

ANNUAL REPORT
2010-11

Ensuring Environmental Sustainability

Contents

| | |
|--|-----|
| Board of Directors | 2 |
| Chairman's Message | 3 |
| Corporate Information | 4 |
| Directors' Report | 5 |
| Management Discussion & Analysis | 9 |
| Report on Corporate Governance | 13 |
| Auditors' Report | 24 |
| Balance Sheet | 29 |
| Profit & Loss Account | 30 |
| Schedules | 31 |
| Cash Flow Statement | 64 |
| Balance Sheet Abstract | 66 |
| Statements U/S 212 | 67 |
| Auditors' Report on the Consolidated Financial Statements | 70 |
| Consolidated Balance Sheet | 72 |
| Consolidated Profit & Loss Account | 73 |
| Consolidated Schedules | 74 |
| Consolidated Cash Flow Statement | 110 |

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. Anil Kumar Sethi
Chairman



Mr. Subhash Chand Sethi
Vice Chairman &
Managing Director



Mr. Sushil Kumar Sethi
Managing Director



Mr. Deepak Sethi
Director



Mr. Sarthak Behuria
Director



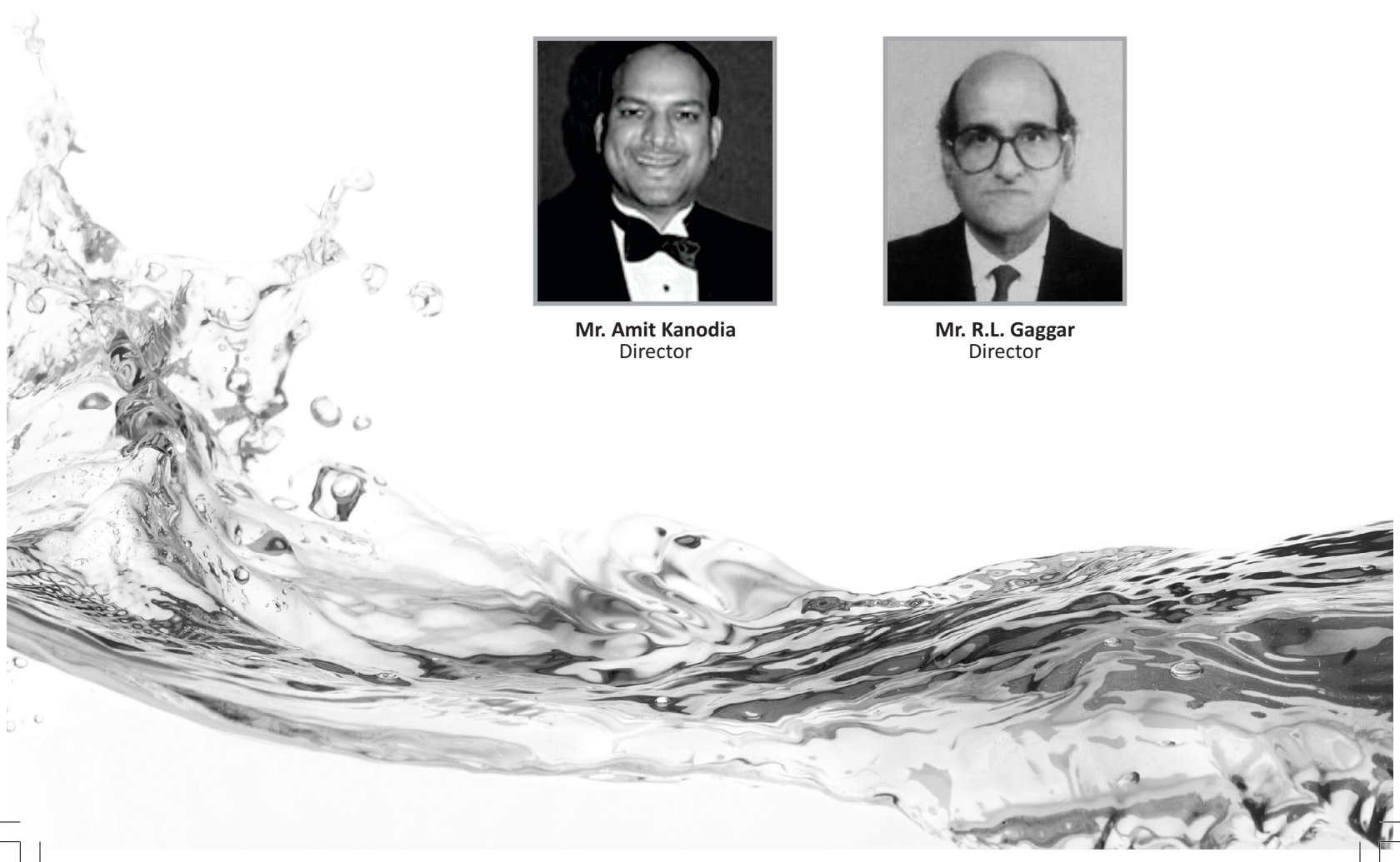
Mr. T.S. Siva Shankar
Director



Mr. Amit Kanodia
Director



Mr. R.L. Gaggar
Director





Chairman's Message

Dear Stakeholders,

The strong level of economic growth achieved in India in recent years has led to an expansion of industry, commerce and per-capita income, which, in turn, have fuelled the demand for infrastructure services.

Over the past few years, the infrastructure sector in India has undergone a revolutionary shift. The government has played a pivotal role in making Indian infrastructure sector an attractive investment destination for both domestic and foreign players. Steps taken by the government such as - opening up the sector to private players, liberalizing foreign investment norms and huge spending on Infrastructure projects have given a stupendous impetus to the sector in the past few years.

The private sector has responded to this shift in economic perspective with a great deal of excitement and alacrity as is evident from its growing participation in the entire spectrum of infrastructure projects, be it roads, ports, airports, urban utilities and transport systems or power.

I am proud to report that since our inception, our company has come a long way to become one of the largest infrastructure companies in India. Many years of dedication and sweat have contributed to this fruitful yet exhilarating journey. Over the years, we have created significant shareholder value and our progress has touched the lives of millions of people across the country, helping to improve the quality of

life; be it provision of drinking water, improved sewerage facilities, better municipal solid waste management, building state roads and toll roads and lighting up millions of homes.

Today, I truly believe that SPML is at the cutting edge of the infrastructure industry providing the much needed "bottom of the pyramid" infrastructure services for urban water supply and scientific waste management across the country without which the collective dreams of "Incredible India" and "India Shining" will, in my mind, quite simply remain dreams.

Our long term relationships built since the early 80s with urban local bodies and municipal utilities across the nation are providing opportunities for us to add value to the daily lives of Indian citizens that creates delight in my heart and within the hearts of every individual in this organization.

There were challenges galore in 2010-11. These include slower-than-expected order book growth and pricing pressures in the construction business. Yet, we not only achieved most of our financial and business targets for the year but also proactively invested in enterprise-wide actions to expand our capacities and improve our competitiveness.

It gives me immense pleasure to share with you, that 2010 marks SPML's foray into the membrane desalination space and we are pleased to announce our alliance with Aqualyng, a global leader in the international desalination market. 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.

We are at the threshold of an exciting journey that will take us to even greater heights. I seek your continued support in this mission.

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

As one of India's oldest infrastructure companies with a visionary journey that has spanned over three decades and as we continue to grow with sustained vigor and purpose, we have always believed that patriotism reflects itself in our daily labor and its impact on the trajectory of our great nation. It is for this reason that we at SPML take our legacy providing mission critical water, power and transportation infrastructure to this nation, very seriously.

Sincerely,

Anil Kumar 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: +91-124-420460, Fax : +91-124-4269139

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, 2nd Floor, Plot No.180, EPIP II Phase, whitefield,
Bangalore-560066, Tel: +91-80-40520200, Fax : +91-80-40956701

Kolkata
22, Camac Street, Block-A, 3rd Floor, Kolkata - 700016
Tel: +91-33-40091200, Fax: +91-33-40091303

Mumbai
206, Marthanda Building, Dr. A. B. Road, Worli Naka, Mumbai - 400018
Tel: +91-22-24944537, Fax : +91-22-24944536

Bankers:

- Andhra Bank
- Bank of Baroda
- Canara Bank
- IDBI 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, 3rd 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, 2nd Floor, Kolkata – 700 001

Directors' Report

Dear Shareholders,

Your Directors present their 30th Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31st March 2011.

Financial Results

The performance of the Company for the financial year ended March 31, 2011 is summarized below:

| Particulars | For the year ended 31.03.2011 | | For the year ended 31.03.2010 | |
|---|----------------------------------|------------------|----------------------------------|------------------|
| Gross Operating Revenue & Others Income | | 123944.63 | | 141373.37 |
| Profit before Interest, Depreciation and Taxes | | 13347.17 | | 16608.04 |
| Less: Interest and Financial Charges | | 9084.28 | | 9969.59 |
| Less: Depreciation | | 1173.35 | | 1109.78 |
| Profit Before Tax | | 3089.54 | | 5528.67 |
| Provision for Taxation | 601.63 | | 737.00 | |
| Fringe Benefit Tax | 0.01 | | (39.56) | |
| Provision for Deferred Tax | (395.40) | | (354.00) | |
| Profit After Tax | | 2883.30 | | 5185.23 |
| Add: Balance brought forward from previous year | | 18297.30 | | 14453.97 |
| Profit available for Appropriation | | 21180.60 | | 19639.20 |
| Appropriations: | | | | |
| Proposed Dividend | 183.25 | | 293.20 | |
| Tax on Distributed Profits | 30.44 | 213.69 | 48.70 | 341.90 |
| Transfer to General Reserve | | 500.00 | | 1000.00 |
| Surplus carried to Balance Sheet | | 20466.91 | | 18297.30 |
| Total: | | 21180.60 | | 19639.20 |

Operating Results

Your company achieved a turnover of Rs. 1219.65 Crores as against Rs. 1400.32 Crores achieved in the previous year. The company earned a gross profit of Rs. 133.47 Crores before interest and depreciation as against Rs. 166.08 Crores in the previous year. After deducting interest of Rs. 90.84 Crores, providing a sum of Rs. 11.73 Crores towards depreciation, tax provision of Rs. 2.06 Crores, the operations resulted in a net profit of Rs. 28.83 Crores as against Rs. 51.85 Crores in the previous year.

Management Discussion and Analysis of Financial condition and Operational Performance of the Company for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India, is given as a separate statement in the Annual Report.

Dividend

Your Directors have recommended a dividend of 25% (previous year 40%) on 36650276 Equity Shares of Rs. 2/- each for the financial year ended March 31, 2011. The total dividend, including tax, amounts to Rs. 213.69 Lakhs as against Rs. 341.90 Lakhs during the previous year.

The dividend payout for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance and growth plans.

Subsidiary Companies

Your Company has the following Subsidiary Companies:

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

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 projects under items 1 to 3, are scheduled to be commissioned in phases by March, 2012 and M/S Binwa Power Company Private Limited is stated to be commissioned in March, 2013. M/S IQU Power Company Private Ltd. commenced generation of power from February, 2011.

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

SPML Energy Limited has engaged in managing and executing high value projects under Public Private Partnership (PPP) & Build Own Operate Transfer (BOOT) basis. This company leads the activities of developing, constructing and managing Hydro Power projects in various states across India.

Company under Serial No. 10 leads the development and management of Kabini Hydro Power Project; 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 is into manufacturing of pre stressed concrete pipes.

SPML Technologies Limited is into providing business solutions to utility companies.

SPML Infrastructure Limited is engaged in undertaking Port, SEZ and other infrastructure 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.

SPML 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.

Company under Serial No. 19 leads the integrated bulk water supply project for Bhiwandi–Nizampur City Municipal Corporation under PPP Scheme.

Company under Serial No. 20 leads the water management for Bhiwandi-Nizampur Municipal Corporation under PPP scheme.

Companies under Serial No. 21 & 22 are engaged into collection, processing and disposal of Waste from Mathura & Allahabad Cities.

Company under Serial No. 23 is developing a road projects on toll basis linking Jaipur and Bhilwara.

Company under Serial No. 24 is a subsidiary of SPM Holdings Pte Ltd. and it has invested into shares of PT Bina Insan Sukses Mandiri, a Mining Company in Indonesia.

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 31st March, 2011 forming part of the Annual Report and Accounts.

Directors

Shri Kalidas Mukhopadhyay & Shri A. Bhattacharjee resigned from the Board/Committee of Directors w.e.f 08.02.2011 and 05.02.2011 respectively. Shri S.S.Kohli was appointed as an Additional Director w.e.f 09.02.2011 and he resigned from the Board/ Committee of Directors on 25th July, 2011.

Shri Amit Kanodia were appointed as Additional Director of the Company w.e.f 09.02.2011 and his appointment will be regularized in the ensuing Annual General Meeting of the Company.

Shri R. L. Gaggar retires by rotation and being eligible, offers himself for reappointment at the ensuing annual General Meeting.

Auditors and Auditors' Report

The joint statutory auditors of the Company, M/s. S. R. Batliboi & Company, Chartered Accountants and M/s. Sunil Kr. Gupta & Company, Chartered Accountants, retire at the conclusion of the 30th Annual General Meeting and being eligible have offered themselves for reappointment to hold office from the conclusion of the 30th Annual General Meeting upto the conclusion of the 31st 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 Schedule 20B Item Nos.12 & 13 in Significant Accounting Policies and Notes on 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 31st March, 2011.

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 12, 2011

Anil Kumar Sethi
Chairman

Management Discussion & Analysis

Economic and Business Overview

India's GDP grew by 8.50% in 2010-11 compared to 7.40% in the preceding fiscal, which is commendable in comparison to other countries. For 2011-12 the growth is pegged at 9.40%.

The Indian construction industry grew by 8.80% in the last fiscal against 6.50% in 2009-10. The construction sector is set to grow at a 35 per cent.

Results of Operations

Income from Operations

During the year under review, the Company has achieved a turnover of Rs. 1219.65 Crores, registering a fall of 13% over last year's turnover of Rs. 1400.31 Crores. During the year, the Company focused on completing old projects and was cautious in obtaining new low margin contracts, which led to reduction in turnover.

Profit before Interest, Depreciation & Tax (PBDIT)

The PBDIT of the Company for the year under review works out to Rs. 133.47 Crores as against Rs. 166.08 Crores in 2009-10. This is mainly due to reduction in turnover and no decrease in Overheads.

Profit After Tax

The Company's operations during the year under review have resulted in a net profit of Rs. 28.83 Crores as against Rs. 51.85 Crores in 2009-10. The decline in net profit is due to decrease in turnover, competitive pricing pressure, volatile commodity prices and also pressure on margin on projects nearing completion.

Direct Cost

The direct cost for the year under review works out to 80.73 % of the turnover as against 80.70% last year.

Overheads

Overheads, comprising salaries and administrative expenses, work out to Rs. 120.62 Crores for the last year under review as against Rs. 115.72 Crores in the previous year.

Interest and Finance Cost

During the year under review, there was a decrease in the Interest and Finance cost from Rs. 99.70 Crores to Rs. 90.84 Crores, mainly on account of decrease in bank charges and better cash management.

Depreciation

Depreciation for the year was Rs. 11.73 Crores as against Rs. 11.09 Crores in the previous year.

Provision for Taxation

The Company provided for net Income Tax of Rs. 2.06 crores during the year.

Dividend

The Board of Directors have recommended a dividend of 25% (previous year 40%) and the total payout works out to Rs 183.25 Lacs (previous year Rs 293.20 Lacs).

Financial Condition

Reserves & Surplus

The Reserves & Surplus of the Company has increased to Rs. 425.54 Crores as on 31st March 2011 from Rs. 398.76 Crores at the end of the previous year.

Loan Funds

Secured loans as on 31st March 2011 stood at Rs. 353.78 Crores as compared to Rs. 259.31 Crores at the end of the previous year. Whereas the Unsecured Loans stood at Rs. 63.75 Crores as against Rs. 131.72 Crores. The total loan funds taken together increased by Rs. 26.50 Crores during the year.

Fixed Assets

The Company's fixed assets (gross block) decreased by Rs 3.25 Crores in 2010-11 to Rs. 148.99 Crores, mainly on account of sale of Wind Electric Generators.

Investments

Total investments as on 31st March 2011 stood at Rs 106.37 Crores as compared to Rs 103.76 Crores at the end of the previous year.

Inventories

Inventories have decreased by Rs. 21.39 Crs. to Rs. 85.03 Crs. as on 31st March, 2011 as compared to Rs. 106.42 Crores at the end of the previous year. The inventories are 7% of the revenues at the end of the financial year representing an Inventory Holding Period of 25 days as compared to 7.60% of the revenues at the end of preceding year representing a Stock Holding Period of 28 days.

Sundry Debtors

Sundry Debtors as on 31st March 2011 stood at Rs 609.87 Crores (including Debtors over six months) as compared to Rs. 456.64 Crores (including Debtors over six months), thereby showing an increase of Rs 153.25 Crores over the previous year. The debtors of the Company are mainly Government Departments/Undertakings and public Sector organizations.

The Debtors are 50% of the revenues of the current year representing an outstanding period of 180 days as compared to 32.61% of the revenues for the previous year representing an outstanding period of 119 days.

Loans and Advances

Loans and Advances increased to Rs 231.76 Crores from Rs 182.44 Crores during the year under review.

Net Worth

The Company's net worth increased from Rs 406.95 Crores to Rs 433.65 Crores 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 decreased from Rs 1194.82 Crores to Rs 1189.87 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 been awarded the following major orders:-

- (i) Rs. 220 Crores from Public Health Engineering Department, Government of Bihar, Patna for execution of 1500 Nos. of Mini Water Supply Schemes for 26 draught affected districts of Bihar.
- (ii) Rs. 457.21 Crores in Joint Venture with M/s. OM Metals Infraprojects Ltd. from the Govt. of Rajasthan for construction of civil, hydro-mechanical & electrical works of Kalisindh Gravity Dam on turnkey basis.
- (iii) Rs. 138.50 Crores in Joint Venture with M/s. SMC Infrastructures Pvt. Ltd. from Goa Water Supply and Sewerage Board for augmentation of Water Supply Systems.
- (iv) Rs. 63.19 Crores from Power Grid Corporation of India Ltd. for construction of substation for transmission systems.

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 31st March, 2011 stood around 1500.

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-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-A continuous top line growth over the last 5 years depicts company's clear vision and mission. 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 statements 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 its 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, Vice Chairman and Managing Director along with the 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 31st March 2011, the Board comprised of 9 Directors, out of which 4 were Independent Directors. In order to meet the stipulated requirements of clause 49 of the Listing Agreements 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 here under:

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 & Executive Director-Chairman | 13 | 2 | - |
| 2. | Mr. Subhash Chand Sethi | Promoter & Executive Director-Vice Chairman & Managing Director | 13 | 1 | - |
| 3. | Mr. Sushil Kumar Sethi | Promoter & Executive Director-Managing Director | 7 | - | - |
| 4. | Mr. Deepak Sethi | Promoter & Non-Executive Director | 13 | 3 | 1 |
| 5. | Mr. R. L. Gaggar | Non-Executive & Independent Director | 10 | 10 | - |
| 6. | Mr. Amalendu Bhattacharjee* | Non-Executive & Independent Director | NA | NA | NA |
| 7. | Mr. Kalidas Mukhopadhyay* | Non-Executive & Independent Director | NA | NA | NA |
| 8. | Mr. Sarthak Behuria** | Non-Executive & Independent Director | - | - | - |
| 9. | Mr. Surinder Singh Kohli** | Non-Executive & Independent Director | 6 | 2 | 2 |
| 10. | Mr. T.S.Shiv Shankar | Non-Executive & Non-Independent Director-Nominee of CITI Group | 1 | - | - |
| 11. | Mr. Amit Kanodia** | Non-Executive & Independent Director | - | - | - |

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

During the year, the Company did not have any material pecuniary relationship or transaction with the Non-executive Directors except Mr. Deepak Sethi who being a Promoter Director and also related to other Promoter Directors, is interested to the extent of his shareholding in the Company.

During the year, the Company did not have any material pecuniary relationship or transaction with the Independent Directors other than payment of fees for attending meetings of the Board and/or its Committee(s).

* Mr. Kalidas Mukhopadhyay resigned w.e.f 08.02.2011 & Mr. Amalendu Bhattacharjee resigned w.e.f 05.02.2011.

**Mr. Sarthak Behuria was appointed as an additional Director w.e.f. 12.08.2010 and Mr. Surinder Singh Kohli and Mr. Amit Kanodia were appointed as additional directors w.e.f 09.02.2011.

Notes:

1. The information provided above pertains to the following committees in accordance with the provisions of clause 49 of the Listing Agreement. (a) Audit Committee, (b) Shareholders'/investors' grievances committee.

2. Membership of committees includes chairmanship, if any.

3. No. of Directorship in other Companies excludes Private Limited Companies,

4. 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

Six (6) Board Meetings were held during the year. The Board Meetings were held on the following dates:

(i) 29.05.2010, (ii) 31.07.2010, (iii) 12.08.2010, (iv) 22.10.2010, (v) 11.11.2010 and (vi) 09.02.2011. The maximum time gap between two meetings was not more than four calendar months.

Last Annual General Meeting was held on 30th September, 2010.

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 | 3 | No |
| 2. | Mr. Subhash Chand Sethi | 3 | No |
| 3. | Mr. Sushil Kr. Sethi | 6 | Yes |
| 4. | Mr. Deepak Sethi | 2 | Yes |
| 5. | Mr. R. L. Gaggar | 3 | No |
| 6. | Mr. Kalidas Mukhopadhyay * | 1 | Yes |
| 7. | Mr. T.S. Shiv Shankar | 4 | No |
| 8. | Mr. Amalendu Bhattacharjee * | 1 | No |
| 9. | Mr. Sarthak Behuria * * | 1 | NA |
| 10. | Mr. Surinder Singh Kohli ** | 1 | NA |
| 11. | Mr. Amit Kanodia ** | 1 | NA |

* Mr. Kalidas Mukhopadhyay resigned w.e.f 08.02.2011 & Mr. Amalendu Bhattacharjee resigned w.e.f 05.02.2011.

** Mr. Sarthak Behuria was appointed as an additional Director w.e.f. 12.08.2010 and Mr. Surinder Singh Kohli and Mr. Amit Kanodia were appointed as additional directors w.e.f 09.02.2011

2. Committees of The Board

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

Composition and Attendance

During the year, the Audit Committee met five times. The Audit Committee Meetings were held on (i) 29.05.2010, (ii) 31.07.2010, (iii) 12.08.2010, (iv) 11.11.2010, and (v) 09.02.2011. Mr. B.N. Choudhary, President - Finance & Secretary acts as Secretary of the Committee.

| Sl. No. | Name of the Director | No. of Meetings attended |
|---------|--|--------------------------|
| 1. | Mr. Kalidas Mukhopadhyay, Chairman (Resigned w.e.f 08.02.2011) | 4 |
| 2. | Mr. A. Bhattacharjee (Resigned w.e.f 05.02.2011) | 4 |
| 3. | Mr. Deepak Sethi | 5 |
| 4. | Mr. Surinder Singh Kohli – Chairman * | 1 |
| 5. | Mr. Sarthak Behuria * | - |

* Mr. Surinder Singh Kohli, Chairman & Mr Sarthak Behuria, Member nominated w.e.f. 09.02.2011.

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 transfers/transmissions 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 Registrars and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services.

Composition and Attendance

During the year ended 31.03.2011, 11 Nos. of Share Transfer Committee meetings were held.

| Sl. No. | Name of the Director | No. of Meetings attended |
|---------|--|--------------------------|
| 1. | Mr. Deepak Sethi – Chairman | 10 |
| 2. | Mr. Anil Kumar Sethi | 10 |
| 3. | Mr. Subhash Chand Sethi | 2 |
| 4. | Mr. Kalidas Mukhopadhyay (Resigned w.e.f 08.02.2011) | |
| 5. | Mr. Sarthak Behuria * | - |

* Nominated w.e.f 09.02.2011

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. | Nil |
| (b) No. of complaints not resolved to the satisfaction of the shareholders. | Nil |
| (c) No. of pending complaints as on 31.03.2011 | Nil |

Mr. B. N. Choudhary, President -Finance & 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. Surinder Singh Kohli, Mr. Amalendu Bhattacharjee (resigned w.e.f 05.02.2011) and Mr. R.L.Gaggar. 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 and performance linked incentives, service contract, notice period, severance fees etc. There was no meeting held during the year under review. Mr. B.N.Choudhary, President - Finance & Secretary acts as Secretary of the Committee.

iv) Compensation Committee

The Committee comprises of Four Directors namely Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi, Mr. Sarthak Behuria & Mr. Surinder Singh Kohli. The Chairman of the Committee is Mr. Sarthak Behuria, a Non-Executive Independent Director. Mr. A. Bhattacharjee resigned w.e.f 05.02.2011. There was no meeting held during the year under review. Mr. B.N. Choudhary, President -Finance & Secretary, acts as Secretary of the Committee.

v) Selection Committee

The Committee comprised of three Directors namely Mr. Sarthak Behuria, Mr. Surinder Singh Kohli and Mr. R.L.Gaggar. Mr. Kalidas Mukhopadhyay resigned w.e.f 08.02.2011 and Mr. A. Bhattacharjee resigned w.e.f 05.02.2011. There was no meeting held during the year under review. Mr. B.N. Choudhary, President-Finance & Secretary, acts as Secretary of the Committee.

vi) Committee for regular Banking Operational Matters

The Committee comprises of four Directors namely Mr. Anil Kumar Sethi, Subhash Chand Sethi, Mr. Sushil Kumar Sethi and Mr. Surinder Singh Kohli 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 * | 2 |
| 2. | Mr. Subhash Chand Sethi | 11 |
| 3. | Mr. Amalendu Bhattacharjee (Resigned w.e.f 05.02.2011) | – |
| 4. | Mr. Anil Kumar Sethi | 9 |
| 5. | Mr. Deepak Sethi (Nomination withdrawn from 09.02.2011) | 4 |

* Nominated on 09.02.2011

3. Remuneration Of Directors

Details of Remuneration paid to the Whole-time Directors for the period from 01.04.2010 to 31.03.2011:

| Name of the Director | Salary (Rs.) | Commission (Rs.) | Perquisites (Rs.) | Contribution to Provident Fund (Rs.) | Terms of Appointment |
|----------------------|--------------|------------------|-------------------|--------------------------------------|-------------------------|
| Mr. Anil Kumar Sethi | 72,00,000 | Nil | 6,86,000 | 1,44,000 | 5 years from 01.04.2006 |
| Mr. Subhash Sethi | 72,00,000 | Nil | 6,18,000 | 1,44,000 | 5 years from 01.01.2010 |
| Mr. Sushil Sethi | 72,00,000 | Nil | 4,03,000 | 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 of the directors.

Details of sitting fees paid to Non-Executive Directors for 2010-11.

| Sl. No. | Director | Board Meeting (Rs.) | Committee Meetings (Rs.) | Total (Rs.) |
|---------|--------------------------|---------------------|--------------------------|-------------|
| 1. | Mr. A. Bhattacharjee | 5,000 | 8,000 | 13,000 |
| 2. | Mr. R. L. Gaggar | 15,000 | - | 15,000 |
| 3. | Mr. Sarthak Behuria | 5,000 | - | 5,000 |
| 4. | Mr. K. Mukhopadhyay | 5,000 | 8,000 | 13,000 |
| 5. | Mr. Surinder Singh Kohli | 5,000 | 2,000 | 7,000 |
| 6. | Mr. Amit Kanodia | 5,000 | - | 5,000 |

NOTE:

The Non-executive Directors are paid remuneration by way of sitting fees of Rs. 5,000/- and Rs. 2,000/- for each meeting attended of the board

a

a Board Committee respectively.

4. Disclosures

i) Equity shares held by Non –Executive Directors

Except Mr. Deepak Sethi who held 582250 equity shares, no other 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 elsewhere 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

- Quarterly results are published in Economic Times (English), 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.
- The Financial results are also displayed on Company’s website at www.spml.co.in.
- 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 |
|-----------|--|--------------------------------|----------|---------------------------|
| 2009-2010 | PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 | 30 th September, 10 | 11-30 AM | No |
| 2008-2009 | PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 | 30 th September, 09 | 11.30 AM | Yes |
| 2007-2008 | PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 | 30 th September, 08 | 11.30 AM | Yes |

Location and the time of Extraordinary General Body Meetings held:

| Year | Venue | Date | Time | Special Resolution passed |
|------|---|-------------------|---------|---------------------------|
| 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,08 | 3.00 PM | Yes |
| 2007 | F-27/2, Okhla Industrial Area, Phase - II, New Delhi- 110 020 | 28th July,07 | 12 Noon | Yes |

The following special resolutions were passed:

A) Annual General Meeting held on 30th 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 Whole time 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(1B) of the Companies Act,1956.
- Special Resolution for Change of name of the Company to “SPML 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) Annual General Meeting held on 30th September,2008

- Approval for appointment of Chief Operating Officer (Corporate Planning) pursuant to the provisions of Section 314(1B) of the Companies Act,1956.

C) Annual General Meeting held on 28th September 2007

- Approval for appointment of Chief Executive Officer pursuant to the provision of Section 314(1B) of the Companies Act,1956.
- Approval for Employees Stock Option Scheme.
- Approval for extension of benefits of the Employees Stock Option Scheme
- Special Resolution for revision in the remuneration payable to Mr. Anil Kumar Sethi, Chairman, Mr. Subhash Chand Sethi, Vice- Chairman & Managing Director and Mr. Sushil Kumar Sethi, Managing Director.
- Approval for incorporation of capital clause contained in the Articles of Association.
- Approval for de-listing of shares from the Calcutta Stock Exchange Association.

D) Extra-Ordinary General Meeting held on 28th July,2007.

- Approval for issue of allotment of Equity shares and Warrants on preferential basis to select investors.

E) Extra – Ordinary General Meeting held on 8th February,2008.

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

F) Postal Ballot dated 31st March,2010.

- Special Resolution for Change of name of the Company to “SPML Infra Limited”.
- Special Resolution for alteration of Memorandum of Association with regard to change in name clause.
- Special Resolution for alteration of Articles of Association with regard to change of name of the Company..

G) Postal Ballot dated 10th 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 postalballot 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 FIIs 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 postalballot 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 postalballot 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.

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

7. Shareholder Information

- (i) 30th Annual General Meeting : 29th September, 2011 at 2.30PM
PHD chamber of Commerce, PHD House,
4/2 Siri 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, 2011 –
Second week of August, 2011
(b) For the Quarter Ending September 30, 2011 –
Second week of November, 2011
(c) For the Quarter Ending December 31, 2011 –
Second week of February, 2012
(d) For the Quarter Ending March 31, 2011 (Audited) –
Fourth week of May, 2012
Annual General Meeting – End of September, 2012
- (iii) Book Closure Date : 28th September to 29th September, 2011, (Both days inclusive)
- (iv) Dividend Payment Date : On or before 28th October 2011.
- (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 2011-2012 has been paid to
the Stock Exchanges.
- 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

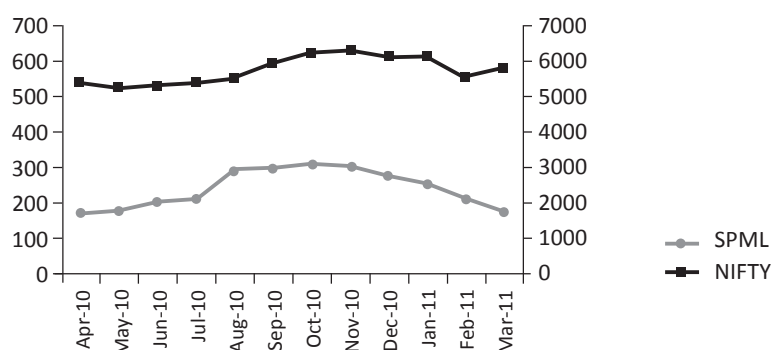
viii) Stock Prices data and performance of Company's share prices vis-à-vis NSE;

a) Share Price data

(Rs. Per share)

| Month | National Stock Exchange | | Bombay Stock Exchange | |
|-----------------|-------------------------|--------|-----------------------|--------|
| | High | Low | High | Low |
| April, 2010 | 166.90 | 158.15 | 166.95 | 143.55 |
| May, 2010 | 174.00 | 158.00 | 173.80 | 154.00 |
| June, 2010 | 199.00 | 148.20 | 197.00 | 141.55 |
| July, 2010 | 208.90 | 187.00 | 207.85 | 187.00 |
| August, 2010 | 290.25 | 187.15 | 261.90 | 192.00 |
| September, 2010 | 298.00 | 252.00 | 286.95 | 242.00 |
| October, 2010 | 308.50 | 280.50 | 308.50 | 279.00 |
| November, 2010 | 296.80 | 226.15 | 300.00 | 225.00 |
| December, 2010 | 274.00 | 177.00 | 273.10 | 190.00 |
| January, 2011 | 253.00 | 181.00 | 249.90 | 185.00 |
| February, 2011 | 209.90 | 143.00 | 198.00 | 156.70 |
| March, 2011 | 174.90 | 150.00 | 186.50 | 151.50 |

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, 2011 Equity Shares of the Company, forming 98.97% of total shareholding stand dematerialized. Company's ISIN No. is 'INE 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, 2011

| Category | No. of Shares held | % shareholding |
|---------------------------------|--------------------|-----------------|
| Promoters | 21460960 | 58.5561 |
| Mutual Funds | 3084196 | 8.4152 |
| Non-resident Indians | NIL | NA |
| Banks & Financial Institutions | 200 | 0.0005 |
| Foreign Institutional Investors | 123992 | 0.3383 |
| Corporate Bodies | 8361332 | 22.8138 |
| Public | 3619596 | 9.8761 |
| Total | 36650276 | 100.0000 |

xiii) Distribution of Shareholding by size as on March 31, 2011

| Shares held | | Shareholders | | Shares | |
|--------------|-------|--------------|--------------------------|-----------------|-----------------|
| From | To | Number | % of Total Share Holders | Number | % of Shares |
| 1 | 500 | 5600 | 87.9121 | 740384 | 2.0201 |
| 501 | 1000 | 340 | 5.3375 | 290633 | 0.7930 |
| 1001 | 2000 | 168 | 2.6374 | 256924 | 0.7010 |
| 2001 | 3000 | 70 | 1.0989 | 183362 | 0.5003 |
| 3001 | 4000 | 26 | 0.4082 | 93903 | 0.2562 |
| 4001 | 5000 | 28 | 0.4396 | 132309 | 0.3610 |
| 5001 | 10000 | 45 | 0.7064 | 351176 | 0.9582 |
| 10001 | Above | 93 | 1.4600 | 34601585 | 94.4102 |
| Total | | 6370 | 100.0000 | 36650276 | 100.0000 |

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 Ltd.
 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 CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors as required by the Listing Agreement.

9. Agreement Regarding Adherence to the Code of Conduct

In accordance with Clause 49 I(D) of the Listing Agreement with the Stock Exchanges, I hereby Confirm that all the Directors and the senior management personnel of the Company have affirmed Compliance with the Code of Conduct for the financial year ended 31st March, 2011.

For **SPML Infra Ltd.**

Anil Kumar Sethi
 Chairman

Date : May 30, 2011

Auditors' Certificate

To
The Members of
SPML Infra Limited

We have examined the compliance of conditions of Corporate Governance by SPML Infra Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 subject to following:

1. *The Company's Board of Directors did not have adequate Independent Directors with effect from February 9, 2011.*
2. *The Company did not appoint any of its Independent Director on the Board of a material non listed Indian subsidiary company.*

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 & Company
Firm Registration No.301003E
Chartered Accountants

Per R. K. Agrawal
Partner
Membership No.16667

Place : New Delhi
Date : May 30, 2011

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

Per S. K. Gupta
Partner
Membership No.82486

Place : New Delhi
Date : May 30, 2011

Auditors' Report

To

**The Members of SPML INFRA LIMITED
(Formerly Subhash Projects And Marketing Limited)**

1. We have audited the attached Balance Sheet of SPML Infra Limited (Formerly Subhash Projects & Marketing Limited) ('the Company') as at March 31, 2011 and also the Profit and Loss Account 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 on Schedule 20B:*
 - (a) *Note No. 8 regarding accounting of share of loss amounting to Rs. 34,633 thousands from 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.23 regarding non provision of tax liability of Rs. 690,764 thousands as on March 31, 2011 (including Rs. 561,400 thousands upto March 31, 2010) 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 which has been admitted as well, 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. 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 networth at the year end.*

Because of the above, Minimum Alternate Tax benefit of Rs. 176,511 thousands (including Rs. 141,622 thousands upto March 31, 2010) has not been considered as credit in the accounts.
 - (c) *Note No.24 regarding the premature termination by a client, of a part of the contract with consequential damages, 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 about its impact, if any, on the profit for the year and the networth of the Company as at the Balance Sheet date.*

The audit report for the year ended March 31, 2010 was also modified for the matters stated in paragraphs (a) and (b) 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, *subject to the impact of the matters in paras 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, 2011,
 - b. in the case of Profit and Loss Account, 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 & Company
Firm Registration No.301003E
Chartered Accountants

Per R. K. Agrawal
Partner
Membership No.16667

Place : New Delhi
Date : May 30, 2011

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

Per S. K. Gupta
Partner
Membership No.82486

Place : New Delhi
Date : May 30, 2011

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

Re: SPML INFRA LIMITED (Formerly Subhash Projects and Marketing 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. 225,803 thousands and the year end balances of loans granted to such parties was Rs. 107,855 thousands.
- (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 four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 344,974 thousands and the year-end balances of the above loans taken from such parties was Rs. 99,483 thousands.
- (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 payment of interest with respect to such loans is stated to have been regular.
- (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, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in 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) The Company has not accepted any deposits from the public within the purview of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.

- (vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion requires to be enlarged to make it 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 wind power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess to the extent applicable, *have not been regularly deposited with the appropriate authorities and there have been significant delays in number of cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, undisputed dues in respect of 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 thousands) | Period to which the amount relates |
|--------------------------------------|--------------------|--------------------------|------------------------------------|
| Sale Tax Act for various States | Works Contract Tax | 15,765 | 2008-09 to 2010-11 |
| Employees' State Insurance Act, 1948 | ESI Deduction | 288 | 2010-11 |
| Finance Act, 1994 | Service Tax | 5,633 | 2010-11 |

- (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 thousands) | Period to which the amount relates | Forum where Dispute is pending |
|--------------------------|---|---------------------------|------------------------------------|--|
| West Bengal CST Act | Non-submission of 'C' Forms | 10,510 | 2005-06 | Deputy Commissioner Appeal (Commercial Taxes), Kolkata |
| | Tax liability determined at full rate pending submission of documents | 75,000 | 2006-07 | Deputy Commissioner Appeal (Commercial Taxes), Kolkata |
| West Bengal Vat Act | Tax liability determined at full rate pending submission of documents | 1,58,950 | 2006-07 | Sen. Joint Commissioner of Commercial Taxes |
| MP General Sales Tax Act | Demand due to entry tax liability | 3,467 | 2004-05 | Joint Commissioner (Appeal), Bhopal |
| Delhi Sales Tax Act | Non-submission of 'C' Forms | 1,704 | 1991-92, 1999-00, 1998-99 | Deputy Commissioner (Commercial Tax) Asst. STO, Delhi |
| Kerala VAT Act | Demand on advances received | 7,134 | 2007-08 | CTO – WC – Ernakulam |
| Andhra Pradesh VAT Act | Demand due to differential rates | 4,229 | 2008-09 | Commercial Tax (Appeal) |
| Income Tax Act, 1961 | Income Tax demand due to disallowance of benefit u/s 80IA | 197,974 | 2007-08 | CIT (Appeals) Poddar Court, Kolkata |
| Central Excise Act, 1944 | Penalty under Rule 26 of the Central Excise Rules, 2002 | 5,264 | 2004-05 to 2005-06 | CESTAT, Mumbai |
| Finance Act, 1994 | Service tax on advance received | 2,313 | 2005-06 to 2006-07 | Commissioner Service Tax, Kolkata |

- (x) *Without considering 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 and explanations given by the management, we are of the opinion that, *the Company, during the year has defaulted in repayment of dues including working capital facilities to certain banks to the extent of Rs. 1055,945 thousands (defaults being for a period of less than 90 days) of which Rs. 1030,120 thousands was paid during the year and the balance Rs 25,825 thousands although overdue as on 31st March 2011, has since been fully paid.* 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 & Company

Firm Registration No.301003E
Chartered Accountants

Per R. K. Agrawal

Partner
Membership No.16667

Place : New Delhi
Date : May 30, 2011

For Sunil Kumar Gupta & Co.

Firm Registration No.003645N
Chartered Accountants

Per S. K. Gupta

Partner
Membership No.82486

Place : New Delhi
Date : May 30, 2011

Balance Sheet as at 31st March 2011

| | Schedule | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|--|----------|----------------------------------|----------------------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS | | | |
| a. Share Capital | 1 | 81,945 | 81,945 |
| b. Reserves & Surplus | 2 | 4,254,549 | 3,987,588 |
| | | 4,336,494 | 4,069,533 |
| LOAN FUNDS | | | |
| a. Secured Loans | 3 | 3,537,812 | 2,593,148 |
| b. Unsecured Loans | 4 | 637,562 | 1,317,169 |
| | | 4,175,374 | 3,910,317 |
| DEFERRED TAX LIABILITY (NET) | | | |
| | | 102,575 | 142,115 |
| TOTAL | | 8,614,443 | 8,121,965 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| a. Gross Block | 5A | 1,489,926 | 1,522,486 |
| b. Less : Accumulated Depreciation/Amortisation | | 574,338 | 599,112 |
| c. Net Block | | 915,588 | 923,374 |
| d. Capital work in progress (including capital advances) | 5B | 165,535 | 178,967 |
| | | 1,081,123 | 1,102,341 |
| INVESTMENTS | | | |
| | 6 | 1,063,694 | 1,037,615 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| a. Inventories | 7 | 850,334 | 1,064,271 |
| b. Sundry Debtors | 8 | 6,098,701 | 4,566,385 |
| c. Cash & Bank Balances | 9 | 656,922 | 665,344 |
| d. Other Current Assets | 10 | 3,048,162 | 3,260,458 |
| e. Loans and Advances | 11 | 2,317,584 | 1,824,416 |
| | | 12,971,703 | 11,380,874 |
| Less: CURRENT LIABILITIES & PROVISIONS | | | |
| a. Current Liabilities | 12 | 6,437,703 | 5,329,196 |
| b. Provisions | | 64,374 | 69,669 |
| | | 6,502,077 | 5,398,865 |
| NET CURRENT ASSETS | | | |
| TOTAL | | 6,469,626 | 5,982,009 |
| TOTAL | | 8,614,443 | 8,121,965 |
| SIGNIFICANT ACCOUNTING POLICIES | 20A | | |
| NOTES TO ACCOUNTS | 20B | | |

Schedules 1 to 12 and 20A & 20B referred to above form an integral part of the Balance Sheet.

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: New Delhi
Dated: May 30, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: New Delhi
Dated: May 30, 2011

As Approved
For and behalf of the Board of Directors
Anil Kumar Sethi
Chairman

Sushil Kr. Sethi
Managing Director

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

Profit & Loss Account for the Year Ended March 31, 2011

| | Schedule | 2010-2011 (Rs. In '000) | 2009-2010 (Rs. In '000) |
|--|----------|----------------------------|----------------------------|
| INCOME | | | |
| Sales and Services | 13 | 12,196,456 | 14,003,150 |
| Other Income | 14 | 198,007 | 134,187 |
| TOTAL | | 12,394,463 | 14,137,337 |
| EXPENDITURE | | | |
| Purchase of Trading Goods | | 635,437 | 542,919 |
| Materials Consumed & Direct Expenses | 15 | 9,016,733 | 10,642,059 |
| Decrease in Work in Progress | 16 | 193,741 | 114,836 |
| Personnel Expenses | 17 | 626,982 | 600,361 |
| Administration, Selling & Other Expenses | 18 | 579,257 | 556,863 |
| Interest & Finance Expenses | 19 | 908,428 | 996,959 |
| Depreciation/Amortisation | | 117,335 | 110,978 |
| TOTAL | | 12,077,913 | 13,564,975 |
| Profit Before Prior Period Items & Tax | | 316,550 | 572,362 |
| Prior Period Items (Net) | | 7,596 | 19,495 |
| PROFIT BEFORE TAXATION | | 308,954 | 552,867 |
| Provision for Taxation | | | |
| Current tax | | | |
| - for the year | | 60,163 | 94,000 |
| - for earlier Years | | - | (20,300) |
| Deferred Tax Credit | | (39,540) | (35,400) |
| Fringe Benefit Tax for Earlier Years | | 1 | (3,956) |
| | | 20,624 | 34,344 |
| Profit after Taxation | | 288,330 | 518,523 |
| Balance Brought Forward From Previous Year | | 1,829,730 | 1,445,397 |
| Profit Available For Appropriation | | 2,118,060 | 1,963,920 |
| APPROPRIATIONS | | | |
| General Reserve | | 50,000 | 100,000 |
| Proposed Dividend | | 18,325 | 29,320 |
| Tax on Dividend | | 3,044 | 4,870 |
| Balance carried to Balance Sheet | | 2,046,691 | 1,829,730 |
| | | 2,118,060 | 1,963,920 |
| Basic and Diluted earning per share (Face Value of Rs 2. each) (Refer Note no. 5 on Schedule 20B) | | 7.87 | 14.15 |
| SIGNIFICANT ACCOUNTING POLICIES | 20A | | |
| NOTES TO ACCOUNTS | 20B | | |

Schedules 13 to 19 and 20A & 20B referred to above form an integral part of the Profit & Loss Account

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: NEW DELHI
Dated: May 30, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: NEW DELHI
Dated: May 30, 2011

As Approved
For and behalf of the Board of Directors
Anil Kumar Sethi
Chairman

Sushil Kr. Sethi
Managing Director

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

Schedules Forming Part of Balance Sheet

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|---|----------------------------------|----------------------------------|
| SCHEDULE 1 : SHARE CAPITAL | | |
| AUTHORIZED | | |
| 200,000,000 Equity Share of Rs. 2/- each | 400,000 | 400,000 |
| 1,000,000 Preference Shares of Rs. 100/- each | 100,000 | 100,000 |
| | <u>500,000</u> | <u>500,000</u> |
| ISSUED, SUBSCRIBED & FULLY PAID-UP | | |
| 36,650,276 (36,650,276) Equity Share of Rs. 2/- each | 73,301 | 73,301 |
| Add : Forfeited Shares (Amount originally paid up) | 8,644 | 8,644 |
| | <u>81,945</u> | <u>81,945</u> |
| SCHEDULE 2 : RESERVES & SURPLUS | | |
| a) CAPITAL RESERVE | | |
| As per Last Account | 88,573 | 88,573 |
| | <u>88,573</u> | <u>88,573</u> |
| b) SECURITIES PREMIUM ACCOUNT | | |
| As per last Account | 1,526,380 | 1,526,380 |
| | <u>1,526,380</u> | <u>1,526,380</u> |
| c) GENERAL RESERVE | | |
| As per last Account | 542,905 | 442,905 |
| Add : Transfer From Profit & Loss Account | 50,000 | 100,000 |
| | <u>592,905</u> | <u>542,905</u> |
| d) PROFIT & LOSS ACCOUNT BALANCE | 2,046,691 | 1,829,730 |
| | <u>4,254,549</u> | <u>3,987,588</u> |
| SCHEDULE 3 : SECURED LOANS | | |
| A) TERM LOANS | | |
| From Scheduled Banks | 1,061,629 | 178,546 |
| (i) Long Term | | |
| Rs. 61,629 thousands (Rs. 157,674 thousands) secured against hypothecation of construction equipments purchased against such loans and personal guarantees of three promoter directors of the Company. | | |
| Rs. 500,000 thousands (Rs. Nil) 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 | | |
| Rs. 500,000 thousands (Rs. Nil) secured against an exclusive charge over the Company's landed property located at Gurgaon. | | |
| Nil (Rs. 20,872 thousands) Secured by exclusive charge over movable fixed assets and current assets (including receivables) of the car parking project being implemented by the Company in Sector 17, Chandigarh and Secured by a Second Pari passu charge over the current assets and movable fixed assets of the Company. | | |
| Of the above Rs 144,963 thousands (Rs 67,500 thousands) are falling due for payment within one year. | | |
| Interest Accrued & due on above | 5,514 | 1,690 |

Contd...

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|---|----------------------------------|----------------------------------|
| (ii) Short Term | | |
| From Banks | 323,445 | 236,379 |
| Secured by hypothecation of stock and book debts of the Company and also by hypothecation of certain specific plant and machinery, furniture/fixtures and office equipments. Further, loans of Rs. 226,000 thousands (Rs. Nil) are also secured by 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. | | |
| (iii) Deferred Payment Credits | | |
| From Banks | 12,302 | 16,344 |
| From Others | 58,658 | 28,697 |
| Secured against hypothecation of Vehicles/ Construction equipments purchased against such loans. Of the above, Rs 34,554 thousands (Rs 27,948 thousands) are falling due for payment within one year | | |
| | 1,461,548 | 461,656 |
| B) OTHER LOANS | | |
| (i) From Banks on Cash Credit Account | | |
| Secured by hypothecation of stock and book debts of the Company, hypothecation of certain specific plant and machinery, furniture/fixtures & office equipments and also secured against the 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. | | |
| | 2,076,264 | 2,131,492 |
| | 2,076,264 | 2,131,492 |
| | 3,537,812 | 2,593,148 |
| SCHEDULE 4 : UNSECURED LOANS | | |
| (i) From Banks (Short Term) | 100,000 | 304,733 |
| Rs. Nil (Rs. 304,733 thousands) Secured by the personal guarantee of three Promoter Directors of the Company | | |
| Interest Accrued and due on above | - | 663 |
| (ii) From Bodies Corporate (Short Term) | 526,122 | 1,011,198 |
| Interest Accrued & Due on above | 11,440 | 575 |
| | 637,562 | 1,317,169 |

SCHEDULE 5A : FIXED ASSETS (Rs in '000)

| Description | Gross Block | | | Depreciation/Amortisation | | | | Net Block | | |
|---|------------------|----------------|--------------------|---------------------------|------------------|----------------|-----------------------------|------------------|------------------|------------------|
| | As at 01.04.2010 | Additions | Sales/ Adjustments | As at 31.03.2011 | As at 01.04.2010 | For the Year | Less: On Sales/ Adjustments | As at 31.03.2011 | As at 31.03.2011 | As at 01.04.2010 |
| TANGIBLES | | | | | | | | | | |
| FREE HOLD LAND | 20,602 | - | 6,088 | 14,514 | - | - | - | - | 14,514 | 20,602 |
| BUILDINGS | 74,196 | 25,340 | - | 99,536 | 8,733 | 1,864 | - | 10,597 | 88,939 | 65,464 |
| TEMPORARY SITE SHEDS & SHUTTERING MATERIALS | 227,979 | 72 | - | 228,051 | 211,531 | 15,124 | - | 226,655 | 1,396 | 16,448 |
| PLANT & MACHINERY | 792,367 | 53,002 | 182,224 | 663,145 | 242,448 | 66,766 | 140,826 | 168,388 | 494,757 | 549,919 |
| FURNITURE & FITTINGS | 164,289 | 5,654 | 431 | 169,512 | 34,342 | 10,628 | 181 | 44,789 | 124,723 | 129,947 |
| VEHICLES | 77,824 | 28,128 | 3,166 | 102,786 | 38,878 | 6,225 | 1,102 | 44,001 | 58,785 | 38,946 |
| SITE/OFFICE EQUIPMENTS | 127,883 | 45,707 | - | 173,590 | 55,851 | 9,103 | - | 64,954 | 108,636 | 72,032 |
| INTANGIBLES | | | | | | | | | | |
| SOFTWARE | 37,346 | 1,446 | - | 38,792 | 7,329 | 7,625 | - | 14,954 | 23,838 | 30,017 |
| TOTAL | 1,522,486 | 159,349 | 191,909 | 1,489,926 | 599,112 | 117,335 | 142,109 | 574,338 | 915,588 | 923,374 |
| PREVIOUS YEAR'S TOTAL | 1,456,786 | 233,265 | 167,565 | 1,522,486 | 619,009 | 110,978 | 130,876 | 599,112 | 923,374 | |

SCHEDULE 5B: CAPITAL WORK IN PROGRESS (INCLUDING CAPITAL ADVANCES) (Rs. in '000)

| Description | As at 01.04.2010 | | Amount capitalised | | As at 31.03.2011 |
|------------------------------------|------------------|---------------|--------------------|------------------|------------------|
| | As at 01.04.2010 | Additions | Additions | As at 31.03.2011 | |
| ADVANCE TOWARDS LAND | 75,267 | - | - | - | 75,267 |
| BUILDING UNDER CONSTRUCTION | 94,708 | 19,728 | 24,748 | 89,688 | 89,688 |
| PLANT & MACHINERY UNDER ERECTION * | 8,992 | 142 | 8,554 | 580 | 580 |
| TOTAL | 178,967 | 19,870 | 33,302 | 165,535 | 165,535 |
| PREVIOUS YEAR'S TOTAL | 195,510 | 41,833 | 58,376 | 178,967 | 178,967 |

* Includes advances against capital goods Rs. 438 thousands (Rs. 7,981) thousands

SCHEDULE 6 : INVESTMENTS

| | No. of Shares/Units/ Debentures | Face Value Per Share/Unit/ Debenture (Rs.) | 31st MARCH 2011 (Rs in "000") | 31st MARCH 2010 (Rs in "000") |
|---|---------------------------------------|--|-------------------------------------|-------------------------------------|
| LONG TERM (AT COST) | | | | |
| (A) Other than Trade | | | | |
| Quoted | | | | |
| (a) Equity Shares (Fully Paid-up) | | | | |
| Arihant Leasing & Holding Limited | 24,000 | 10 | 75 | 75 |
| Indian Acrylics Limited | 100 | 10 | 1 | 1 |
| Petrochem Industries Limited | 500 | 10 | 14 | 14 |
| Best & Crompton Engineering Limited | 200 | 10 | 10 | 10 |
| SPML India Limited | 10,000 | 10 | 150 | 150 |
| Hindustan Engineering & Industries Limited (Bonus Shares) | 4 | 10 | - | - |
| Malanpur Steels Limited | - | 10 | - | 1 |
| | (15) | | | |
| (b) Debentures (Fully Paid-up) | | | | |
| Escorts Tractors Limited | 25 | 1 | 1 | 1 |
| Hindustan Engineering & Industries Limited | 110 | 1 | 6 | 6 |
| | | | 257 | 258 |
| Less Provision for Diminution in Value of investments | | | 256 | 256 |
| Net Quoted Investments | | | 1 | 2 |
| (B) Trade | | | | |
| Unquoted | | | | |
| Equity Shares (Fully Paid-up) | | | | |
| Bharat Hydro Power Corporation Limited (Company under the same management) | 3,294,150 | 10 | 21,185 | 21,185 |
| Pondichery Port Limited | 100 | 10 | 1 | 1 |
| In Associate Company | | | | |
| Doon Valley Waste Management Private Limited (-) | 25,000 | 10 | 250 | - |
| Om Metal - SPML Infraproject Pvt Limited (-) | 4,999 | 10 | 50 | - |
| Insituform Pipelines Rehabilitation Private Limited (7,849,717) | 10,349,700 | 10 | 103,497 | 78,497 |
| | | | 124,983 | 99,683 |
| Equity Shares In Subsidiary Companies (Fully Paid-up) | | | | |
| Neogal Power Co. (P) Limited | 4,201,060 | 1 | 60,482 | 60,482 |
| Awa Power Company (P) Limited | 4,382,810 | 1 | 63,390 | 63,390 |
| Luni Power Company (P) Limited | 3,955,495 | 1 | 56,553 | 56,553 |
| IQU Power Company (P) Limited | 4,261,750 | 1 | 61,453 | 61,453 |
| Subhash Kabini Power Corporation Limited * | 13,586,300 | 10 | 135,863 | 135,863 |
| SPML Industries Limited | 1,243,618 | 10 | 21,182 | 21,182 |
| Binwa Power Company (P) Limited | 2,948,340 | 1 | 43,609 | 43,609 |
| SPML Energy Limited | 99,550,000 | 1 | 99,550 | 99,550 |
| SPML Infrastructure Limited | 524,700 | 1 | 525 | 525 |
| SPML Urban Environ Ltd | 499,700 | 1 | 500 | 500 |
| SPML Utilities Limited (Formerly SPML Water Infra Ltd) | 199,999,700 | 1 | 200,000 | 200,000 |
| SPML Bhiwandi Water Supply Infra Limited | 50,000 | 10 | 500 | 500 |
| SPML Bhiwandi Water Supply Management Limited | 50,000 | 10 | 500 | 500 |
| Mathura Nagar Waste Processing Co., P Ltd | 255,000 | 1 | 255 | 255 |
| Allahabad Waste Processing Co., P Ltd | 255,000 | 1 | 255 | 255 |
| Bhilwara Jaipur Toll Road Private Limited (-) | 5,249 | 10 | 52 | - |
| Delhi Waste Management Limited | 573,750 | 10 | 5,738 | 5,738 |
| | | | 750,407 | 750,355 |

Contd...

| | No. of Shares/Units/ Debentures | Face Value Per Share/Unit/ Debenture (Rs.) | 31st MARCH 2011 (Rs in "000") | 31st MARCH 2010 (Rs in "000") |
|---------------------------------------|---------------------------------------|--|-------------------------------------|-------------------------------------|
| Investment in Joint Ventures | | | | |
| Om Metal Consortium JV | | | 130,024 | 130,024 |
| SPML - Degroment - JV | | | 478 | 1,484 |
| Siddharth- Mahavir- SPML JV | | | 6,551 | 5,494 |
| Subhash Simplex JV | | | 9,951 | 9,274 |
| Instituform - SPML JV | | | 40,296 | 40,296 |
| | | | 187,300 | 186,572 |
| Current Investments | | | | |
| Unquoted | | | | |
| National Saving Certificate | | | 497 | 497 |
| Indira Vikas Patra | | | 6 | 6 |
| Units of PNB Mutual Fund | 50,000 | 10 | 500 | 500 |
| | | | 1,003 | 1,003 |
| Total | | | 1,063,694 | 1,037,615 |
| Aggregate Value of Investments | | | | |
| (I) Quoted (net of provision) | | | 1 | 2 |
| (II) Unquoted | | | 1,063,693 | 1,037,613 |
| Market Value of Quoted Investments | | | 1 | 2 |

* 7,650,000 (13,273,800) 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.

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|--|----------------------------------|----------------------------------|
| SCHEDULE 7 : INVENTORIES | | |
| (Refer Note no. 8 on schedule 20A) | | |
| Stores & Spares | 6,696 | 39 |
| Material at sites | 613,713 | 640,566 |
| Work-in-Progress | 229,925 | 423,666 |
| | 850,334 | 1,064,271 |
| SCHEDULE 8 : SUNDRY DEBTORS | | |
| (Unsecured) | | |
| Debts outstanding for a period exceeding six months | | |
| - Considered Good | 3,307,427 | 2,714,537 |
| - Considered Doubtful | 70,512 | 24,503 |
| | 3,377,939 | 2,739,040 |
| Other Debts-Considered Good | 2,791,274 | 1,851,848 |
| | 6,169,213 | 4,590,888 |
| Less: Provision for Doubtful Debts | 70,512 | 24,503 |
| | 6,098,701 | 4,566,385 |
| (Refer note no. 20 for amount due from Companies under the same management & Note no. 27 on schedule 20B) | | |
| SCHEDULE 9 : CASH & BANK BALANCES | | |
| Cash-on-hand | 45,381 | 27,866 |
| Cheques on Hand | 119 | - |
| Balances with Scheduled Banks on : | | |
| Current Accounts | 82,267 | 42,021 |
| Fixed Deposit Accounts (Receipts lying with banks as security against Letters of Credits and Guarantees issued by them and with clients) | 528,389 | 594,806 |
| Unpaid Dividend Account | 766 | 651 |
| | 656,922 | 665,344 |

Contd...

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|--|----------------------------------|----------------------------------|
| SCHEDULE 10 : OTHER CURRENT ASSETS (Unsecured, Considered Good) | | |
| Unbilled Revenue on Construction Contracts | 2,995,776 | 3,221,066 |
| Accrued interest on Bank Fixed Deposits & Others | 52,386 | 39,392 |
| | 3,048,162 | 3,260,458 |
| SCHEDULE 11 : LOANS AND ADVANCES (Unsecured, Considered good) | | |
| Loans (including Interest) | | |
| - to Subsidiaries | 53,433 | 27,973 |
| - to Others | 262,938 | 164,633 |
| Advances Recoverable in Cash or in Kind or for Value to be received | 483,674 | 404,157 |
| Advance Tax [Net of provisions Rs 375,198 thousands (Rs 315,035 thousands)] | 470,937 | 349,229 |
| Balances with Excise, Customs, Port Trust and other Government Authorities | 39,808 | 44,146 |
| Trade & Other Deposits | 218,782 | 195,315 |
| VAT Input Credit Receivable | 211,101 | 224,941 |
| Advance towards Share Application Money | | |
| (a) Subsidiaries | 552,809 | 369,370 |
| (b) Other Companies | 24,102 | 44,652 |
| | 2,317,584 | 1,824,416 |
| (Refer note no. 20 on Schedule 20B for amount due from Companies under the same management) | | |
| SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS | | |
| CURRENT LIABILITIES | | |
| Acceptances | 1,855,501 | 704,768 |
| Sundry Creditors for Goods, Services, Expenses etc. | | |
| - Dues to Micro and Small Enterprises (Refer Note No. 10 on Schedule 20B) | 5,553 | 14,111 |
| Dues to Other Creditors [including Rs Nil (Rs 16,825 thousands) due to a subsidiary | 2,153,717 | 2,392,894 |
| Advance against sale of Fixed Assets (Refer note no 26 On Schedule 20B) | - | 99,000 |
| Mobilisation advance from Customers [including Rs 715,299 Thousands (Rs 249,411 thousands) due to subsidiaries] | 2,165,437 | 1,799,403 |
| (Partly bearing interest) | - | |
| Other Liabilities | 254,042 | 276,894 |
| Investor Education and Protection Fund (to be deposited as and when due): | | |
| Unpaid Dividend | 766 | 651 |
| Temporary Book Overdraft in Current Accounts with banks | 2,687 | 41,475 |
| | 6,437,703 | 5,329,196 |
| PROVISIONS | | |
| Gratuity | 32,152 | 27,815 |
| Earned Leave | 10,853 | 7,664 |
| Proposed Dividend | 18,325 | 29,320 |
| Tax on Proposed Dividend | 3,044 | 4,870 |
| | 64,374 | 69,669 |
| | 6,502,077 | 5,398,865 |

Schedules Forming Part of the Profit & Loss Account

| | 2010-11 (Rs. In '000) | 2009-2010 (Rs. In '000) |
|--|--------------------------|----------------------------|
| SCHEDULE 13: SALES & SERVICES | | |
| - Construction Contracts | 11,408,258 | 13,295,904 |
| - Trading | 653,272 | 546,728 |
| - Power Generation | 13,927 | 16,317 |
| Operation & Maintenance | 120,999 | 144,201 |
| | <u>12,196,456</u> | <u>14,003,150</u> |
| SCHEDULE 14: OTHER INCOME | | |
| Dividend Received on Long Term Investments (Trade) | - | 574 |
| Interest received on loans, deposits, etc. (Gross) | 54,352 | 67,396 |
| [Tax Deducted At Source Rs 5,435 thousands (Rs 7.392 thousands)] | | |
| Company's share in profit of Joint Ventures | - | 14,534 |
| Sundry Balances/Liabilities written back | 35,754 | 2,102 |
| Insurance Claims received | 42,603 | 25,758 |
| Profit on Sale of Fixed Assets | 52,942 | - |
| Exchange Difference (Net) | 1,629 | |
| Miscellaneous Receipts | 10,727 | 23,823 |
| | <u>198,007</u> | <u>134,187</u> |
| SCHEDULE 15: MATERIALS CONSUMED & DIRECT EXPENSES | | |
| Materials Consumed | | |
| Opening Stock | 640,566 | 902,037 |
| Add: Purchases | 4,177,244 | 4,067,821 |
| Less : Closing Stock | 613,713 | 640,566 |
| | <u>4,204,097</u> | <u>4,329,292</u> |
| Direct Expenses: | | |
| Stores and Spares Consumed | 25,485 | 13,797 |
| Subcontractor Payments (including Turnkey Contracts) | 4,485,140 | 5,983,623 |
| Drawing & Designing | 3,026 | 36,797 |
| Equipment Hire and Running Charges | 175,349 | 180,710 |
| Other Direct Expenses | 123,636 | 97,840 |
| | <u>4,812,636</u> | <u>6,312,767</u> |
| | <u>9,016,733</u> | <u>10,642,059</u> |
| SCHEDULE 16: DECREASE IN WORK-IN-PROGRESS | | |
| - Opening Work in Progress | 423,666 | 538,502 |
| Less: Closing Work in Progress | 229,925 | 423,666 |
| | <u>193,741</u> | <u>114,836</u> |
| SCHEDULE 17: PERSONNEL EXPENSES | | |
| Salaries, Wages and Allowances | 545,997 | 507,413 |
| Director's Remuneration* | 22,090 | 40,014 |
| Contribution to Provident & Other Funds | 33,089 | 29,439 |
| Gratuity | 6,853 | 8,233 |
| Staff Welfare Expenses | 18,953 | 15,262 |
| | <u>626,982</u> | <u>600,361</u> |
| * Including Directors' Sitting Fees | 58 | 126 |

Contd...

| | 2010-11 (Rs. In '000) | 2009-2010 (Rs. In '000) |
|--|--------------------------|----------------------------|
| SCHEDULE 18: ADMINISTRATION, SELLING & OTHER EXPENSES | | |
| Rent | 63,162 | 80,307 |
| Rates and Taxes | 39,431 | 11,032 |
| Repairs and Maintenance | - | - |
| - Building | 2,978 | 4,596 |
| - Plant & Machinery | 12,922 | 11,627 |
| - Others | 6,676 | 11,229 |
| Insurance | 47,701 | 50,767 |
| Advertisement expenses | 4,929 | 7,131 |
| Professional Charges & Consultancy Fees | 86,563 | 85,447 |
| Vehicle Running Charges | 58,309 | 59,895 |
| Travelling & Conveyance (Including Rs. 7269 Thousands (Rs 5047 thousands) for Directors | 55,754 | 52,366 |
| Communication Expenses | 22,320 | 21,498 |
| Power and Fuel | 20,892 | 17,839 |
| Charity & Donations | 1,598 | 2,701 |
| Auditor's Remuneration | | |
| As Auditors | | |
| - Audit Fee | 3,700 | 3,250 |
| - Limited Review Fee | 3,000 | 2,250 |
| - Tax Audit Fee | 450 | 450 |
| - Out of Pocket Expenses | 348 | 306 |
| In other Capacity | | |
| - Other Services | 375 | 1,000 |
| Selling Expenses | 35,175 | 39,361 |
| Exchange Difference (Net) | - | 8,021 |
| Loss on Sale/Discard of Fixed Assets (net) | - | 3,010 |
| Company's share in Loss of Joint Ventures | 11,084 | - |
| Bad Debts/ Sundry Balances Written Off | 5,834 | 16,036 |
| Provision for doubtful debts | 34,059 | - |
| Miscellaneous Expenses | 61,997 | 66,744 |
| | 579,257 | 556,863 |
| SCHEDULE 19: INTEREST & FINANCE EXPENSES | | |
| Interest on | | |
| - Term Loans | | |
| - Banks | 82,975 | 127,831 |
| - Others | 14,877 | 10,420 |
| - Other Loans, Mobilisation Advances etc | | |
| - Banks | 347,077 | 470,040 |
| - Others | 263,864 | 154,354 |
| | 708,793 | 762,645 |
| Bank Charges | 199,635 | 234,314 |
| | 908,428 | 996,959 |

Schedule forming part of the Statements of Accounts as at and for the year ended 31st March, 2011

SCHEDULE 20:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Significant Accounting Policies

1. 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.

2. Use of estimates

The preparation of financial statements in conformity with 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.

3. Fixed Assets

(a) Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT/ VAT), taxes, incidental expenses, erection/commissioning expenses 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.

4. 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.

5. 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

6. Leases

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

7. 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.

8. Inventories

Raw Materials, components, stores and 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 and spares at wind farms are 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 on the contract are recognized as contract work in progress provided it is probable that they 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.

9. 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 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 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. Dividend from subsidiaries is recognized even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI to the Companies Act, 1956.

10. 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 sundry debtors 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.

11. 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 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.

12. Retirement and other employee benefits

Employee benefits in the form of Provident Fund being a defined contribution scheme are charged to Profit and Loss Account in the year when the contributions to the funds are due. There are no obligations other than the contribution 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 Account as income or expenses.

13. 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 profit and loss account 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.

14. 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 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.

15. 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.

16. 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 its 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.

17. Cash and Cash Equivalents

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

18. Contingent liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

19. 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.

20. Borrowing Cost

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. All other borrowing cost not eligible for inventorisation/ capitalization are charged to revenue.

B. Notes on accounts

1. Contingent liabilities not provided for in respect of

(Rs in '000)

| | As at 31st March, 2011 | As at 31st March, 2010 |
|--|---------------------------|---------------------------|
| Claims against the Company not acknowledged as debts | 243,964 | 27,156 |
| Claims towards liquidated damages not acknowledged as debts by the Company | 838,919 | 725,199 |
| 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. | | |
| Outstanding bank guarantees and letters of credit (including Rs. 310,439 thousands (Rs. 437,589 thousands) for joint ventures) | 11,898,716 | 11,948,213 |
| Disputed demands | | |
| (a) Income Tax | 197,974 | 34,348 |
| (b) Excise/ Service Tax | 7,577 | - |
| (c) Sales Tax/ VAT | 260,994 | 260,994 |
| Corporate guarantees given for Subsidiaries and other body corporate*. | 2,706,900 | 2,817,300 |

* Includes Rs. 90,000 thousands (Rs. 90,000 thousands) in relation to which the original title deeds of the property situated at 8/2, ulsoor Road, Bangalore are lying with Guahati High Court as security on behalf of Bharat Hydro Corporation Limited.

2.

(Rs in '000)

| | 2010-11 | 2009-10 |
|--|---------|---------|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances] | 567,827 | 579,176 |

3. 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 rent.

The amount of rent expenses included in Profit and Loss Account towards operating Leases aggregate to Rs. 63,162 thousands (Rs. 80,307 thousands).

4. In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs. 39,540 thousands (DTA of Rs. 35,400) has been recognized in the accounts up to 31st March 2011 and consequently the net Deferred Tax Liabilities (DTL) as at March 31, 2011 stands at Rs. 102,575 thousands (Rs. 142,115 thousands).

The break-up of DTL is as follows:

(Rs in '000)

| Particulars | As at 31st March, 2011 | As at 31st March, 2010 |
|---|---------------------------|---------------------------|
| Deferred Tax Liability | | |
| On timing differences of depreciable assets | 76,650 | 75,068 |
| On retentions by the customers | 57,325 | 121,378 |
| Deferred Tax Assets | | |
| Expenses allowable against taxable income in future years | 31,400 | 54,331 |
| Deferred Tax Liability (Net) | 102,575 | 142,115 |

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

| | 2010-2011 | 2009-2010 |
|--|------------|------------|
| Profit after tax (Rs. '000) | 288,330 | 518,523 |
| 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.) | 7.87 | 14.15 |

6. 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 '000)

| | CONSTRUCTION | | WIND POWER | | TRADING | | TOTAL | |
|---|--------------|-------------|------------|----------|---------|---------|------------|-------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| | | | | | | | | |
| (a) Revenue | | | | | | | | |
| External sales | 11,529,257 | 1,34,40,105 | 13,927 | 16,317 | 653,272 | 546,728 | 12,196,456 | 1,40,03,150 |
| Inter Segment Sales | 11,529,257 | 1,34,40,105 | 13,927 | 16,317 | 653,272 | 546,728 | 12,196,456 | 1,40,03,150 |
| Total Revenue | | | | | | | | |
| (b) Results | | | | | | | | |
| Segment Results | 1,110,452 | 1,516,927 | 53,684 | (11,900) | 17,835 | 3,333 | 1,181,971 | 1,508,360 |
| Unallocated expenses (Net of unallocated income) | | | | | | | 18,941 | 25,930 |
| Operating Profit | | | | | | | 1,163,030 | 1,482,430 |
| Interest & Finance Expenses (Net of Interest Income) | | | | | | | 854,076 | 929,563 |
| Profit before tax | | | | | | | 308,954 | 552,867 |
| Provision for Taxation (Current Tax, Deferred Tax, and adjustments on account of Previous years) | | | | | | | 20,624 | 34,344 |
| Profit after tax | | | | | | | 288,330 | 518,523 |
| OTHER INFORMATION | | | | | | | | |
| (a) Total Assets | | | | | | | | |
| Segment Assets | 12,058,920 | 10,788,493 | 16,912 | 81,116 | 32,000 | 22,902 | 12,107,832 | 10,892,511 |
| Unallocated Corporate/other Assets | | | | | | | 3,008,688 | 2,628,319 |
| Total | | | | | | | 15,116,520 | 13,520,830 |
| (b) Total Liabilities | | | | | | | | |
| Segment Liabilities | 4,037,644 | 3,357,243 | 897 | 102,441 | 22,687 | 15,044 | 4,061,228 | 3,474,728 |
| Unallocated Corporate/other Liabilities | | | | | | | 6,718,798 | 5,976,569 |
| Total | | | | | | | 10,780,026 | 9,451,297 |
| (c) Capital Expenditure | | | | | | | 145,918 | 216,722 |
| (d) Depreciation/Amortisation | | | | | | | 117,335 | 110,978 |
| (e) Non cash expenses other than depreciation included in segment expenses for arriving at Segment Results | | | | | | | 39,892 | 11,208 |

7. Related Parties

| (a) Particulars of related parties where control exists | |
|--|---|
| Subsidiary Companies | <p>Subhash Kabini Power Corporation Limited SPML Industries Limited SPML Energy Limited SPML Technologies Ltd (ceased to be a subsidiary company w.e.f. 01.01.2011) SPML Infrastructure Limited SPM Holdings Pte. Ltd. Binwa Power Corporation (P) Limited Awa Power Company (P) Limited IQU Power Company (P) Limited Neogal Power Company (P) Limited. Luni Power Company (P) Limited Tons Valley Power Company (P) Limited Rupin Tons Power Company (P) Limited Uttarkashi Tons Hydro Power (P) Limited Delhi Waste Management Limited Madurai Municipal Waste Processing Co. (P) Ltd. SPML Urban Enviro Ltd. SPML Utilities Ltd. SPML Bhiwandi Water Supply Infra Ltd. SPML Bhiwandi Water Supply Management Ltd. Allahabad Waste Processing Co. Pvt. Ltd. Mathura Nagar Waste Processing Co. Pvt. Ltd. Bhilwara Jaipur Toll Road Private Limited (w.e.f 01.04.2010) PT Sanmati Natural Resources (w.e.f 26.11.2010)</p> |
| (b) Other Related Parties with whom transactions have taken place during the year | |
| Associate companies | <p>Pondicherry Port Limited HYDRO Comp Enterprises (India) Limited OM Metal SPML Infra Projects Pvt. Ltd. (w.ef 10.05.2010) Insituform Pipeline Rehabilitation (P) Ltd. (IPRPL) Doon Valley Waster Management Private Limited (w.e.f 15.02.2011)</p> |
| Joint Ventures | <p>SPML – CISC JV SPML – Simplex JV SPML JV - Insituform SPML – HCIL JV Om Metal Consortium SPML – Degroment JV SiddharthMahavir SPML JV KBL – SPML JV (w.e,f 1.04.2010)</p> |
| Key Management Personnel (KMP) | <p>Mr. Anil Kumar Sethi – Chairman, Mr. Subhash Chand Sethi – Vice Chairman and Managing Director Mr. Sushil Kumar Sethi – Managing Director, Mr. Deepak Sethi – Director</p> |

Contd...

| Relatives of Key Management Personnel | |
|---|---|
| Mr. P. C. Sethi | Father of Chairman, Vice Chariman and Managing Director |
| Mrs. Maina Devi Sethi | Mother of Chairman, Vice Chariman and Managing Director |
| Mrs. Preeti Devi Sethi | Wife of Chairman |
| Mrs. SumanSethi | Wife of Vice Chairman and Managing Director |
| Mr. HarshavardhanSethi | Son of Vice Chairman and Managing Director |
| Mr. AbhinandanSethi | Son of Vice Chairman and Managing Director |
| Mrs. Sandhya Rani Sethi | Wife of Managing Director |
| Mr. RishabhSethi | Son of Managing Director |
| Relatives of Key Management Personnel | |
| Enterprises owned or significantly influenced by key management personnel or their relatives | Arihant Leasing and Holdings Ltd. 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. 20 th 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. SPML Reality Ltd. SPML Keerthi Hole Power Co. Ltd. Sonal Agencies Pvt Ltd. Sanmati Homes Ltd. SPML Semitech India Pvt. Ltd. VidyaEdutech Pvt. Ltd. SPML Technologies Ltd (w.e.f. 01.01.2011) SPML Industrial Park (Tamilnadu) Limited Sushil Kumar Sethi (HUF) Poonam Chand Sethi (HUF) Subhash Chand Sethi (HUF) Anil Kumar Sethi (HUF) |

Schedule forming part of the Statements of Accounts as at and for the year ended 31st March, 2011

Related party disclosure:

(c) Aggregated Related Party Disclosures as at and for the year ended 31st March 2011

(Rs in '000)

| | Subsidiaries | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management personnel or their relatives | Total |
|-------------------------------------|------------------------------------|----------------------------------|----------------------------|--------------------------------|--------------------------------|--|------------------------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Sale of Goods & services | | | | | | | |
| SPML HCIL JV | - (-) | 312,684 (373,443) | - (-) | - (-) | - (-) | - (-) | 312,684 (373,443) |
| Others | 167,525 (128,808) | - (521) | - (3,975) | - (-) | - (-) | - (9,450) | 167,525 (142,754) |
| - Total | 167,525 (128,808) | 312,684 373,964 | - (3,975) | - (-) | - (-) | - (9,450) | 480,209 (516,197) |
| Dividend Paid | | | | | | | |
| Zoom Industrial Services Ltd. | - (-) | - (-) | - (-) | - (-) | - (-) | 2,459 (3,688) | 2,459 (3,688) |
| SPML India Ltd. | - (-) | - (-) | - (-) | - (-) | - (-) | 1,869 (2,803) | 1,869 (2,803) |
| Others | - (1) | - (-) | - (-) | 4,066 (6,099) | 3,093 (4,638) | 5,684 (8,524) | 12,843 (19,262) |
| - Total | (1) | (1) | (-) | 4,066 (6,099) | 3,093 (4,638) | 10,012 (15,015) | 17,171 (25,753) |
| Dividend Received | | | | | | | |
| Delhi Waste Management Ltd. | - (574) | - (-) | - (-) | - (-) | - (-) | - (-) | - (574) |
| - Total | (574) | (-) | (-) | (-) | (-) | (-) | (574) |

(Rs in '000)

Contd...

| | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management Personnel (KMP) | | Relatives of KMP | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|--|--------------------|---------------|--------------------|------------|---------------------|------------|--------------------------------|------------|--------------------|------------|--|------------|--------------------|------------------|
| | Transactions Value | Value | Transactions Value | Value | Transactions Value | Value | Transactions Value | Value | Transactions Value | Value | Transactions Value | Value | Transactions Value | Value |
| Purchase of Goods & Services | | | | | | | | | | | | | | |
| IPRPL | - | 47,769 | - | - | - | - | - | - | - | - | - | - | - | 47,769 |
| SPML Industries Ltd | (-) | (45,752) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (45,752) |
| | 6,843 | - | - | - | - | - | - | - | - | - | - | - | - | 6,843 |
| SPML Technologies Limited | (21,527) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (21,527) |
| | 79,994 | - | - | - | - | - | - | - | - | - | - | - | - | 79,994 |
| Delhi Waste Management Ltd. | (64,192) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (64,192) |
| | (1,366) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1,366) |
| - Total | 86,837 | 47,769 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 134,606 |
| (87,085) | (45,752) | | | | | | | | | | | | | (132,837) |
| Interest Income | | | | | | | | | | | | | | |
| Subhash Power Co. Ltd. | - | - | - | - | - | - | - | - | - | - | - | - | - | 927 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (958) |
| Subhash Kabini Power Corporation Limited | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | (1,969) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1,969) |
| SPML Semitech India Pvt Ltd | - | - | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1,177) |
| - Total | (1,969) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 927 |
| Interest Paid | | | | | | | | | | | | | | |
| International Construction Ltd (Net) | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,145 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (7,350) |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,775 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (5,235) |
| Delhi Waste Management Ltd. | 22,017 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 22,017 |
| | (3,078) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (3,078) |
| Subhash Kabini Power Corporation Limited | 10,768 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 10,768 |
| Others | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | - |
| | - | - | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | - |
| - Total | 32,785 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (213) |
| (3,078) | (-) | | | | | | | | | | | | | 48,705 |
| | | | | | | | | | | | | | | (12,798) |

(Rs in '000)

Contd....

| | Subsidiaries | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management personnel or their relatives | Total |
|--|--------------------|--------------------|---------------------|--------------------------------|--------------------|--|--------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Commission Paid | | | | | | | |
| SPML - HCILJV | - | 2,872 | - | - | - | - | 2,872 |
| | (-) | (3,740) | (-) | (-) | (-) | (-) | (3,740) |
| - Total | - | 2,872 | - | - | - | - | 2,872 |
| | (-) | (3,740) | (-) | (-) | (-) | (-) | (3,740) |
| Supply Advance Taken | | | | | | | |
| Neogal Power Company P Ltd | - | - | - | - | - | - | - |
| Luni Power Company P Ltd | (33,382) | (-) | (-) | (-) | (-) | (-) | (33,382) |
| | - | - | - | - | - | - | - |
| Luni Power Company P Ltd | (64,922) | (-) | (-) | (-) | (-) | (-) | (64,922) |
| | - | - | - | - | - | - | - |
| Iqu Power Company P Ltd | (49,390) | (-) | (-) | (-) | (-) | (-) | (49,390) |
| | - | - | - | - | - | - | - |
| - Total | - | - | - | - | - | - | - |
| | (147,694) | - | - | - | - | - | (147,694) |
| Rent Paid | | | | | | | |
| SPML Keerthi Hole Power Co Ltd | - | - | - | - | - | 18,647 | 18,647 |
| | (-) | (-) | (-) | (-) | (-) | (23,937) | (23,937) |
| | - | - | - | - | 4,025 | - | 4,025 |
| Mr. Harshvardhan Sethi | (-) | (-) | (-) | (-) | (244) | (-) | (244) |
| | - | - | - | - | 4,025 | - | 4,025 |
| Mr. Abhinandan Sethi | (-) | (-) | (-) | (-) | (186) | (-) | (186) |
| | - | - | - | 1,560 | 1,426 | 1,372 | 4,358 |
| Others | (-) | (-) | (-) | (6,155) | (8,018) | (5,043) | (19,216) |
| | - | - | - | 1,560 | 9,476 | 20,019 | 31,055 |
| - Total | - | - | - | (6,155) | (8,448) | (28,980) | (43,583) |
| Sale of Investments | | | | | | | |
| SPML Technologies ltd | - | - | - | - | - | - | - |
| | (39,900) | (-) | (-) | (-) | (-) | (-) | (39,900) |
| | - | - | - | - | - | - | - |
| Madurai Municipal Waste Processing Co. (P) Ltd | (100) | (-) | (-) | (-) | (-) | (-) | (100) |
| | - | - | - | - | - | - | - |
| - Total | - | - | - | - | - | - | - |
| | (40,000) | (-) | (-) | (-) | (-) | (-) | (40,000) |

(Rs in '000)

Contd...

| | Subsidiaries | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management personnel or their relatives | Total |
|--------------------------------|--------------------|--------------------|---------------------|--------------------------------|--------------------|--|--------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Purchase of Investments | | | | | | | |
| IPRPL | - | - | 25,000 | - | - | - | 25,000 |
| SPML Utilities Ltd | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Others | (199,500) | (-) | (-) | (-) | (-) | (-) | (199,500) |
| | 102 | - | 250 | - | - | - | 352 |
| | (87,802) | (-) | (1) | (-) | (-) | (-) | (87,803) |
| - Total | 102 | - | 25,250 | - | - | - | 25,352 |
| | (287,302) | (-) | (1) | (-) | (-) | (-) | (287,303) |
| Investments in JV | | | | | | | |
| Insituform SPML JV | - | - | - | - | - | - | - |
| SPML CISC JV | (-) | (22,812) | (-) | (-) | (-) | (-) | (22,812) |
| Om Metal Consortium | - | - | - | - | - | - | - |
| | (-) | (11,735) | (-) | (-) | (-) | (-) | (11,735) |
| SPML Degromont | (-) | (5,600) | (-) | (-) | (-) | (-) | (5,600) |
| | (-) | (1,007) | - | - | - | - | (1,007) |
| Sidharth Mahavir - SPML | (-) | 1,057 | - | - | - | - | 1,057 |
| Subhash Simplex JV | (-) | 678 | - | - | - | - | 678 |
| Others | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| | - | - | - | - | - | - | - |
| | (-) | (67) | (-) | (-) | (-) | (-) | (67) |
| - Total | - | 728 | - | - | - | - | 728 |
| | (-) | (40,214) | (-) | (-) | (-) | (-) | (40,214) |

(Rs in '000)

| Contd... | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management Personnel (KMP) | | Relatives of KMP | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|-----------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | |
| Loans & Advances Taken | | | | | | | | | | | | | | |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | - | - | - | - | - | - | - | 2,000 | 2,000 | 2,000 |
| Delhi Waste Management Ltd. | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (43,650) | (43,650) | (43,650) |
| International constructions Ltd. | 289,000 | - | - | - | - | - | - | - | - | - | - | - | 289,000 | 289,000 |
| Subhash Kabini Power Corporation Limited | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 5,145 | 5,145 | 5,145 |
| Others | 10,115 | - | - | - | - | - | - | - | - | - | - | (253,514) | (253,514) | (253,514) |
| - Total | (107,672) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 10,115 | 10,115 | 10,115 |
| | | | | | | | | | | | | (107,672) | (107,672) | (107,672) |
| | | | | | | | | | | | | 1,000 | 1,000 | 1,000 |
| | | | | | | | | | | | | (10,000) | (10,000) | (10,000) |
| | | | | | | | | | | | | 8,145 | 8,145 | 8,145 |
| | | | | | | | | | | | | (307,164) | (307,164) | (307,164) |
| | | | | | | | | | | | | (-) | (-) | (-) |
| | | | | | | | | | | | | (-) | (-) | (-) |
| Loans & Advances Given | | | | | | | | | | | | | | |
| (Including Share Application Money) | | | | | | | | | | | | | | |
| Mathura Nagar Waste Processing Co. Pvt. Ltd. | 95,000 | - | - | - | - | - | - | - | - | - | - | - | - | 95,000 |
| Allahabad Waste Processing Co. Pvt. Ltd. | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| International Constructions Limited | 75,000 | - | - | - | - | - | - | - | - | - | - | - | - | 75,000 |
| SPML Infrastructure Ltd. | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | - | - | (-) |
| Institufirm-SPML JV (Net) | - | 101,177 | - | - | - | - | - | - | - | - | - | 18,029 | 18,029 | 18,029 |
| Others | 6,388 | (-) | - | - | - | - | - | - | - | - | - | (115,300) | (115,300) | (115,300) |
| - Total | (152,044) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 6,388 | 6,388 | 6,388 |
| | | | | | | | | | | | | (152,044) | (152,044) | (152,044) |
| | | | | | | | | | | | | 101,177 | 101,177 | 101,177 |
| | | | | | | | | | | | | (-) | (-) | (-) |
| | | | | | | | | | | | | 17,314 | 17,314 | 17,314 |
| | | | | | | | | | | | | (13,817) | (13,817) | (13,817) |
| | | | | | | | | | | | | 35,343 | 35,343 | 35,343 |
| | | | | | | | | | | | | (129,117) | (129,117) | (129,117) |
| | | | | | | | | | | | | (-) | (-) | (-) |
| | | | | | | | | | | | | 84,633 | 84,633 | 84,633 |
| | | | | | | | | | | | | (96,560) | (96,560) | (96,560) |
| | | | | | | | | | | | | 380,227 | 380,227 | 380,227 |
| | | | | | | | | | | | | (363,904) | (363,904) | (363,904) |

(Rs in '000)

Contd...

| | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management Personnel (KMP) | | Relatives of KMP | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|--|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | |
| Outstanding Guarantees Given | | | | | | | | | | | | | | |
| SPML Holding Pte Limited Singapore | 1,121,500 | - | - | - | - | - | - | - | - | - | - | - | 1,121,500 | |
| | (1,354,200) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1,354,200) | |
| Others | 1,469,400 | 310,439 | 310,439 | - | - | - | - | - | - | - | 116,000 | 1,895,839 | 1,895,839 | |
| | (1,164,100) | (437,589) | (437,589) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (299,000) | (1,900,689) | (1,900,689) | |
| - Total | 2,590,900 | 310,439 | 310,439 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 116,000 | 3,017,339 | 3,017,339 | |
| | (2,518,300) | (437,589) | (437,589) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (299,000) | (3,254,889) | (3,254,889) | |
| Share in profit/(loss) of JV | | | | | | | | | | | | | | |
| SPML - CISC | - | (27,447) | (27,447) | - | - | - | - | - | - | - | - | - | (27,447) | |
| | (-) | (-11340) | (-11340) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-11340) | |
| SPML - Simplex | - | 679 | 679 | - | - | - | - | - | - | - | - | - | 679 | |
| | (-) | (4,957) | (4,957) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (4,957) | |
| Instituform SPML JV | - | (20,495) | (20,495) | - | - | - | - | - | - | - | - | - | (20,495) | |
| | (-) | (8,805) | (8,805) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (8,805) | |
| Sidharth Mahavir - SPML | - | 250 | 250 | - | - | - | - | - | - | - | - | - | 250 | |
| | (-) | (4,830) | (4,830) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (4,830) | |
| Others | - | 27 | 27 | - | - | - | - | - | - | - | - | - | 27 | |
| | (-) | (90) | (90) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (90) | |
| - Total | (-) | (46,986) | (46,986) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (46,986) | |
| | (-) | (7,342) | (7,342) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (7,342) | |
| Remuneration | | | | | | | | | | | | | | |
| Anil Kumar Sethi | - | - | - | - | - | - | 8,099 | - | - | - | - | - | 8,099 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (13,888) | (-) | (-) | (-) | (-) | (-) | (13,888) | |
| Subhash Chand Sethi | - | - | - | - | - | - | 7,928 | - | - | - | - | - | 7,928 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (14,354) | (-) | (-) | (-) | (-) | (-) | (14,354) | |
| Sushil Kumar Sethi | - | - | - | - | - | - | 7,712 | - | - | - | - | - | 7,712 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (13,416) | (-) | (-) | (-) | (-) | (-) | (13,416) | |
| Rishab Sethi | - | - | - | - | - | - | - | 600 | 600 | 600 | - | - | 600 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (300) | (300) | (300) | (-) | (-) | (300) | |
| - Total | (-) | (-) | (-) | (-) | (-) | (-) | 23,739 | 600 | 600 | 600 | (-) | (-) | 24,339 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (41,658) | (300) | (300) | (300) | (-) | (-) | (41,958) | |

(Rs in '000)

Contd...

| | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management Personnel (KMP) | | Relatives of KMP | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | |
| Balance Outstanding as at the year end - Debit/ Credit | | | | | | | | | | | | | | |
| International Constructions Ltd. | - | - | - | - | - | - | - | - | - | - | - | - | - | 76,617 |
| SPML Infrastructure Ltd | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-103,014) |
| Subhash International (P) Ltd. | 294,985 | - | - | - | - | - | - | - | - | - | - | - | - | 294,985 |
| SPML Energy Ltd | (288,598) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (288,598) |
| SPML - HCIL JV | - | - | - | - | - | - | - | - | - | - | - | - | - | 47,439 |
| IPRPL | 87,273 | - | - | - | - | - | - | - | - | - | - | - | - | (47,906) |
| Madurai Municipal Waste Processing Co. (P) Ltd | (75,084) | - | - | - | - | - | - | - | - | - | - | - | - | 87,273 |
| | - | 44,827 | - | - | - | - | - | - | - | - | - | - | - | (75,084) |
| | - | (-36,202) | - | - | - | - | - | - | - | - | - | - | - | 44,827 |
| | - | - | - | - | - | 10,567 | - | - | - | - | - | - | - | (-36,202) |
| | - | - | - | - | - | (28,975) | - | - | - | - | - | - | - | 10,567 |
| | 43,837 | - | - | - | - | - | - | - | - | - | - | - | - | (28,975) |
| | (27,973) | - | - | - | - | - | - | - | - | - | - | - | - | 43,837 |
| | 30,975 | - | - | - | - | - | - | - | - | - | - | - | - | (27,973) |
| | (-33,382) | - | - | - | - | - | - | - | - | - | - | - | - | 30,975 |
| | 134,815 | - | - | - | - | - | - | - | - | - | - | - | - | (-33,382) |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | 134,815 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,677 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | (-64210) |
| | 181,570 | 146,353 | - | - | - | - | - | - | - | - | - | - | - | 100,853 |
| | (687) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (46) | (46) | (46) | (46) | (46) | (25,193) |
| - Total | 773,455 | 191,180 | 10,567 | 10,567 | 10,567 | 10,567 | (-) | (-) | (46) | (46) | (46) | (46) | (46) | 230,586 |
| | (358,960) | (-36,202) | (28,975) | (28,975) | (28,975) | (28,975) | (-) | (-) | (46) | (46) | (46) | (46) | (46) | (257,654) |

(Rs in '000)

| Contd... | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management Personnel (KMP) | | Relatives of KMP | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|--|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | |
| Balance Outstanding as at the year end - Credit | | | | | | | | | | | | | | |
| Delhi Waste Management Ltd. | 220,834 | - | - | - | - | - | - | - | - | - | - | - | 220,834 | |
| IQU Power Company (P) Ltd. | (91,902) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (91,902) | |
| Binwa Power Company (P) Ltd. | 4,645 | - | - | - | - | - | - | - | - | - | - | - | 4,645 | |
| Luni Power Company (P) Ltd. | (66,552) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (66,552) | |
| Allahabad Waste Processing Co. Pvt. Ltd. (Mobilisation Advance) | 50,268 | - | - | - | - | - | - | - | - | - | - | - | 50,268 | |
| Mathura Nagar Waste Processing Co. Pvt. Ltd. | (62,269) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (62,269) | |
| Subhash Kabini Power Corporation Limited | 24,325 | - | - | - | - | - | - | - | - | - | - | - | 24,325 | |
| Others | (70,689) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (70,689) | |
| - Total | 211,787 | | | | | | | | | | | | 211,787 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | |
| | 203,395 | | | | | | | | | | | | 203,395 | |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | |
| | 97,557 | | | | | | | | | | | | 97,557 | |
| | (107,672) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (107,672) | |
| | 37,885 | - | 15,918 | - | - | - | 13,159 | - | 2,108 | - | - | 25,487 | 94,557 | |
| | (15,157) | (-) | (-) | (-) | (-) | (-) | (13,344) | (-) | (4,344) | (-) | (-) | (30,632) | (63,477) | |
| | 850,696 | - | 15,918 | - | - | 13,159 | (13,344) | - | 2,108 | - | - | 25,487 | 907,368 | |
| | (414,241) | (-) | (-) | (-) | (-) | (13,344) | (13,344) | (-) | (4,344) | (-) | (-) | (30,632) | (462,561) | |

Notes -

(i) Also refer Schedule 3 & 4 as regards loans and other funded facilities personally guaranteed by promoter directors of the company
(ii) Others include cases where the transaction value is less than 10 % of the total Related Party transactions of the same type

8. 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 - Institutorm | 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 Company's share of assets, liabilities, income and expenses in the jointly controlled entities as at and for the year ended 31st March, 2011 is as follows :-

(Rs. in '000)

| Name of the joint venture | Company's share in | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------------|
| | Assets | Liabilities | Income | Expenses | Profit/Loss (-) after tax |
| SPML – CISC** | 30,425 (43,729) | 34,441 (15,114) | 494 (16,079) | 14,877 (20,228) | (27,447)* (-11,340) |
| SPML – Simplex | 11,169 (28,477) | 1,217 (19,204) | 1,012 (1,00,871) | 333 (95,914) | 679 (4,957) |
| SPML – HCIL** | 55,038 (51,650) | 55,049 (51,658) | 104,228 (126,631) | 104,231 (126,638) | 29* (-7) |
| SPML JV –Institutorm** | 512,092 (522,728) | 489,081 (496,471) | 259,352 (456,537) | 256,979 (447,732) | (20,495)* (8805) |
| SPML – Degroment JV** | 517 (1,465) | 17 (52) | - (972) | 2 (875) | -2 (97) |
| Siddharth – Mahavir – SPML JV** | 60,680 (81,204) | 54,130 (75,710) | 12,144 (162,127) | 11,894 (157,297) | 250 (4,830) |
| Om Metal Consortium** | 118,260 (114,124) | 820 (334) | - (-) | - (-) | - (-) |
| KBL – SPML-JV** | 134,534 (-) | 134,534 (-) | 290,892 (-) | 290,892 (-) | - (-) |
| Total | 922,715 (843,377) | 769,289 (658,543) | 668,122 (863,217) | 679,208 (848,684) | (46,986) (7342) |
| Share of Net Assets/ Profit after tax | 153,426 (184,834) | | (46,986) (7,342) | | |

* Include losses pertaining to earlier years and considered as prior period items in the accounts. Refer note no. 22 on schedule 20B

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

Capital Expenditure Commitments and Contingent Liabilities of the Joint Ventures –Rs. NIL (NIL)

9. Managerial remuneration

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

(Rs. in '000)

| | 2010-11 | 2009-10 |
|--------------------------------|---------------|---------------|
| Salary | 21,600 | 22,356 |
| Contribution to provident fund | 432 | 432 |
| Commission (ii) | - | 17,100 |
| Perquisites | 1,707 | 1,770 |
| Total | 23,739 | 41,658 |

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

(ii) The Managing and other whole time directors have waived their commission for the year and hence no provision thereof has been considered.

(b) Computation of net profit under section 349 of the Companies Act, 1956 for calculation of commission payable to directors.

(Rs. in '000)

| | 2010-11 | 2009-10 |
|--|------------------|---------|
| Profit before taxation as per Profit & Loss Accounts | 308,954 | 552,867 |
| Add: Remuneration to Directors | 23,797 | 41,784 |
| Loss/ (Profit) on sale/discard of Fixed Assets | (52,942) | 3,010 |
| Net Profit for the purpose of Director's Commission | 279,809 | 597,661 |
| Directors' remuneration subject to 3% of net profits as calculated above | Refer note above | 17,100 |

10. 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 '000)

| | 2010-11 | 2009-10 |
|--|---------|---------|
| (i) Principal amount remaining unpaid to suppliers at the end of accounting year | 5,553 | 14,111 |
| (ii) Interest due on above | 119 | 224 |
| Total of (i) & (ii) | 5,672 | 14,335 |
| (iii) Amount of interest paid by the Company to the suppliers | Nil | Nil |
| (iv) Amounts paid to the suppliers beyond the respective due date | 9,164 | 12,655 |
| (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 | 335 | 1,004 |
| (vi) Amount of interest accrued and remaining unpaid at the end of accounting year | 4,833 | 4,379 |
| (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 | 454 | 1,228 |

11. The Company has following un-hedged exposures:

| Particulars | Year | Amount (figures in'000) |
|------------------|----------------|----------------------------|
| Import Creditors | March 31, 2011 | Rs. 50,129 |
| | March 31, 2010 | Nil |

12. Derivatives outstanding as at Balance Sheet date

(Rs. in '000)

| Particulars | Currency | Amount in Foreign Currency As at March 31 (figures in'000) | |
|-----------------------------|----------|---|-------|
| | | 2011 | 2010 |
| Forward Contracts (Payable) | USD | 5,000 | 5,000 |
| | EURO | Nil | 880 |

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

13. Additional information pursuant to the provisions of Para 4D of Part II of Schedule VI to the Companies Act, 1956:

| Particulars | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|---|----------------------------|----------------------------|
| Earnings in foreign currency (Accrual basis) | | |
| F.O.B. Value of exports | Nil | Nil |
| Expenditure in foreign currency (Accrual basis) | | |
| Travelling | 3,124 | 2,351 |
| Business Promotion | 742 | 1,132 |
| Interest | 12,671 | 7,420 |
| Total | 16,537 | 10,903 |
| Value of imports calculated on CIF basis | | |
| Materials | 27,230 | 8,417 |
| Capital Goods | - | 58,740 |
| Total | 27,230 | 67,157 |
| Net dividend remitted in foreign exchange | Nil | Nil |

14. Quantitative information in respect of installed capacity, licensed capacity and goods manufactured and sold in relation to wind power

| | 2010-11 | | 2009-10 | |
|--------------------|---------------|----------------|---------------|----------------|
| | Units in '000 | Rs. in '000 | Units in '000 | Rs. in '000 |
| Installed Capacity | 69,730* | Not Applicable | 69,730 | Not Applicable |
| Power generated | 5,064 | Not Applicable | 5,635 | Not Applicable |
| Power sold | 5,064 | 13,927 | 5,635 | 16,317 |

* Wind mills have been sold during the year.

15. According to the Company, construction activity is a service activity and therefore, in terms of para 3(ii)(c) of Part II of Schedule VI to the Companies Act, 1956, the gross income determined from construction activity has been given in the schedule.

16. (a) Imported and indigenous raw materials and components consumed

| | 2010-11 | | 2009-10 | |
|--------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | Percentage of total consumption | Value (Rs. In '000) | Percentage of total consumption | Value (Rs. In '000) |
| Imported | 0.64 | 27,230 | 0.20% | 8,471 |
| Indigenous | 99.36 | 4,176,867 | 99.80% | 4,320,821 |
| Total | 100 | 4,204,097 | 100.00% | 4,329,292 |

(b) Imported and indigenous stores and spares consumed

| | 2010-11 | | 2009-10 | |
|--------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | Percentage of total consumption | Value (Rs. In '000) | Percentage of total consumption | Value (Rs. In '000) |
| Imported | 0.00% | - | 0.00% | - |
| Indigenous | 100.00% | 25,485 | 100.00% | 13,797 |
| Total | 100.00% | 25,485 | 100.00% | 13,797 |

17. Trading Goods

| | 2010-11 | | 2009-10 | |
|-----------------------|---------------|---------------------|---------------|---------------------|
| | Quantity (MT) | Value (Rs. In '000) | Quantity (MT) | Value (Rs. In '000) |
| Steel products | | | | |
| Opening Stock | - | - | - | - |
| Purchases | 19,990.72 | 635,437 | 20,354 | 5,42,919 |
| Sales | 19,990.72 | 653,272 | 20,354 | 5,46,728 |
| Closing stock | - | - | - | - |

18. 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 '000)

| | 2010-11 | 2009-10 |
|--|------------|------------|
| Contract income recognized as revenue during the year | 11,408,258 | 13,295,904 |
| Aggregate amount of costs incurred and recognized profits (less recognized losses) till date | 36,960,418 | 28,527,112 |
| Advances received (unadjusted) | 1,944,558 | 1,799,403 |
| Retention amount | 1,644,857 | 1,626,144 |
| Gross amount due from customers for contract work | 4,508,597 | 4,339,634 |
| Gross amount due to customers for contract work | 350,654 | 138,305 |

19. The Company is in the process of obtaining confirmations with respect to creditors and loans and advances. Adjustments, if any, arising out of such confirmations will be considered in subsequent period.

20. The following amounts are due from subsidiaries, associates and Companies under the same management as on the balance sheet date:

A. Sundry Debtors

(Rs. in '000)

| | 31 March 2011 | | 31 March 2010 | |
|--|---------------------|--|---------------------|--|
| | Balance Outstanding | Maximum Amount Outstanding during the year | Balance Outstanding | Maximum Amount Outstanding during the year |
| Subsidiaries | | | | |
| Luni Power Company (P) Limited | - | 71,291 | - | - |
| Neogal Power Company (P) Limited | 30,975 | 39,166 | - | - |
| Awa Power Company (P) Limited | 58,376 | 58,376 | - | - |
| Allahabad Waste Processing Co. Pvt. Ltd. | 59,815 | 59,815 | - | - |
| Mathura Nagar Waste Processing Co. Pvt. Ltd. | 15,440 | 15,440 | - | - |
| Associate | | | | |
| IPRPL | 4,197 | 4,197 | - | - |

B. Loans & Advances (including advances given towards share application money)*(Rs. in '000)*

| Name | 31 March 2011 | | 31 March 2010 | |
|--|---------------------|--|---------------------|--|
| | Balance Outstanding | Maximum Amount Outstanding during the year | Balance Outstanding | Maximum Amount Outstanding during the year |
| (i) Amount due from subsidiaries/Associates | | | | |
| Subsidiaries | | | | |
| SPML Infrastructure Limited | 294,985 | 294,985 | 288,598 | 288,652 |
| IQU Power Company (P) Limited | - | - | - | 10,446 |
| Luni Power Company (P) Limited | - | - | - | 16,940 |
| SPML Industries Limited | 2,512 | 2,512 | - | 37,283 |
| SubhashKabini Power Corporation Limited | - | - | - | 612,023 |
| Awa Power Company (P) Ltd | - | - | - | 7,625 |
| Neogal Power Company (P) Ltd | - | - | - | 18,711 |
| SPML Energy Limited | 87,273 | 87,273 | 75,084 | 75,084 |
| SPML Utilities Limited | 9,194 | 14,463 | 5,288 | 195,499 |
| SPML Technologies Limited (ceased to be a subsidiary w.e.f 1.01.2011) | - | - | - | 2,800 |
| SPML Urban Enviro Limited | 550 | 550 | 400 | 400 |
| Madurai Municipal Waste Processing Co.(P) Ltd. | 43,837 | 43,837 | 27,973 | 27,973 |
| SPML Bhiwandi Water Supply Infra Limited | 401 | 401 | - | - |
| Allahabad Waste Management (P) Limited | 75,000 | 75,000 | - | - |
| Mathura Nagar Waster Management (P) Limited | 95,000 | 95,000 | - | - |
| Associates | | | | |
| IPRPL | 6,370 | 6,370 | 25,000 | 25,000 |
| (ii) Amounts due from companies under the same management | | | | |
| International Construction Limited | 76,617 | 186,446 | 110,790 | 215,671 |
| Abhinandan Enterprises (P) Ltd | - | - | - | 60 |
| Rishabh Commercial (P) Ltd | - | - | - | 195 |
| Bharat Hydro Power Corporation Limited | 5,677 | 11,774 | - | - |
| Sonal Agencies (P) Ltd | - | - | - | 500 |
| Subhash International(P) Ltd | 47,440 | 48,379 | 47,906 | 103,411 |
| Subhash Power Co Ltd | 12,167 | 12,167 | 11,240 | 11,240 |
| Arihant Leasing & Holding Ltd | - | - | 350 | 350 |
| Subhash System Private Limited | 137 | 389 | 137 | 137 |
| SPML Keerthi Hole Power Co. Ltd | - | 4,000 | - | 17,735 |
| SPML Semitech (India) Pvt. Ltd. | 13,396 | 15,416 | 15,316 | 15,316 |
| (iii) Amounts due from officers of the Company Rs. 27 thousands (Rs. 1515 thousands) | | | | |
| Maximum amount outstanding at any time during the year - Rs. 1515 thousands (Rs. 1999 thousands) | | | | |

(C) 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 '000)

| 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 20B (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. 20B (i) and 20B (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. 20B (ii) above | |

21. (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 tables summaries the components of net benefit expenses recognized in the profit & loss account and amounts recognized in the balance sheet:

(Rs. in '000)

| | 2010-11 | 2009-10 |
|---|-----------------------|----------------|
| (i) Net employee benefit expense (recognised in Employee Cost) | | |
| Current service cost | 6,940 | 6,629 |
| Interest cost on benefit obligation | 2,398 | 1,966 |
| Net Actuarial (gains)/losses recognised in the year | (2,485) | (362) |
| Total employer expense recognised in Profit and Loss Account | 6,853 | 8233 |
| (ii) Actual return on plan assets | Not Applicable | Not Applicable |
| (iii) Benefit Asset/(Liability) | | |
| Defined benefit obligation | (32,152) | (27,815) |
| Benefit Asset/(Liability) | (32,152) | (27,815) |
| (iv) Movement in benefit liability | | |
| Opening defined benefit obligation | 27,815 | 21,322 |
| Interest cost | 2,398 | 1,966 |
| Current service cost | 6,940 | 6,629 |
| Benefit paid | (2,516) | (1,740) |
| Actuarial (gains)/losses on obligation | (2,485) | (362) |
| Closing benefit obligation | 32,152 | 27,815 |
| (v) Movement in fair value of plan assets | Not Applicable | Not Applicable |

The Principal actuarial assumptions are as follows:

| | (Rs. in '000) | |
|---|--|--|
| | 2010-11 | 2009-10 |
| 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) | 22.22 | 23.32 |
| Experience Adjustments on Plan Liabilities | Not Available* | Not Available* |

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

(b) Amount incurred as expense for defined contribution plans

| | (Rs. in '000) | |
|--------------------------------|---------------|---------|
| | 2010-11 | 2009-10 |
| Contribution to Provident Fund | 27,536 | 26,626 |

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:

| Description | (Rs. in '000) | | | |
|----------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2011 | March 31, 2010 | March 31, 2009 | March 31, 2008 |
| Defined Benefit Obligation | 32,152 | 27,815 | 21,322 | 10,848 |
| Assets/(Liability) | (32,152) | (27,815) | (21,322) | (10,848) |

The information in respect of defined benefit obligation for the year 2006-07 is not available and hence not furnished

22. Prior period items as included in the Profit & Loss Account comprise of the following:

| | (Rs. in '000) | |
|--|---------------|---------------|
| Particulars | 2010-11 | 2009-10 |
| Debit: | | |
| Share of Loss from Joint Ventures: | | |
| SPML CISC JV* | 13,064 | 7,191 |
| SPML JV Instituform | 22,870 | - |
| Direct Expenses | 13,071 | 20,930 |
| Interest | 2,840 | 457 |
| Others | 2,444 | 238 |
| Total(A) | 54,289 | 28,816 |
| Credit | | |
| Share of Profit from SPML HCIL JV* | 32 | |
| Purchase/Expenses wrongly recorded in earlier years now written back | 46,661 | 9,321 |
| Total (B) | 46,693 | 9,321 |
| Net(A-B) | 7,596 | 19,495 |

* Based on Audited Accounts

23. The Company has claimed 80IA benefits of Rs. 2,442,143 thousands (Rs. 2,052,698 thousands) approx. having tax impact of Rs. 690,764 thousands including Rs. 129,364 thousands for the year, approx. under 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 2007-08 are already completed and the above claims have been fully allowed by the Tax Authorities, but in the tax assessment for the financial year 2008-2009, such claims have been disallowed. However, in-view of the recent amendment in the Finance Act '2010, 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, is ultra vires to the main section of the Act. Pending disposal of the above writ by the High Court, no provision in this regard has been made in the accounts.
24. During the year, one of the clients of the Company has 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.
25. SPML CISC JV, a joint venture entity (JV) has foreclosed its underlying project. The JV has raised several claims against the client and accordingly the Company is confident of recovery of its investment in the JV.
26. The Company has sold its wind power division during the year and a gain of Rs. 53,279 thousands has been accounted thereof as per details given below:

(Rs. in '000)

| Serial No. | Particulars | Land | Wind | Total |
|------------|----------------------------------|--------|--------|--------|
| 1 | Sales Value | 40,918 | 58,082 | 99,000 |
| 2 | Profit | 35,422 | 17,857 | 53,279 |
| 3 | Tax Effect (net of deferred tax) | 5,982 | - | 25,275 |

27. Sundry Debtors include retention deposits as below:

(Rs. in '000)

| Particulars | 2010-11 | 2009-10 |
|--------------------------|------------------|------------------|
| More than six months old | 1,460,038 | 1,388,271 |
| Others | 184,819 | 237,873 |
| Total | 1,644,857 | 1,626,144 |

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

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: New Delhi
Dated: May 30, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: New Delhi
Dated: May 30, 2011

As Approved
For and behalf of the Board of Directors
Anil Kumar Sethi
Chairman

Sushil Kr. Sethi
Managing Director

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

Cash Flow Statement for the Year Ended 31st March, 2011

| | 2010-11 Rs. 000 | 2009-2010 Rs. 000 |
|--|--------------------|----------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before taxation | 308,954 | 552,867 |
| Adjustments for: | | |
| Depreciation/Amortisation | 117,335 | 110,978 |
| Interest Income | (54,352) | (67,396) |
| Sundry Balances written back | (35,754) | (2,102) |
| Bad Debts/ Sundry Balances Written off | 39,893 | 16,036 |
| (Profit)/Loss on sale of Fixed Assets (Net) | (52,942) | 3,010 |
| Dividend Income | - | (574) |
| Interest Expenses | 708,793 | 762,645 |
| | 722,973 | 822,597 |
| Operating Profit before working capital changes | 1,031,927 | 1,375,464 |
| Movement in Working Capital for : | | |
| Decrease in Inventories | 213,937 | 379,343 |
| (Increase)/Decrease in Sundry Debtors | (1,572,209) | 874,834 |
| (Increase)/Decrease in Loans & Advances | 140,484 | (429,940) |
| Increase/(Decrease) in Current Liabilities | 1,252,962 | (1,104,348) |
| Increase in Provisions | 7,526 | 3,310 |
| | 42,700 | (276,801) |
| Cash generated from Operations | 1,074,627 | 1,098,663 |
| Direct Tax Paid (net of refunds) | (181,872) | (272,609) |
| Fringe Benefit Tax Paid | - | (5,106) |
| Net Cash from Operating Activities (A) | 892,755 | 820,948 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (145,918) | (216,722) |
| Proceeds from sale of Fixed Assets | 3,742 | 33,679 |
| Advance towards Share Application Money | (162,889) | (33,914) |
| Loans given/(refunded) to/ from subsidiaries/ others | (123,765) | 531,416 |
| Proceeds from sale of investments | 1 | - |
| Purchase of Investments (Net) | | |
| Subsidiaries | (52) | (247,302) |
| Others | (26,028) | (118,630) |
| Interest Received | 41,358 | 57,086 |
| (Investment)/ Maturity of Bank Fixed Deposits (maturity period more than 90 days) | 66,417 | (51,738) |
| Dividend Received | - | 574 |
| Net cash used in Investing Activities (B) | (347,134) | (45,551) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Loans | 1,250,000 | 29,439 |
| Dividend Paid (including Dividend Tax) | (34,074) | (51,130) |
| Repayment of Long Term Loans | (340,998) | (208,294) |
| Proceeds from Short Term Loans (net) | (657,971) | 118,226 |
| Interest Paid | (704,583) | (835,442) |
| Net cash used in financing Activities (C) | (487,626) | (947,201) |

Contd...

| | 2010-11 Rs. 000 | 2009-2010 Rs. 000 |
|--|--------------------|----------------------|
| Net Increase/(decrease) in cash & cash equivalents (A+B+C) | 57,995 | (171,804) |
| Cash & Cash equivalents at the beginning of the year | 70,538 | 242,342 |
| Cash & Cash equivalents at the end of the year | 128,533 | 70,538 |
| Components of Cash & Cash Equivalents * | | |
| Cash-on-hand | 45,381 | 27,866 |
| Cheques on Hand | 119 | - |
| Balances with Scheduled Banks on : | | |
| Current Accounts | 82,267 | 42,021 |
| Unpaid Dividend Account | 766 | 651 |
| | 128,533 | 70,538 |
| Details of Restricted Cash | | |
| Unpaid Dividend Account | 766 | 651 |
| * Excluding fixed deposits with banks having maturity of more than three month | 528,389 | 594,806 |

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: New Delhi
Dated: May 30, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: New Delhi
Dated: May 30, 2011

As Approved
For and behalf of the Board of Directors
Anil Kumar Sethi
Chairman

Sushil Kr. Sethi
Managing Director

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

Balance Sheet Abstract and a Company's General Business Profile

I. Registration Details

Registration No. State Code
 Balance Sheet Date
 Date Month Year

II. Capital raised during the year (Amount in Thousand)

Public Right Issue
 Bonus Issue
 Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Thousand)

| | |
|---|--|
| Total Liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="3"/> | Total Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="3"/> |
| SOURCES OF FUNDS | |
| Paid-up Share Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="5"/> | Reserve & Surplus <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="9"/> |
| Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="2"/> | Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="2"/> |
| Deferred Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/> | |
| APPLICATION OF FUNDS | |
| Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> | Investment <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="4"/> |
| Net Current Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="6"/> | Miscellaneous Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/> |

IV. Performance of Company

| | |
|--|---|
| Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="6"/> | Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/> |
| Profit/Loss Before Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="4"/> | Profit/Loss After Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/> |
| Earning per share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="7"/> | Dividend Rate (%) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> |

V. Generic Names of three principle Product/Services of Company (as per monetary terms)

Item Code No.
 Product Description "Engineering General Procurement,
 Construction & Wind Power Generation"

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

| 1 | Name of the Subsidiary Company | Awa Power Co. Pvt. Ltd. | Iqu Power Co. Pvt. Ltd. | Luni Power Co. Pvt. Ltd. | Neogal Power Co. Pvt. Ltd. | Binwa Power Co. Pvt. Ltd. | SPML Energy Ltd. | Tons Valley Power Co. Pvt. Ltd. |
|---|--|--|--|--|--|---|---|--|
| 2 | Financial Year of the Subsidiary Company | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 |
| 3 | a) Number of Shares held in Subsidiary Company on the above date b) Extent of Holding | 43,82,810 equity shares of Re.1 each | 42,61,750 equity shares of Re.1 each | 39,55,495 equity shares of Re.1 each | 42,01,060 equity shares of Re.1 each | 29,48,340 equity shares of Re.1 each | 9,95,50,000 equity shares of Re.1 each | NIL |
| 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 Years, since it become the Holding company's Subsidiary 2. Dealt with in the Holding Company's Accounts a) For the financial year of the Subsidiary b) for the previous Financial Years, since it become 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 8,593,750 121,406,250 295,006,013 295,006,013 - - (389,020) - (389,020) - | NIL NIL 8,356,250 117,843,750 290,013,253 290,013,253 - - (5,387,118) - (5,387,118) - | NIL NIL 7,756,250 108,843,750 291,752,998 291,752,998 - - (103,460) - (103,460) - | NIL NIL 8,237,500 116,062,500 308,471,151 308,471,151 - - (171,387) - (171,387) - | NIL NIL 5,781,250 79,218,750 85,000,000 85,000,000 - - (193,244) - (193,244) - | NIL NIL 113,800,000 - 113,800,000 113,800,000 - - (11,876,129) (22,000) (11,898,129) - | NIL NIL 1,000,000 - 1,000,000 1,000,000 - - (45,936) - (45,936) - |

Auditors' Report

To

Board of Directors

Spml Infra Limited (Formerly Subhash Projects and Marketing Limited)

1. We have audited the attached Consolidated Balance Sheet of SPML Infra Limited (formerly Subhash Projects and Marketing Limited) ("the Company"), its subsidiaries and joint ventures (the "Group") as at March 31, 2011 and also the Consolidated Profit and Loss Account and 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. 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. 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 on Schedule 20B*
 - (a) *Note No.16 regarding non provision of tax liability by the Company of Rs. 690,764 thousands as on March 31, 2011 (including Rs. 561,400 thousands upto March 31, 2010) 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 which has been admitted as well, 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. 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 Group's profit for the year and networth at the year end.*

Because of the above, Minimum Alternate Tax benefit of Rs. 176,511 thousands (including Rs. 141,622 thousands upto March 31, 2010) has not been considered as credit in the accounts.
 - (b) *Note No.18 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 about its impact, if any, on the profit for the year and the networth of the Group as at the Balance Sheet date.*

The audit report for the year ended March 31, 2010 was also modified for the matter stated in paragraph (a) above.
4. (a) The financial statements of subsidiaries and joint ventures of the Company, which reflect total assets of Rs. 2,174,740 thousands as at 31st March 2011 and total revenue of Rs. 429,215 thousands and net cash flows (inflow) of Rs. 380,547 thousands 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 audited financial statements of certain subsidiaries and joint ventures as detailed in Note No. 1(l) on Schedule 20A to the consolidated financial statements which reflect total assets, total revenue and net cash outflows of Rs. 2,423,116 thousands, Rs. 710,004 thousands and Rs. 57,667 thousands 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 audited financial statements in respect of the associates as detailed in Note No. 1(l) on schedule 20A, which reflect the Group's net share of profit of Rs. 4,699 thousands for the year ended March 31, 2011, have not been received and these have been incorporated in the accounts on the basis of unaudited financial statements produced to us.*

5. We report that the consolidated financial statements have been prepared by SPML Infra Limited's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" notified pursuant to the Companies (Accounting Standards) Rules 2006, (as amended).
6. 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 and joint ventures, *subject to the impact of the matters specified in Paras 3 and 4 above, the impact of which is currently not ascertainable*, 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:
 - a. in the case of consolidated balance sheet, of the state of affairs of SMPL Infra Limited, its subsidiaries and joint ventures as at 31st March 2011;
 - b. in the case of consolidated profit and loss account, of the profit of SPML Infra Limited, its subsidiaries and joint ventures for the year ended on that date; and
 - c. in the case of consolidated cash flow statement, of the cash flows of SPML Infra Limited, its subsidiaries and joint ventures for the year ended on that date.

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

Per R. K. Agrawal
Partner
Membership No.16667

Place : Gurgaon
Date : August 12, 2011

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

Per S. K. Gupta
Partner
Membership No.82486

Place : Gurgaon
Date : August 12, 2011

Consolidated Balance Sheet as at 31st March, 2011

| | Schedule | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|---|----------|----------------------------------|----------------------------------|
| SOURCES OF FUNDS | | | |
| a. Share Capital | 1 | 81,945 | 81,945 |
| b. Reserves & Surplus | 2 | 4,547,138 | 4,366,079 |
| | | 4,629,083 | 4,448,024 |
| Minority Interest | | 808,943 | 725,425 |
| LOAN FUNDS | | | |
| a. Secured Loans | 3 | 6,664,767 | 5,082,623 |
| b. Unsecured Loans | 4 | 688,477 | 1,340,409 |
| | | 7,353,244 | 6,423,032 |
| DEFERRED TAX LIABILITY (Refer Note No. 4 of Schedule 20B) | | 104,401 | 145,699 |
| TOTAL | | 12,895,671 | 11,742,180 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| | 5A | | |
| a. Gross Block | | 3,499,241 | 3,245,128 |
| b. Less : Accumulated Depreciation/ Amortization | | 1,177,166 | 1,149,656 |
| c. Net Block | | 2,322,075 | 2,095,472 |
| d. Capital work in progress (including capital advances) | 5B | 1,654,542 | 1,609,365 |
| | | 3,976,617 | 3,704,837 |
| INVESTMENTS | 6 | 1,226,703 | 350,690 |
| DEFERRED TAX ASSET (Refer Note No. 4 of Schedule 20B) | | 20,772 | 15,523 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| a. Inventories | 7 | 907,771 | 1,160,050 |
| b. Sundry Debtors | 8 | 6,296,532 | 5,179,541 |
| c. Cash & Bank Balances | 9 | 1,185,594 | 918,120 |
| d. Other Current Assets | 10 | 3,267,666 | 3,482,631 |
| e. Loans and Advances | 11 | 2,853,493 | 2,937,845 |
| | | 14,511,056 | 13,678,187 |
| LESS: CURRENT LIABILITIES & PROVISIONS | 12 | | |
| a. Current Liabilities | | 6,763,998 | 5,911,665 |
| b. Provisions | | 75,479 | 95,392 |
| | | 6,839,477 | 6,007,057 |
| NET CURRENT ASSETS | | 7,671,579 | 7,671,130 |
| TOTAL | | 12,895,671 | 11,742,180 |
| SIGNIFICANT ACCOUNTING POLICIES | 20A | | |
| NOTES TO ACCOUNTS | 20B | | |

Schedules 1 to 12 and 20A & 20B referred to above form an integral part of the Balance Sheet.

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 12, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: Gurgaon
Dated: August 12, 2011

As Approved
For and behalf of the Board of Directors
Subhash Ch. Sethi
Vice-Chairman & Managing Director

Sushil Kr. Sethi
Managing Director

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

Consolidated Profit & Loss Account for the Year Ended 31st March, 2011

| | Schedule | 2010-2011 (Rs. In '000) | 2009-2010 (Rs. In '000) |
|--|----------|----------------------------|----------------------------|
| INCOME | | | |
| Sales & Services | 13 | 13,309,677 | 15,518,368 |
| Other Income | 14 | 223,917 | 136,666 |
| TOTAL | | 13,533,594 | 15,655,034 |
| EXPENDITURE | | | |
| Purchase of Trading Goods | | 635,437 | 542,919 |
| Materials Consumed & Direct Expenses | 15 | 9,715,826 | 11,553,479 |
| Decrease in Work-in-Progress | 16 | 208,138 | 142,629 |
| Personnel Expenses | 17 | 729,819 | 687,948 |
| Administration, Selling & Other Expenses | 18 | 676,796 | 701,414 |
| Interest & Finance Expenses | 19 | 1,040,281 | 1,231,614 |
| Depreciation/ Amortisation | 243,296 | | 247,792 |
| Less: Transfer from Revaluation Reserve | (443) | 242,853 | (443) 247,349 |
| TOTAL | | 13,249,150 | 15,107,352 |
| Profit Before Prior Period Items & Tax | | 284,444 | 547,682 |
| Prior Period Items (Net) | | 8,409 | 22,700 |
| Profit Before Taxation | | 276,035 | 524,982 |
| Provision for Taxation | | | |
| Current tax (Includes proportionate share in Joint Ventures Rs. 3,030 thousands (Rs. 12,675 thousands) For Earlier Years | | 96,702 | 135,512 |
| MAT Credit Entitlement | | (13,665) | (15,855) |
| Deferred Tax Credit (net) | | (45,173) | (38,179) |
| Fringe Benefit Tax (After adjusting Rs. Nil (Rs. 3,956 Thousands) being excess provision for earlier year written back) | | 1 | (3,956) |
| | | 37,865 | 57,222 |
| Profit after Tax but before share of Associates and Minority Interest | | 238,170 | 467,760 |
| Add: Share in Net profit/(loss) of Associates (after adjusting profit of earlier years - Rs 9,086 thousands (Rs. Nil)) | | 4,699 | (21,806) |
| Less: Minority Interest | | (48,223) | 16,435 |
| Net Profit | | 194,646 | 462,389 |
| Profit Brought Forward From Previous Year | | 2,081,881 | 1,753,913 |
| Profit Available For Appropriation | | 2,276,527 | 2,216,302 |
| APPROPRIATIONS | | | |
| General Reserve | | 50,000 | 100,000 |
| Proposed Dividend | | 18,325 | 29,320 |
| Tax on Dividend | | 3,044 | 5,101 |
| Balance carried to Balance Sheet | | 2,205,158 | 2,081,881 |
| | | 2,276,527 | 2,216,302 |
| Basic and diluted earning per share (Face value of Rs. 2 each) (Refer Note No. 5 of Schedule 20 B) | | 5.31 | 12.62 |

Schedules 13 to 20 B referred to above form an integral part of the Profit & Loss Account

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 Ch. Sethi
Vice-Chairman & Managing Director

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 12, 2011

Place: Gurgaon
Dated: August 12, 2011

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

Schedules Forming Part of Consolidated Balance Sheet

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|---|----------------------------------|----------------------------------|
| SCHEDULE 1 : SHARE CAPITAL | | |
| AUTHORIZED | | |
| 200,000,000 Equity Shares of Rs. 2/- each | 400,000 | 400,000 |
| 1,000,000 Preference Shares of Rs.100/- each | 100,000 | 100,000 |
| | 500,000 | 500,000 |
| ISSUED, SUBSCRIBED & FULLY PAID-UP | | |
| 36,650,276 Equity Shares of Rs. 2 each | 73,301 | 73,301 |
| Add : Forfeited Shares (Amount originally paid up) | 8,644 | 8,644 |
| | 81,945 | 81,945 |
| SCHEDULE 2 : RESERVES & SURPLUS | | |
| a) <u>CAPITAL RESERVE</u> | | |
| As per Last Account | 88,573 | 88,573 |
| | 88,573 | 88,573 |
| CAPITAL RESERVE ON CONSOLIDATION | | |
| As per Last Account | 40,886 | 41,317 |
| Less: Adjustment on account of change in ownership interest in a subsidiary (Refer Note no. 24 of Schedule 20B) | (26,695) | (431) |
| | 14,191 | 40,886 |
| | 102,764 | 129,459 |
| b) <u>SECURITIES PREMIUM ACCOUNT</u> | | |
| As per Last Account | 1,526,380 | 1,526,380 |
| | 1,526,380 | 1,526,380 |
| c) <u>GENERAL RESERVE</u> | | |
| As per Last Account | 544,114 | 444,114 |
| Add: Transfer from Profit & Loss Account | 50,000 | 100,000 |
| | 594,114 | 544,114 |
| d) <u>FOREIGN CURRENCY TRANSLATION RESERVE</u> | | |
| As per Last Account | 6,797 | 27,661 |
| Arisen on consolidation during the year (Refer Note No. 1(d) of Schedule 20A) | 38,533 | (20,864) |
| | 45,330 | 6,797 |
| e) <u>REVALUATION RESERVE</u> | | |
| As per Last Account | 77,448 | 77,891 |
| Less: Adjustment towards sale/ disposal of a subsidiary | (3,613) | - |
| Less: Transfer to Profit & Loss Account | (443) | (443) |
| | 73,392 | 77,448 |
| f) <u>PROFIT & LOSS ACCOUNT BALANCE</u> | | |
| | 2,205,158 | 2,081,881 |
| | 2,205,158 | 2,081,881 |
| | 4,547,138 | 4,366,079 |

Contd...

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|---|----------------------------------|----------------------------------|
| SCHEDULE 3: SECURED LOANS | | |
| A. TERM LOANS | | |
| From Scheduled Banks (Refer Note below) | | |
| (i) Long Term | 4,066,212 | 2,545,061 |
| Of the above, Rs. 409,889 thousands (Rs. 246,480 thousands) are falling due for payment within one year | | |
| Interest Accrued & due on above | 8,427 | 1,997 |
| (ii) Short Term | 323,445 | 236,379 |
| Secured by hypothecation of stock and book debts of the Company and also by hypothecation of certain specific plant and machinery, furniture/fixtures and office equipments. Further, loans of Rs. 226,000 thousands (Rs. Nil) are also secured by 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. | | |
| (iii) Deferred Payment Credits | | |
| From Banks | 52,006 | 69,799 |
| From Others | 58,658 | 12,835 |
| Secured against hypothecation of Vehicles/Construction equipments purchased against such loans. Of the above, Rs 52,996 thousands (Rs. 41,832 thousands) are falling due for payment within one year. | | |
| Total | 4,508,748 | 2,866,071 |
| B. OTHER LOANS | | |
| (i) From Banks on Cash Credit Account | 2,147,958 | 2,200,879 |
| Secured by hypothecation of stock and book debts of the Company, hypothecation of certain plant and machinery, furniture & fixtures and office equipments and also secured against the 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. | | |
| | 2,147,958 | 2,200,879 |
| | 6,656,706 | 5,066,950 |
| Add: Proportionate Share in Joint Ventures | 8,061 | 15,673 |
| | 6,664,767 | 5,082,623 |
| Note: | | |
| Details of Securities offered for Term Loans from Scheduled Banks: | | |
| Rs. 61,629 thousands (Rs. 157,673 thousands) secured against hypothecation of construction equipments purchased against such loans and personal guarantees of three promoter directors of the Company. | | |

Contd...

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|---|----------------------------------|----------------------------------|
| Rs. 500,000 thousands (Rs. Nil) secured against an exclusive charge over the Company's landed property located at Gurgaon. | | |
| Rs. 500,000 thousands (Rs. Nil) 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 | | |
| Nil (Rs. 20,872 thousands) Secured by exclusive charge over movable fixed assets and current assets (including receivables) of the car parking project being implemented by the Company in Sector 17, Chandigarh and Secured by a Second Pari passu charge over the current assets and movable fixed assets of the Company. | | |
| - Rs 3,004,583 thousands (Rs. 2,366,516 thousands) secured by First Charge over all the moveable and immovable assets, present & future assignment of all project contracts and a charge on all future receivables as well as guarantees of the promoter directors of the respective subsidiary Companies. | | |
| SCHEDULE 4 : UNSECURED LOANS | | |
| Short Term | | |
| (i) From Banks | 100,000 | 304,733 |
| Rs. Nil (Rs. 304,733 thousands) secured by personal guarantee of three Promoter Directors of the Company) | | |
| Interest accrued and due on above | - | 663 |
| (ii) From Bodies Corporate | 436,818 | 911,202 |
| Interest accrued and due on above | 11,440 | 575 |
| | 548,258 | 1,217,173 |
| Add: Proportionate Share in Joint Ventures | 140,219 | 123,236 |
| | 688,477 | 1,340,409 |

(Rs in '000)

SCHEDULE 5A : FIXED ASSETS

| Description | Gross Block (At Cost) | | | | Depreciation/Amortization | | | | Net Block | |
|---|-----------------------|----------------|-----------------------|---|---------------------------|--------------------|----------------------------------|---|---------------------|---------------------|
| | As at 01.04.2010 | Additions | Sales/ Adjustments | Less: Adjustment On Sale Of A Subsidiary | As at 31.03.2011 | For the year | Less: On Sales/ Adjustment | Less: Adjustment On Sale Of A Subsidiary | As at 31.03.2011 | As at 31.03.2010 |
| TANGIBLES | | | | | | | | | | |
| Free Hold Land | 101,471 | 3,157 | 6,088 | 4,239 | 94,301 (b) | 12 | - | - | 94,289 | 101,471 |
| Buildings | 349,553 | 194,454 | - | 21,876 | 522,131 (b) | 38,015 | - | 11,808 | 415,315 | 268,944 |
| Plant & Machinery | 1,884,976 | 210,134 | 182,264 | 67,822 | 1,845,024 | 141,288 | 140,836 | 50,785 | 1,220,877 | 1,210,496 |
| Furniture & Fixtures | 171,661 | 5,844 | 437 | 587 | 176,481 | 11,454 | 187 | 274 | 128,917 | 135,090 |
| Vehicles | 110,268 | 70,225 | 4,619 | 37 | 175,837 | 14,530 | 1,291 | 30 | 119,768 | 67,408 |
| Site/Office Equipments | 152,080 | 48,509 | 86 | 18,395 | 182,108 | 11,970 | 21 | 10,366 | 112,372 | 83,927 |
| Temporary site sheds & shuttering materials | 227,982 | 72 | - | - | 228,054 | 15,124 | - | - | 226,655 | 16,451 |
| INTANGIBLES | | | | | | | | | | |
| Software | 37,391 | 1,446 | - | - | 38,837 | 7,625 | - | - | 23,856 | 30,035 |
| Goodwill on consolidation | 105,391 | 33,003 | - | - | 138,394 | - | - | - | 138,394 | 105,391 |
| Add: Proportionate Share in Joint Ventures | 104,355 | - | 6,281 | - | 98,074 | 5,187 | 2,097 | - | 31,186 | 76,259 |
| TOTAL | 3,245,128 | 566,844 | 199,775 | 112,956 | 3,499,241 | 245,205 (a) | 144,432 | 73,263 | 2,322,075 | 2,095,472 |
| PREVIOUS YEAR'S TOTAL | 3,052,814 | 385,853 | 193,539 | - | 3,245,128 | 248,611 | 137,346 | - | 1,149,656 | 2,095,472 |

Note:

(a) Includes Rs. 1,909 thousands (Rs. 819 thousands) charged to Capital Work in Progress during the year

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

SCHEDULE 5B : CAPITAL WORK IN PROGRESS (INCLUDING CAPITAL ADVANCES)

(Rs in '000)

| Description | As at 01.04.2010 | Additions | | Deletions | | Less: Adjustment On Sale Of A Subsidiary | As at 31.03.2011 |
|---|---------------------|----------------|-----|----------------|-----|---|---------------------|
| Advance towards Land | 75,267 | 3,157 | | 3,157 | | - | 75,267 |
| Buildings Under Construction | 797,886 | 169,811 | (b) | 172,937 | | 2,166 | 792,594 |
| Plant & Machinery Under Erection (a) | 410,727 | 80,823 | | 126,672 | | - | 364,878 |
| TOTAL | 1,283,880 | 253,791 | | 302,766 | - | 2,166 | 1,232,739 |
| Project Development Expenditure (Refer Note No. 22 of Schedule 20B) | 211,804 | 163,143 | | 71,211 | | - | 303,736 |
| Add: Proportionate Share in Joint Venture | 113,681 | 4,386 | | - | | - | 118,067 |
| TOTAL | 1,609,365 | 421,320 | | 373,977 | (c) | 2,166 | 1,654,542 |
| PREVIOUS YEAR'S TOTAL | 1,224,962 | 450,036 | | 65,633 | | - | 1,609,365 |

Notes:

a) Includes advances against capital goods Rs. 438 (Rs. 22,955) thousands

b) After adjusting capital subsidy of Rs. 255,714 (Rs. 149,659) thousands

c) Includes Rs. 355,294 (Rs. 65,633) transferred to fixed assets during the year. (Refer Note No. 21(a) & (b) on Schedule 20B)

SCHEDULE 6 : INVESTMENTS

| | No. of Shares/Units/ Debentures | Face Value Per Share/Unit/ Debenture (Rs.) | 31st MARCH 2011 (Rs in "000") | 31st MARCH 2010 (Rs in "000") |
|---|---------------------------------------|--|-------------------------------------|-------------------------------------|
| LONG TERM (AT COST) | | | | |
| (A) Other than Trade | | | | |
| Quoted | | | | |
| (a) Equity Shares (Fully Paid - up) | | | | |
| Arihant Leasing & Holding Limited | 24,000 | 10 | 75 | 75 |
| Indian Arcylics Limited | 100 | 10 | 1 | 1 |
| Petrochem Industries Limited | 500 | 10 | 14 | 14 |
| Best & Crompton Engineering Limited | 200 | 10 | 10 | 10 |
| SPML India Limited | 10,000 | 10 | 150 | 150 |
| Malanpur Steels Limited | - | 10 | - | 1 |
| | (15) | | | |
| Hindustan Engineering & Industries Limited (Bonus Shares) | 4 | 10 | - | - |
| (b) Debentures (Fully Paid - up) | | | | |
| Escorts Tractors Limited | 25 | | 1 | 1 |
| Hindustan Engineering & Industries Limited | 110 | | 6 | 6 |
| | | | 257 | 258 |
| Less: Provision for diminution in value of investments | | | 256 | 256 |
| Net Quoted Investments | | | 1 | 2 |
| (B) Trade | | | | |
| Unquoted | | | | |
| Equity Shares (Fully paid up) | | | | |
| Associate Companies | | | | |
| Pondichery Port Limited | 24,996 | 10 | 250 | 250 |
| Less : Share in losses of the Associate Company | | | (250) | (250) |
| | | | - | - |
| HYDRO Comp Enterprises (India) Limited (Includes Rs. 1,087 thousands towards Goodwill) | 2,296,265 | 1 | 2,296 | 2,296 |
| Less : Share in losses of the Associate Company | | | (2,296) | (1,847) |
| | | | - | 449 |
| Sanmati Infra Developers Private Limited (Includes Rs. 16 thousands towards Goodwill) | 500,000 | 10 | 5,000 | 5,000 |
| Less : Share in losses of the Associate Company | | | (2,595) | (2,354) |
| | | | 2,405 | 2,646 |
| P T Vardhaman Mining Services (Includes Rs. 4,507 thousands towards Goodwill) | 457 | USD 1 | 23,259 | 23,259 |
| Less : Share in losses of the Associate Company | | | (16,627) | (10,294) |
| | | | 6,632 | 12,965 |
| PT Vardhman Logistics (Includes Rs. 1,013 thousands towards Goodwill) | 137,500 (130,000) | USD 1 | 6,978 | 6,624 |
| Less : Share in losses of the Associate Company | | | (675) | (295) |
| | | | 6,303 | 6,329 |
| Rabaan (S) Pte. Ltd. (Includes Rs. 377 thousands towards Goodwill) | 11,413 | SGD 1 | 399 | 399 |
| Less : Share in losses of the Associate Company | | | (399) | (278) |
| | | | - | 121 |

Contd...

| | No. of Shares/Units/ Debentures | Face Value Per Share/Unit/ Debenture (Rs.) | 31st MARCH 2011 (Rs in "000") | 31st MARCH 2010 (Rs in "000") |
|---|---------------------------------------|--|-------------------------------------|-------------------------------------|
| Insituform Pipeline Rehabilitation (P) Ltd. (Net of Rs. 576 thousands towards Capital Reserve) | 10,349,700 (7,849,717) | 10 | 103,497 | 78,497 |
| Less : Share in losses of the Associate Company | | | (12,960) | (5,903) |
| | | | 90,537 | 72,594 |
| PT Bina Insan Sukses Mandiri (Includes Rs. 23,047 thousands towards Goodwill) | 1,141 (-) | IDR 1million | 845,636 | - |
| Add : Share in Profit of the Associate Company | | | 19,503 | - |
| | | | 865,139 | - |
| Om metals - SPML Infra projects Pvt. Ltd. | 4,999 | | 50 | - |
| Add/Less : Share in Profit/(loss) of the Associate Company | (-) | | - | - |
| | | | 50 | - |
| Doon Valley Waste Management (P) Ltd. | 25,000 | | 250 | - |
| Less : Share in losses of the Associate Company | (-) | | (223) | - |
| | | | 27 | - |
| Investment in Associate Companies | | | 971,093 | 95,104 |
| OTHERS | | | | |
| Rishabh Commercial (P) Limited | - | | - | 2 |
| | | | (20) | 100 |
| Bharat Hydro Power Corporation Limited | 3,294,150 | 10 | 21,185 | 21,185 |
| Jarora Nayagaon Toll Road Company Pvt. Ltd.* | 22,889,425 | 10 | 228,900 | 228,894 |
| Equity Share Warrants | | | | |
| Sanmati Infra Developers Private Limited | 450,000 | 10 | 4,500 | 4,500 |
| | | | 254,585 | 254,581 |
| * Shares are pledged with IDBI Trusteeship Services Limited against loan taken by the investee company. | | | | |
| CURRENT INVESTMENTS | | | | |
| Unquoted | | | | |
| National Savings Certificates | | | 519 | 497 |
| Indira Vikas Patra | | | 5 | 6 |
| Units of PNB Mutual Fund | 50,000 | 10 | 500 | 500 |
| | | | 1,024 | 1,003 |
| TOTAL | | | 1,226,703 | 350,690 |
| AGGREGATE VALUE OF INVESTMENTS | | | | |
| (I) QUOTED (Net of Provision) | | | 1 | 2 |
| (II) UNQUOTED | | | 1,226,702 | 350,688 |
| Market Value of Quoted Investments | | | 1 | 2 |

Contd...

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|--|----------------------------------|----------------------------------|
| SCHEDULE 7: INVENTORIES | | |
| (Refer note no. 10 of Schedule 20 A) | | |
| Stores & Spares | 8,188 | 17,827 |
| Materials at sites | 631,015 | 641,343 |
| Finished Goods | 1,457 | 1,457 |
| Work-in-Progress | 234,455 | 431,018 |
| | 875,115 | 1,091,645 |
| Add: Proportionate Share in Joint Ventures | 32,656 | 68,405 |
| | 907,771 | 1,160,050 |
| SCHEDULE 8: SUNDRY DEBTORS | | |
| (Unsecured) | | |
| Debts outstanding for a period exceeding six months | | |
| - Considered Good | 3,376,636 | 2,786,638 |
| - Considered Doubtful | 70,512 | 24,503 |
| | 3,447,148 | 2,811,141 |
| Other Debts - Considered Good | 2,766,005 | 2,230,932 |
| | 6,213,153 | 5,042,073 |
| Less: Provision for doubtful Debts | 70,512 | 24,503 |
| | 6,142,641 | 5,017,570 |
| Add: Proportionate Share in Joint Ventures | 153,891 | 161,971 |
| | 6,296,532 | 5,179,541 |
| (Refer note no. 23 on Schedule 20B) | | |
| SCHEDULE 9: CASH & BANK BALANCES | | |
| Cash-on-hand | 56,420 | 36,682 |
| Cheques on Hand | 49,079 | 41,894 |
| Balances with Scheduled Banks on : | | |
| Current Accounts | 441,229 | 168,589 |
| Fixed Deposit Accounts (includes Receipts of Rs 562,150 thousands (Rs. 594,806 thousands) lying with banks as security against letters of Credit and Guarantees issued by them and with clients) | 589,232 | 644,638 |
| Unpaid Dividend Account | 766 | 651 |
| | 1,136,726 | 892,454 |
| Add: Proportionate Share in Joint Ventures | 48,868 | 25,666 |
| | 1,185,594 | 918,120 |

Contd...

| | 31st March 2011 (Rs. In '000) | 31st March 2010 (Rs. In '000) |
|--|----------------------------------|----------------------------------|
| SCHEDULE 10 : OTHER CURRENT ASSETS | | |
| (Unsecured, Considered Good) | | |
| Un billed Revenue on Construction Contracts | 2,995,776 | 3,221,066 |
| Accrued interest on Bank Fixed Deposits & Others | 52,386 | 39,392 |
| | 3,048,162 | 3,260,458 |
| Add: Proportionate Share in Joint Ventures | 219,504 | 222,173 |
| | 3,267,666 | 3,482,631 |
| SCHEDULE 11 : LOANS AND ADVANCES | | |
| (Unsecured, Considered good) | | |
| Loans (including Interest) | | |
| (a) Associates | 284,809 | 297,371 |
| (b) Other Companies | 427,547 | 970,394 |
| Advances recoverable in cash or in kind or for Value to be received | 689,011 | 519,698 |
| Balance with Excise, Customs, Port Trust and other Government Authorities | 39,808 | 45,197 |
| Advance Tax [(Net of provisions Rs. 478,030 thousands (Rs. 381,327 thousands)] | 470,723 | 333,253 |
| Mat Credit Entitlement | 38,635 | 24,970 |
| Trade & Other Deposits | 219,402 | 195,867 |
| VAT Input Credit Receivable | 211,101 | 224,941 |
| Advance towards Share Application Money | | |
| (a) Associates | 82,144 | 66,191 |
| (b) Other Companies | 72,994 | 71,402 |
| | 2,536,174 | 2,749,284 |
| Add: Proportionate Share in Joint Ventures | 317,319 | 188,561 |
| | 2,853,493 | 2,937,845 |
| SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS | | |
| CURRENT LIABILITIES | | |
| Acceptances | 1,855,501 | 704,768 |
| Sundry Creditors for Goods, Services, Expenses etc. | | |
| - Dues to Micro and Small Enterprises (Refer Note No. 8 of Schedule 20B) | 5,553 | 15,439 |
| - Dues to Other Creditors | 2,560,237 | 2,688,541 |
| Advance against sale of Fixed Assets (Refer note no. 12 of Schedule 20B) | - | 99,000 |
| Mobilisation advance from Customers (Partly bearing interest) | 1,485,084 | 1,555,547 |
| Other Liabilities | 296,037 | 317,486 |
| Share Application Money (Refer Note no.26 of Schedule 20B) | 26,822 | |
| Investor Education and Protection Fund (to be deposited as and when due) | | |
| Unpaid Dividend | 766 | 651 |
| Temporary Book Overdraft in Current Account with banks | 2,687 | 41,475 |
| | 6,232,687 | 5,422,907 |
| Add: Proportionate Share in Joint Ventures | 531,311 | 488,758 |
| | 6,763,998 | 5,911,665 |
| PROVISIONS | | |
| Gratuity | 39,616 | 32,380 |
| Earned Leave | 11,912 | 9,142 |
| Proposed Dividend | 18,325 | 29,320 |
| Tax on Proposed Dividend | 3,293 | 5,101 |
| | 73,146 | 75,943 |
| Add: Proportionate Share in Joint Ventures | 2,333 | 19,449 |
| | 75,479 | 95,392 |
| | 6,839,477 | 6,007,057 |

Schedules Forming Part of the Consolidated Profit & Loss Account

| | 2010-2011 (Rs. In '000) | 2009-2010 (Rs. In '000) |
|---|----------------------------|----------------------------|
| SCHEDULE 13: SALES & SERVICES | | |
| Construction Contracts | 11,063,398 | 13,079,166 |
| Power sales | 171,296 | 222,709 |
| Trading sales | 660,740 | 550,888 |
| Operation & Maintenance | 186,046 | 159,715 |
| Municipal Services | 428,133 | 368,127 |
| Sales of Carbon Credit | 88,363 | - |
| Space Contract | 34,500 | 35,697 |
| | 12,632,476 | 14,416,302 |
| Add: Proportionate Share in Joint Ventures | 677,201 | 1,102,066 |
| | 13,309,677 | 15,518,368 |
| SCHEDULE 14: OTHER INCOME | | |
| Interest Received on loans, deposits etc. (Gross) | 73,366 | 77,049 |
| Tax Deducted At Source Rs. 6,507 thousands (Rs. 7,394 thousands) | | |
| Insurance Claim Received | 42,750 | 25,758 |
| Sundry Balances/Liabilities written back | 35,839 | 2,102 |
| Profit on Sale of Fixed Assets (Net) | 53,231 | - |
| Miscellaneous Receipts | 9,710 | 23,824 |
| Exchange Differences (Net) | 7,067 | - |
| | 221,963 | 128,733 |
| Add: Proportionate Share in Joint Ventures | 1,954 | 7,933 |
| | 223,917 | 136,666 |
| SCHEDULE 15: MATERIALS CONSUMED & DIRECT EXPENSES | | |
| Materials Consumed: | | |
| Opening Stock | 641,343 | 907,695 |
| Add: Purchases | 4,141,471 | 4,257,822 |
| Less : Closing Stock | 631,015 | 641,343 |
| | 4,151,799 | 4,524,174 |
| Direct Expenses: | | |
| Stores and Spares Consumed | 25,654 | 16,436 |
| Subcontractor Payments (including Turnkey Contracts) | 4,699,472 | 6,109,931 |
| Drawing & Designing | 3,026 | 36,797 |
| Equipment Hire and Running Charges | 176,404 | 180,710 |
| Other Direct Expenses | 125,934 | 139,848 |
| | 5,030,490 | 6,483,722 |
| | 9,182,289 | 11,007,896 |
| Add: Proportionate Share in Joint Ventures | 533,537 | 545,583 |
| | 9,715,826 | 11,553,479 |
| SCHEDULE 16 : DECREASE IN WORK-IN-PROGRESS | | |
| a) Work In Progress | | |
| - Opening | 431,018 | 545,990 |
| - Closing | (234,455) | (431,018) |
| | 196,563 | 114,972 |
| b) Finished Goods | | |
| - Opening | 1,457 | 1,457 |
| - Closing | (1,457) | (1,457) |
| | - | - |
| Add: Proportionate Share in Joint Ventures * | 11,575 | 27,657 |
| | 208,138 | 142,629 |
| * Net of Rs 24,174 thousands (Rs 20,482 thousands) being the impact of Prior Year Adjustments arising due to Non consideration of stock in a joint venture. | | |

Contd...

| | 2010-2011 (Rs. In '000) | 2009-2010 (Rs. In '000) |
|--|----------------------------|----------------------------|
| SCHEDULE 17: PERSONNEL EXPENSES | | |
| Salaries, Wages and Allowances | 620,816 | 566,766 |
| Director's Remuneration | 26,629 | 49,311 |
| Contribution to Provident & Other Funds | 37,456 | 33,624 |
| Gratuity | 11,566 | 9,341 |
| Staff Welfare Expenses | 21,464 | 17,673 |
| | 717,931 | 676,715 |
| Add: Proportionate Share in Joint Ventures | 11,888 | 11,233 |
| | 729,819 | 687,948 |
| SCHEDULE 18: ADMINISTRATION, SELLING & OTHER EXPENSES | | |
| Power and Fuel | 20,892 | 17,839 |
| Rent | 67,928 | 84,386 |
| Rates and Taxes | 42,839 | 15,481 |
| Insurance | 51,072 | 54,760 |
| Repairs and Maintenance | | |
| - Building | 2,978 | 4,921 |
| - Plant and Machinery | 12,922 | 11,627 |
| - Others | 8,323 | 12,454 |
| Vehicle Running Charges | 62,963 | 63,414 |
| Travelling & Conveyance | 62,418 | 56,646 |
| Professional Charges & Consultancy Fees | 105,331 | 91,440 |
| Communication Expenses | 24,578 | 23,632 |
| Advertisement expenses | 5,357 | 7,326 |
| Charity & Donations | 1,958 | 4,925 |
| Loss on sale of Current Investments | - | 1,950 |
| Auditor's Remuneration | | |
| As Auditors: | | |
| - Audit Fee | 5,756 | 4,429 |
| - Limited Review Fee | 3,000 | 2,250 |
| - Tax Audit Fee | 450 | 470 |
| - Out of Pocket Expenses | 360 | 320 |
| In other Capacity: | | |
| - for Certificates and other Services | 375 | 1,000 |
| Selling Expenses | 35,175 | 39,361 |
| Bad Debts/Sundry Balances written off | 29,799 | 9,505 |
| Exchange Differences (Net) | - | 28,608 |
| Provision for Doubtful debts | 34,059 | 6,527 |
| Loss on Sale/Discard of Fixed Assets (net) | - | 14,379 |
| Loss on disposal of investment in a subsidiary | 4,472 | - |
| Miscellaneous Expenses | 72,466 | 77,262 |
| | 655,471 | 634,912 |
| Add: Proportionate Share in Joint Ventures | 21,325 | 66,502 |
| | 676,796 | 701,414 |
| SCHEDULE 19: INTEREST & FINANCE EXPENSES | | |
| Interest on: | | |
| Term Loans | | |
| - Banks | 242,222 | 258,219 |
| - Others | 14,878 | 11,035 |
| Others Loans, Mobilisation Advance etc | | |
| - Banks | 347,077 | 472,675 |
| - Others | 228,641 | 151,546 |
| | 832,818 | 893,475 |
| Bank Charges | 204,299 | 329,007 |
| | 1,037,117 | 1,222,482 |
| Add: Proportionate Share in Joint Ventures | 3,164 | 9,132 |
| | 1,040,281 | 1,231,614 |

Schedules Forming Part of the Consolidated Balance Sheet and Profit & Loss Account as at and for the Year Ended 31st March 2011

SCHEDULE 20A

A. Significant Accounting Policies

1. Principles of Consolidation

The Consolidated Financial Statements which relate to SPML Infra Limited (formerly Subhash Projects and Marketing Limited), (the Company) and its Subsidiaries, Associates and Joint Ventures (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 recognised in the financial statements as Goodwill/Capital Reserve as the case may be.

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

| Name of the Subsidiary | Country of Incorporation | Proportion of Ownership Interest | |
|--|--------------------------|----------------------------------|------------------------------|
| | | 31 st March, 2011 | 31 st March, 2010 |
| Subhash Kabini Power Corporation Limited | India | 53.06% | 56.10% |
| SPML Industries Limited | India | 51.00% | 51.00% |
| SPML Energy Limited | India | 87.48% | 99.55% |
| ADD Technologies Ltd. (formerly SPML Technologies Ltd.) | India | -* | 97.91% |
| Binwa Power Company (P) Limited | India | 81.16% | 83.74% |
| Awa Power Company (P) Limited | India | 78.85% | 80.93% |
| IQU Power Company (P) Limited | India | 79.07% | 81.21% |
| Neogal Power Company (P) Limited. | India | 79.31% | 81.50% |
| Luni Power Company (P) Limited | India | 83.85% | 87.23% |
| Rupin Tons Power Company (P) Limited | India | 52.48% | 59.72% |
| Tons Valley Power Company (P) Limited | India | 52.48% | 59.72% |
| Uttarkashi Tons Hydro Power (P) Limited | India | 52.48% | 59.72% |
| Delhi Waste Management Limited | India | 55.87% | 56.21% |
| SPML Infrastructure Limited | India | 100.00% | 100.00% |
| SPM Holdings Pte. Ltd | Singapore | 53.06% | 56.10% |
| 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% |
| Madurai Municipal Waste Processing Company Private Limited | India | 100.00% | 99.90% |
| 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 | 51.21% | - ** |
| PT Sanmati Natural Resources | Indonesia | 52.53% | - ** |

* Sold during the year

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

- (b) Minorities' interest in 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 |
|-------------------------------|---|
| Subsidiaries | |
| SPM Holdings Pte Ltd. | Singapore Financial Reporting Standards |
| PT. Sanmati Natural Resources | Indonesian Financial Accounting Standards |
| Associates | |
| PT Vardhaman Mining Services | Indonesian Financial Accounting Standards |
| PT Vardhaman Logistics | Indonesian Financial Accounting Standards |
| Rabaan (S) Pte. Ltd. | Singapore Financial Reporting Standards |
| PT Bina Insan Sukses Mandiri | Indonesian Financial Accounting Standards |

The impact on account of any differences due to adoption of different accounting standards as stated above, in comparison to the 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 and all resulting exchange differences are accumulated in Foreign Currency Translation Reserve in Schedule 2.
- (e) The effect of acquisition/ disposal of stakes during the year in subsidiary companies on the financial statements is as follows:

(Rs in '000)

| Subsidiary disposed off | Effect on Consolidated Profit (loss) for the year (after Minority Interest) | | Effect on Net Assets | |
|---|---|----------------------|----------------------|----------------------|
| | Ended March 31, 2011 | Ended March 31, 2010 | As at March 31, 2011 | As at March 31, 2010 |
| Bhilwara Jaipur Toll Road (P) Ltd. | (17) | - | 67 | - |
| PT Sanmati Natural Resources | 12,369 | - | 8,854 | - |
| Allahabad Waste Processing Company Private Limited | - | (9.08) | - | 4.81 |
| Mathura Nagar Waste Processing Private Limited | - | (9.08) | - | 4.81 |
| ADD Technologies Ltd. (formerly SPML Technologies Ltd.) | 9,599 | 5,039 | 45,320 | 35,516 |

- (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 associate, post acquisition, after eliminating unrealised profit and losses resulting from the transactions between the Group and its associate to the extent of its share, through its Profit & Loss Account to the extent such change is attributable to the associate's Profit & Loss Account and the same is added to/deducted from the cost of investments in the respective associate Companies. 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 in the carrying values of investments in associates.

(h) The associate companies considered in the financial statements are as follows:

| Name of the Associates | Country of Incorporation | Proportion of Ownership Interest | |
|---|--------------------------|----------------------------------|------------------------------|
| | | 31 st March, 2011 | 31 st March, 2010 |
| Pondicherry Port Limited | India | 49.99% | 49.99% |
| Sanmati Infra Developers Pvt. Limited | India | 25.00% | 25.00% |
| Hydro Comp Enterprises (India) Limited | India | 50.00% | 50.00% |
| Insituform Pipeline Rehabilitation (P) Ltd. | India | 49.50% | 41.75% |
| PT Vardhaman Mining Services | Indonesia | 45.65% | 45.65% |
| PT Vardhaman Logistics | Indonesia | 27.50% | 26.00% |
| Rabaan (S) Pte Limited | Singapore | 45.65% | 45.65% |
| Om Metal - SPML Infra Project Pvt. Ltd. | India | 49.99% | - * |
| Doon Valley Waste Management (P) Limited | India | 50.00% | - * |
| PT Bina Insan Sukses Mandiri | Indonesia | 45.64% | - * |

* No previous year's figures given since these Companies became associates during the year.

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

(j) Particulars of interest in joint ventures:

| Name of Joint Venture | Country of Incorporation | Proportion of Ownership | |
|--------------------------------|--------------------------|------------------------------|------------------------------|
| | | 31 st March, 2011 | 31 st March, 2010 |
| 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% | - * |

* No previous year's figures given since it became joint venture during the year.

(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

| | 31 st March, 2011 |
|-----------------------|---|
| Subsidiaries | SPM Holdings Pte. Ltd PT Sanmati Natural Resources |
| Associates | PT Bina Insan Sukses Mandiri Sanmati Infra Developers Pvt. Limited P.T. Vardhaman Mining Services P.T. Vardhaman Logistics Rabaaan (S) Pte Ltd Hydro Comp Enterprises India P Ltd Instituform Pipeline Rehabilitation (P) Ltd. OM Metal - SPML Infra project Pvt. Ltd. Doon Valley Waste Management Private Limited |
| Joint Ventures | Om Metal Consortium SPML - Degroment JV SPML JV – Instituform SPML – CISC JV SPML – HCIL JV Siddharth – Mahavir – SPML JV KBL – SPML JV |

2. 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 Group are consistent with those used in the previous year.

3. Use of estimates

The preparation of financial statements in conformity with 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.

4. Fixed Assets

- (a) Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT/ VAT), taxes, incidental expenses, erection/commissioning expenses 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.
- (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.

5. 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 Delhi Waste Management Limited, 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 fixed assets which are revalued, the provision for depreciation is based on the revalued amount on the estimate of the remaining useful life of such assets.

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 and impairment, if any, is recognised.

6. 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

7. 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 Profit and Loss account on a straight-line basis over the lease term.

8. 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.

9. 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.

10. Inventories

Raw Materials, components, stores and spares to be used in contracts are valued at cost which is ascertained on First in First out (FIFO)/ weighted average basis. Materials, components and stores and spares at wind farms and other manufacturing activities are valued at lower of cost and net realisable 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 on the contract are recognized as contract work in progress provided it is probable that they 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.

11. 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 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 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 distributed 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 recognised as per the invoices raised on Karnataka Power Transmission Corporation Limited 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 recognised on rendering of services as per the terms of contract.

(f) Interest

Interest is recognised 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. Dividend from subsidiaries is recognized even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI to the Companies Act, 1956.

12. 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 sundry debtors 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.

13. 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 year 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.

Foreign Operations

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

- (i) Assets and Liabilities at the rate prevailing at the end of the year.
- (ii) Revenues and expenses at yearly average exchange rates prevailing during the year.

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

14. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund being a defined contribution scheme are charged to Profit and Loss Account in the year when the contributions to the funds are due. There are no obligations other than the contribution payable to the fund.

Gratuity 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 statement of Profit & Loss Account as income or expenses.

15. 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 Group 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 Group 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 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 profit and loss account 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.

16. 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.

The Group at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Group.

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.

17. 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.

18. 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 its 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 appropriately adjusted to reflect the current management estimates.

19. Cash and Cash Equivalents

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

20. Contingent liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

21. Borrowing Cost

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. All other borrowing cost not eligible for inventorisation/ capitalization are charged to revenue.

B. Notes on accounts

1. Contingent liabilities not provided for in respect of

(Rs in '000)

| | As at 31st March, 2011 | As at 31st March, 2010 |
|--|---------------------------|---------------------------|
| Claims against the Group not acknowledged as debts | 245,147 | 16,355 |
| 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. | 838,919 | 725,199 |
| Outstanding bank guarantees and Letters of Credit (including Rs. 310,439 thousands (Rs. 437,589) for Joint Ventures) | 12,129,210 | 8,785,977 |
| Disputed demands | | |
| (a) Income Tax | 197,974 | 34,348 |
| (b) Excise/ Service Tax | 28,943 | 21,366 |
| (c) Sales Tax/ VAT | 274,817 | 260,994 |
| (d) Others | 111 | 111 |
| Corporate guarantees given for body corporate*. | 503,700 | 209,300 |
| Share in Joint Venture | Nil | Nil |

* Includes Rs. 90,000 thousands (Rs. 90,000 thousands) in relation to which the original title deeds of the property situated at 8/2, ulsoor Road, Bangalore are lying with Guahati High Court as security on behalf of Bharat Hydro Corporation Limited.

2.

(Rs in '000)

| | 2010-11 | 2009-10 |
|---|---------|---------|
| 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)] | 903,788 | 673,173 |

3. 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 rent.

The amount of rent expenses included in Profit and Loss Account towards operating Leases aggregate to Rs. 67,928 thousands (Rs. 84,386 thousands).

4. In terms of Accounting Standard - 22, net deferred tax asset (DTA) of Rs. 45,173* thousands (DTA of Rs. 38,179 thousands) has been recognized in the accounts up to 31st March 2011 and consequently the net Deferred Tax Liabilities (DTL) as at March 31, 2011 stands at Rs. 83,629 thousands (Rs. 130,176 thousands).

The break-up of DTL is as follows:

(Rs in '000)

| Particulars | As at 31st March, 2011 | As at 31st March, 2010 |
|---|---------------------------|---------------------------|
| Deferred Tax Liability | | |
| On timing differences of depreciable assets | 82,241 | 67,764 |
| On retentions by the customers | 57,325 | 110,649 |
| Deferred Tax Assets | | |
| Carry forward of Losses | 4,931 | 3,645 |
| Expenses allowable against taxable income in future years | 51,006 | 44,592 |
| Deferred Tax Liability (Net) | 83,629 | 130,176 |

* including DTL of Rs. 1,374 thousands (Rs. Nil) on acquisition of a subsidiary during the year

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

| | 2010-2011 | 2009-2010 |
|--|------------|------------|
| Profit after Minority Interest | 194,646 | 462,389 |
| Weighted average number of equity shares outstanding during the period | 36,650,276 | 36,650,276 |
| Nominal value of equity per share (Rs.) | 2.00 | 2.00 |
| Basic and Diluted Earnings Per Share (Rs.) | 5.31 | 12.62 |

6. 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

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.

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

| | Construction | | Wind Power | | Trading | | Hydro Power | | Waste Management | | Others | | Total | |
|---|----------------------|-------------------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|----------------|---------------|--------------|-------------------|-------------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| | <i>(Rs. in '000)</i> | | | | | | | | | | | | | |
| (a) Revenue | | | | | | | | | | | | | | |
| External Sales | 11,861,598 | 14,325,433 | 13,927 | 16,317 | 660,740 | 550,888 | 550,888 | 206,392 | 414,256 | 495,922 | 31,758 | 5,082 | 13,309,677 | 15,518,368 |
| Intersegment Sales | 241,791 | 494,594 | - | - | - | - | - | - | - | - | - | - | 241,791 | 494,594 |
| Less: Eliminations | (241,791) | (494,594) | - | - | - | - | - | - | - | - | - | - | (241,791) | (494,594) |
| Total Sales | 11,861,598 | 14,325,433 | 13,927 | 16,317 | 660,740 | 550,888 | 550,888 | 206,392 | 414,256 | 495,922 | 31,758 | 5,082 | 13,309,677 | 15,518,368 |
| (b) Results | | | | | | | | | | | | | | |
| Segment Results | 969,491 | 1,549,081 | 53,684 | (11,900) | 17,835 | 3,333 | 3,333 | 140,777 | 89,845 | 82,863 | 12,649 | 1,674 | 1,281,333 | 1,772,810 |
| Unallocated Expenses (net of unallocated Income) | | | | | | | | | | | | | 38,384 | 93,263 |
| Operating Profit | | | | | | | | | | | | | 1,242,949 | 1,679,547 |
| Interest & Finance Expenses (net of interest income) | | | | | | | | | | | | | 966,914 | 1,154,565 |
| Profit before tax | | | | | | | | | | | | | 276,035 | 524,982 |
| Provision for taxation (Current tax, Deferred tax, Fringe benefit tax and adjustments on account of previous years) | | | | | | | | | | | | | | |
| Profit after tax | | | | | | | | | | | | | 37,865 | 57,222 |
| Share in Net Profit/ (loss) of Associates | | | | | | | | | | | | | 238,170 | 467,760 |
| Profit after Taxation but before Minority Interest | | | | | | | | | | | | | 4,699 | (21,806) |
| | | | | | | | | | | | | | 242,869 | 445,954 |

Contd... (Rs. in '000)

| Other Information | Construction | | Wind Power | | Trading | | Hydro Power | | Waste Management | | Others | | Total | |
|--|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 | March 31 2011 | |
| | (a) Total Assets Segment Assets | 12,804,860 | 11,956,801 | 16,912 | 81,116 | 32,000 | 22,902 | 1,976,612 | 1,626,092 | 1,313,672 | 989,884 | 186,756 | 153,226 | 16,330,812 |
| Unallocated Corporate/Other Assets | | | | | | | | | | | | | 3,404,336 | 2,919,216 |
| Total | | | | | | | | | | | | | 19,735,148 | 17,749,237 |
| (b) Total Liabilities Segment Liabilities | 4,754,277 | 3,700,552 | 897 | 102,411 | 22,687 | 15,044 | 109,234 | 44,895 | 231,450 | 94,453 | 20,084 | 293,300 | 5,138,609 | 4,250,655 |
| Unallocated Corporate/Other Liabilities | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |
| (c) Capital Expenditure | 147,681 | 236,247 | - | - | - | - | 257,129 | 402,366 | 331,156 | 223,579 | 21 | 22,656 | 735,987 | 884,848 |
| (d) Depreciation/Amortisation | 112,738 | 111,072 | 6,437 | 14,531 | - | - | 48,328 | 46,563 | 54,220 | 47,465 | 21,130 | 27,718 | 242,853 | 247,349 |
| (e) Non cash expenses other than Depreciation included in segment expenses for arriving at Segment Results | 39,887 | 16032 | 0 | - | - | - | 21,680 | - | 2,291 | - | - | - | 63,858 | 16,032 |

7. Related Parties

(a) Particulars of related parties with whom transactions have taken place during the year

| | |
|---|--|
| Associate companies | Pondicherry Port Limited (PPL) Om Metal SPML Infra Projects Pvt. Ltd. (w.e.f.10.05.2010) Doon Valley Waste Management Pvt. Ltd. (w.e.f.15.02.2011) Sanmati Infra Developers Private Limited (SIDL) Hydro Comp Enterprises (India) Limited (HYDRO) Institutorm Pipeline Rehabilitation (P) Ltd. (IRPL) PT Vardhman Mining Services PT Vardhman Logistics Rabban (S) Pte Ltd. PT Bina Insan Sukses Mandiri (w.e.f 01.04.2010) |
| Joint Ventures | Om Metal Consortium SPML – CISC JV SPML – Simplex JV SPML – Degroment JV SPML JV - Insituform SPML – HCIL JV Siddharth Mahavir SPML JV KBL – SPML JV (w.e.f.01.04.2010) |
| Key Management Personnel (KMP) | Mr. Anil Kumar Sethi – Chairman, Mr. Subhash Chand Sethi – Vice Chairman and Managing Director Mr. Sushil Kumar Sethi – Managing Director, Mr. Deepak Sethi – Director |
| Relatives of Key Management Personnel | |
| 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 Enterprises owned or significantly influenced by key management personnel or their relatives. | Father of Chairman, Vice Chariman and Managing Director Mother of Chairman, Vice Chariman 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 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. 20 th Century Engineering Ltd. Subhash Power Company Ltd. SPML India Ltd. Subhash International Pvt. Ltd. Sanmati Power Co. Pvt. Ltd. Latur Water Supply Mgmt Pvt. Ltd. SPML Keerthi Hole Power Co. Ltd. Sonal Agencies Pvt Ltd. SPML Technologies Limited (w.e.f. 01.01.2011) SPML Semitech India Pvt. Ltd. Rishab Fire Management Pvt Limited Vidya Edutech Pvt. Ltd. Anil Kumar Sethi (HUF) Subhash Chand Sethi (HUF) Sushil Kumar Sethi (HUF) Punam Chand Sethi (HUF) |

Related party disclosure:

(b) Aggregated Related Party Disclosures as at and for the year ended 31st March 2011

(Rs in '000)

| | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management | Total |
|---|-------------------------------|---------------------|--------------------------------------|--------------------------------------|---|---|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Sale of Goods & services | | | | | | |
| SPML HCIL JV | 103,186 (123,236) | - | - | - | - | 103,186 (123,236) |
| SPML - Insituform (JV) | 16,645 | - | - | - | - | 16,645 |
| Others | - | - | - | - | - | - |
| - Total | (260) 119,831 (123,496) | (3,975) - | - | - | (9,450) - | (13,685) 119,831 (136,921) |
| Dividend Paid | | | | | | |
| Mr. Anil Kumar Sethi | - | - | (2,685) | - | - | - |
| Zoom Industrial Services Ltd. | - | - | - | - | 2,459 | (2,685) 2,459 |
| SPML India Ltd. | - | - | - | - | (3,688) | (3,688) |
| Others | - | - | - | - | 1,869 | 1,869 |
| - Total | - | - | 4,066 (4,822) 4,066 (7,507) | 3,093 (5,232) 3,093 (5,232) | 5,684 (6,523) 10,012 (13,014) | (2,803) 12,843 (16,577) 17,171 (25,753) |
| Purchase of Goods & Services | | | | | | |
| Insituform Pipeline Rehabilitation Pvt. Ltd | - | 47,769 (45,752) | - | - | - | 47,769 (45,752) |
| - Total | - | 47,769 (45,752) | - | - | - | 47,769 (45,752) |
| Interest Income | | | | | | |
| Subhash Power Company Ltd. | - | - | - | - | 927 | 927 |
| SPML Semitech (India) P Ltd | - | - | - | - | (958) | (958) |
| - Total | - | - | - | - | (1,177) 927 (2,135) | (1,177) 927 (2,135) |

(Rs in '000)

| | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management | Total |
|--------------------------------------|------------------------------|---------------------|--------------------------------|--------------------------------|---|----------------------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Interest Paid | | | | | | |
| International Construction Ltd | - | - | - | - | 9,145 (3,660) | 9,145 (3,660) |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | 6,775 (5,235) | 6,775 (5,235) |
| Others | - | - | - | - | - (213) | - (213) |
| - Total | - | - | - | - | 15,920 (9,108) | 15,920 (9,108) |
| Commission Paid | | | | | | |
| SPML - HCIL (JV) | 948 (1,234) | - | - | - | - | 948 (1,234) |
| - Total | 948 (1,234) | - | - | - | - | 948 (1,234) |
| Rent Paid | | | | | | |
| Mr. Harshvardhan Sethi | - | - | - | 4,025 (244) | - | 4,025 (244) |
| Mr. Abhinandan Sethi | - | - | - | 4,025 (186) | - | 4,025 (186) |
| Spml Keerthi Hole Power CLtd | - | - | - | - | 18,647 (23,937) | 18,647 (23,937) |
| Others | - | - | 1,578 (6,155) | 1,426 (8,018) | 3,538 (6,609) | 6,542 (20,782) |
| - Total | - | - | 1,578 (6,155) | 9,476 (8,448) | 22,185 (30,546) | 33,239 (45,149) |
| Investments in Share Warrants | | | | | | |
| Sanmati infra Developers Pvt Limited | - | (4,500) | - | - | - | - (4,500) |
| - Total | - | (4,500) | - | - | - | - (4,500) |

(Rs in '000)

| Contd... | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management | Total |
|-------------------------------------|----------------|---------------------|--------------------------------|------------------|---|------------------|
| | | | | | | |
| Issue of Share Capital | | | | | | |
| Bharat hydro Power Company Limited | - | - | - | - | 13,800 | 13,800 |
| - Total | - | - | - | - | 13,800 | 13,800 |
| Purchase of Investments | | | | | | |
| P T Bina Insan Sukhdri | - | 845,636 | - | - | - | 845,636 |
| Others | - | 25,654 | - | - | 25,654 | 25,654 |
| - Total | - | 871,290 | - | - | - | 871,290 |
| Sale of Investments | | | | | | |
| SPML technologies Limited | - | (1) | - | - | (1) | (1) |
| - Total | - | (1) | - | - | (1) | (1) |
| Loans & Advances Taken | | | | | | |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | 39,900 | 39,900 |
| - Total | - | - | - | - | 39,900 | 39,900 |
| Loans & Advances Taken | | | | | | |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | 2,000 | 2,000 |
| International constructions Ltd. | - | - | - | - | (43,650) | (43,650) |
| Sonal Agencies (P) Ltd. | - | - | - | - | 5,145 | 5,145 |
| - Total | - | - | - | - | (253,554) | (253,554) |
| Others | - | 322 | - | - | 200 | 522 |
| Total | - | 322 | - | - | 8,345 | 8,667 |
| | - | - | - | - | (307,204) | (307,204) |

| Contd... | | (Rs in '000) | | | | | |
|---|--------------------|---------------------|--------------------------------|--------------------|---|--------------------|--|
| | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management | Total | |
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | |
| Loans & Advances Given (including share application money) | | | | | | | |
| Subhash International Pvt. Ltd | - | - | - | - | - | - | |
| SPML Instituform JV | 50,589 | - | - | - | (48,700) | (48,700) | |
| International Construction Ltd | - | - | - | - | - | 50,589 | |
| Latur Water Supply Management Private Ltd | - | - | - | - | 18,029 | 18,029 | |
| P Tvardhman Mining Services | - | 9,571 | - | - | (146,061) | (146,061) | |
| Pondicherry Port Limited | - | (70,700) | - | - | 21,863 | 21,863 | |
| | - | 15,581 | - | - | (27) | (27) | |
| | - | (18,573) | - | - | - | 9,571 | |
| Others | - | 6,517 | - | - | - | (70,700) | |
| - Total | 50,589 | (115,208) | 31,669 | (1,300) | 57,206 | 139,464 | |
| Loans & Advances Given Refunded | | | | | | | |
| P T Vardhman Logistic | - | - | - | - | - | - | |
| Rabban (S) Pte Limited | - | (6,398) | - | - | - | (6,398) | |
| Sanmati Infra Developers Pvt Limited | - | (22,120) | - | - | - | (22,120) | |
| Others | - | (9,500) | - | - | - | (9,500) | |
| - Total | (48) | (38,018) | (935) | (935) | (935) | (39,001) | |

(Rs in '000)

| | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management | Total |
|---|--------------------|---------------------|--------------------------------|--------------------|---|--------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Share Application Money Received | | | | | | |
| Pondicherry Port limited | - | - | - | - | - | - |
| - Total | | (18,573) | | | | (18,573) |
| Outstanding Guarantees | | | | | | |
| Instituform SPML JV | 82,228 | - | - | - | - | 82,228 |
| | (80,000) | - | - | - | - | (80,000) |
| SPML-CISC JV | 28,060 | - | - | - | - | 28,060 |
| | (56,121) | - | - | - | - | (56,121) |
| SPML HCIL JV | 200,151 | - | - | - | - | 200,151 |
| | (301,468) | - | - | - | - | (301,468) |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | (90,000) | (90,000) |
| Others | - | - | - | - | 26,000 | 26,000 |
| - Total | 310,439 | | | | 26,000 | 336,439 |
| | (437,589) | | | | (90,000) | (527,589) |
| Remuneration | | | | | | |
| Anil Kumar Sethi | - | - | 8,099 | - | - | 8,099 |
| | - | - | (13,888) | - | - | (13,888) |
| Subhash Chand Sethi | - | - | 7,928 | - | - | 7,928 |
| | - | - | (14,354) | - | - | (14,354) |
| Sushil Kumar Sethi | - | - | 7,713 | - | - | 7,713 |
| | - | - | (13,416) | - | - | (13,416) |
| Deepak Sethi | - | - | 5,028 | - | - | 5,028 |
| | - | - | (7,020) | - | - | (7,020) |
| Others | - | - | - | 600 | - | 600 |
| | - | - | - | (300) | - | (300) |
| - Total | | | 28,768 | 600 | | 29,368 |
| | | | (48,678) | (300) | | (48,978) |

Contd...

(Rs in '000)

| Contd... | Joint Ventures | Associate Companies | Key Management Personnel (KMP) | Relatives of KMP | Enterprises owned or significantly influenced by key management | Total |
|--|--------------------|---------------------|--------------------------------|--------------------|---|--------------------|
| | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value | Transactions Value |
| Balance Outstanding as at the year end-Debit | | | | | | |
| Subhash International (P) Ltd. | - | - | - | - | 99,137 | 99,137 |
| Rabaan (S) Pte Limited | - | - | - | - | (95,019) | (95,019) |
| P T Vardhman Mining Services | - | 172,025 | - | - | - | 172,025 |
| Others | - | (174,437) | - | - | - | (174,437) |
| | - | 102,217 | - | - | - | 102,217 |
| | - | (93,959) | - | - | - | (93,959) |
| | 116,880 | 92,711 | - | - | 232,916 | 442,507 |
| | (37,162) | (95,166) | - | (1,346) | (42,020) | (175,694) |
| Total | 116,880 | 366,953 | - | - | 332,053 | 815,886 |
| | (37,162) | (363,562) | - | (1,346) | (137,039) | (539,109) |
| Balance Outstanding as at the year end-Credit | | | | | | |
| IPRPL | - | - | - | - | - | 15,918 |
| (Insituform Pipeline Rehabilitation Pvt. Ltd) | - | 15,918 | - | - | - | - |
| International Constructions Ltd. | - | - | - | - | - | - |
| Bharat Hydro Power Corporation Ltd. | - | - | - | - | (103,054) | (103,054) |
| SPML India Ltd | - | - | - | - | (64,210) | (64,210) |
| Anil Kumar Sethi | - | - | - | - | 6,040 | 6,040 |
| SPML - HCIL JV | - | - | 8,008 | - | (6,040) | (6,040) |
| Others | (24,255) | - | (6,300) | - | - | 8,008 |
| | - | - | - | - | - | (6,300) |
| | - | - | - | - | - | - |
| | 309 | - | - | - | - | (24,255) |
| | (226) | - | 5,151 | 2,578 | 9,511 | 17,549 |
| Total | - | 16,227 | 13,159 | 2,578 | 15,551 | 47,515 |
| | (24,255) | (226) | (14,237) | (4,474) | (187,760) | (230,952) |

Notes-

- i) Also refer Schedules 3 & 4 as regards loans and other funded facilities personally guaranteed by certain directors of the company
 ii) Others include cases where the transaction value is less than 10% of the total related Party transactions of the same type.

8. 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 '000)

| Particulars | 2010-11 | 2009-10 |
|--|---------|---------|
| Debit: | | |
| (i) Principal amount remaining unpaid to suppliers at the end of accounting year | 5,553 | 15,439 |
| (ii) Interest due on above | 119 | 224 |
| Total of (i) & (ii) | 5,672 | 15,663 |
| (iii) Amount of interest paid by the Group to the suppliers | Nil | Nil |
| (iv) Amounts paid to the suppliers beyond the respective due date | 9,164 | 12,655 |
| (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. | 335 | 1,004 |
| (vi) Amount of interest accrued and remaining unpaid at the end of accounting year | 4,833 | 4,379 |
| (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 | 454 | 1,228 |

9. The Group has following un-hedged exposures :

(Rs. in '000)

| Particulars | Year | Amount (figures in'000) |
|------------------|----------------|----------------------------|
| Import Creditors | March 31, 2011 | Rs. 50,129 |
| | March 31, 2010 | Nil |

10. Derivatives outstanding as at the Balance Sheet date

(Rs. in '000)

| Particulars | Currency | Amount in Foreign Currency As at March 31 | |
|-----------------------------|----------|--|-------|
| | | 2011 | 2010 |
| Forward Contracts (Payable) | USD | 5000 | 5,000 |
| | EURO | Nil | 880 |

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

11. 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 '000)

| Particulars | 2010-2011 | 2009-2010 |
|--|------------|------------|
| Contract income recognized as revenue during the year | 11,740,599 | 14,181,232 |
| Aggregate amount of costs incurred and recognized profits (less recognized losses) till date | 37,874,023 | 29,189,636 |
| Advances received (unadjusted) | 1,485,084 | 1,555,547 |
| Retention amount | 1,644,857 | 1,626,144 |
| Gross amount due from customers for contract work | 4,750,406 | 4,565,468 |
| Gross amount due to customers for contract work | 350,654 | 138,305 |

12. The Company has sold its wind power division during the year and a gain of Rs. 53,279 thousands has been accounted for, the details whereof are given below:

| Sl No. | Particulars | Land | Wind | Total |
|--------|----------------------------------|--------|--------|--------|
| 1 | Sales Value | 40,918 | 58,082 | 99,000 |
| 2 | Profit | 35,422 | 17,857 | 53,279 |
| 3 | Tax Effect (net of deferred tax) | 5,982 | - | 5,982 |

13. The Company and certain subsidiaries are in the process of obtaining confirmations with respect to creditors and loans and advances. Adjustments, if any, arising out of such confirmations will be considered in subsequent period.

14. (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 profit & loss account and amounts recognized in the balance sheet.

(Rs. in '000)

| Particulars | 2010-2011 | 2009-2010 |
|---|----------------|----------------|
| (i) Net employee benefit expense (recognised in Employee Cost) | | |
| Current service cost | 7,621 | 7,101 |
| Interest cost on benefit obligation | 3,208 | 2,316 |
| Net Actuarial loss recognised in the year | 1,441 | 57 |
| Total employer expense recognised in Profit and Loss Account | 12,270* | 9,474* |
| (ii) Actual return on plan assets | Not Applicable | Not Applicable |
| (iii) Benefit Asset/ (Liability) | | |
| Defined benefit obligation | (39,616) | (32,380) |
| Benefit Asset/ (Liability) | (39,616) | (32,380) |
| (iv) Movement in benefit liability | | |
| Opening defined benefit obligation | 32,380 | 26,408 |
| Interest cost | 3,208 | 2,316 |
| Current service cost | 7,621 | 7,101 |
| Benefit paid | (5,034) | (3,502) |
| Actuarial losses on obligation | 1,441 | 57 |
| Closing benefit obligation | 39,616 | 32,380 |
| (v) Movement in fair value of plan assets | Not Applicable | Not Applicable |

* includes Rs. 704 thousands (Rs. 133 thousands) charged to Capital Work in Progress during the year.

The Principal actuarial assumptions are as follows:

| Discount rate | 8% | 8% |
|---|--|--|
| 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) | 22.22 | 23.32 |
| Experience Adjustments on Plan Liabilities | Not Available* | Not Available* |

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

(b) Amount incurred as expense for defined contribution plans

(Rs. in '000)

| | 2010-11 | 2009-10 |
|--------------------------------|---------|---------|
| Contribution to Provident Fund | 29,348 | 29,285 |

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

(Rs. in '000)

| Description | March 31, 2011 | March 31, 2010 | March 31, 2009 | March 31, 2008 |
|----------------------------|----------------|----------------|----------------|----------------|
| Defined Benefit Obligation | 39,616 | 32,380 | 26,408 | 26,289 |
| Assets/(Liability) | (39,616) | (32,380) | (26,408) | (26,289) |

The information in respect of defined benefit obligation for year 2006-07 is not available and hence not furnished.

15. Prior period items as included in the Profit & Loss Account comprise of the following:

(Rs. in '000)

| Particulars | 2010-2011 | 2009-2010 |
|--|---------------|---------------|
| Debit: | | |
| Share of Loss from Joint Ventures: | | |
| SPML CISC JV* | 13,064 | 7,191 |
| SPML JV Instituform | 22,870 | - |
| Direct Expenses | 13,071 | 20,930 |
| Interest | 2,840 | 457 |
| Others | 3,257 | 3,443 |
| Total (A) | 55,102 | 32,021 |
| Credit: | | |
| Share of Profit from SPML HCIL JV* | 32 | - |
| Purchase/Expenses wrongly recorded in earlier years now written back | 46,661 | 9,321 |
| Total (B) | 46,693 | 9,321 |
| Net (A-B) | 8,409 | 22,700 |

* Based on Audited Accounts

16. The Company has claimed 80IA benefits of Rs. 2,442,143 thousands (Rs. 2,052,698 thousands) approx. having tax impact of Rs. 690,764 thousands including Rs. 129,364 thousands for the year, approx. under 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 2007-08 are already completed and the above claims have been fully allowed by the Tax Authorities, but in the tax assessment for the financial year 2008-2009, such claims have been disallowed. However, in-view of the recent amendment in the Finance Act '2010, 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, is ultra vires to the main section of the Act. Pending disposal of the above writ by the High Court, no provision in this regard has been made in the accounts.
17. SPML CISV JV, a joint venture entity (JV) has foreclosed its underlying project. The JV has raised several claims against the client and accordingly the Company is confident of recovery of its investment in the JV.
18. During the year, one of the clients of the Company has 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.
19. 1,32,73,800 No. of Shares of Subhash Kabini Power Corporation Limited (SKPCL), 250,000 No. of shares of Luni Power Company (P) Limited and 1,293,000 No. of shares of Neogal Power Company (P) Limited, 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 share holding in the above companies till the full repayment of the Loan by the subsidiaries.
20. IQU Power Company (P) Ltd., a subsidiary Company, has started the commercial production from 18th February, 2011 and accordingly the expenses upto the above date have been capitalized in the books and expenses thereafter, have been charged to revenue accounts.
21. Subhash Kabini Power Corporation Limited, a subsidiary Company:
- a) has incurred expenses aggregating to Rs. 10,567 thousands upto 31st March, 2010 towards power projects with a cumulative capacity of 69 MW in Bihar. However, based on the techno feasibility study carried out during the year, the above project is found to be non-viable and thus disposed by the Company. Accordingly, the above expenses of Rs. 10,567 thousands appearing under the head Capital Work In Progress has been written off during the year.
 - b) has developed Jetropha plantation in Tamil Nadu for generation of Bio-Diesel energy for which it had spent Rs. 8,116 thousands upto March 31, 2010. The same has been written off during the year in view of the non viability of the project.
 - c) 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 from its subsidiary, M/s SPM Holding Pte. Ltd, Singapore during the year 2009-10. The RBI is yet to dispose off the said application. In the absence of any demand notice from the RBI, the quantum of liability, if any, in this regard is not ascertainable.
22. Certain subsidiaries are in the process of construction and no commercial activity has yet started from the date of their incorporation to 31st March, 2011. Accordingly no Profit & Loss Account 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 '000)

| Particular of Expenses | As at | | | As at |
|--|-------------------|-----------------------------|---|-------------------|
| | March 31, 2010 | Incurred during the year | Amount Capitalized/ Adjusted during the year | March 31, 2011 |
| a) Employee Expenses | | | | |
| Salaries, Wages and Allowance | 33,454 | 11,183 | 7,556 | 37,081 |
| Gratuity | 384 | 704 | 94 | 994 |
| b) Administration, Selling & Other Expenses | | | | |
| Rent | 2,605 | 1,724 | 457 | 3,872 |
| Rates and Taxes | 12,807 | 2,173 | 2,443 | 12,537 |
| Insurance | 4,231 | 1,587 | 2,066 | 3,752 |
| Repairs & Maintenance | | | | |
| - Others | 454 | 689 | 802 | 341 |
| Travelling & Conveyance | 12,500 | 2,234 | 2,377 | 12,357 |
| Professional Charges & Consultancy Fees | 21,054 | 6,840 | 2,813 | 25,081 |
| Communication Expenses | 764 | 164 | 170 | 758 |
| Advertisement Expenses | 390 | 56 | 12 | 434 |
| Charity & Donation | 663 | 294 | 145 | 812 |
| Miscellaneous Expenses | 18,895 | 5,575 | 4,959 | 19,511 |
| Equipment Hire Charges | 1,942 | - | - | 1,942 |
| Depreciation | 1,167 | 1,909 | 219 | 2,857 |
| c) Interest & Finance Expenses | | | | |
| Interest & Finance Expenses | 101,656 | 128,102 | 47,424 | 182,334 |
| Total | 212,966 | 163,234 | 71,537 | 304,663 |
| Less: Income | | | | |
| Tender Application Money | 875 | 73 | 225 | 723 |
| Interest on Fixed Deposit | 287 | 18 | 101 | 204 |
| Total | 211,804 | 163,143 | 71,211 | 303,736 |

23. Sundry Debtors include retention deposits as below:

(Rs. in '000)

| Particulars | 2010-2011 | 2009-2010 |
|--------------------------|------------------|------------------|
| More than six months old | 1,460,038 | 1,388,271 |
| Others | 184,819 | 237,873 |
| Total | 1,644,857 | 1,626,144 |

24. The holding of SPML Infra Limited in certain subsidiary companies has reduced during the year due to further issue of shares by one of its subsidiary Company to outsiders. As a result of this, the share of net worth of the Group aggregating to Rs. 26,695 thousands & Rs. 14,166 thousands have been adjusted with Capital Reserve and Goodwill respectively. On account of above, the share of Minority interest has increased accordingly.
25. During the year, the Group has disposed, one of its subsidiary, namely ADD Technologies Ltd. (formerly SPML Technologies Ltd.), w.e.f Dec 31, 2010, at a loss of Rs. 4,472 thousands based on the unaudited accounts..
26. Share application money represents amount received by SPML Infrastructure Limited & Bhilwara Jaipur Toll Road (P) Ltd from outsider, pending allotment to share capital.
27. Previous Year's figures including those given in brackets have been regrouped/ rearranged wherever considered necessary.

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 12, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: Gurgaon
Dated: August 12, 2011

As Approved
For and behalf of the Board of Directors
Subhash Ch. Sethi
Vice-Chairman & Managing Director

Sushil Kr. Sethi
Managing Director

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

Consolidated Cash Flow Statement for the Year Ended 31st March, 2011

| | 2010-2011 Rs in "000" | 2009-2010 Rs in "000" |
|---|--------------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before taxation, | 276,035 | 524,982 |
| Adjustments for: | | |
| Depreciation/Amortisation | 242,853 | 247,349 |
| (Profit)/Loss on sale of Fixed Assets (Net) | (53,231) | 14,379 |
| Interest Expenses | 835,982 | 902,607 |
| Loss on Sale of Current Investments | - | 1,950 |
| Provision for doubtful debts | 34,059 | 6,527 |
| Bad Debts/Sundry Balances written off | 29,799 | 9,505 |
| Sundry Balances/Liabilities written back | (35,839) | (2,102) |
| Loss on disposal of investment in a subsidiary | 4,472 | - |
| Interest Income | (73,366) | (77,049) |
| | 984,729 | 1,103,166 |
| Operating Profit before working capital changes | 1,260,764 | 1,628,148 |
| Movement in Working Capital for: | | |
| Decrease/(Increase) in Sundry Debtors | (736,449) | 424,178 |
| Decrease in Inventories | 252,279 | 429,563 |
| Increase in Loans & Advances | (498,048) | (659,063) |
| Increase/(Decrease) in Current Liabilities | 973,933 | (768,465) |
| Increase/(Decrease) in Provisions | (7,110) | 10,624 |
| | (15,395) | (563,163) |
| Cash generated from Operations | 1,245,369 | 1,064,985 |
| Direct Tax paid (net of refunds) | (217,540) | (303,754) |
| Net Cash from Operating Activities (A) | 1,027,829 | 761,231 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (680,859) | (770,257) |
| Advance towards Share Application Money | (17,545) | (26,326) |
| Purchase of Investments: | | |
| Subsidiary (at the time of acquisition) | (4,470) | - |
| Associates | (870,936) | - |
| Others (Net) | - | (219,179) |
| Proceeds from disposal of investment in a subsidiary | 39,901 | - |
| Proceeds from sale of Fixed Assets | 9,573 | 41,813 |
| Sale of Investments | 3 | - |
| Loans given/(refunded) to/from associates/others | 555,409 | (288,326) |
| Interest Received | 60,372 | 66,738 |
| (Investment)/Maturity of Bank Fixed Deposits (maturity period more than 90 days) | 41,317 | (92,264) |
| Net cash used in Investing Activities (B) | (867,235) | (1,287,801) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from contribution by Minorities | - | 21,769 |
| Repayment of Long Term Loans | (385,601) | (334,630) |
| Proceeds from Long Term Loans | 1,992,975 | 1,842,596 |
| Repayment of Short term loans (net) | (644,972) | (31,904) |
| Share Application Money received | 26,822 | 26,326 |
| Interest Paid | (829,165) | (975,097) |
| Dividend Paid (including Dividend Tax) | (34,057) | (51,129) |
| Net cash from financing activities (C) | 126,002 | 497,931 |

Contd...

| | 2010-2011 Rs. 000 | 2009-2010 Rs. 000 |
|--|----------------------|----------------------|
| Net Increase/(decrease) in cash & cash equivalents (A + B + C) | 286,596 | (28,639) |
| Cash Balances of Subsidiary Companies taken/(disposed) on : | | |
| Acquisition of a subsidiary | 242 | - |
| Disposal of a subsidiary | (2,491) | - |
| Cash and cash equivalents at the beginning of the year | 273,482 | 322,985 |
| Effect of Foreign currency Translation | 38,533 | (20,864) |
| Cash and cash equivalents at the end of the year | 596,362 | 273,482 |
| Components of Cash & Cash Equivalents* | | |
| Cash-on-hand | 56,420 | 36,682 |
| Cheques on Hand | 49,079 | 41,894 |
| Balances with Scheduled Banks on : | | |
| Current Accounts | 441,229 | 168,589 |
| Unpaid Dividend Account | 766 | 651 |
| Proportionate Share of Joint Ventures | 48,868 | 25,666 |
| | 596,362 | 273,482 |
| Details of Restricted Cash: | | |
| Unpaid Dividend Account | 766 | 651 |
| * Excluding fixed deposits with banks having maturity of more than three months | 589,232 | 644,638 |

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 12, 2011

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

Per S.K.GUPTA
Partner
Membership No 082486

Place: Gurgaon
Dated: August 12, 2011

As Approved
For and behalf of the Board of Directors
Subhash Ch. Sethi
Vice-Chairman & Managing Director

Sushil Kr. Sethi
Managing Director

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



SPML Infra Limited

Corporate office: SPML House, Plot No. 65, Sector-32,
Institutional Area, Gurgaon - 122001

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

Email: info@spml.co.in Web: www.spml.co.in

Offices in Bangalore, Chennai, Kolkata, Mumbai

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