash and cash equivalents at the beginning of the year	1,285.33	705.38
<b>Cash and cash equivalents at the end of the year</b>	<b>2,347.63</b>	<b>1,285.33</b>
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	67.26	453.81
Cheque on hand	50.27	1.19
With banks- on current account	1,933.91	822.67
- on deposit account *	288.60	-
- unpaid dividend accounts**	7.59	7.66
<b>Total cash and cash equivalents (note 18)</b>	<b>2,347.63</b>	<b>1,285.33</b>

\* 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.**  
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

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

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

**Sushil Kr. Sethi**  
Managing Director

Place: Gurgaon  
Dated: May 29, 2012

Place: Gurgaon  
Dated: May 29, 2012

**B. N. Choudhary**  
President (Finance) & Company Secretary

# Notes to the financial statements as at and for the year ended 31st March, 2012

## 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 except in respect of 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 Company are consistent with those used in the previous year except for the change in accounting policy explained below:

##### *Presentation and disclosure of financial statements*

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except for accounting of dividend on investments in subsidiary companies (see below), the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements of revised Schedule VI applicable in the current year.

##### *Dividend on investment in subsidiary companies*

Till the year ended 31 March 2011, the Company, in accordance with the pre-revised Schedule VI requirement, was recognizing dividend declared by subsidiary companies after the reporting date in the current year's statement of profit and loss if such dividend pertained to the period ending on or before the reporting date. The revised Schedule VI, applicable for financial years commencing on or after 1 April 2011, does not contain this requirement. Hence, to comply with AS 9 "Revenue Recognition", the Company has changed its accounting policy for recognition of dividend income from subsidiary companies. In accordance with the revised policy, the company recognizes dividend as income only when the right to receive the same is established by the reporting date. The aforesaid change in accounting policy does not have any impact on the Statement of Profit and Loss of the Company for the 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) 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.

#### (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, 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.7,500 or less are depreciated @100% in the year of purchase.

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

**(v) Borrowing costs**

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

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

**(vi) Impairment**

The carrying amount of 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 cost which is ascertained on First in First out (FIFO) / weighted average basis. Components and stores & spares at wind farms (since sold) used to be valued at lower of cost and net realizable value.

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.

**(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 pro-rata basis.

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

**(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.

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

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

Employee benefits in the form of Provident Fund being a defined contribution scheme are charged to the Statement of Profit and Loss 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.

Short term compensated absences are provided 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 Company will pay normal income tax during the specified period.

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

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

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

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

##### **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 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 & Commitments**

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, 2012	31st March, 2011
<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
	<u>5,000.00</u>	<u>5,000.00</u>
<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
	<u>819.45</u>	<u>819.45</u>

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

Particulars	As at		As at	
	31st March, 2012		31st March, 2011	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>36,650,276</b>	<b>733.01</b>	<b>36,650,276</b>	<b>733.01</b>

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

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

The amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil ( Rs. 0.50)

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, 2012		As at 31st March, 2011	
	No. of shares	% holding in	No. of shares	% holding in
Anil Kumar Sethi	2,237,070	6.10%	2,237,070	6.10%
Subhash Chand Sethi	1,973,300	5.38%	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	3,521,575	9.61%	3,521,575	9.61%
Reliance Capital Trustee Co. Ltd.	3,076,196	8.39%	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	As at
	31st March, 2012	31st March, 2011
<b>A. Capital reserve</b>		
Balance as per last financial statements	885.73	885.73
<b>B. Securities premium account</b>		
Balance as per last financial statements	15,263.80	15,263.80
<b>C. General reserve</b>		
Balance as per last financial statements	5,929.05	5,429.05
Add: amount transferred from surplus balance in the statement of profit and loss	-	500.00
<b>Closing Balance</b>	<b>5,929.05</b>	<b>5,929.05</b>
<b>D. Surplus in the statement of profit and loss</b>		
As per last Account	20,466.92	18,297.30
Profit for the year	298.79	2,883.31
Less: Appropriations		
Proposed equity dividend (amount per share Rs.Nil (31 March 2011: Rs. 0.50))	-	(183.25)
Tax on proposed equity dividend	-	(30.44)
Transfer to general reserve	-	(500.00)
<b>Total appropriations</b>	<b>-</b>	<b>(713.69)</b>
<b>Net surplus in the statement of profit and loss</b>	<b>20,765.71</b>	<b>20,466.92</b>
<b>Total reserves and surplus (A+B+C+D)</b>	<b>42,844.29</b>	<b>42,545.50</b>

## 4. LONG-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Term Loans (Secured)</b>				
From Banks (Indian Rupees)	6,250.00	9,227.43	2,977.43	1,388.86
<b>Deferred Payment credits (Secured)</b>				
- From Banks	25.27	66.93	45.29	56.09
- From Others	133.40	316.66	245.14	269.92
<b>Sub Total</b>	<b>6,408.67</b>	<b>9,611.02</b>	<b>3,267.86</b>	<b>1,714.87</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(3,267.86)	(1,714.87)
<b>Total</b>	<b>6,408.67</b>	<b>9,611.02</b>	<b>-</b>	<b>-</b>

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

- Term loan of Rs. 60.76 lacs carries interest @ 13.75 % p.a and is repayable by June 2012 along with interest thereon. The said loan is secured against hypothecation of construction equipments purchased against such loans and personal guarantees of three promoter directors of the Company .
- Term loan of Rs. 5,000 lacs carries interest @ 11 % p.a. and is repayable in sixteen 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.
- Term loan of Rs. 4,166.67 lacs 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.

4.2 Deferred payment credits from banks and other Financial Institutions are Secured against hypothecation of Vehicles/ Construction equipments purchased against such loans and are repayable in equated monthly installments carrying interest rate ranging from 10% to 12%.

## 5. OTHER LONG-TERM LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables	388.63	447.58
Mobilisation Advance from customers (partly bearing interest )	-	1,433.52
Due to other creditors	433.14	584.64
	<b>821.77</b>	<b>2,465.74</b>

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

In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs. 119.78 lakhs (DTA of Rs.395.40 lakhs) has been recognized in the accounts during the year and consequently the net Deferred Tax Liabilities ( DTL) as at 31st March, 2012 stands at Rs. 905.97 lakhs (Rs. 1,025.75 lakhs).

The break-up of DTL is as follows:

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Deferred Tax Liability</b>		
On timing differences of depreciable assets	735.64	766.50
On retentions by the customers	488.24	573.25
<b>Deferred Tax Assets</b>		
Expenses allowable against taxable income in future years	(317.91)	(314.00)
<b>Deferred Tax Liability (Net)</b>	<b>905.97</b>	<b>1,025.75</b>

**7. PROVISIONS**

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Provision for employee benefits</b>				
Gratuity (refer note 43(a))	285.74	264.87	55.40	56.65
Leave benefits	-	-	133.27	108.53
	<b>285.74</b>	<b>264.87</b>	<b>188.67</b>	<b>165.18</b>
<b>Other provisions</b>				
Proposed equity dividend	-	-	-	183.25
Tax on proposed equity dividend	-	-	-	30.44
	-	-	-	213.69
	<b>285.74</b>	<b>264.87</b>	<b>188.67</b>	<b>378.87</b>

**8. SHORT-TERM BORROWINGS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>SECURED</b>		
<b>From Banks</b>		
In foreign currency		
- Cash Credit facilities	-	2,260.00
- Buyer's Credit	597.43	555.81
In Indian Rupee		
- Demand Loans	1,000.00	974.45
- Cash Credit and working capital facilities	29,627.78	20,762.64
<b>UNSECURED</b>		
<b>From Banks</b>		
Loan from related parties repayable on demand (partly bearing interest)	2,470.96	877.86
From Bodies Corporates	4,004.61	4,383.37
	<b>37,700.78</b>	<b>30,814.13</b>

**8.1** Cash Credit in foreign currency and buyer's credit are 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.

**8.2** 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, and 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.

## 9. TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade payables ( including acceptances) ( refer note 34 for detail of dues to micro and small enterprises)	34,020.95	38,855.30

## 10. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Mobilisation Advances from Customers (including Rs. 5,132.48 lacs (Rs. 7,152 .99 lacs) due to subsidiaries) (partly bearing interest )	21,236.78	19,773.18
<b>Other liabilities</b>		
Current maturities of long-term borrowings (refer note 4)	3,267.86	1,714.87
Interest accrued and due on borrowings	194.40	169.54
Interest accrued but not due on Mobilisation advance/borrowings	459.60	152.00
Investor Education and Protection Fund ( not yet due for deposits): Unpaid dividend	7.59	7.66
Temporary Book Overdraft with banks	-	26.87
Statutory dues payable	1,791.58	2,254.23
	<b>26,957.81</b>	<b>24,098.35</b>

**11 (A). TANGIBLE ASSETS**
*(Rs. in lakhs)*

Description	Freehold Land	Buildings	Temporary site sheds & shuttering materials	Plant & Machinery	Furniture and Fixtures	Vehicles	Site office/ Equipments	Total
<b>Cost</b>								
As at 1st April 2010	206.02	741.96	2,279.79	7,923.66	1,642.88	778.24	1,278.84	14,851.39
Additions during the year	-	253.39	0.72	530.03	56.55	281.28	457.06	1,579.03
Sale/Disposals during the year	(60.88)	-	-	(1,822.24)	(4.31)	(31.66)	-	(1,919.09)
<b>As at 31st March 2011</b>	<b>145.14</b>	<b>995.35</b>	<b>2,280.51</b>	<b>6,631.45</b>	<b>1,695.12</b>	<b>1,027.86</b>	<b>1,735.90</b>	<b>14,511.33</b>
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>
<b>Depreciation</b>								
At 1 April 2010	-	87.33	2,115.32	2,424.48	343.41	388.78	558.52	5,917.84
Charge for the year	-	18.64	151.24	667.67	106.27	62.25	91.03	1,097.10
On Sales/Disposals	-	-	-	(1,408.28)	(1.81)	(11.01)	-	(1,421.10)
<b>As at 31st March 2011</b>	<b>-</b>	<b>105.97</b>	<b>2,266.56</b>	<b>1,683.87</b>	<b>447.87</b>	<b>440.02</b>	<b>649.55</b>	<b>5,593.84</b>
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>
<b>Net Block</b>								
<b>As at 31st March 2011</b>	<b>145.14</b>	<b>889.38</b>	<b>13.95</b>	<b>4,947.58</b>	<b>1,247.25</b>	<b>587.84</b>	<b>1,086.35</b>	<b>8,917.49</b>
<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>

## 11 (B). INTANGIBLE ASSETS

(Rs. In Lakhs)

Description	Computer Software
<b>Gross block</b>	
As at 1st April 2010	373.46
Additions during the Year	14.46
<b>As at 31st March 2011</b>	<b>387.92</b>
Additions during the Year	9.83
<b>As at 31st March 2012</b>	<b>397.75</b>
<b>Amortization</b>	
At 1 April 2010	73.29
Charge for the year	76.25
<b>As at 31st March 2011</b>	<b>149.54</b>
Charge for the year	78.58
<b>As at 31st March 2012</b>	<b>228.12</b>
<b>Net block</b>	
<b>As at 31st March 2011</b>	<b>238.38</b>
<b>As at 31st March 2012</b>	<b>169.63</b>

## 12. CAPITAL WORK-IN-PROGRESS

(Rs. In Lakhs)

Particulars	As at 1st April, 2011	Additions	Less: Capitalised/ Adjustments	As at March, 2012
Buildings under construction	894.63	110.32	752.78	252.17
Plant & Machinery under construction	1.44	-	1.44	-
	<b>896.07</b>	<b>110.32</b>	<b>754.22</b>	<b>252.17</b>

## 13. NON CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	31st March, 2012	31st March, 2011
<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 Arcylics 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
			<b>2.57</b>	<b>2.57</b>
<b>Less Provision for Diminution in Value of investments</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	3,294,150	10	211.85	211.85
<b>In Associate Companies</b>				
Doon Valley Waste Management Private Limited	25,000	10	2.50	2.50
Om Metal - SPML Infraproject Pvt Limited	4,999	10	0.50	0.50
Mizoram Mineral Development Corporation Ltd.	73,000	10	7.30	-
Insituform Pipelines Rehabilitation Private Limited	10,986,717 (10,349,700)	10	1,098.67	1,034.97
Pondicherry Port Limited	100	10	0.01	0.01
			<b>1,320.83</b>	<b>1,249.83</b>
<b>Equity Shares In Subsidiary Companies (Fully Paid -up)</b>				
Neogal Power Co. (P) Limited	8,451,060 (4,201,060)	1	1,284.82	604.82
Awa Power Company (P) Limited	10,952,105 (4,382,810)	1	1,684.99	633.90
Luni Power Company (P) Limited	6,882,931 (3,955,495)	1	1,033.92	565.53
IQU Power Company (P) Limited	6,705,500 (4,261,750)	1	1,005.53	614.53
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
SPML Energy Limited	99,550,000	1	995.50	995.50
SPML Infrastructure Limited	3,360,500 (524,700)	1	2,841.05	5.25

Contd...

(Rs. In Lakhs)

Particulars	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	31st March, 2012	31st March, 2011
ADD Urban Enviro Ltd. (Formerly: SPML Urban Enviro Ltd.)	2,438,200 (499,700)	1	1,749.65	5.00
SPML Utilities Limited (Formerly: SPML Water Infra Ltd)	199,999,700	1	2,000.00	2,000.00
SPML Bhiwandi Water Supply Infra Limited	50,000	10	5.00	5.00
SPML Bhiwandi Water Supply Management Limited	50,000	10	5.00	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)	5,249	10	51.00	0.52
Delhi Waste Management Limited	292,500 (573,750)	10	29.25	57.38
Mizoram Power Development Corporation Ltd.	89,125	10	8.91	-
			<b>14,706.26</b>	<b>7,504.07</b>
<b>Investment in Joint Ventures (refer note 32)</b>				
Om Metal Consortium			1,300.24	1,300.24
SPML - Degroment - JV			-	4.78
Siddharth- Mahavir- SPML JV			84.35	65.51
SPML – Simplex JV			101.98	99.51
SPML JV - Insituform			-	402.96
SPML - CISC JV (Refer note no. 46)			470.05	451.76
			<b>1,956.62</b>	<b>2,324.76</b>
<b>Others:</b>				
Unquoted				
National Saving Certificate			4.79	4.97
Indira Vikas Patra			0.06	0.06
Units of PNB Mutual Fund	50,000	10	5.00	5.00
			<b>9.85</b>	<b>10.03</b>
<b>Total</b>			<b>17,993.57</b>	<b>11,088.70</b>
<b>Aggregate Value of Investments</b>				
(I) Quoted (net of provision)			0.01	0.01
(II) Unquoted			17,993.56	11,088.69
Market Value of Quoted Investments			0.01	0.01

**Notes:**

1) 7,650,000 (7,650,000) No. of Shares are pledged with IDBI Bank 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) 5,10,022 (Nil) No. of Shares are pledged with ICICI Bank and Punjab National Bank 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.

## 14. LOANS AND ADVANCES

Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Loans ( partly bearing interest)</b>				
- to Related Parties	-	-	3,041.55	2,697.24
- to Others	-	-	26.44	14.71
<b>Capital advances</b>	<b>257.21</b>	<b>759.30</b>	-	-
<b>Advances recoverable in cash or kind</b>	-	-	<b>1,476.99</b>	<b>3,995.18</b>
<b>Other loans and advances</b>				
Advance income-tax (net of provision for taxation of Rs. 4038.54 lakhs (Rs. 3751.98 lakhs))	6,309.86	4,709.37	-	-
Security Deposits/Earnest Money Deposits	433.46	506.05	679.44	1,681.76
Prepaid expenses	-	-	820.11	841.56
VAT Input credit receivable	-	-	2,632.00	2,111.00
Balances with statutory/government authorities	-	-	274.41	111.89
Advance against purchase of shares to a related party	860.00	-	-	-
<b>Advances towards share application money</b>				
- to Related Parties	316.20	5,725.75	-	-
- to Others	43.36	43.36	-	-
	<b>8,220.09</b>	<b>11,743.83</b>	<b>8,951.05</b>	<b>11,453.34</b>

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

Name	Current	
	31st March, 2012	31st March, 2011
<b>Amount included under Security Deposit</b>		
Subhash International (P) Ltd.	-	474.40
Breeze Commoddeal (P) Ltd.	12.45	13.96
<b>Amount included under Advances recoverable in cash or kind:</b>		
Subhash System Private Limited	-	1.39

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

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
considered good	4,149.77	3,836.23	20,086.80	26,858.58
considered doubtful	1,458.54	705.12	-	-
	<b>5,608.31</b>	<b>4,541.35</b>	<b>20,086.80</b>	<b>26,858.58</b>
Provision for doubtful receivables	(1,458.54)	(705.12)	-	-
<b>(A)</b>	<b>4,149.77</b>	<b>3,836.23</b>	<b>20,086.80</b>	<b>26,858.58</b>
<b>Others</b>				
considered good	893.64	786.70	32,452.63	29,505.49
<b>(B)</b>	<b>893.64</b>	<b>786.70</b>	<b>32,452.63</b>	<b>29,505.49</b>
<b>Total (A + B)</b>	<b>5,043.41</b>	<b>4,622.93</b>	<b>52,539.43</b>	<b>56,364.07</b>

**16. OTHER ASSETS****UNSECURED, CONSIDERED GOOD***(Rs. In Lakhs)*

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Non-current bank balances (Refer note no. 18)	2,992.99	3,294.76	-	-
Unbilled Revenue on Construction Contracts	-	222.98	34,075.38	28,250.15
Interest accrued on fixed deposits/other loans	222.61	161.89	149.20	160.65
	<b>3,215.60</b>	<b>3,679.63</b>	<b>34,224.58</b>	<b>28,410.80</b>

**17. INVENTORIES****(Refer note 1(ix))***(Rs. In Lakhs)*

Particulars	As at	As at
	31st March, 2012	31st March, 2011
Material at sites	6,327.85	6,137.12
Stores and spares	68.18	66.96
Work in progress	531.21	3,783.89
	<b>6,927.24</b>	<b>9,987.97</b>

## 18. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	-	-	1,933.91	822.67
Deposits with original maturity of less than three months*	-	-	288.60	-
On unpaid dividend account	-	-	7.59	7.66
Cash on hand	-	-	67.26	453.81
Cheque on hand	-	-	50.27	1.19
	-	-	<b>2,347.63</b>	<b>1,285.33</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months*	2,992.99	3,294.76	1,082.49	1,034.02
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	1,067.48	1,156.42
Amount disclosed under non-current assets (refer note 16)	(2,992.99)	(3,294.76)	-	-
	-	-	<b>4,497.60</b>	<b>3,475.77</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	2011-12	2010-11
<b>Sale of products and Services</b>		
- Construction Contracts	88,617.00	113,633.69
- Trading	-	6,532.72
- Power Generation	-	139.27
<b>Other operating revenue</b>		
Operation and Maintenance	731.15	1,209.99
<b>Interest income on</b>		
- Bank deposits	418.43	414.70
- Project claim as per arbitration award (refer note no. 41)	696.01	-
Sundry balances/liabilities written back	412.73	357.54
Claim towards loss of Profit (refer note no. 41)	542.91	-
	<b>91,418.23</b>	<b>122,287.91</b>

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

Particulars	2011-12	2010-11
<b>Interest income on</b>		
- Loans Given	357.16	128.77
Dividend received on Long term trade investments	2.94	-
Insurance Claims received	57.93	426.03
Miscellaneous Receipts	208.07	123.55
Profit on Sale of fixed assets (net)	-	529.42
	<b>626.10</b>	<b>1,207.77</b>

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

Particulars	2011-12	2010-11
<b>Materials Consumed</b>		
Opening Stock	6,137.12	6,405.66
Add: Purchases	38,520.81	41,855.79
	<b>44,657.93</b>	<b>48,261.45</b>
Less: Closing Stock	6,327.85	6,137.12
	<b>38,330.08</b>	<b>42,124.33</b>
<b>Direct Expenses:</b>		
Stores and Spares Consumed	26.23	171.50
Subcontractor Payments ( including Turnkey Contracts)	24,432.17	44,851.40
Drawing & Designing	6.41	30.26
Equipment Hire and Running Charges	1,318.87	1,753.49
Other Direct Expenses	1,094.80	1,236.36
	<b>26,878.48</b>	<b>48,043.01</b>
	<b>65,208.56</b>	<b>90,167.34</b>

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

Particulars	2011-12	2010-11
Opening Work in Progress	3,783.89	5,272.40
Closing Work in Progress	(531.21)	(3,783.89)
	<b>3,252.68</b>	<b>1,488.51</b>

**23. EMPLOYEE BENEFIT**

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Salaries, wages and bonus	4,721.60	5,459.97
Director's Remuneration* (refer note 33)	148.25	220.90
Contribution to provident and other funds	278.27	330.88
Gratuity expense (refer note 43(a))	32.43	68.53
Staff welfare expenses	150.92	189.53
	<b>5,331.47</b>	<b>6,269.81</b>
<i>*Including directors' sitting fees</i>	<b>1.50</b>	<b>0.58</b>

**24. OTHER EXPENSES**

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Rent	640.11	631.62
Rates and Taxes	257.44	394.32
Repairs and Maintenance:		
- Building	6.23	29.78
- Plant & Machinery	125.77	129.22
- Others	59.26	66.75
Insurance	475.19	477.01
Advertisement expenses	12.38	49.30
Professional Charges & Consultancy Fess	866.79	865.63
Vehicle Running Charges	488.32	583.09
Travelling & Conveyance	480.86	557.54
Communication Expenses	155.40	223.20
Power and Fuel	249.55	208.92
Charity & Donations	5.82	15.98
Auditor's Remuneration (Refer details below)	76.54	78.73
Selling Expenses	160.45	351.75
Exchange Difference (Net)	66.50	-
Loss on Sale/Discard of Fixed Assets (net)	349.27	-
Company's share in Loss of Joint Ventures (net) (refer note no. 32)	163.84	110.84
Bad Debts/ Sundry Balances Written Off	454.96	58.34
Provision for doubtful debts	753.42	340.59
Miscellaneous Expenses	575.56	596.67
	<b>6,423.66</b>	<b>5,769.28</b>
<b>PAYMENT TO AUDITORS</b>		
<b>As auditor:</b>		
Audit fee	37.00	37.00
Tax audit fee	5.00	4.50
Limited review	30.00	30.00
Out of pocket expenses	4.54	3.48
<b>In other capacity:</b>		
Other services (certification fees)	-	3.75
	<b>76.54</b>	<b>78.73</b>

## 25. PRIOR PERIOD ITEMS (NET)

(Rs. In Lakhs)

Particulars	2011-12	2010-11
<b>Debit:</b>		
<b>Share of Loss from Joint Ventures:</b>		
SPML CISC JV	-	130.64
SPML JV Institutuform	-	228.70
Direct Expenses	-	130.71
Interest	-	28.40
Others	3.50	24.44
<b>Total(A)</b>	<b>3.50</b>	<b>542.89</b>
<b>Credit</b>		
Share of Profit from SPML HCIL JV	-	0.32
Purchase/Expenses wrongly recorded in earlier years now written back	-	466.61
<b>Total (B)</b>	<b>-</b>	<b>466.93</b>
<b>Net(A-B)</b>	<b>3.50</b>	<b>75.96</b>

## 26. FINANCE COSTS

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Interest expense (including on Mobilisation Advance)	8,796.41	7,087.94
Bank charges	1,470.03	1,996.34
Exchange difference to the extent considered as an adjustment to Borrowing cost	41.62	23.23
	<b>10,308.06</b>	<b>9,107.51</b>

## 27. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(Rs. In Lakhs)

	2011-12	2011-10
Claims against the Company not acknowledged as debts	2,398.96	2,439.64
Claims towards liquidated damages not acknowledged as debts by the Company		
Against the above, debts of the like amount are withheld by the customers. However, the Company expects no liability to accrue on account of these claims.	7,247.34	8,389.19
Outstanding bank guarantees and letters of credit (including Rs.3,178.81 lakhs (Rs. 3,104.39 lakhs) for joint ventures)	119,505.56	118,987.16
Disputed demands*		
(a) Income Tax	3,130.99	1,979.74
(b) Excise/ Service Tax	75.77	75.77
(c) Sales Tax / VAT	2,803.95	2,609.94
Corporate guarantees given for Subsidiaries and other body corporate**	42,593.00	27,069.00

\*\* Includes Rs. 900.00 lakhs (Rs. 900.00 lakhs) in relation to which the original title deeds of the property situated at 8/2, Ulsoor Road, Bangalore are lying with Guwahati High Court as security on behalf of Bharat Hydro Corporation Limited.

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

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

Capital and other commitments	As at 31st March, 2012	As at 31st March, 2011
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances]	Nil	5,678.27

29. 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 to Rs. 640.11 lakhs (Rs. 631.62 lakhs).

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

*(Rs. In Lakhs)*

	As at 31st March, 2012	As at 31st March, 2011
Profit after tax (Rs. in lakhs)	298.79	2,883.31
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.)	0.82	7.87

**31. RELATED PARTIES****(a) Particulars of related parties where control exists**

Subsidiary Companies	
	Subhash Kabini Power Corporation Limited
	SPML Industries Limited
	SPML Energy Limited
	ADD Technologies (India) Ltd. (ceased to be a subsidiary Company w.e.f. 01.01.2011)
	SPML Infrastructure Limited
	SPM Holdings Pte. Ltd.
	Binwa Power Company (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) Ltd.
	Rupin Tons Power Company (P) Ltd.
	Uttarkashi Tons Hydro Power (P) Ltd.
	Delhi Waste Management Limited
	Madurai Municipal Waste Processing Co. (P) Ltd.
	ADD Urban Enviro Ltd.
	SPML Utilities Limited
	SPML Bhiwandi Water Supply Infra Limited
	SPML Bhiwandi Water Supply Management Limited
	Allahabad Waste Processing Co. Pvt. Ltd.
	Mathura Nagar Waste Processing Co. Pvt. Ltd.
	Bhilwara Jaipur Toll Road Private Limited
	PT Sanmati Natural Resources
	Mizoram Power Development Corporation Ltd. (w.e.f.. 23.08.2011)
	Aurangabad City Water Utility Co. Ltd. (w.e.f.. 30.12.2011)

Contd...

<b>(b) Other Related Parties with whom transactions have taken place during the year</b>	
Associate companies	OM Metal SPML Infra Projects Pvt. Ltd. Insituform Pipeline Rehabilitation (P) Limited. (IPRPL) Doon Valley Waster Management Private Limited. Mizoram Mineral Development Corporation Ltd. (w.e.f.. 23.08.2011) Add Realty Ltd. (Formerly: SPML Realty Ltd.) (became associate w.e.f. 31.01.2012)
Joint Ventures	SPML - CISC JV SPML - Simplex JV SPML JV - Insituform SPML - HCIL JV Om Metal Consortium SPML - Degroment JV Siddharth - Mahavir - SPML JV KBL - SPML JV
Key Management Personnel (KMP)	Mr. Anil Kumar Sethi - Chairman ( resigned w.e.f May 29, 2012) Mr. Subhash Chand Sethi - Vice Chairman and Managing Director (became Chairman w.e.f May 29, 2012) Mr. Sushil Kumar Sethi - Managing Director Mr. Deepak Sethi - Director
<b>Relatives of Key Management Personnel</b>	
Mr. P. C. Sethi Mrs. Maina Devi Sethi Mrs. Preeti Devi Sethi Mrs. Suman Sethi Mr. Harshavardhan Sethi Mr. Abhinandan Sethi Mrs. Sandhya Rani Sethi Mr. Rishabh Sethi	Father of Chairman, Vice Chairman and Managing Director Mother of Chairman, Vice Chairman and Managing Director Wife of Chairman Wife of Vice Chairman and Managing Director Son of Vice Chairman and Managing Director Son of Vice Chairman and Managing Director Wife of Managing Director Son of Managing Director
Enterprises owned or significantly influenced by key management personnel or their relatives.	Arihant Leasing and Holdings Limited Rishabh Commercial Pvt. Ltd. Rishabh Fire Management 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. Subhash International Pvt. Ltd. Sonal Agencies Pvt. Ltd. VidyaEdutech Pvt. Ltd. Sanmati Power Co. Pvt. Ltd. ADD Realty Ltd. (Formerly: SPML Realty Ltd.) (became associate w.e.f. 31.01.2012) Meena Holdings Ltd. (Formerly: SPML Keerthihole Power Company Ltd.) SPML Semitech India Pvt. Ltd. ADD Technologies (India) Ltd. (w.e.f.. 01.01.2011) Breeze Commodeal (P) Ltd. Sushil Kumar Sethi & Sons (HUF) Poonam Chand Sethi (HUF) Subhash Chand Sethi (HUF) Anil Kumar Sethi & Sons (HUF) Pondicherry Sez Company Private Limited

**Related party disclosure:**

(c) Aggregated Related Party Disclosures as at and for the year ended 31st March 2012

(Rs. in lakhs)

	Transactions amount during the year													As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Paid	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b>Subsidiary Companies</b>																
<b>Direct Subsidiaries</b>																
Subhash Kabini Power Corporation Limited	-	-	31.30	30.37	99.00	-	-	-	-	-	-	-	-	-	1,019.14	-
	(-)	(-)	(107.68)	(-)	(101.15)	(-)	(-)	(1.02)	(-)	(-)	(-)	(-)	(-)	(-)	(975.57)	(-)
SPML Industries Limited	-	83.28	-	-	-	-	-	-	-	-	-	-	-	-	58.39	-
	(23.17)	(68.43)	(-)	(-)	(-)	(5.85)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(26.09)	(-)	(-)
SPML Energy Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-
	(-)	(-)	(-)	(-)	(-)	(226.17)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(872.73)	(-)	(-)
SPML Infrastructure Limited	-	-	-	-	-	745.95	-	2,835.80**	-	-	-	-	-	860.00	-	-
	(-)	(-)	(-)	(-)	(-)	(63.88)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,949.85)	(-)	(-)
Binwa Power Company (P) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	502.69	12.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(502.69)	(12.00)
Awa Power Company (P) Limited	151.46	-	-	-	-	-	-	1,051.09	-	-	-	-	-	117.30	-	1,512.00
	(426.13)	(-)	(-)	(-)	(-)	(157.63)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(583.76)	(-)	(1,862.00)
IQU Power Company (P) Limited	0.98	-	-	-	-	94.98	-	391.00	-	-	-	-	-	94.98	-	12.00
	(413.19)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(46.45)	(12.00)
Neogal Power Company (P) Limited	20.90	-	-	-	-	74.00	-	680.00	-	-	-	-	-	78.99	-	1,697.00
	(397.90)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(309.75)	(-)	(2,002.00)
Luni Power Company (P) Limited	27.53	-	-	-	-	-	-	468.39	-	-	-	-	-	10.52	-	15.00
	(409.91)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(243.25)	(1,993.00)
Delhi Waste Management Limited	-	-	264.71	-	-	-	28.13	-	-	-	2.94	-	-	-	2,110.41	2,300.00
	(-)	(-)	(220.17)	(-)	(2,890.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,208.79)	(2,300.00)
ADD Urban Enviro Ltd.	-	-	-	-	-	-	-	1,744.65	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(1.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5.50)	(-)	(-)
SPML Utilities Ltd.	-	-	-	-	-	183.75	-	-	-	-	-	-	-	276.04	-	-
	(-)	(-)	(-)	(-)	(-)	(124.34)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(91.94)	(-)	(-)
SPML Bhiwandi Water Supply Infra Limited	-	-	-	-	-	14.20	-	-	-	-	-	-	-	14.20	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4.01)	(-)	(-)
SPML Bhiwandi Water Supply Management Limited	-	-	-	151.09	-	260.24	-	-	-	-	-	-	-	415.35	-	-
	(-)	(-)	(-)	(-)	(-)	(4.02)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Allahabad Waste Processing Co. Pvt. Ltd.	538.37	-	-	-	-	-	-	-	-	-	-	-	-	-	1,310.57 #	2,840.00
	(-)	(-)	(-)	(-)	(-)	(750.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,348.15)	-2,117.87 #	(2,840.00)
Mathura Nagar Waste Processing Co. Pvt. Ltd.	187.32	-	-	0.38	-	-	-	-	-	-	-	-	-	-	1,730.10 #	1,610.00
	(-)	(-)	(-)	(-)	(-)	(950.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,104.40)	-2,032.95 #	(1,610.00)
Bhilwara Jaipur Toll Road Private Limited	369.45 *	-	-	2.04	-	55.99	-	50.48	-	-	-	-	-	374.96	-	20,600.00

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(Rs. in lakhs)

	Transactions amount during the year													As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Paid	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
Mizoram Power Development Corporation Ltd.	-	-	-	0.12	-	1.42	-	8.91	-	-	-	-	-	1.42	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Step Down Subsidiaries</b>																
Aurangabad City Water Utility Co. Ltd.	-	-	-	-	-	93.26	-	-	-	-	-	-	-	97.91	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
ADD Technologies (India) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(799.94)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPM Holding Pte. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,032.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(11,215.00)
Madurai Municipal Waste Processing Co. (P) Limited	-	-	-	-	-	131.13	-	-	-	-	-	-	-	284.17	-	2,576.00
	(4.95)	(-)	(-)	(-)	(-)	(90.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(438.08)	(-)	(2,576.00)
<b>Total</b>	<b>1,296.01</b>	<b>83.28</b>	<b>296.01</b>	<b>184.00</b>	<b>99.00</b>	<b>1,654.92</b>	<b>28.13</b>	<b>7,179.84</b>	<b>-</b>	<b>-</b>	<b>2.94</b>	<b>-</b>	<b>-</b>	<b>2,625.88</b>	<b>6,731.30</b>	<b>41,206.00</b>
	<b>(1,675.25)</b>	<b>(868.37)</b>	<b>(327.85)</b>	<b>(-)</b>	<b>(2,991.15)</b>	<b>(2,373.39)</b>	<b>(-)</b>	<b>(1.02)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(7,734.26)</b>	<b>(8,127.57)</b>	<b>(26,422.00)</b>
<b>Joint Ventures</b>																
SPML – CISC JV	-	-	-	-	-	18.29	-	-	-	-	-	-	-	470.05	-	280.61
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(451.76)	(-)	(280.60)
SPML – Simplex JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6.78)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPML JV - Insituform	-	-	-	-	-	-	-	-	-	-	-	-	-	1,159.01	-	589.77
	(-)	(-)	(-)	(-)	(-)	(1,011.77)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,011.77)	(-)	(822.28)
SPML – HCIL JV	2,031.55	-	-	-	316.00	-	-	-	-	-	-	-	19.58	-	318.86	1,766.43
	(3,126.84)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(28.72)	(448.27)	(-)	(2,001.51)
Om Metal Consortium	-	-	-	-	-	-	-	-	-	-	-	-	-	1,300.24	-	542.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPML – Degroment JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(10.07)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Siddharth - Mahavir SPML JV	4.83	-	-	-	-	13.66	-	-	-	-	-	-	-	84.17	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(10.57)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
KBL – SPML JV	11,787.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,979.23)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>13,823.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316.00</b>	<b>31.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.58</b>	<b>3,013.47</b>	<b>318.86</b>	<b>3,178.81</b>
	<b>(5,106.07)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1,011.77)</b>	<b>(10.07)</b>	<b>(17.35)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(28.72)</b>	<b>(1,911.80)</b>	<b>(-)</b>	<b>(3,104.39)</b>

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(Rs. in lakhs)

	Transactions amount during the year													As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Paid	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b>Associate Companies</b>																
OM Metal SPML Infra Project Pvt Ltd.	769.39 (2,880.89)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	332.34 (-)	- (-)	- (-)
Insituform Pipeline Rehabilitation (P) Limited	- (-)	- (477.69)	- (-)	- (-)	- (-)	- (63.70)	- (-)	63.70 (250.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	167.21 (53.51)	- (-)
Doon Valley Waste Management Private Limited	- (-)	- (-)	- (-)	- (-)	8.31 (-)	- (-)	- (-)	- (2.50)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.67)	7.64 (-)	- (-)
Mizoram Mineral Development Corporation Ltd.	- (-)	- (-)	- (-)	0.04 (-)	- (-)	1.14 (-)	- (-)	7.30 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.14 (-)	- (-)	- (-)
Ad Realty Ltd. (Formerly: SPML Realty Ltd.)	- (-)	- (-)	- (-)	4.16 (-)	- (-)	104.16 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	104.16 (-)	- (-)	- (-)
<b>Total</b>	<b>769.39</b> <b>(2,880.89)</b>	<b>-</b> <b>(477.69)</b>	<b>-</b> <b>(-)</b>	<b>4.20</b> <b>(-)</b>	<b>8.31</b> <b>(-)</b>	<b>105.30</b> <b>(63.70)</b>	<b>-</b> <b>(-)</b>	<b>71.00</b> <b>(252.50)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>437.64</b> <b>(0.67)</b>	<b>174.85</b> <b>(53.51)</b>	<b>-</b> <b>(-)</b>
<b>Key Management Personnel (KMP)</b>																
Mr. Anil Kumar Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.15 (7.80)	- (80.99)	- (-)	9.52 (15.23)	- (-)	- (-)	- (-)	4.41 (80.08)	- (-)
Mr. Sushil Kumar Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	85.45 (77.12)	- (-)	5.36 (8.58)	- (-)	- (-)	- (-)	12.18 (37.98)	- (-)
Mr. Subhash Chand Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.20 (-)	85.45 (79.28)	- (-)	7.62 (12.19)	- (-)	- (-)	- (-)	13.01 (11.95)	- (-)
Mr. Deepak Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.15 (7.80)	- (-)	- (-)	2.91 (4.66)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>15.50</b> <b>(15.60)</b>	<b>170.90</b> <b>(237.39)</b>	<b>-</b> <b>(-)</b>	<b>25.41</b> <b>(40.66)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>29.60</b> <b>(130.01)</b>	<b>-</b> <b>(-)</b>
<b>Relatives of KMP</b>																
Mr. P. C. Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.86 (2.98)	- (-)	- (-)	- (-)	1.57 (1.57)	- (-)
Mrs. Maina Devi Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.76 (2.81)	- (-)	- (-)	- (-)	1.20 (1.20)	- (-)
Mrs. Preeti Devi Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.15 (7.80)	- (-)	- (-)	7.24 (11.58)	- (-)	- (-)	- (-)	0.01 (8.17)	- (-)
Mrs. Suman Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.81 (5.81)	- (-)	- (-)	0.92 (1.47)	- (-)	- (-)	- (-)	- (-)	- (-)
Mr. Harshavardhan Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	40.25 (40.25)	- (-)	- (-)	3.07 (4.91)	- (-)	- (-)	- (-)	13.32 (-)	- (-)
Mr. Abhinandan Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	40.25 (40.25)	6.00 (-)	- (-)	2.70 (4.32)	- (-)	- (-)	- (-)	14.80 (-)	- (-)
Mrs. Sandhya Rani Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.66 (0.66)	- (-)	- (-)	1.32 (2.11)	- (-)	- (-)	- (-)	11.72 (11.72)	- (-)
Mr. Rishabh Sethi	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	28.00 (6.00)	- (-)	0.47 (0.75)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Total -</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>94.12</b> <b>(94.77)</b>	<b>34.00</b> <b>(6.00)</b>	<b>-</b> <b>(-)</b>	<b>19.34</b> <b>(30.93)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>42.62</b> <b>(22.66)</b>	<b>-</b> <b>(-)</b>

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(Rs. in lakhs)

	Transactions amount during the year													As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Paid	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
<b>Enterprises Owned or significantly influenced by KMP or their relatives</b>																
Arihant Leasing and Holdings Limited	-	-	-	-	-	-	-	-	6.00	-	-	2.18	-	-	26.93	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.49)	(-)	(-)	(21.53)	(-)	
Rishabh Commercial Pvt. Ltd.	-	-	-	-	-	0.46	-	-	0.72	-	-	0.01	-	0.46	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.72)	(-)	(-)	(0.02)	(-)	(-)	(0.71)	(-)
Rishabh Fire Management Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(500.27)	(-)	(-)
Abhinandan Enterprise Pvt. Ltd.	-	-	-	-	-	0.51	-	-	0.65	-	-	0.01	-	0.51	-	-
	(-)	(-)	(-)	(-)	(-)	(0.19)	(-)	(-)	(0.65)	(-)	(-)	(0.02)	(-)	(-)	(0.76)	(-)
Subhash Systems Pvt. Ltd.	-	-	-	-	-	-	-	-	1.68	-	-	-	-	-	0.17	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.68)	(-)	(-)	(-)	(-)	(1.39)	(-)	(-)
Bharat Hydro Power Corporation Ltd.	-	-	-	8.69	-	39.25	-	-	-	-	-	6.96	-	96.02	-	900.00
	(-)	(-)	(67.75)	(-)	(20.00)	(-)	(-)	(-)	(-)	(-)	(-)	(11.13)	(-)	(56.77)	(-)	(900.00)
International Constructions Ltd.	-	-	-	137.14	-	592.70	-	-	1.20	-	-	4.40	-	1,483.20	-	-
	(-)	(-)	(91.45)	(-)	(51.45)	(180.29)	(-)	(-)	(1.20)	(-)	(-)	(7.05)	(-)	(766.17)	(-)	(-)
SPM Engineers Ltd.	-	-	-	1.06	-	86.76	-	-	-	-	-	6.40	-	126.56	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(10.24)	(-)	(-)	(39.79)	(-)
Zoom Industrial Services Ltd.	-	-	-	-	-	67.05	-	-	-	-	-	15.37	-	-	4.87	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(24.59)	(-)	(-)	(9.14)	(-)
20th Century Engineering Ltd.	-	-	-	-	3.12	-	-	-	-	-	-	7.19	-	-	3.12	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(11.50)	(-)	(-)	(-)	(-)
Subhash Power Company Ltd.	-	-	-	11.63	-	12.42	-	-	-	-	-	-	-	141.78	-	-
	(-)	(-)	(-)	(9.27)	(-)	(0.04)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(121.67)	(-)	(-)
SPML India Ltd.	-	-	-	-	-	-	-	-	-	-	-	11.68	-	-	8.66	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(18.69)	(-)	(-)	(60.40)	(-)
Subhash International Pvt. Ltd.	-	-	-	-	-	-	-	-	16.50	-	-	-	-	-	16.44	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(9.47)	(-)	(-)	(-)	(-)	(474.40)	(-)	(-)
Sonal Agencies Pvt Ltd.	-	-	-	-	-	1.00	-	-	-	-	-	0.03	-	1.00	-	-
		(-)	(-)	(-)	(10.00)	(0.24)	(-)	(-)	(-)	(-)	(-)	(0.05)	(-)	(-)	(19.26)	(-)
Sanmati Power Co. Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	251.25	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(251.25)	(-)	(-)
Meena Holdings Ltd. (Formerly: SPML "Keerthihole Power Company Ltd.")	-	-	-	-	-	-	-	-	169.06	-	-	-	-	-	9.96	-
	(-)	(-)	(-)	(-)	(-)	(168.00)	(-)	(-)	(186.47)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPML Semitech India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	133.96	-	-
	(-)	(-)	(-)	(-)	(-)	(4.67)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(133.96)	(-)	(-)

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(Rs. in lakhs)

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	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Paid	Managerial Remuneration/ Salary	Dividend Received	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given	
VidyaEdutech Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.91	-	
ADD Technologies (India) Ltd. (Formerly: SPML Technologies Ltd.)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.91)	(-)	
Breeze Commodeal (P) Ltd.	-	518.71	-	-	-	-	-	-	-	-	-	-	-	-	180.22	1,000.00	
Poonam Chand Sethi (HUF)	(-)	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(378.85)	(260.00)	
Anil Kumar Sethi & Sons (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sushil Kumar Sethi & Sons (HUF)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Subhash Chand Sethi (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pondicherry Sez Company (P) Ltd.	(-)	(-)	(-)	(-)	1,074.48	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Sanmati Infra Projects (P) Ltd.	-	-	-	-	150.00	-	-	-	-	-	-	-	-	-	150.00	-	
<b>Total</b>	-	<b>518.71</b>	-	<b>158.52</b>	<b>1,227.60</b>	<b>800.15</b>	-	-	<b>198.81</b>	-	-	<b>62.57</b>	-	<b>2,247.19</b>	<b>1,478.33</b>	<b>1,900.00</b>	
	(-)	(-)	(159.20)	(9.27)	(81.45)	(370.39)	(-)	(-)	(203.19)	(-)	(-)	(100.13)	(-)	(2,319.84)	(533.92)	(1,160.00)	
Grand Total	15,889.08 (9,662.21)	601.99 (1,346.06)	296.01 (487.05)	346.72 (9.27)	1,650.91 (3,072.60)	2,592.32 (3,819.25)	28.13 (10.07)	7,301.32 (270.87)	308.43 (313.56)	204.90 (243.39)	2.94 (-)	107.32 (171.72)	19.58 (28.72)	8,324.18 (11,966.57)	8,775.56 (8,867.67)	46,284.81 (30,686.39)	

Note -

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

\* pertains to sale of fixed assets

\*\* Shares allotted during the year for which share application money was paid in earlier years.

# represents mobilisation advance

**32. INTEREST IN JOINT VENTURES:**

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

Name of Joint Venture	Proportion of Ownership	Country of	
		Incorporation	Residence
SPML - CISC JV	50%	India	India
SPML - Simplex JV	50%	India	India
SPML - HCIL JV*	33%	India	India
SPML JV - Insituform	50%	India	India
SPML - Degroment JV	95%	India	India
Siddharth - Mahavir - SPML JV	10%	India	India
Om Metal Consortium	10%	India	India
KBL - SPML JV	50%	India	India

\* The above proportion of ownership interest in the joint venture represents legal interest in the Joint Venture which has been modified, inter se, vide supplementary agreement.

The Company's share of assets, liabilities, income and expenses in the jointly controlled entities as at and for the year ended 31<sup>st</sup> March, 2012 is as follows :-

(Rs. in lakhs)

Name of the joint venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/Loss (-) after tax
SPML - CISC JV**	237.91 (304.25)	323.32 (344.41)	9.25 (4.94)	3.06 (148.77)	6.19 (-274.47)*
SPML - Simplex JV	114.16 (111.69)	12.18 (12.17)	3.88 (10.12)	1.41 (3.33)	2.47 (6.79)
SPML - HCIL JV**	644.30 (1,651.14)	643.19 (1,651.47)	2,129.95 (3,126.84)	2,128.46 (3,126.93)	1.49 (0.22)*
SPML JV - Insituform **	2,885.65 (5,120.92)	3,019.05 (4,890.81)	551.05 (2,593.52)	1,001.58 (2,569.79)	(450.53) (-204.88)*
SPML - Degroment JV **	0.10 (5.17)	- (0.17)	- (-)	- (0.02)	- (-0.02)
Siddharth - Mahavir - SPML JV **	629.38 (606.80)	554.89 (541.30)	75.54 (121.46)	66.54 (118.94)	9.00 (2.52)
Om Metal Consortium **	1,182.60 (1,182.60)	8.20 (8.20)	- (-)	- (-)	- (-)
KBL - SPML-JV**	12,550.45 (1,345.34)	12,550.45 (1,345.34)	11,944.81 (2,908.92)	11,944.81 (2,908.92)	- (-)
Total	18,244.55 (10,327.91)	17,111.28 (8,793.87)	14,714.48 (8,765.80)	15,145.86 (8,876.70)	(431.38) (-469.84)
Share of Net Assets / Profit / (loss) after tax	1,133.27 (1,534.04)		(431.38) (-469.84)		

\* Include losses pertaining to earlier years and considered as prior period items in the accounts. Refer note no.25.

\*\* Based on provisional Balance Sheet as certified and furnished by the management.

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

**Note:** The above table does not include the amounts pertaining to a joint venture where the Company has renounced its risk and reward in the joint venture through supplementary agreement in favour of the joint venture partner for a specified consideration which has been accounted for upfront as Company's share of profit in the joint venture. Total such consideration recognized during the year is Rs. 267.54 lakhs (Rs. Nil).

**33. MANAGERIAL REMUNERATION**

Details of managerial remuneration for managing director and other whole time directors are as follows:

(Rs. In Lakhs)

	2011-12	2010-11
Salary	144.00	216.00
Contribution to provident fund	2.75	4.32
Perquisites	24.15	17.07
<b>Total</b>	<b>170.90</b>	<b>237.39</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.

34. 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)

	2011-12	2010-11
(i) Principal amount remaining unpaid to suppliers at the end of accounting year	25.91	55.53
(ii) Interest due on above	0.65	1.19
Total of (i) & (ii)	26.56	56.72
(iii) Amount of interest paid by the Company to the suppliers	Nil	Nil
(iv) Amounts paid to the suppliers beyond the respective due date	9.86	91.64
(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	0.70	3.35
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year	49.68	48.33
(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	1.35	4.54

35. The Company has following un-hedged exposures :

(Rs. In Lakhs)

Particulars	Year	Amount
Buyer's Credit	31st March, 2012	Rs. 617.51
	31st March, 2011	Rs. 555.81

36. Derivatives outstanding as at the Balance Sheet date

(Rs. In Lakhs)

Particulars	Currency	Amount in Foreign Currency	
		As at 31st March, 2012	As at 31st March, 2011
Forward Contracts (Payable)	USD	Nil	50.00

Note: All the above contracts are for hedging purpose and not for speculation

37. 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	2011-12	2010-11
<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	8.47	31.24
Business Promotion	-	7.42
Interest	38.76	126.71
<b>Total</b>	<b>47.23</b>	<b>165.37</b>
<b>Value of imports calculated on CIF basis</b>		
Materials	Nil	272.30
Capital Goods	Nil	-
<b>Total</b>	<b>Nil</b>	<b>272.30</b>
<b>Net dividend remitted in foreign exchange</b>	<b>Nil</b>	<b>Nil</b>

38. 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 of Schedule VI to the Companies Act, 1956, the gross income determined from construction activity has been given in the notes no. 19.

39. (a) Imported and indigenous materials and components consumed

	2011-12		2010-11	
	Percentage of total consumption	Value (Rs. in lakhs)	Percentage of total consumption	Value (Rs. in lakhs)
Imported	Nil	Nil	0.65%	272.30
Indigenous	100.00%	38,330.08	99.35%	41,852.03
<b>Total</b>	<b>100.00%</b>	<b>38,330.08</b>	<b>100.00%</b>	<b>42,124.33</b>

(b) Imported and indigenous stores and spares consumed

	2011-12		2010-11	
	Percentage of total consumption	Value (Rs. in lakhs)	Percentage of total consumption	Value (Rs. in lakhs)
Imported	0.00%	Nil	0.00%	Nil
Indigenous	100.00%	26.23	100.00%	171.50
<b>Total</b>	<b>100.00%</b>	<b>26.23</b>	<b>100.00%</b>	<b>171.50</b>

#### 40. 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)

	2011-12	2010-11
Contract income recognized as revenue during the year	88,617.00	113,633.69
Aggregate amount of costs incurred and recognized profits (less recognized losses) till date for contracts in progress	411,829.95	369,604.18
Advances received (unadjusted) for contracts in progress	17,593.43	18,239.19
Retention amount for contracts in progress	11,150.69	12,122.04
Gross amount due from customers for contract work for contracts in progress	45,311.66	45,085.97
Gross amount due to customers for contract work for contracts in progress	1,739.14	3,506.54

41. During the year, the Company has accounted for arbitration awards in respect of two projects, which were although awarded in its favour in earlier years, yet the validity thereof was challenged by the client in the Hon'ble Supreme Court, which has been quashed by the apex court on the grounds of expiry of limitation period. In terms of the award ordered by the arbitrator, the Company has recognized a sum of Rs. 1,238.92 lakhs which includes Rs. 696.01 lakhs towards interest and Rs. 542.91 lakhs towards loss of profit and compensation for extra work carried out by the Company, included under interest and other operating revenue respectively in the Statement of Profit & Loss.

42. 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, 2012		As at 31st March, 2011	
	Balance Outstanding	Maximum Amount Outstanding during the year	Balance Outstanding	Maximum Amount Outstanding during the year
<b>(i) From subsidiaries/Associates</b>				
<b>Subsidiaries</b>				
SPML Infrastructure Ltd.	860.00	3,191.86	2,949.85	2,949.85
IQU Power Company (P) Ltd.	94.98	101.00	-	-
SPML Industries Ltd.	-	64.10	25.12	25.12
SPML Energy Ltd.	0.04	661.07	872.73	872.73
SPML Utilities Ltd. (Formerly: SPML Water Infra Ltd.)	276.04	277.13	91.94	144.63
ADD Urban Enviro Ltd. (Formerly: SPML Urban Enviro Ltd.)	-	5.50	5.50	5.50
Madurai Municipal Waste Processing Co.(P) Ltd.	284.17	438.37	438.37	438.37
SPML Bhiwandi Water Supply Infra Ltd.	14.20	14.20	4.01	4.01
SPML Bhiwandi Water Supply Management Ltd.	415.35	415.35	-	-
Bhilwara Jaipur Toll Road Private Ltd.	55.99	56.51	-	-
Allahabad Waste Management (P) Ltd.	-	750.00	750.00	750.00
Mizoram Power Development Corporation Ltd.	1.42	13.58	-	-
Aurangabad City Water Utility Co. Ltd.	93.26	93.26	-	-
Mathura Nagar Waster Management (P) Ltd.	-	950.00	950.00	950.00
<b>Associate</b>				
Mizoram Mineral Development Corporation Ltd.	1.14	14.13	-	-
Insituform Pipeline Rehabilitation (P) Ltd. (IPRPL)	-	63.70	63.70	63.70
<b>(ii) From companies in which directors are interested</b>				
International Construction Ltd.	1,483.20	1,532.83	766.17	1,864.46
Subhash Power Co Ltd.	141.78	141.78	121.67	121.67
Subhash System Private Ltd.	-	1.39	1.39	3.89
ADD Realty Ltd. (Formerly: SPML Realty Ltd.)	104.16	340.00	-	-
SPM Engineers Ltd.	126.56	133.96	-	-

**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 42A (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. 42A (i) and 42A (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. 42A (ii) above	

**43. (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)

	2011-12	2010-11
<b>(i) Net employee benefit expense (recognised in Employee Cost)</b>		
Current service cost	54.86	69.40
Interest cost on benefit obligation	26.50	23.98
Net Actuarial (gains) / losses recognised in the year	(48.93)	(24.85)
<b>Total employer expense recognised in the Statement of Profit and Loss</b>	<b>32.43</b>	<b>68.53</b>
<b>(ii) Actual return on plan assets</b>	<b>Not Applicable</b>	Not Applicable
<b>(iii) Benefit Asset/(Liability)</b>		
Defined benefit obligation	(341.14)	(321.52)
<b>Benefit Asset/(Liability)</b>	<b>(341.14)</b>	<b>(321.52)</b>
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	321.52	278.15
Interest cost	26.50	23.98
Current service cost	54.86	69.40
Benefit paid	(12.81)	(25.16)
Actuarial (gains)/losses on obligation	(48.93)	(24.85)
<b>Closing benefit obligation</b>	<b>341.14</b>	<b>321.52</b>
<b>(v) Movement in fair value of plan assets</b>	<b>Not Applicable</b>	Not Applicable

The Principal actuarial assumptions are as follows:

	2011-12	2010-11
Discount rate	8.00%	8.00%
Withdrawal Rate	Varying between 2% 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)	21.58	22.22
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)

	2011-12	2010-11
Contribution to Provident and other funds	281.02	33.20

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, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
Defined Benefit Obligation	341.14	321.52	278.15	213.22	108.48
Assets/ ( Liability)	(341.14)	(321.52)	(278.15)	(213.22)	(108.48)

44. The Company has claimed income tax benefits of Rs. 26,191.83 lakhs (Rs. 24,421.43 lakhs upto March 31, 2011) approx. having tax impact of Rs. 7,482.04 lakhs including 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. The tax assessments for the financial years upto 2008-09 are completed and the above claims have been disallowed by the Tax Authorities, in view of the retrospective amendment in Section 80IA vide the Finance Act '2010, against which the Company has filed appeals with the appellate authority. The Company has filed a writ with the Honorable Calcutta High Court, which has been admitted as well, challenging the validity of above retrospective amendment, which, as per legal opinion obtained by the Company, is ultra vires to the main section of the Income Tax Act, 1961. Pending disposal of the above writ by the High Court, no provision for income tax and interest thereon, amounting to Rs. 3,130.99 lakhs as demanded by the tax authorities, in this regard, has been made in the accounts and the same has been disclosed as contingent liability vide note no.27.

45. During the previous year, one of the client of the Company had prematurely 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.

46. 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.

## 47. SEGMENT INFORMATION

Business Segment: The business segments have been identified on the basis of the activities undertaken by the Company. Accordingly, the Company has identified 'Construction', 'Trading' and 'Wind Power' as the business segments.

Construction – Consists of execution of turnkey projects

Wind Power – Consists of electricity generated from wind farms

Trading – Consists of sale of unused construction material

Geographical Segment: The Company primarily operates in India and therefore the Company has one reporting geographical segment i.e. India. The particulars of segment information are as follows:

(Rs in Lakhs)

	CONSTRUCTION		WIND POWER		TRADING		TOTAL	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>(a) Revenue</b>								
External sales	89,348.15	114,843.68	-	139.27	-	6,532.72	89,348.15	121,515.67
Inter Segment Sales	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>89,348.15</b>	<b>114,843.68</b>	<b>-</b>	<b>139.27</b>	<b>-</b>	<b>6,532.72</b>	<b>89,348.15</b>	<b>121,515.67</b>
<b>(b) Results</b>								
Segment Results	10,761.50	11,542.50	-	536.84	-	178.35	10,761.50	12,257.69
Unallocated expenses (Net of unallocated income)							345.03	189.40
Operating Profit							10,416.47	12,068.29
Interest & Finance Expenses (Net of Interest Income on loans given)							9,950.90	8,978.74
Profit before tax							465.57	3,089.55
Tax Expenses (net)							166.78	206.24
Profit after tax							298.79	2,883.31
<b>OTHER INFORMATION</b>								
<b>(a) Total Assets</b>								
Segment Assets	122,057.10	120,302.98	-	169.12	-	320.00	122,057.10	120,792.10
Unallocated Corporate/other Assets							28,897.00	30,086.88
<b>Total</b>							<b>150,954.10</b>	<b>150,878.98</b>
<b>(b) Total Liabilities</b>								
Segment Liabilities	37,099.36	40,090.21	-	8.97	-	226.87	37,099.36	40,326.05
Unallocated Corporate/other Liabilities							70,191.00	67,187.98
<b>Total</b>							<b>107,290.36</b>	<b>107,514.03</b>
(c) Capital Expenditure	1,040.57	1,459.18	-	-	-	-	1,040.57	1,459.18
(d) Depreciation/Amortisation	1,050.83	1,108.98	-	64.37	-	-	1,050.83	1,173.35
(e) Non cash expenses other than depreciation included in segment expenses for arriving at Segment Results	1,208.38	398.93	-	-	-	-	1,208.38	398.93

## 48. Details in respect of Trading Activities

(Rs. In Lakhs)

Steel products	2011-12	2010-11
Purchases	Nil	6,354.37
Sales	Nil	6,532.72

49. Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

## As per our report of even date.

**For S. R. BATLIBOI & CO.**  
**Firm Registration No: 301003E**  
 Chartered Accountants

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

For and behalf of the Board

**Subhash Chand Sethi**  
 Chairman

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

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

**Sushil Kr. Sethi**  
 Managing Director

Place: Gurgaon  
 Dated: May 29, 2012

Place: Gurgaon  
 Dated: May 29, 2012

**B. N. Choudhary**  
 President (Finance) & Company Secretary

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

1	Name of the Subsidiary Company	Awa Power Company Private Limited	IQU Power Company Private Limited	Luni Power Company Private Limited	Neogal Power Company Private Limited	Binwa Power Company Private Limited	SPML Energy Ltd.
2	Financial Year of the Subsidiary Company	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
3	a) Number of Shares held in Subsidiary Company on the above date	10,952,105 Equity shares of Re.1 each	6,705,500 Equity shares of Re.1 each	6,882,931 Equity shares of Re.1 each	8,451,060 Equity shares of Re.1 each	2,948,340 Equity shares of Re.1 each	99,550,000 Equity shares of Re.1 each
	b) Extent of Holding						
4	The net aggregate of profit/ losses of the Subsidiary company so far as it concerns the members of the holding Companies						
	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	Nil	Nil	Nil	Nil	Nil	Nil
	2. Dealt with in the Holding Company's Accounts.						
	a) For the financial year of the subsidiary (Rs.)	Nil	Nil	Nil	Nil	Nil	Nil
	b) for the previous Financial year since it becomes the Holding company's Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
	Capital	21,474,720	13,147,916	13,496,320	16,499,312	5,781,250	113,800,000
	Reserves	313,879,773	165,911,938	194,791,409	239,895,051	78,656,738	-54,696,544
	Total Assets	529,193,655	332,610,472	312,416,464	445,290,701	88,112,763	232,205,583
	Total Liabilities	529,193,655	332,610,472	312,416,464	445,290,701	88,112,763	232,205,583
	Details of Investment (except investment in Subsidiaries)	-	-	-	-	-	-
	Turnover		17,465,091	-	-	-	-
	Profit Before Taxation	-165,308	-29,763,349	91,807	219,693	-130,626	-41,950,573
	Provision for Taxation	-	-8,827,889	-	-	-	-
	Profit after Taxation	-165,308	-20,935,460	91,807	219,693	-130,626	-41,950,573
	Proposed Dividend	-	-	-	-	-	-

Contd...

1	Name of the Subsidiary Company	Tons Valley Power Co. Private Limited	Rupin Tons Power Company Private Limited	Uttarkashi Tons Hydro Power Company Private Limited	SPML Ind.Ltd. (Formerly Subhash Pipes Ltd.)	Delhi Waste Management Ltd.	Subhash Kabini Power Corpn. Ltd.
2	Financial Year of the Subsidiary Company	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
3	a) Number of Shares held in Subsidiary Company on the above date b) Extent of Holding	NIL equity shares of Rs.10 each	NIL equity shares of Rs.10 each	NIL equity shares of Rs.10 each	1,243,618 equity shares of Rs.10 each	292,500 equity shares of Rs.10 each	13,586,300 equity shares of Rs. 10 each
4	The net aggregate of profit/ losses of the Subsidiary company so far as it concerns the members of the holding Companies  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 Profit after Taxation Profosed Dividend	   Nil   Nil   Nil   8,717,500 -219,995 8,730,284 8,730,284     -40,903 - -40,903	   Nil   Nil   Nil   1,907,500 -220,527 1,757,112 1,757,112     -40,963 - -40,963	   Nil   Nil   Nil   2,330,000 -217,358 2,182,391 2,182,391     -41,178 - -41,178	   Nil   Nil   Nil   24,384,670 8,34,96,723 11,60,31,579 11,60,31,579     -1,43,84,432 18,25,569 -1,24,58,863	   Nil   Nil   Nil   15,000,000 52,83,63,466 82,03,61,487 82,03,61,487     675,883,907 15,93,19,095 3,36,26,572 12,56,92,523	   Nil   Nil   Nil   437,400,000 751,045,166 2,095,587,398 2,095,587,398     268,218,665 75,765,416 40,576,975 35,188,441

Contd...

1	Name of the Subsidiary Company	SPML Infrastructure Ltd.	SPM Holdings Pte. Ltd. (Rs in \$)	Maduarai Municipal Waste Processing Co. Pvt. Ltd	SPML Urban Enviro Ltd.	SPML Utilities Ltd.	SPML Bhiwandi Water Supply Infra Ltd.
2	Financial Year of the Subsidiary Company	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
3	a) Number of Shares held in Subsidiary Company on the above date b) Extent of Holding	3,360,500 equity shares of Re.1 each	NIL	NIL equity shares of Re.10 each	2,438,200 equity shares of Re.1 each	199,999,700 equity shares of Re.1 each	500,000 equity shares of Re.1 each
4	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 Profit after Taxation Proposed Dividend	   Nil   Nil   3,360,800 280,365,440 385,892,510 385,892,510 285,629,000  -34,126 - -34,126 -	   Nil   Nil   4,800,730 -4,662,578 26,479,287 26,479,287 694,540 17,763,186 117,443 12,750 104,693 -	   Nil   Nil   108,436,000 -1,180,028 413,428,427 413,428,427 -  -423,710 - -423,710 -	   Nil   Nil   2,438,500 171,380,249 174,142,543 174,142,543 173,917,500  206,353 - 206,353 -	   Nil   Nil   200,000,000 -1,802,973 23,95,33,928 23,95,33,928 -  -40,127 - -40,127 -	   Nil   Nil   500,000 -989,370 62,801,797 62,801,797 -  -40,760 - -40,760 -

Contd...

1	Name of the Subsidiary Company	SPML Bhiwandi Water Supply Management Ltd.	Mathura Nagar Waste Processing Co. Pvt. Ltd.	Allahabad Waste Processing Co. Ltd.	Bhilwara Jaipur toll Road Private Limited	Mizoram Power Development Corp. Ltd.	PT Sanmati Natural Resources	Aurangabad City Water Utility Company Ltd.
2	Financial Year of the Subsidiary Company	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
3	a) Number of Shares held in Subsidiary Company on the above date b) Extent of Holding	500,000 equity shares of Re.1 each	255,000 equity shares of Rs.1 each	255,000 equity shares of Rs. 1 each	510,022 equity shares of Rs. 10 each	89,125 equity shares of Rs. 10 each	Nil	294,050 equity shares of Rs. 10 each
4	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 Profit after Taxation Profosed Dividend	   Nil  Nil  Nil  500,000 -235,611 3,351,215 3,351,215 - - -36,870 - -36,870 -	   Nil  Nil  Nil  10,252,000 90,461,587 236,388,528 236,388,528 - 4,345,155 -2,417,620 - -2,417,620 -	   Nil  Nil  Nil  24,990,000 75,299,933 327,667,918 327,667,918 - 43,931,645 1,940,349 401,076 1,539,273 -	   Nil  Nil  Nil  11,686,300 166,943,700 582,121,533 582,121,533 - - - - - -	   Nil  Nil  Nil  1,500,000 -1,438,652 118,0501,686,136,236 118,0501,686,136,236 - - -1,438,652 - -1,438,652 -	   Nil  Nil  Nil  10,000,000 -38,305,185 686,136,236 686,136,236 - - - - - -	   Nil  Nil  Nil  500,000 - 27,733,208 27,733,208 - - - - - -

## Auditors' Report

To

**Board of Directors  
SPML Infra Limited**

1. We have audited the attached Consolidated Balance Sheet of SPML Infra Limited (“the Company”) and its subsidiaries (together referred to as “Group”) as at March 31, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended, annexed thereto and prepared in accordance with the accounting principles generally accepted in India. These consolidated financial statements are the responsibility of SPML Infra Limited’s management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. *Attention is drawn to the following notes to the financial statements:*

(a) *Note No.39 regarding non provision of tax liability of Rs. 7,482.04 lakhs as on March 31, 2012 (including Rs. 6,907.64 lakhs upto March 31, 2011) arising on account of the amendment to Section 80IA of the Income Tax Act, 1961 in the Finance Act, 2009. The Company has filed a writ with the Hon’ble High Court at Calcutta, challenging the validity of the above retrospective amendment, which as per legal opinion obtained by the Company, is ultra vires to the main section of the above Act. The income tax officer has since disallowed the aforesaid claim of the Company in view of the said retrospective amendment, against which the Company has filed appeals with the appellate authorities. Further, because of the above, the Company has also not considered Minimum Alternate Tax benefit of Rs. 2,051.67 lakhs (including Rs. 1,765.11 lakhs upto March 31, 2011) as credit in the accounts. Till the matter is decided by the Hon’ble High Court, the liability, if any, in this regard is unascertainable. We are unable to comment on the impact of the above matters on the group’s profit for the year and reserves and surplus at the balance sheet date.*

(b) *Note No. 40 regarding the premature termination by a client, of a part of the contract with consequential damages, which has been challenged by the Company in the Hon’ble Supreme Court. The Company has also lodged counter claims against the client for the losses suffered due to delay on their part and feels that no further liability would accrue to the Company because of the above termination. The matter being sub-judice, we are unable to comment on 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.*

*The audit report for the year ended March 31, 2011 was also modified for the matters stated in paragraphs (a) and (b) above.*

4. (a) The financial statements of subsidiaries and joint ventures of the Company, which reflect total assets of Rs. 100,588.82 lakhs as at March 31, 2012 and total revenue of Rs. 62,047.27 lakhs and net cash flows (outflow) of Rs. 416.30 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, except that the financial statements of certain subsidiaries and joint ventures as detailed in Note No. 1(l) to the consolidated financial statements which reflect total assets, total revenue and net cash outflows of Rs. 6,117.98 lakhs, Rs. 632.18 lakhs and Rs. 383.15 lakhs respectively, have not been received and these have been incorporated in the accounts on the basis of unaudited financial statements produced to us.

- b) *The financial statements in respect of the associates as detailed in Note No. 1(L), wherein the carrying value of the Company's investment is Rs. 1,852.54 lakhs as at March 31, 2012, after accounting for the Company's share of net loss after tax of Rs. 61.15 lakhs for the year, have not been received and these have been incorporated in the accounts on the basis of unaudited financial statements produced to us.*
- c) The financial statements of overseas subsidiaries which reflect total assets of Rs. 6,165.28 lakhs as on March 31, 2012, total revenue of Rs. 8,581.25 lakhs and net cash flow ( cash inflow) of Rs. 1,315.11 for the year ended on that date and in case of associates having a carrying value of Rs. 10,007.18 lakhs after accounting for the Company's share of net profit after tax of Rs. 147.98 for the year ended on that date, as more fully disclosed vide note no. 1(d) to the consolidated financial statements, have been prepared under the applicable local reporting GAAP and audited by auditors in the respective countries.
5. Based on our audit and on the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of SPML Infra Limited and its subsidiaries, joint ventures and associates, *except for the possible effect of our observations stated in paras 3 and 4 above*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
  - in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For S. R. Batliboi & Co.**

Firm Registration No.301003E  
Chartered Accountants

**Per R. K. Agrawal**

Partner  
Membership No.16667

Place : Gurgaon

Date : August 7, 2012

**For Sunil Kumar Gupta & Co.**

Firm Registration No.003645N  
Chartered Accountants

**S. K. Gupta**

Partner  
Membership No.82486

Place : Gurgaon

Date : August 7, 2012

## Consolidated Balance Sheet as at 31 March, 2012

(Rs. In Lakhs)

Particulars	Notes	As at	
		31st March, 2012	31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	819.45	819.45
Reserves and surplus	3	46,242.35	45,451.37
		<b>47,061.80</b>	<b>46,270.82</b>
Minority Interest		<b>11,834.34</b>	<b>8,339.96</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	26,063.14	29,746.58
Other long-term liabilities	5	1,136.77	2,743.78
Long-term provisions	7	759.27	449.52
Deferred tax liability	6	905.97	1,044.01
		<b>28,865.15</b>	<b>33,983.89</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	36,989.93	31,224.27
Trade payables	9	45,309.98	46,814.42
Other current liabilities	10	32,434.46	28,746.37
Short-term provisions	7	363.75	582.96
		<b>115,098.12</b>	<b>107,368.02</b>
<b>TOTAL</b>		<b>202,859.41</b>	<b>195,962.69</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Tangible assets	11 (a)	20,803.57	21,598.25
Intangible assets	11 (b)	2,397.58	1,622.50
Capital work-in-progress	12	19,145.33	15,792.75
Non-current investments	13	14,415.96	12,229.31
Long-term loans and advances	14	13,484.91	8,497.22
Trade receivables	15	5,043.41	4,622.93
Other non-current assets	16	4,509.19	4,151.00
Deferred Tax Asset	6	316.62	207.72
		<b>80,116.57</b>	<b>68,721.68</b>
<b>CURRENT ASSETS</b>			
Inventories	17	7,259.98	10,562.35
Trade receivables	15	56,357.31	57,777.94
Cash and bank balances	18	8,600.50	8,682.79
Short-term loans and advances	14	14,320.48	19,584.76
Other current assets	16	36,204.57	30,633.17
		<b>122,742.84</b>	<b>127,241.01</b>
<b>TOTAL</b>		<b>202,859.41</b>	<b>195,962.69</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.  
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

Per R. K. AGRAWAL  
Partner  
Membership No 16667

Per S.K.GUPTA  
Partner  
Membership No 082486

Sushil Kr. Sethi  
Managing Director

Place: Gurgaon  
Dated: August 7, 2012

Place: Gurgaon  
Dated: August 7, 2012

B. N. Choudhary  
President (Finance) & Company Secretary

# Consolidated Statement of Profit and Loss for the year ended 31 March, 2012

(Rs. In Lakhs)

Particulars	Notes	2011-12	2010-11
<b>INCOME</b>			
Revenue from operations	19	110,004.13	133,611.05
Other income	20	676.35	1,299.12
<b>Total (I)</b>		<b>110,680.48</b>	<b>134,910.17</b>
<b>EXPENSES</b>			
Materials Consumed & Direct expenses	21	68,259.44	97,158.26
Purchase of traded goods		7,647.73	6,354.37
Decrease in work-in-progress	22	3,515.09	1,632.38
Employee benefits expenses	23	6,762.34	7,298.19
Other expenses	24	7,618.46	6,767.96
Prior period items	25	3.50	84.09
<b>Total (II)</b>		<b>93,806.56</b>	<b>119,295.25</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>16,873.92</b>	<b>15,614.92</b>
Depreciation and amortization expense (after adjusting revaluation reserve of Rs. 3.83 lakhs ( Rs. 4.43 lakhs))	11 (a) & (b)	2,456.63	2,428.53
Finance costs	26	12,301.77	10,426.04
<b>Profit before tax</b>		<b>2,115.52</b>	<b>2,760.35</b>
<b>Tax expenses</b>			
- Current tax (Includes proportionate share in Joint Ventures Rs. 1.11 lakhs (Rs. 30.30 lakhs))		777.36	967.02
- Deferred tax credit		(246.94)	(451.72)
- Minimum Alternative Tax (MAT) Credit		(140.76)	(136.65)
- Income Tax for earlier years		443.97	-
<b>Total tax expense</b>		<b>833.63</b>	<b>378.65</b>
<b>Profit after Tax but before share of Associates and Minority Interest</b>		<b>1,281.89</b>	<b>2,381.70</b>
Add: Share in Net Profit of Associates (after adjusting loss of earlier years - Rs. 77.54 lakhs (Previous Year - Profit of Rs.90.86 lakhs))		79.83	46.99
Less: Minority Interest		574.53	482.23
<b>Net Profit</b>		<b>787.19</b>	<b>1,946.46</b>
Earnings per equity share (nominal value of equity share Rs.2 each) (Refer note no. 30)	30	2.15	5.31
<b>Basic and Diluted (in Rs.)</b>			

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

As per our report of even date.

For S. R. BATLIBOI & CO.  
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

Per R. K. AGRAWAL  
Partner  
Membership No 16667

Per S.K.GUPTA  
Partner  
Membership No 082486

Sushil Kr. Sethi  
Managing Director

Place: Gurgaon  
Dated: August 7, 2012

Place: Gurgaon  
Dated: August 7, 2012

B. N. Choudhary  
President (Finance) & Company Secretary

## Consolidated Cash Flow Statement for the year ended 31-Mar-12

(Rs. In Lakhs)

	2011-12	2010-2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,115.52	2,760.35
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation/amortization	2,456.63	2,428.53
Loss/(profit) on sale/discard of fixed assets	434.11	(532.31)
Interest Expenses	10,744.29	8,359.81
Provision for Doubtful debts	753.42	340.59
Bad Debts/Sundry Balances Written Off	564.14	297.99
Sundry Balances/Liabilities Written back	(436.05)	(358.39)
Interest income on loans given	(361.05)	(128.77)
Loss on Disposal of investment in subsidiary	-	44.72
<b>Operating profit before working capital changes</b>	<b>16,271.01</b>	<b>13,212.52</b>
Movements in working capital :		
Increase in trade receivables	(195.50)	(7,364.50)
Decrease in inventories	3,302.36	2,522.79
Decrease/(increase) in loans & advances/ other assets	(2,205.32)	1,280.98
Increase/(decrease) in trade payables/ other liabilities	(1,863.35)	10,443.96
(Investment)/Maturity of bank fixed deposits (having original maturity of more than three months)	(491.66)	413.17
Decrease in provisions	(6.16)	(71.10)
<b>Cash generated from operations</b>	<b>14,811.38</b>	<b>20,437.82</b>
Direct taxes paid (net of refunds)	(2,136.11)	(2,175.40)
<b>Net cash flow from operating activities (A)</b>	<b>12,675.27</b>	<b>18,262.42</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including Capital work-in-progress and capital advances (net of refund of Rs. 501.42 lacs (Nil))	(9,735.16)	(6,808.59)
Proceeds from sale of fixed assets	351.87	95.73
Proceeds from sale of non-current investment	-	0.03
Purchase of non-current investments		
- Associates	(1,139.95)	(8,709.36)
Loans given to/taken from related parties/others	1,991.62	(708.52)
Advance towards Share Application Money	-	(175.45)
Proceeds from disposal of subsidiary	-	399.01
Cash used in acquiring of subsidiary	-	(44.70)
Interest received on loans given	320.30	-
<b>Net cash flow used in investing activities (B)</b>	<b>(8,211.32)</b>	<b>(15,951.85)</b>

## Consolidated Cash Flow Statement for the year ended 31-Mar-12

Contd...

(Rs. In Lakhs)

	2011-12	2010-2011
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contribution by Minorities	2,108.73	268.22
Repayment of long term borrowings	(14,117.01)	(3,856.01)
Proceeds from long term borrowings	11,331.96	19,929.76
Proceeds/(Repayment) from / of short-term borrowings (net)	5,765.66	(6,449.72)
Proceeds/(Repayment) of Mobilisation Advances (net)	732.17	(704.63)
Interest paid	(10,465.67)	(8,291.64)
Share Application Money received	176.26	-
Dividend paid on equity shares (including dividend tax)	(183.25)	(340.57)
<b>Net cash flow used in financing activities (C)</b>	<b>(4,651.15)</b>	<b>555.41</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(187.20)</b>	<b>2,865.98</b>
Cash Balances of Subsidiary Companies taken/(disposed) on:		
Acquisition of a subsidiary	-	2.42
Disposal of a subsidiary	-	(24.92)
Cash and cash equivalents at the beginning of the year	5,963.62	2,734.82
Effect of Foreign currency Translation	103.60	385.32
<b>Cash and cash equivalents at the end of the year</b>	<b>5,880.02</b>	<b>5,963.62</b>
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash-on-hand	114.88	564.20
Cheques on Hand	102.22	490.79
<b>Balances with Scheduled Banks on :</b>		
- On deposits accounts*	302.83	-
- Current Accounts	5,253.28	4,412.29
- Unpaid Dividend Account	7.59	7.66
Proportionate Share of Joint Ventures	99.22	488.68
<b>Total cash and cash equivalents (note 18)</b>	<b>5,880.02</b>	<b>5,963.62</b>

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

As per our report of even date.

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

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

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

**Sushil Kr. Sethi**  
Managing Director

Place: Gurgaon  
Dated: August 7, 2012

Place: Gurgaon  
Dated: August 7, 2011

**B. N. Choudhary**  
President (Finance) & Company Secretary

## Notes to the financial statements as at and for the year ended 31st March, 2012

### 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, Associates and Joint Ventures (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.

The subsidiary companies considered in the financial statements are as follows:

##### 1). Subsidiaries

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31st March, 12	31st March, 11
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%	78.85%
IQU Power Company (P) Limited	India	78.32%	79.07%
Neogal Power Company (P) Limited	India	78.26%	79.31%
Luni Power Company (P) Limited	India	80.94%	83.85%
Delhi Waste Management Limited	India	55.87%	55.87%
SPML Infrastructure Limited	India	100.00%	100.00%
SPML Utilities Limited (formerly SPML Water Infra Limited)	India	100.00%	100.00%
ADD Urban Environ Limited (formerly SPML Urban Environ Limited)	India	100.00%	100.00%
SPML Bhiwandi Water Supply Management Limited	India	100.00%	100.00%
SPML Bhiwandi Water Supply Infra Limited	India	100.00%	100.00%
Allahabad Waste Processing Company Private Limited	India	51.00%	51.00%
Mathura Nagar Waste Processing Private Limited	India	51.00%	51.00%
Bhilwara Jaipur Toll Road (P) Ltd.	India	51.00%	51.21%
Mizoram Power Development Corporation Limited	India	59.42%	*

**II). Step down subsidiaries**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
		31st March, 12	31st March, 11
Rupin Tons Power Company (P) Limited	India	69.13%	52.48%
Tons Valley Power Company (P) Limited	India	83.46%	52.48%
Uttarkashi Tons Hydro Power (P) Limited	India	72.46%	52.48%
SPM Holdings Pte. Ltd	Singapore	53.06%	53.06%
Madurai Municipal Waste Processing Company Private Limited	India	100.00%	100.00%
PT Sanmati Natural Resources	Indonesia	52.53%	52.53%
Aurangabad City Water Utility Co Ltd	India	58.81%	*

\* 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.	Singapore Financial Reporting Standards
PT. Sanmati Natural Resources	Indonesian Financial Accounting Standards
<b>Associates</b>	
PT Vardhaman Mining Services	Indonesian Financial Accounting Standards
PT Vardhaman Logistics	Indonesian Financial Accounting Standards
Rabaan (S) Pte. Ltd.	Singapore Financial Reporting Standards
PT Bina Insan Sukes Mandiri	Indonesian Financial Accounting Standards

The impact on account of any differences due to adoption of different accounting standards as stated above, in comparison to the Indian Generally Accepted Accounting Principles (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 of subsidiary Companies during the year on the Consolidated financial statements is as follows:

(Rs. In Lakhs)

Subsidiaries acquired	Effect on Consolidated Profit/ (loss) (after Minority Interest)		Effect on Net Assets as at March 31, 2012	
	2012-11	2011-10	As at 31st March, 2012	As at 31st March, 2011
	Mizoram Power Development Corporation Limited	(8.55)	-	0.61
Aurangabad City Water Utility Co Ltd	-	-	5.00	-

(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. 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, 12	31st March, 11
<b>I) Associates of the Company</b>			
Doon Valley Waste Management (P) Limited	India	26.04%	50.00%
Om Metal - SPML Infra Project Pvt. Ltd.	India	49.99%	49.99%
Mizoram Mineral Development Corporation Limited	India	48.67%	*
Insituform Pipeline Rehabilitation (P) Ltd.	India	49.50%	49.50%
<b>II) Associates of Subsidiaries</b>			
Sanmati Infra Developers Pvt. Limited	India	25.00%	25.00%
Hydro Comp Enterprises ( India ) Limited	India	50.00%	50.00%
Pondichery Port Limited	India	49.99%	49.99%
ADD Realty Ltd. (Formerly: SPML Realty Ltd.)	India	38.14%	*
<b>III) Associates of Step down subsidiaries</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 Sukes Mandiri	Indonesia	45.64%	45.64%

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

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

(j) Particulars of interest in joint ventures:

Name of the Company	Country of Incorporation	Proportion of Ownership	
		31st March, 12	31st March, 11
Om Metal Consortium	India	10%	10%
SPML - CISC JV	India	50%	50%
SPML - Simplex JV	India	50%	50%
SPML - HCIL JV	India	33%	33%
SPML JV - Insituform	India	50%	50%
SPML - Degroment JV	India	95%	95%
Siddhartha - Mahavir - SPML JV	India	10%	10%
KBL - SPML JV	India	50%	50%

(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>Subsidiary</b>	Aurangabad city water utility company limited
<b>Associates</b>	Sanmati Infra Developers Pvt. Limited Hydro Comp Enterprises India P Ltd Insituform Pipeline Rehabilitation (P) Ltd. OM Metal - SPML Infra project Pvt. Ltd. Doon Valley Waste Management Private Limited ADD Realty Ltd. (Formerly: SPML Realty Ltd.)
<b>Joint Ventures</b>	Om Metal Consortium SPML - Degroment JV SPML JV - Insituform SPML - CISC JV SPML - HCIL JV Siddharth - Mahavir - SPML JV KBL - SPML JV

## 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 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.

**Presentation and disclosure of financial statements**

During the year ended 31<sup>st</sup> March 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Group has also reclassified the previous year figures in accordance with the requirements of Revised Schedule VI applicable in the current 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. 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.

**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, whichever is higher.

In case of Delhi Waste Management Limited, a subsidiary company, depreciation is provided using Straight Line Method over a period of nine years being the concession period as per the Concession agreement with the Principal.

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.7,500 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 and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

**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 First in First out (FIFO) / weighted average basis. Components and stores & spares at wind farms (since sold) used to be valued at lower of cost and net realizable value.

Stock of finished goods and goods under process are valued at estimated cost (inclusive of excise duty) or net realisable value, whichever is lower.

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.

**(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 customer based on the Power Purchase Agreement approved by the regulatory authority.

Income from power trading is based on agreement entered into with the buyers and is based on 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.

**Forward Exchange Contracts (not intended for trading or speculation purpose)**

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the Consolidated Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

**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.

Short term compensated absences are provided 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.

**xviii. 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.

**xix. 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.

**xx. 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.

**xxi. 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.

**xxii. Contingent liabilities & Commitments**

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.

**xxiii. 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.

## 2. SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at	
	31st March, 2012	31st March, 2011
<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 the shares outstanding at the beginning and at the end of the year

## Equity shares

	As at		As at	
	31st March, 2012		31st March, 2011	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>36,650,276</b>	<b>733.01</b>	<b>36,650,276</b>	<b>733.01</b>

## b. Terms/rights attached to equity shares

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

The amount of dividend per share recognized for distribution to equity shareholders was Rs. Nil ( Rs. 0.50).

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		As at	
	31st March, 2012		31st March, 2011	
	No. of shares	% holding in	No. of shares	% holding in
Anil Kumar Sethi	2,237,070	6.10%	2,237,070	6.10%
Subhash Chand Sethi	1,973,300	5.38%	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	3,521,575	9.61%	3,521,575	9.61%
Reliance Capital Trustee Co. Ltd.	3,076,196	8.39%	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, 2012	As at 31st March, 2011
<b>A. Capital reserve</b>		
Balance as per last financial statements	885.73	885.73
<b>Capital Reserve on Consolidation</b>		
Balance as per last financial statements	141.91	408.86
Less: Adjustment on account of change in ownership interest	-	(266.95)
	<b>141.91</b>	<b>141.91</b>
	<b>1,027.64</b>	<b>1,027.64</b>
<b>B. Securities premium account</b>		
Balance as per last financial statements	15,263.80	15,263.80
<b>C. General reserve</b>		
Balance as per last financial statements	5,941.14	5,441.14
Add: amount transferred from surplus in the Consolidated Statement of Profit and Loss	-	500.00
Closing Balance	<b>5,941.14</b>	<b>5,941.14</b>
<b>D. Foreign Currency Translation Reserve</b>		
Balance as per last financial statements	433.29	67.97
Arisen on consolidation during the year (Refer Note No. 1(i)(d))	25.83	365.32
	<b>459.12</b>	<b>433.29</b>
<b>E. Revaluation Reserve</b>		
Balance as per last financial statements	733.92	774.48
Less: Adjustments towards sale/disposal of a subsidiary	-	(36.13)
Less: Transfer to Consolidated Statement of Profit & Loss	(3.83)	(4.43)
Less: Adjustment towards disposal of assets	(18.21)	-
	<b>711.88</b>	<b>733.92</b>
<b>F. Surplus in the Consolidated Statement of Profit and Loss</b>		
As per last financial statements	22,051.58	20,818.81
Profit for the year	787.19	1,946.46
Less: Appropriations		
Proposed equity dividend (amount per share Rs.Nil (31 March 2011: Rs. 0.50))	-	(183.25)
Tax on proposed equity dividend	-	(30.44)
Transfer to general reserve	-	(500.00)
<b>Total appropriations</b>	<b>-</b>	<b>(713.69)</b>
<b>Net surplus in the Consolidated Statement of Profit and Loss</b>	<b>22,838.77</b>	<b>22,051.58</b>
<b>Total reserves and surplus (A+B+C+D+E+F)</b>	<b>46,242.35</b>	<b>45,451.37</b>

## 4. LONG-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>TERM LOANS (SECURED)</b>				
<b>From Banks</b>				
In Indian Rupee	25,628.24	25,070.19	5,224.60	3,351.39
In foreign currency	-	4,080.18	8,152.07	8,160.36
<b>Deferred Payment credits (Secured)</b>				
- From Banks	301.50	279.55	265.63	240.51
- From Others	133.40	316.66	245.14	269.92
<b>Sub Total</b>	<b>26,063.14</b>	<b>29,746.58</b>	<b>13,887.44</b>	<b>12,022.18</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(13,887.44)	(12,022.18)
<b>Total</b>	<b>26,063.14</b>	<b>29,746.58</b>	<b>-</b>	<b>-</b>

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

Particulars	Outstanding* (Rs. in lakhs) As at 31-Mar-12	Repayment terms				Rate of interest	Nature of security
		Installments Quarterly		Starting Date	Period of Maturity with respect to 31-Mar-12 (Years)		
		Nos.	Amount				
<b>In Indian Rupee</b>	60.76	16	60.76	September-08	Repayable in June 12	13.75%	Hypothecation of construction equipments purchased against such loans of the Company.
	5,000.00	16	5,000.00	June-12	4	11.00%	Subservient charge on all the fixed assets and current assets (both present and future) of the Company.
	4,166.67	10	4,166.67	February-11	2	11.25%	Exclusive charge over the landed property of the Company located at Gurgaon.
	2,030.77	30	2,030.77	July-12	8	BPLR + 4.15%	Hypothecation of all current assets (both present and future) and fixed assets of the respective borrowing company. Also secured against Equitable mortgage of Private land.
	1,200.00	30	1,200.00	June-12	7	BPLR + 4.15%	
	900.00	12	900.00	December-10	1	12.50%	
	1,395.84	32	1,395.84	June-09	5	BPLR + 2.75%	
	1,476.45	32	1,476.45	June-09	5	BPLR + 3%	
	2,907.48	50	2,907.48	December-14	15	13.00%	Hypothecation of all current assets (both present and future), fixed assets and pledge of 51% shares of the respective borrowing company.
	1,550.00	43	1,550.00	June-10	9	12.75%	Hypothecation of fixed assets purchased against such loans and assignment of all contracts and carbon credit receivables of the respective borrowing company.
	1,714.57	35	1,714.57	September-11	8	BPLR + 5.5%	
	8,450.30	30	8,450.30	September-11	7	12.50%	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 of the respective borrowing company.
Total (A)	30,852.84		30,852.84				The above term loans are further secured by personal guarantees of three promoter directors of the Company.
<b>In foreign currency</b>	8,152.07			March-11	1	LIBOR plus spread ranging from 5.00% to 7.40%	The term loan is secured by personal guarantee of directors of the respective borrowing Company.
Total (B)	8,152.07		-				
Total (A+B)	39,004.91		30,852.84				

\* includes current maturities.

**4.2** Deferred payment credits from banks and other Financial Institutions are Secured against hypothecation of Vehicles / Construction equipments purchased against such loans and are repayable in equated monthly installments carrying interest rate ranging from 9% to 15%. Also the said loan is secured by guarantee of Group Companies and promoters of Delhi Waste Management Ltd.

#### 4.3 Default in repayment of Bank dues

SPM Holding Pte. Ltd., a subsidiary Company, has defaulted in repayment of dues to Bank as on March 31, 2012 aggregate Rs. 3,588.90 lakhs ( Rs. 4,217.26 lakhs) including interest. However, the entire sum have been paid subsequently.

### 5. OTHER LONG-TERM LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade payables	388.63	447.58
Mobilization Advance from customers (partly bearing interest )	-	1,433.52
Security deposit	297.75	278.04
Due to other creditors	450.39	584.64
	<b>1,136.77</b>	<b>2,743.78</b>

### 6. DEFERRED TAXES

In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs. 246.94 lakhs (DTA of Rs.451.72 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, 2012 stands at Rs. 589.35 lakhs (Rs. 836.29 lakhs).

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

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Deferred Tax Liability</b>		
On timing differences of depreciable assets	547.59	822.41
On retentions by the customers	488.24	573.25
<b>Deferred Tax Assets</b>		
Carry forward of losses	(120.10)	(49.31)
Expenses allowable against taxable income in future years	(326.38)	(510.06)
	<b>589.35</b>	<b>836.29</b>

## 7. PROVISIONS

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits				
Gratuity (refer note 38(a))	330.79	315.76	80.34	80.40
Leave benefits	5.12	8.78	139.74	110.31
	<b>335.91</b>	<b>324.54</b>	<b>220.08</b>	<b>190.71</b>
Other provisions				
Proposed equity dividend	-	-	-	183.25
Tax on proposed equity dividend	-	-	-	30.44
Provision for Taxation ( Net of Advance Tax - Rs. 21.78 lakhs ( Rs. 38.65 lakhs))	423.36	124.98	136.80	155.23
	<b>423.36</b>	<b>124.98</b>	<b>136.80</b>	<b>368.92</b>
Add: Proportionate Share in Joint Ventures	-	-	6.87	23.33
	<b>759.27</b>	<b>449.52</b>	<b>363.75</b>	<b>582.96</b>

## 8. SHORT-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>SECURED</b>		
<b>From Banks</b>		
In foreign currency		
- Cash Credit facilities	-	2,260.00
- Buyer's Credit	597.43	555.81
In Indian Rupee		
- Demand Loans	1,000.00	974.45
- Cash Credit and working capital facilities	30,015.98	21,479.58
<b>Unsecured</b>		
<i>From Banks</i>	-	1,000.00
<i>Loan from related parties repayable on demand (partly bearing interest)</i>	1,168.74	401.13
<i>From Bodies Corporates</i>	4,205.28	4,458.99
	<b>36,987.43</b>	<b>31,129.96</b>
Add: Proportionate Share in Joint Ventures	2.50	94.31
	<b>36,989.93</b>	<b>31,224.27</b>

**8.1** Cash Credit facilities in foreign currency and buyer's credit are 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.

**8.2** 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, and 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.

## 9. TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade payables ( including acceptances) ( refer note 33 for detail of dues to micro and small enterprises)	41,130.70	41,920.48
Add: Proportionate Share in Joint Ventures	4,179.28	4,893.94
	<b>45,309.98</b>	<b>46,814.42</b>

## 10. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Mobilization Advances from Customers (partly bearing interest)	15,583.01	13,417.32
<b>Other liabilities</b>		
Current maturities of long-term borrowings (refer note 4)	13,887.44	12,022.18
Interest accrued and due on borrowings	479.78	201.16
Interest accrued but not due on Mobilization advance/borrowings	459.60	152.00
Investor Education and Protection Fund (not yet due for deposits):		
Unpaid dividend	7.59	7.66
Temporary Book Overdraft with banks	6.01	26.87
Statutory dues payable	1,947.61	2,456.60
	<b>32,371.04</b>	<b>28,283.79</b>
Add: Proportionate Share in Joint Ventures	63.42	462.58
	<b>32,434.46</b>	<b>28,746.37</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	Add: Proportionate share in Joint venture	Total
<b>Cost</b>										
As at 1st April 2010	1,014.71	-	3,495.53	2,279.82	18,849.76	1,716.61	1,102.68	1,520.80	1,043.55	31,023.46
Additions during the year	-	31.57	1,944.54	0.72	2,101.34	58.44	702.25	485.09	-	5,323.95
Less: On sale/disposals during the year	(60.88)	-	-	-	(1,822.64)	(4.37)	(46.19)	(0.86)	(62.81)	(1,997.75)
Less: Adjustment on account of disposal of a subsidiary	(42.39)	-	(218.76)	-	(678.22)	(5.87)	(0.37)	(183.95)	-	(1,129.56)
<b>As at 31st March 2011</b>	<b>911.44</b>	<b>31.57</b>	<b>5,221.31</b>	<b>2,280.54</b>	<b>18,450.24</b>	<b>1,764.81</b>	<b>1,758.37</b>	<b>1,821.08</b>	<b>980.74</b>	<b>33,220.10</b>
Additions during the year	-	-	481.34	0.30	1,044.72	38.74	54.03	225.51	-	1,844.64
Less: On 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>
<b>Depreciation</b>										
At 1 April 2010	-	-	806.09	2,115.31	6,744.80	365.71	428.60	681.53	280.96	11,423.00
Charge for the year	-	0.12	380.15	151.24	1,412.88	114.54	145.30	119.70	51.87	2,375.80
Less: On sale/disposals during the year	-	-	-	-	(1,408.36)	(1.87)	(12.91)	(0.21)	(20.97)	(1,444.32)
Less: Adjustment on account of disposal of a subsidiary	-	-	(118.08)	-	(507.85)	(2.74)	(0.30)	(103.66)	-	(732.63)
<b>As at 31st March 2011</b>	<b>-</b>	<b>0.12</b>	<b>1,068.16</b>	<b>2,266.55</b>	<b>6,241.47</b>	<b>475.64</b>	<b>560.69</b>	<b>697.36</b>	<b>311.86</b>	<b>11,621.85</b>
Charge for the year (a)	-	1.05	443.96	0.55	1,353.86	114.71	200.94	152.45	179.49	2,447.01
Less: On sale/disposals during the year	-	-	(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>
<b>Net Block</b>										
<b>As at 31st March 2011</b>	<b>911.44</b>	<b>31.45</b>	<b>4,153.15</b>	<b>13.99</b>	<b>12,208.77</b>	<b>1,289.17</b>	<b>1,197.68</b>	<b>1,123.72</b>	<b>668.88</b>	<b>21,598.25</b>
<b>As at 31st March 2012</b>	<b>911.44</b>	<b>30.40</b>	<b>4,141.92</b>	<b>13.74</b>	<b>11,750.62</b>	<b>1,213.20</b>	<b>1,056.08</b>	<b>1,196.78</b>	<b>489.39</b>	<b>20,803.57</b>

Note:  
 (a) Includes Rs. 65.13 lakhs (Rs. 19.09 lakhs) allocated to CWIP during the year.  
 (b) Freehold land and buildings, in case of certain subsidiaries, were revalued on net replacement cost basis on March 2, 2007 and the surplus arising thereon was transferred to Revaluation Reserve.

## 11 (B). INTANGIBLE ASSETS

(Rs. In Lakhs)

Description	Computer Software	Goodwill on Consolidation	Total
<b>Gross block</b>			
As at 1st April 2010	373.91	1,053.91	1,427.82
Additions during the Year	14.46	330.03	344.49
<b>As at 31st March 2011</b>	<b>388.37</b>	<b>1,383.94</b>	<b>1,772.31</b>
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>2,227.77</b>	<b>2,625.97</b>
<b>Amortization</b>			
At 1 April 2010	73.56	-	73.56
Charge for the year	76.25	-	76.25
<b>As at 31st March 2011</b>	<b>149.81</b>	<b>-</b>	<b>149.81</b>
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>
<b>Net block</b>			
<b>As at 31st March 2011</b>	<b>238.56</b>	<b>1,383.94</b>	<b>1,622.50</b>
<b>As at 31st March 2012</b>	<b>169.81</b>	<b>2,227.77</b>	<b>2,397.58</b>

## 12. CAPITAL WORK-IN-PROGRESS

(Rs. In Lakhs)

Description	As at 1st April, 2011	Additions	Less Capitalised/ Adjustments	Less Adjustment on sale of subsidiary	As at 31st March, 2012
Buildings Under Construction (a)	7,925.94	1,268.30	752.78	-	8,441.46
Plant & Machinery Under Erection (a)	3,648.78	294.49	1.44	-	3,941.83
<b>TOTAL</b>	<b>11,574.72</b>	<b>1,562.79</b>	<b>754.22</b>	<b>-</b>	<b>12,383.29</b>
Project Development Expenditure (Refer Note no. 48)	3,037.36	2,512.04	-	-	5,549.40
Add: Proportionate Share in Joint Venture	1,180.67	31.97	-	-	1,212.64
	15,792.75	4,106.80	(b)	754.22	19,145.33
<b>PREVIOUS YEAR'S TOTAL</b>	<b>15,340.98</b>	<b>4,213.20</b>	<b>3,739.77</b>	<b>21.66</b>	<b>15,792.75</b>

Notes:

a) After adjusting capital subsidy of Rs. 5,403.16 lakhs (Rs. 3,212.00 lakhs)

b) Includes Rs. 398.50 lakhs (Rs. 3,552.94 lakhs) transferred to fixed assets during the year.

## 13. NON CURRENT INVESTMENTS

(Rs. In Lakhs)

	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	As at 31st March, 2012	As at 31st March, 2011
<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 Arcylics 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
			<b>2.57</b>	<b>2.57</b>
<b>Less Provision for Diminution in Value of investments</b>			<b>2.56</b>	<b>2.56</b>
<b>Net Quoted Investments</b>			<b>0.01 *</b>	<b>0.01</b>
<b>(B) Trade</b>				
<b>Unquoted</b>				
<b>Equity Shares (Fully Paid-up)</b>				
<b>Associate Companies</b>				
Pondicherry Port Limited	181,600	10	472.30	2.50
Less : Share in losses of the Associate Company	(24,996)		(3.61)	(2.50)
			<b>468.69</b>	-
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			(27.15)	(25.95)
			<b>22.85</b>	<b>24.05</b>
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			(237.76)	(166.27)
Add: Foreign Currency Translation differences			5.17	(29.36)
			-	<b>36.96</b>
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			(4.19)	(6.75)
Add: Foreign Currency Translation differences			1.87	(8.36)
			<b>67.46</b>	<b>54.67</b>
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			(4.08)	(3.99)
Add: Foreign Currency Translation differences			(0.41)	(0.50)
			-	-

Contd...

(Rs. In Lakhs)

	No. of Shares/Units/ Debentures	Face Value Per Share/Unit/ Debenture (Rs.)	As at 31st March, 2012	As at 31st March, 2011
Instituform Pipelines Rehabilitation Pvt Ltd (Net of Rs. 5.76 lakhs (Rs. 5.76 lakhs) towards Capital Reserve) (10,349,700)	10,986,717	10	1,098.67	1,034.97
Less : Share in losses of the Associate Company			(188.92)	(129.60)
			<b>909.75</b>	<b>905.37</b>
PT Bina Insan Sukes Mandiri (Includes Rs. 230.47 lakhs (Rs. 230.47 lakhs) towards Goodwill)	2,738 (1,141)	IDR 1million	8,276.20	8,185.21
Add : Share in Profit of the Associate Company			412.03	195.03
Add: Foreign Currency Translation differences			1,251.49	271.15
			<b>9,939.72</b>	<b>8,651.39</b>
Om metals - SPML Infra projects Pvt. Ltd.	4,999	10	0.50	0.50
Add/Less : Share in Profit/(loss) of the Associate Company			-	-
			<b>0.50</b>	<b>0.50</b>
Doon Valley Waste Management (P) Ltd.	25,000	10	2.50	2.50
Less : Share in losses of the Associate Company			(2.50)	(2.23)
			-	<b>0.27</b>
Mizoram Mineral Development Corporation Ltd.	73,000	10	7.30	-
Less : Share in losses of the Associate Company	(-)		(6.97)	-
			<b>0.33</b>	-
ADD Realty Limited (includes Capital Reserve of Rs. 515.11 lakhs)	45,000,000 (-)	1	450.00	-
Add : Share in Profit of the Associate Company			0.75	-
			<b>450.75</b>	-
<b>Investment in Associate Companies</b>			<b>11,860.05</b>	<b>9,673.21</b>
<b>OTHERS</b>				
Bharat Hydro Power Corporation Limited	3,294,150	10	211.85	211.85
Jarora Nayagaon Toll Road Company Pvt. Ltd. (Refer note no. 1 below)	22,889,425	10	2,289.00	2,289.00
<b>Equity Share Warrants</b>				
Sanmati Infra Developers Private Limited	450,000	10	45.00	45.00
			<b>2,545.85</b>	<b>2,545.85</b>
<b>CURRENT INVESTMENTS</b>				
<b>Unquoted</b>				
National Savings Certificates			4.99	5.19
Indira Vikas Patra			0.06	0.05
Units of PNB Mutual Fund	50,000	10	5.00	5.00
			<b>10.05</b>	<b>10.24</b>
<b>TOTAL</b>			<b>14,415.96</b>	<b>12,229.31</b>
<b>AGGREGATE VALUE OF INVESTMENTS</b>				
(I) QUOTED (Net of Provision)			0.01	0.01
(II) UNQUOTED			14,415.95	12,229.30
Market Value of Quoted Investments			0.01	0.01

Note:

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

## 14. LOANS AND ADVANCES

Unsecured, considered good

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Loans (partly bearing interest)</b>				
- to Related parties	-	-	2,033.05	1,525.26
- to Others	-	-	28.21	377.92
<b>Capital advances</b>				
- to Related parties	3,806.51	501.42	-	-
- to Others	815.73	251.25	-	-
<b>Advances recoverable in cash or kind</b>				
- to Related parties	-	-	2,854.61	3,222.68
- to Others	-	-	3,446.24	8,021.73
<b>Other loans and advances</b>				
Advance income-tax (net of provision for tax - Rs. 4,691.06 lakhs (Rs. 4500.09 lakhs))	6,318.63	4,838.73	22.49	25.52
Mat Credit Entitlement	690.25	831.63	-	-
Security Deposits/ Earnest Money Deposits	466.32	512.25	1,255.90	1,681.77
Prepaid expenses	-	-	864.24	874.97
VAT Input credit receivable	-	-	2,646.77	2,111.01
Balances with statutory/government authorities	10.56	10.56	329.64	101.33
<b>Advances towards share application money</b>				
- to Related parties	817.42	1,307.62	-	-
- to Others	557.70	243.76	-	-
	<b>13,483.12</b>	<b>8,497.22</b>	<b>13,481.15</b>	<b>17,942.19</b>
Add: Proportionate Share in Joint Ventures	1.79	-	839.33	1,642.57
	<b>13,484.91</b>	<b>8,497.22</b>	<b>14,320.48</b>	<b>19,584.76</b>

## 15. TRADE RECEIVABLES (UNSECURED)

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
considered good	4,149.77	3,836.23	19,381.69	27,279.29
considered doubtful	1,458.54	705.12	-	-
	<b>5,608.31</b>	<b>4,541.35</b>	<b>19,381.69</b>	<b>27,279.29</b>
Provision for doubtful receivables	(1,458.54)	(705.12)	-	-
(A)	<b>4,149.77</b>	<b>3,836.23</b>	<b>19,381.69</b>	<b>27,279.29</b>
<b>Others</b>				
considered good	893.64	786.70	35,699.54	29,105.19
(B)	<b>893.64</b>	<b>786.70</b>	<b>35,699.54</b>	<b>29,105.19</b>
Add: Proportionate Share in Joint Ventures (C)	-	-	1,276.08	1,393.46
<b>Total (A + B + C)</b>	<b>5,043.41</b>	<b>4,622.93</b>	<b>56,357.31</b>	<b>57,777.94</b>

## 16. OTHER ASSETS

## UNSECURED, CONSIDERED GOOD

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Bank balances (Refer note no. 18)	4,240.50	3,766.13	-	-
Unbilled Revenue on Construction Contracts	-	222.98	34,075.38	28,250.15
Interest accrued on fixed deposits/other loans	268.69	161.89	203.44	187.98
Add: Proportionate Share in Joint Ventures	-	-	1,925.75	2,195.04
	<b>4,509.19</b>	<b>4,151.00</b>	<b>36,204.57</b>	<b>30,633.17</b>

## 17. INVENTORIES

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2012	31st March, 2011
Material at sites	6,331.01	6,310.15
Stores and spares	273.64	81.78
Finished Goods	5.53	14.57
Work in progress	534.62	3,829.29
	<b>7,144.80</b>	<b>10,235.79</b>
Add: Proportionate Share in Joint Ventures	115.18	326.56
	<b>7,259.98</b>	<b>10,562.35</b>

## 18. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	-	-	5,253.28	4,412.29
Deposits with original maturity of less than three months*	-	-	302.83	15.98
On unpaid dividend account	-	-	7.59	7.66
Cash on hand	-	-	114.88	564.20
Cheque in hand	-	-	102.22	490.79
	-	-	<b>5,780.80</b>	<b>5,490.92</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months*	4,240.50	3,766.13	1,471.66	1,366.46
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	1,248.82	1,336.73
Amount disclosed under non-current assets (refer note 16)	(4,240.50)	(3,766.13)	-	-
Add: Proportionate Share in Joint Ventures	-	-	99.22	488.68
	-	-	<b>8,600.50</b>	<b>8,682.79</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	2011-12	2010-11
<b>Sale of products and Services</b>		
- Construction Contracts	87,875.88	114,125.75
- Trading sales	8,581.25	6,532.72
- Power Generation	2,856.84	1,712.96
- Municipal Services	6,583.03	4,614.01
- Sales of Carbon credit units	-	883.63
- Space Contract	357.93	345.00
<b>Other operating revenue</b>		
- Operation and Maintenance	731.15	1,527.58
- Miscellaneous	39.42	74.87
<b>Interest income on</b>		
- Bank deposits	427.26	604.89
- Project claim as per arbitration award (refer note no. 37)	696.01	-
Sundry balances/liabilities written back	412.73	358.39
Company's share in Profit of Joint Venture (refer note no. 45)	267.54	-
Claim towards loss of Profit (refer note no. 37)	542.91	-
	<b>109,371.95</b>	<b>130,779.80</b>
Add: Proportionate Share in Joint Ventures	632.18	2,831.25
	<b>110,004.13</b>	<b>133,611.05</b>
<b>DETAIL OF TRADING SALES</b>		
Sales of unused construction material	-	6,532.72
Sales of Coal	8,581.25	-
	<b>8,581.25</b>	<b>6,532.72</b>

## 20. OTHER INCOME

(Rs. In Lakhs)

Particulars	2011-12	2010-11
<b>Interest income on</b>		
- Loans Given	361.05	128.77
Insurance Claims received	58.92	427.50
Liabilities no longer required written back	23.32	-
Miscellaneous Receipts	210.10	97.10
Profit on Sale of fixed assets (net)	-	532.31
Exchange Differences (net)	-	93.90
	<b>653.39</b>	<b>1,279.58</b>
Add: Proportionate Share in Joint Ventures	22.96	19.54
	<b>676.35</b>	<b>1,299.12</b>

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

Particulars	2011-12	2010-11
<b>Materials Consumed</b>		
Opening Stock	6,310.15	6,413.43
Add: Purchases	37,898.37	41,414.71
	<b>44,208.52</b>	<b>47,828.14</b>
Less: Closing Stock	6,331.01	6,310.15
	<b>37,877.51</b>	<b>41,517.99</b>
<b>Direct Expenses:</b>		
Stores and Spares Consumed	59.44	256.54
Subcontractor Payments	26,245.83	48,993.95
Drawing & Designing	6.41	30.26
Equipment Hire and Running Charges	1,381.07	1,764.04
Other Direct Expenses	2,433.09	2,169.02
	<b>30,125.84</b>	<b>53,213.81</b>
	<b>68,003.35</b>	<b>94,731.80</b>
Add: Proportionate Share in Joint Ventures	256.09	2,426.46
	<b>68,259.44</b>	<b>97,158.26</b>

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

Particulars	2011-12	2010-11
<b>a) Work In Progress</b>		
Opening	3,829.29	5,345.92
Closing	(534.62)	(3,829.29)
	<b>3,294.67</b>	<b>1,516.63</b>
<b>b) Finished Goods</b>		
Opening	14.57	14.57
Closing	(5.53)	(14.57)
	<b>9.04</b>	-
Add: Proportionate Share in Joint Ventures	211.38	115.75
	<b>3,515.09</b>	<b>1,632.38</b>

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

Particulars	2011-12	2010-11
Salaries, wages and bonus	5,990.91	6,208.16
Director's Remuneration	182.47	266.29
Contribution to provident and other funds	296.77	374.56
Gratuity expense (refer note 38(a))	19.68	115.66
Staff welfare expenses	208.70	214.64
	<b>6,698.53</b>	<b>7,179.31</b>
Add: Proportionate Share in Joint Ventures	63.81	118.88
	<b>6,762.34</b>	<b>7,298.19</b>

## 24. OTHER EXPENSES

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Rent	691.19	679.28
Rates and Taxes	330.46	428.39
Repairs and Maintenance:		
- Building	9.53	29.78
- Plant & Machinery	129.88	129.22
- Others	92.58	83.23
Insurance	511.76	510.72
Advertisement expenses	12.86	53.57
Professional Charges & Consultancy Fess	1,196.91	1,053.31
Vehicle Running Charges	514.59	629.63
Travelling & Conveyance	604.06	624.18
Communication Expenses	173.95	245.78
Power and Fuel	283.24	208.92
Charity & Donations	21.03	19.58
Auditor's Remuneration	100.81	99.41
Selling Expenses	176.26	351.75
Exchange Difference (Net)	188.64	-
Loss on Sale/Discard of Fixed Assets (net)	434.11	-
Loss on disposal of investment in a subsidiary	-	44.72
Bad Debts/ Sundry Balances Written Off	564.14	297.99
Provision for doubtful debts	753.42	340.59
Miscellaneous Expenses	770.86	724.66
	<b>7,560.28</b>	<b>6,554.71</b>
Add: Proportionate Share in Joint Ventures	58.18	213.25
	<b>7,618.46</b>	<b>6,767.96</b>

## 25. PRIOR PERIOD ITEMS (NET)

(Rs. In Lakhs)

Particulars	2011-12	2010-11
<b>Debit:</b>		
Share of Loss from Joint Ventures:		
SPML CISC JV	-	130.64
SPML JV Insituform	-	228.70
Direct Expenses	-	130.71
Interest	-	28.40
Others	3.50	32.57
<b>Total(A)</b>	<b>3.50</b>	<b>551.02</b>
<b>Credit</b>		
Share of Profit from SPML HCIL JV	-	0.32
Purchase/Expenses wrongly recorded in earlier years now written back	-	466.61
<b>Total (B)</b>	<b>-</b>	<b>466.93</b>
<b>Net(A-B)</b>	<b>3.50</b>	<b>84.09</b>

**26. FINANCE COSTS**

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Interest expense (including on Mobilization Advance)	10,679.14	8,328.18
Bank charges	1,557.48	2,042.99
Exchange difference to the extent considered as an adjustment to Borrowing cost	41.62	23.23
	<b>12,278.24</b>	<b>10,394.40</b>
Add: Proportionate Share in Joint Ventures	23.53	31.64
	<b>12,301.77</b>	<b>10,426.04</b>

**27. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF**

(Rs. In Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
Claims against the Group not acknowledged as debts	2,410.79	2,451.47
Claims towards liquidated damages not acknowledged as debts by the Group Against the above, debts of the like amount are withheld by the customers. However, the Group expects no liability to accrue on account of these claims.	7,247.34	8,389.19
Outstanding bank guarantees and letters of credit (including Rs. 3,178.81 lakhs (Rs. 3,104.39 lakhs) for joint ventures)	119,505.56	121,292.10
Disputed demands*		
(a) Income Tax ( includes proportionate share in joint venture - Rs. 60.63 lakhs( Rs. Nil))	3,323.75	1,979.74
(b) Excise/ Service Tax	289.43	289.43
(c) Sales Tax / VAT	2,942.18	2,748.17
(d) Others	3.27	1.11
Corporate guarantees given for body corporate**.	5,621.94	5,037.00

\* 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.

\*\* Includes Rs. 900.00 lakhs (Rs.900.00 lakhs) in relation to which the original title deeds of the property situated at 8/2, Ulsoor Road, Bangalore are lying with Guwahati High Court as security on behalf of Bharat Hydro Corporation Limited.

**28. CAPITAL AND OTHER COMMITMENTS**

(Rs. In Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances] [Share in Joint Venture - Rs. Nil ( Rs. Nil)]	29,563.75	39,829.66

29. 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. 705.45 lakhs (Rs. 696.52 lakhs).

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

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Profit after Minority Interest	787.19	1,946.46
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.)	2.15	5.31

### 31. SEGMENT INFORMATION

#### 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 unused construction material

Trading of Coal – Consists of Purchase & Sale of Coal

Wind Power – Consists of electricity generated from wind farms.

Hydro Power Generation – Consists of electricity generated from hydel projects.

Waste Management – Consists of Municipal Waste Collection, segregation and transportation to landfill sites.

Others – Consist of manufacturing of pipes & other utility management.

## Primary Segment Information (Business Segment)

(Rs. in lakhs)

	Construction		Wind Power		Trading		Hydro Power		Waste		Sales of Coal		Others		Total	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
(a) Total Assets																
Segment Assets	135,593.34	132,658	-	169.12	-	320.00	22,926.97	22,739.35	12,071.09	10,770.00	16,418.60	14,594.31	1,238.21	1,867.56	188,248.21	183,118.24
Unallocated Corporate/Other Assets															14,611.20	12,844.45
Total															202,859.41	195,962.69
(b) Total Liabilities																
Segment Liabilities	40,042.88	45,981.78	-	8.97	-	226.87	935.06	1,092.34	2,668.07	2,314.30	5,127.66	1,965.06	246.97	200.84	49,020.64	51,790.16
Unallocated Corporate/Other Liabilities															94,942.63	89,561.75
Total															143,963.27	141,351.91
(c) Capital Expenditure	1,958.15	1,476.81	-	-	-	-	1,852.87	2,571.29	3,933.39	3,311.56	-	-	-	20.84	7,744.41	7,380.50
(d) Depreciation/Amortisation	1,230.31	1,127.38	-	64.37	-	-	607.11	483.28	589.81	542.20	-	-	29.40	211.30	2,456.63	2,428.53
(e) Non cash expenses other than Depreciation included in segment expenses for arriving at Segment Results	1,208.38	398.87	-	-	-	-	-	216.80	107.76	22.91	-	-	-	-	1,316.14	638.58

## Primary Segment Information (Business Segment)

(Rs. in lakhs)

	Construction		Wind Power		Trading		Hydro Power		Waste		Sales of Coal		Others		Total	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
(a) Revenue																
External Sales	89,239.21	118,166.99	-	139.27	-	6,607.40	2,856.84	2,457.31	6,940.96	4,959.22	8,581.25	-	39.42	317.58	107,657.68	132,647.77
Intersegment Sales	741.12	2,417.91	-	-	-	-	-	-	291.82	-	-	-	-	-	1,032.94	2,417.91
Less: Eliminations	(741.12)	(2,417.91)	-	-	-	-	-	-	(291.82)	-	-	-	-	-	(1,032.94)	(2,417.91)
Total Sales	89,239.21	118,166.99	-	139.27	-	6,607.40	2,856.84	2,457.31	6,940.96	4,959.22	8,581.25	-	39.42	317.58	107,657.68	132,647.77
(b) Results																
Segment Results	11,229.12	10,323.18	-	536.84	-	178.35	1,102.83	1,448.11	1,712.48	828.63	637.70	-	(120.91)	126.49	14,561.22	13,441.60
Unallocated Expenses (net of unallocated Income)															504.98	383.84
Operating Profit															14,056.24	13,057.76
Interest & Finance Expenses (net of interest income on loans given)															11,940.72	10,297.41
Profit before tax															2,115.52	2,760.35
Provision for taxation (Current tax, Deferred tax and adjustments on account of previous years)															833.63	378.65
Profit after tax															1,281.89	2,381.70
Share in Net Profit of Associates															79.83	46.99
Profit after Taxation but before Minority Interest															1,361.72	2,428.69

**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	2011-12	2010-11
<b><u>Segment Revenue</u></b>		
Within India	99,076.43	132,647.77
Outside India	8,581.25	-
<b><u>Capital Expenditure</u></b>		
Within India	7,744.41	7,380.50
Outside India	-	-
<b><u>Segment Assets</u></b>		
Within India	171,829.61	168,523.93
Outside India	16,418.60	14,594.31

**32. RELATED PARTIES****(a) Particulars of related parties where control exists**

Associate companies	Pondicherry Port Limited (PPL) Om Metal SPML Infra Projects Pvt. Ltd. Doon Valley Waste Management Pvt. Ltd. Sanmati Infra Developers Private Limited (SIDL) Hydro Comp Enterprises (India) Limited (HYDRO) Insituform Pipeline Rehabilitation (P) Limited. (IPRPL) PT Vardhaman Mining Services PT Vardhman Logistics Rabban (S) Pte Ltd. PT Bina Insan Sukes Mandiri Mizoram Mineral Development Corporation Ltd. (w.e.f. 23.08.2011) ADD Realty Ltd. (Formerly: SPML Realty Ltd.) (became associate w.e.f 31.01.2012)
Joint Ventures	Om Metal Consortium SPML - CISC JV SPML - Simplex JV SPML - Degroment JV SPML JV - Insituform Siddartha - Mahavir - SPML JV
Key Management Personnel (KMP)	Mr. Anil Kumar Sethi - Chairman ( resigned w.e.f May 29, 2012) Mr. Subhash Chand Sethi - Vice Chairman and Managing Director (became Chairman w.e.f May 29, 2012) Mr. Sushil Kumar Sethi - Managing Director Mr. Deepak Sethi - Director Mr. M. Sundaresan - Executive Director ( resigned w.e.f September 26, 2011)

Contd...

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 Chairman
Mrs. Suman Sethi	Wife of Vice Chairman and Managing Director
Mr. Harshavardhan Sethi	Son of Vice Chairman and Managing Director
Mr. Abhinandan Sethi	Son of Vice Chairman and Managing Director
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
Mr. Vineeth Jain	Daughter's husband of Vice Chairman and Managing Director
Ms. Shilpa Sethi	Son's wife of Vice Chairman and Managing Director
Enterprises owned or significantly influenced by key management personnel or their relatives.	<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 Technologies (India) Ltd. (w.e.f. 01.01.2011)  Breeze Commodeal (P) Ltd.  Subhash International Pvt. Ltd.  Sanmati Power Co. Pvt. Ltd.  Pondicherry Sez Company Private Limited  Meena Holdings Ltd. (Formerly: SPML Keerthihole Power Company Ltd.)  Sonal Agencies Pvt Ltd.  ADD Realty Ltd. (Formerly: SPML Realty Ltd.) ( became associate w.e.f 31.01.2012)  SPML Semitech India Pvt. Ltd.  Rishab Fire Management Pvt Limited  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</p>

**Related party disclosure:**

(b) Aggregated Related Party Disclosures as at and for the year ended 31 -Mar-12

(Rs. in lakhs)

	Transactions amount during the year															As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Received	Donation given	Rent Paid	Managerial Remuneration/ Salary	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given	
<b>Joint Ventures</b>																		
SPML – CISC JV	-	-	-	-	-	9.15	-	-	-	-	-	-	-	-	235.03	-	280.61	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(280.60)	
SPML – Simplex JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.39)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
SPML JV - Insituform	272.66	-	-	-	-	-	-	-	1.88	-	-	-	-	-	700.24	-	589.77	
	(95.31)	(-)	(-)	(-)	(-)	(505.89)	(-)	(-)	(7.98)	(-)	(-)	(-)	(-)	(-)	(642.58)	(-)	(822.28)	
Om Metal Consortium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,170.22	-	542.00	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
SPML – Degroment JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(0.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Siddharth - Mahavir SPML JV	4.35	-	-	-	-	12.29	-	-	-	-	-	-	-	-	75.75	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(9.51)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Total	277.00	-	-	-	-	21.44	-	-	1.88	-	-	-	-	-	2,181.23	-	1,412.38	
	(95.31)	(-)	(-)	(-)	(-)	(505.89)	(0.50)	(12.90)	(7.98)	(-)	(-)	(-)	(-)	(-)	(642.58)	(-)	(1,102.88)	
<b>Associate Companies</b>																		
Pondicherry Port Ltd.	-	-	-	-	-	-	-	469.80	-	-	-	-	-	-	-	-	-	
	(-)	(-)	(-)	(-)	(-)	(155.81)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(690.27)	(-)	(-)	
HYDRO Comp Enterprises (India) Ltd.	-	-	-	-	-	0.29	-	-	-	-	-	-	-	-	131.47	-	-	
	(-)	(-)	(-)	(-)	(-)	(1.47)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(131.18)	(-)	(-)	
OM Metal SPML Infra Project Pvt Ltd.	769.39	-	-	-	-4,894.58**	-	-	-	-	-	-	-	-	-	332.34	3,806.51	539.00	
	(2,880.89)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(539.00)	
Insituform Pipeline Rehabilitation (P) Limited	-	-	-	-	-	-	-	63.70	-	-	-	-	-	-	-	167.21	-	
	(-)	(477.69)	(-)	(-)	(-)	(63.70)	(-)	(250.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(53.51)	(-)	
Doon Valley Waste Management Private Limited	-	150.00	14.07	-	8.31	50.25	-	-	-	-	-	-	-	-	50.25	30.34	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.50)	(-)	(-)	(-)	(-)	(-)	(-)	(0.67)	(-)	(-)	
Mizoram Mineral Development Corporation Ltd.	-	-	-	0.04	-	1.14	-	7.30	-	-	-	-	-	-	1.14	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Sanmati Infradevelopers Private limited	-	-	-	0.06	-	1.76	-	-	-	-	-	-	-	-	1.76	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
ADD Realty Ltd. (Formerly: SPML Realty Ltd.)	-	-	-	4.16	-	104.16	-	-	-	-	-	-	-	-	104.16	-	-	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	

Contd...

(Rs. in lakhs)

	Transactions amount during the year														As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Received	Donation given	Rent Paid	Managerial Remuneration/ Salary	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
PT Vardhaman Mining Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	425.24	-	-
	(-)	(-)	(-)	(-)	(-)	(95.71)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,022.17)	(-)	(-)
P T Vardhaman Logistic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(2.36)	(-)	(-)	(4.04)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
PT Bina Insan Sukes Mandiri	-	7,759.37	-	-	-	-	-	-	-	-	-	-	-	-	-	991.78	-
	(-)	(-)	(-)	(-)	(0.86)	(-)	(-)	(8,456.36)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(880.32)	(-)
Rabban (S) Pte Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,012.56	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,720.25)	(-)	(-)
<b>Total</b>	<b>769.39</b>	<b>7,909.37</b>	<b>14.07</b>	<b>4.26</b>	<b>4,902.89</b>	<b>157.60</b>		<b>540.80</b>	-	-	-	-	-	-	<b>3,058.92</b>	<b>4,995.84</b>	<b>539.00</b>
	<b>(2,880.89)</b>	<b>(477.69)</b>	<b>(-)</b>	<b>(-)</b>	<b>(3.22)</b>	<b>(316.69)</b>	<b>(-)</b>	<b>(8,712.90)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(3,564.54)</b>	<b>(933.83)</b>	<b>(539.00)</b>
<b>Key Management Personnel (KMP)</b>																	
Mr. Anil Kumar Sethi	-	-	-	-	-	-	-	-	-	7.33	-	9.52	-	-	-	4.41	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.98)	(80.99)	(15.23)	(-)	(-)	(80.08)	(-)	(-)
Mr. Sushil Kumar Sethi	-	-	-	-	-	-	-	-	-	6.00	85.45	5.36	-	-	12.18	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(77.12)	(8.58)	(-)	(-)	(37.98)	(-)	(-)
Mr. Subhash Chand Sethi	-	-	-	-	-	-	-	-	-	1.20	85.45	7.62	-	-	13.01	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(79.28)	(12.19)	(-)	(-)	(11.95)	(-)	(-)
M. Sundaresan	-	-	-	-	-	-	-	-	-	-	10.71	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21.91)	(-)	(-)	(-)	(1.77)	(-)	(-)
Mr. Deepak Sethi	-	-	-	-	-	-	-	-	-	7.15	21.37	2.91	-	-	17.40	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.80)	(50.28)	(4.66)	(-)	(-)	(3.13)	(-)	(-)
<b>Total -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.68</b>	<b>202.98</b>	<b>25.41</b>	<b>-</b>	<b>-</b>	<b>47.00</b>	<b>-</b>	<b>-</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(15.78)</b>	<b>(309.58)</b>	<b>(40.66)</b>	<b>(-)</b>	<b>(-)</b>	<b>(134.91)</b>	<b>(-)</b>	<b>(-)</b>
<b>Relatives of KMP</b>																	
Mr. P. C. Sethi	-	-	-	-	-	-	-	-	-	-	-	1.86	-	-	1.57	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.98)	(-)	(-)	(1.57)	(-)	(-)
Mrs. Maina Devi Sethi	-	-	-	-	-	-	-	-	-	-	-	1.76	-	-	1.20	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.81)	(-)	(-)	(1.20)	(-)	(-)
Mrs. Preeti Devi Sethi	-	-	-	-	-	-	-	-	-	7.15	-	7.24	-	-	0.01	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.80)	(-)	(11.58)	(-)	(-)	(8.17)	(-)	(-)
Mrs. Suman Sethi	-	-	-	-	-	-	-	-	-	5.81	-	0.92	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5.81)	(-)	(1.47)	(-)	(-)	(-)	(-)	(-)
Mr. Harshavardhan Sethi	-	-	-	-	-	-	-	-	-	40.25	-	3.07	-	-	13.32	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(40.25)	(-)	(4.91)	(-)	(-)	(-)	(-)	(-)
Mr. Abhinandan Sethi	-	-	-	-	-	-	-	-	-	40.25	6.00	2.70	-	-	14.80	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(40.25)	(-)	(4.32)	(-)	(-)	(-)	(-)	(-)

Contd...

(Rs. in lakhs)

	Transactions amount during the year														As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Received	Donation given	Rent Paid	Managerial Remuneration/ Salary	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
Mrs. Sandhya Rani Sethi	-	-	-	-	-	-	-	-	-	6.66	-	1.32	-	-	11.72	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.66)	(-)	(2.11)	(-)	(-)	(11.72)	(-)	(-)
Mr. Vineeth Jain	-	-	-	-	-	-	-	-	-	-	13.18	-	-	-	13.18	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Shilpa Sethi	-	-	-	-	-	-	-	-	-	-	11.71	-	-	-	11.71	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Rishabh Sethi	-	-	-	-	-	-	-	-	-	-	28.00	0.47	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6.00)	(0.75)	(-)	(-)	(-)	(-)	(-)
Total -	-	-	-	-	-	-	-	-	-	100.12	58.89	19.34	-	-	67.51	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(94.77)	(6.00)	(30.93)	(-)	(-)	(22.66)	(-)	(-)
<b>Enterprises Owned or significantly influenced by KMP or their relatives</b>																	
Arihant Leasing and Holdings Limited	-	-	-	-	-	-	-	-	-	6.00	-	2.18	-	-	26.93	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.49)	(-)	(-)	(21.53)	(-)	(-)
Rishabh Commercial Pvt. Ltd.	-	-	-	-	-	0.46	-	-	-	0.72	-	0.01	-	0.46	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.72)	(-)	(0.02)	(-)	(-)	(0.71)	(-)	(-)
Rishabh Fire Management Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(500.27)	(-)	(-)	(-)
Abhinandan Enterprise Pvt. Ltd.	-	-	-	-	-	0.51	-	-	-	0.65	-	0.01	-	0.51	-	-	-
	(-)	(-)	(-)	(-)	(-)	(0.19)	(-)	(-)	(-)	(0.65)	(-)	(0.02)	(-)	(-)	(0.76)	(-)	(-)
Subhash Systems Pvt. Ltd.	-	-	-	-	-	-	-	-	-	1.68	-	-	-	-	0.17	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.68)	(-)	(-)	(-)	(1.39)	(-)	(-)	(-)
Bharat Hydro Power Corporation Ltd.	-	-	-	8.69	-	39.25	-	-	-	-	-	6.96	-	96.02	-	900.00	-
	(-)	(-)	(67.75)	(-)	(20.00)	(-)	(-)	(-)	(-)	(-)	(-)	(11.13)	(-)	(56.77)	(-)	(900.00)	(-)
Latur Water Supply Management Company Limited	-	-	-	-	-	116.31	-	-	-	-	-	-	-	617.55	-	-	-
	(-)	(-)	(-)	(-)	(-)	(218.63)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(501.24)	(-)	(-)	(-)
International Constructions Ltd.	-	-	-	137.14	176.68	592.87	-	-	-	1.20	-	4.40	-	1,882.21	43.89	-	-
	(-)	(-)	(91.45)	(-)	(51.45)	(180.29)	(-)	(-)	(-)	(1.20)	(-)	(7.05)	(-)	(1,165.18)	(-)	(-)	(-)
SPM Engineers Ltd.	-	-	-	1.06	-	86.76	-	-	-	-	-	6.40	-	126.56	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(10.24)	(-)	(-)	(39.79)	(-)	(-)
Zoom Industrial Services Ltd.	-	-	-	-	-	67.05	-	-	-	-	-	15.37	-	-	4.87	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(24.59)	(-)	(-)	(9.14)	(-)	(-)
20th Century Engineering Ltd.	-	-	-	-	3.12	-	-	-	-	-	-	7.19	-	-	3.12	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(11.50)	(-)	(-)	(-)	(-)	(-)
Subhash Power Company Ltd.	-	-	-	11.63	-	12.42	-	-	-	-	-	-	-	141.78	-	-	-
	(-)	(-)	(-)	(9.27)	(-)	(0.04)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(121.67)	(-)	(-)	(-)

Contd...

(Rs. in lakhs)

	Transactions amount during the year														As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent of Received	Donation given	Rent Paid	Managerial Remuneration/ Salary	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
SPML India Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	11.68	-	-	8.66	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(18.69)	(-)	(-)	(60.40)	(-)
Subhash International Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	16.50	-	-	-	16.44	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(25.13)	(-)	(-)	(444.43)	(-)	(-)
Sonal Agencies Pvt Ltd.	-	-	-	-	-	1.00	-	-	-	-	-	-	0.03	-	1.00	-	-
	-	(-)	(-)	(-)	(10.00)	(0.24)	(-)	(-)	(-)	(-)	(-)	(-)	(0.05)	(-)	(-)	(19.26)	(-)
Sanmati Power Co. Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	251.25	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(251.25)	(-)	(-)
"Meena Holdings Ltd. (Formerly: SPML "Keerthihole Power Company Ltd.)"	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.96	-
	(-)	(-)	(-)	(-)	(-)	(168.00)	(-)	(-)	(-)	(-)	(-)	(186.47)	(-)	(-)	(-)	(-)	(-)
Sanmati Homes Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
SPML Semitech India Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133.96	-	-
	(-)	(-)	(-)	(-)	(-)	(4.67)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(133.96)	(-)	(-)
Vidya Edutech Pvt. Ltd.	-	-	-	-	-	6.50	-	-	-	-	-	-	-	-	6.50	1.91	-
	(-)	(-)	(-)	(-)	(2.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.91)	(-)
ADD Technologies (India) Ltd. (Formerly: SPML Technologies Ltd.)	-	518.71	-	0.59	-	30.30	-	-	-	-	-	-	-	-	30.30	180.22	1,000.00
	(-)		(-)	(-)	(-)	(-)	(399.01)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(378.85)	(260.00)
Breeze Commedeal (P) Ltd.	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	12.45	-	-
	(-)	(-)	(-)	(-)	(-)	(16.96)	(-)	(-)	(-)	(-)	(3.00)	(-)	(-)	(-)	(13.96)	(-)	(-)
Poonam Chand Sethi (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	2.47	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.96)	(-)	(-)	(-)	(-)
Anil Kumar Sethi & Sons (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	1.67	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.67)	(-)	(-)	(-)	(-)
Sushil Kumar Sethi & Sons (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	1.95	-	-	1.57	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.12)	(-)	(-)	(1.57)	(-)
Subhash Chand Sethi (HUF)	-	-	-	-	-	-	-	-	-	-	-	-	2.25	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.60)	(-)	(-)	(-)	(-)
Punam chand Subhash Chand Sethi Charitable Trust	-	-	-	-	-	-	-	-	-	10.82	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sanmati Corporate Investment Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4.90)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.52)	(-)

Contd...

(Rs. in lakhs)

	Transactions amount during the year														As on the Balance Sheet date		
	Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Advance Taken	Advance Given/ Share Application Money	Sale/ transfer of Investment	Purchase of Investment	Rent Received	Donation given	Rent Paid	Managerial Remuneration/ Salary	Dividend Paid	Commission Paid	Debit balance	Credit balance	Guarantee Given
Sanmati Leisures Limited	-	-	-	-	6.50	-	-	46.72 *	-	-	-	-	-	-	-	6.50	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Pondicherry Sez Company (P) Ltd.	-	-	-	-	1,074.48	-	-	-	-	-	-	-	-	-	-	1,074.48	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sanmati Infra Projects (P) Ltd.	-	-	-	-	150.00	-	-	-	-	-	-	-	-	-	-	150.00	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	-	<b>518.71</b>	-	<b>159.11</b>	<b>1,410.78</b>	<b>953.43</b>	-	<b>46.72</b>	-	<b>10.82</b>	<b>198.81</b>	-	<b>62.57</b>	-	<b>3,300.55</b>	<b>1,528.72</b>	<b>1,900.00</b>
	(-)	(-)	(159.20)	(9.27)	(83.45)	(589.02)	(399.01)	(4.90)	(-)	(-)	(218.85)	(-)	(100.13)	(-)	(3,190.12)	(534.44)	(1,160.00)
<b>Grand Total</b>	<b>1,046.39</b>	<b>8,428.08</b>	<b>14.07</b>	<b>163.37</b>	<b>6,313.67</b>	<b>1,132.47</b>	-	<b>587.52</b>	<b>1.88</b>	<b>10.82</b>	<b>320.61</b>	<b>261.87</b>	<b>107.32</b>	-	<b>8,540.70</b>	<b>6,639.07</b>	<b>3,851.38</b>
	(2,976.20)	(477.69)	(159.20)	(9.27)	(86.67)	(1,411.60)	(399.51)	(8,730.70)	(7.98)	(-)	(329.40)	(315.58)	(171.72)	(-)	(7,397.24)	(1,625.84)	(2,801.88)

Note -

Also refer Note 4 &amp; 8 as regards loans and other funded facilities personally guaranteed by Directors &amp; others.

\* pertains to issue of shares by subsidiary companies and included under Minority Interest.

\*\* includes Rs. 1,088.07 lakhs received as share application money by one of the subsidiary Company

33. 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)

	2011-12	2011-10
(i) Principal amount remaining unpaid to suppliers at the end of accounting year	25.91	55.53
(ii) Interest due on above	0.65	1.19
Total of (i) & (ii)	26.56	56.72
(iii) Amount of interest paid by the Group to the suppliers	Nil	Nil
(iv) Amounts paid to the suppliers beyond the respective due date	9.86	91.64
(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.	0.70	3.35
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year	49.68	48.33
(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	1.35	4.54

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

(Rs. In Lakhs)

Particulars	Year	Amount
Buyer's Credit	31st March, 2012	Rs. 617.51
	31st March, 2011	Rs. 501.29

35. Derivatives outstanding as at the Balance Sheet date

(Rs. In Lakhs)

Particulars	Currency	Amount in Foreign Currency	
		As at 31st March, 2012	As at 31st March, 2011
Forward Contracts (Payable)	USD	Nil	50.00

Note: All the above contracts are for hedging purpose and not for speculation.

36. Construction contracts disclosure:

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

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Contract income recognized as revenue during the year	88,508.06	116,957.00
Aggregate amount of costs incurred and recognized profits (less recognized losses) till date for contracts in progress	421,305.90	378,740.23
Advances received (unadjusted) for contracts in progress	15,583.51	14,850.54
Retention amount for contracts in progress	11,150.69	12,122.04
Gross amount due from customers for contract work for contracts in progress	47,221.23	47,504.06
Gross amount due to customers for contract work for contracts in progress	1,739.14	3,506.54

37. During the year, the Company has accounted for arbitration awards in respect of two projects, which were although awarded in its favour in earlier years, yet the validity thereof was challenged by the client in the Hon'ble Supreme Court, which has been quashed by the apex court on the grounds of expiry of limitation period. In terms of the award ordered by the arbitrator, the Company has recognized a sum of Rs. 1,238.92 lakhs which includes Rs. 696.01 lakhs towards interest and Rs. 542.91 lakhs towards loss of profit and compensation for extra work carried out by the Company, included under interest and other operating revenue respectively in the Consolidated Statement of Profit & Loss.

**38. (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)

	2011-12	2010-11
<b>(i) Net employee benefit expense ( recognized in Employee Cost)</b>		
Current service cost	64.06	76.21
Interest cost on benefit obligation	32.47	32.08
Net Actuarial (gains)/loss recognized in the year	(68.75)	14.41
Total employer expense recognized in the Consolidated Statement of Profit and Loss	27.78*	122.70*
<b>(ii) Actual return on plan assets</b>	Not Applicable	Not Applicable
<b>(iii) Benefit Asset / (Liability)</b>		
Defined benefit obligation	(411.13)	(396.16)
Benefit Asset / (Liability)	(411.13)	(396.16)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	396.16	323.80
Interest cost	32.47	32.08
Current service cost	64.06	76.21
Benefit paid	(12.81)	(50.34)
Actuarial (gains )/ losses on obligation	(68.75)	14.41
Closing benefit obligation	411.13	396.16
<b>(v) Movement in fair value of plan assets</b>	Not Applicable	Not Applicable

\* includes Rs. 8.10 lakhs (Rs. 7.04 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 2% 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)	21.58	22.22
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)

	2011-12	2010-11
Contribution to Provident Fund	296.77	374.56

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, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
Defined Benefit Obligation Assets/ ( Liability)	411.13 (411.13)	396.16 (396.16)	323.80 (323.80)	264.08 (264.08)	262.89 (262.89)

39. The Company has claimed income tax benefits of Rs. 26,191.83 lakhs (Rs. 24,421.43 lakhs upto March 31, 2011) approx. having tax impact of Rs. 7,482.04 lakhs including 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. The tax assessments for the financial years upto 2008-09 are completed and the above claims have been disallowed by the Tax Authorities, in view of the retrospective amendment in Section 80IA vide the Finance Act '2010, against which the Company has filed appeals with the appellate authority. The Company has filed a writ with the Honorable Calcutta High Court, which has been admitted as well, challenging the validity of above retrospective amendment, which, as per legal opinion obtained by the Company, is ultra vires to the main section of the Income Tax Act, 1961. Pending disposal of the above writ by the High Court, no provision for income tax and interest thereon, amounting to Rs. 3,130.99 lakhs as demanded by the tax authorities, in this regard, has been made in the accounts and the same has been disclosed as contingent liability vide note no.27.
40. During the previous year, one of the client of the Company had prematurely 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.
41. SPML CISC JV, a joint venture entity (JV) has a receivable of Rs. 452.57 lakhs (Rs. 576.48 lakhs), 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.
42. IQU Power Company (P) Limited, a subsidiary Company had started power generation in the financial year 2010-11, however the transmission line is still under work-in-progress as of the reporting date and accordingly expenses directly related to construction, acquisition or development activity of transmission line is transferred to the capital work-in-progress. Indirect expenditure incurred during construction, acquisition or development activity of transmission line is also transferred to the capital work-in-progress to the extent it is related to construction, acquisition or development activity 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 and Loss.
43. 7,650,000 No. of Shares of Subhash Kabini Power Corporation Limited (SKPCL), 510,022 No. of Shares of Bhilwara Jaipur Toll Road Private Limited (BJTPL), subsidiaries of the company, are pledged with Banks against loans obtained by the respective investee 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 the subsidiaries.
44. SPML Energy Limited, Binwa Power Company (P) Limited, Luni Power Company (P) Limited, Neogal Power Company (P) Limited and Awa Power Company (P) Limited, subsidiary companies are in the process of setting up of hydro electric projects and have not commenced commercial operations as of the reporting date. The Consolidated Statements of Profit and Loss is drawn up for the year and expenses which are neither related to the construction activity nor is incidental thereto, are charged to the Consolidated Statements of Profit and Loss.
45. During the year, the Company has 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 accounted it upfront as Company's share of profit in the joint venture.

46. At Rupin Tons Power Company (P) Limited, Tons Valley Power Company (P) Limited and Uttarkashi Tons Hydro Power (P) Limited, subsidiary companies, construction work at the project site could not be taken up during the year as per schedule due to various local issues. The Company is in the process of resolving these issues and the work will commence as per revised schedule once these are sorted out.
47. Subhash Kabini Power Corporation Limited, a subsidiary Company:
- has received 28,282 certified units of Carbon Credits but no sale thereof has taken place.
  - received notice from the Reserve Bank of India (RBI) vide reference no. FE.CO.OID 12830/19.19.961/2009-2010 dated 13th November, 2009 and had filed a compounding application with the RBI for contravening certain FEMA Provision at the time of getting the Share Application Money back from its subsidiary, M/s SPM Holding Pte. Ltd, Singapore during the year 2009-10. The RBI had issued the penalty notice to the company vide CEFA/2661/15.20.67/2010-11 dated 1st August 2011. The penalty amounting to Rs. 10.00 lakhs has been paid by the Company during the year which has been charged to the Consolidated Statement of Profit & Loss.
  - has raised invoices for net power delivered to MESCOM for Rs. 2,682.19 lakhs at a rate of Rs. 4.433 per unit. However, MESCOM has accepted and paid such bills at Rs. 4.433 per unit upto 19th August 2011, the date on which the power purchase agreement for 10 years has expired. This has resulted in to short receipt of Rs. 306.40 lakhs which is outstanding as on 31st March 2012 pending the fresh negotiation of the rates, although the management believes that there is no uncertainty as regards the realization of the amount short received.
48. Certain subsidiaries are in the process of construction and no commercial activity has yet started from the date of their incorporation to 31st March, 2012. Accordingly no Statement of Profit & Loss has been prepared with respect to these Companies. However, the particulars of Project Development expense incurred so far, are given below which are pending allocation to various fixed assets and would be capitalized on the commissioning of the respective plants/projects.

(Rs. In Lakhs)

Particular of Expenses	As at 31st March, 2011	Incurred during the year	As at 31st March, 12
<b>a) Employee benefits expenses</b>			
Salaries, Wages and Allowance	370.81	183.54	554.35
Gratuity	9.94	8.10	18.04
<b>b) Other expenses</b>			
Rent	38.72	14.26	52.98
Rates and Taxes	125.37	14.23	139.60
Insurance	37.52	26.10	63.62
Repairs & Maintenance			
- Others	3.41	2.16	5.57
Travelling & Conveyance	123.57	39.03	162.60
Professional Charges & Consultancy Fees	250.81	320.62	571.43
Communication Expenses	7.58	3.52	11.10
Advertisement Expenses	4.34	0.18	4.52
Charity & Donation	8.12	4.08	12.20
Miscellaneous Expenses	195.11	70.80	265.91
Equipment Hire Charges	19.42	-	19.42
Depreciation	28.57	65.13	93.70
<b>c) Finance costs</b>			
Interest & Finance Expenses	1,823.34	1,835.42	3,658.76
<b>Total</b>	<b>3,046.63</b>	<b>2,587.17</b>	<b>5,633.80</b>
Less: Income			
Tender Application Money	7.23	(1.53)	5.70
Interest on Fixed Deposit/Loans	2.04	76.66	78.70
<b>Total</b>	<b>3,037.36</b>	<b>2,512.04</b>	<b>5,549.40</b>

- 49.** During the year, the Company, through a wholly owned subsidiary, has invested in the shares of Allahabad Waste Processing Company Private Limited and Mathura Nagar Waste Processing Private Limited which has resulted in a goodwill of Rs. 811.12 lakhs in the consolidated financial statements, primarily due to issuance of equity shares by these two investee companies to other parties at a price lower than the price at which they have allotted the equity shares to the said subsidiary. Based on the profitability projections of the investee companies, the management believes that the said goodwill has a recoverable value and there is no impairment in the carrying value thereof.
- 50.** Till the year ended 31st March 2011, the Group was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group. The Group has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.
- 51. (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.**  
**Firm Registration No: 301003E**  
 Chartered Accountants

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

Place: Gurgaon  
 Dated: August 7, 2012

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

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

Place: Gurgaon  
 Dated: August 7, 2012

For and behalf of the Board of Directors

**Subhash Chand Sethi**  
 Chairman

**Sushil Kr. Sethi**  
 Managing Director

**B. N. Choudhary**  
 President (Finance) & Company Secretary



## SPML Infra Limited

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*Offices in Bangalore, Chennai, Kolkata, Mumbai*

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