

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KAKINADA SEZ PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **KAKINADA SEZ PRIVATE LIMITED("the Company")**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. Based on the procedures and evaluations referred above we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note no. 10(a) to the accompanying financial statements for the year ended 31 March 2015, the company has disputed the claims from the Income Department pertaining to various years in respect of which the first two appellate authorities of the income tax department decided the issue against the company and the company is presently in appeal before the next forum seeking redressal on the issue, pending the outcome of the appellate proceedings the amount demanded aggregating to Rs.773.42 lakhs (Excluding consequential penalties if any to be levied) has not been provided, in view of pendency of appeal before the appellate authorities. The management based on expert's opinion and on the strength of the merits of the issue is confident of a favourable outcome. Our opinion is not qualified in respect of this matter.
- b) We draw attention to Note no. 2(f) to the accompanying financial statements for the year ended 31st March 2015, the company has from time to time obtained extension of the validity of the consents from Govt of India to set up Special Economic Zone (SEZ) which covers part of the total area contemplated for development of SEZ and these extended consents are valid till 26.08.2015 and 06.02.2016. The management is confident of obtaining further extension of these consents referred above if necessary and also getting the balance area notified for SEZ development as per required regulations. Based on the management's assessment of the situation in regard to these consents the financial statements have been prepared on the assumption that the balance area will be notified for development as required under regulations and due extension of consents for land already notified will be obtained if necessary. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,



2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2 (b) to the financial statements;
 - ii. Other than the matters mentioned in clause (b) under Emphasis of matter, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Currently there are no amounts held by the company that are required to be transferred to Investor education and protection fund.

Place: Chennai
Date: April 26, 2015

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No.000511S



N. Sri Krishna
Partner
Membership No.26575



The Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of Kakinada SEZ Private Limited on the accounts of the company for the year ended 31st March, 2015 we report that.

1. As the Company is in implementation stage of the Project, the Provisions of Clauses of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 listed below are not applicable to the Company for the Year:
 - a) Clause (ii) regarding inventories;
 - b) Clause (vi) regarding maintenance of cost records under Section 148(1) of the Companies Act, 2013;
2. a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii(b) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal control system has been noticed.
5. The Company has not accepted any deposits from the public during the year requiring compliance of provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service Tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty



of excise, value added tax or cess which have not been deposited on account of any disputes except as follows:-

Nature of the Dues	Disputed Amount (in Rs. Lakhs)	Amount Paid Under Protest/Adjusted (in Rs. Lakhs)	Period	Forum where the dispute is pending
Income Tax	136.09	136.09	AY 2007-08	Pending Appeal before High court
Income Tax (Penalty)	111.16	19.43	AY 2007-08	Pending Appeal before High court
Income Tax	251.41	251.41	AY 2008-09	Pending Appeal before High court
Income Tax (Penalty)	207.12	Nil	AY 2008-09	Pending appeal before Tribunal
Income Tax	57.48	57.48	AY 2009-10	Pending appeal before Tribunal
Income Tax	8.81	8.81	AY 2010-11	CIT Appeals
Income Tax	1.35	1.35	AY 2011-12	CIT Appeals

- c) According to the records of the company, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under has been transferred to such fund within time.
7. The accumulated losses of the company do not exceed fifty percent of its net worth at the end of the financial year. ***However the company has incurred cash losses in the current financial year (2014-15) and in the immediately preceding financial year (2013-14).***
8. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of instalments due to financial institution, bank or debenture holders.
9. ***The company has pledged its assets as security for the loans taken by its group company from banks and financial institutions amounting to Rs.1,95,000 lakhs. Considering the uncertainties prevailing at the company in terms of time overrun and the resultant cost overrun towards implementation of its project and pending achievement of financial closure which among many matters generally requires unencumbered assets of the project company being provided as security for any financial assistance. Hence we are unable to express our opinion whether providing security over the project's assets to banks and financial institutions in respect of loans***



availed by group companies is prima-facie prejudicial to the interest of the company or not.

10. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
11. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place: Chennai
Date: April 26, 2015

**For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No.000511S**



**N. Sri Krishna
Partner
Membership No.26575**



KAKINADA SEZ PRIVATE LIMITED
AUDITED BALANCE SHEET AS AT 31st MARCH 2015

Amount in Rs.

DESCRIPTION	Notes	AS AT 31.03.2015	AS AT 31.03.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	939,943,161	939,943,161
Reserve & Surplus	4	(28,310,393)	(24,084,964)
Non-current Liabilities			
Long term Borrowings	5	3,165,625,677	5,040,833,333
Other Long-term liabilities	6	-	536,805,800
Long-term provisions	7	11,699,348	9,489,944
Current Liabilities			
Short term Borrowings	8	4,948,164,916	4,220,967,269
Other Current Liabilities	9	4,244,717,833	826,219,179
Short-term provisions	10	1,685,376	1,594,570
TOTAL		13,283,525,918	11,551,768,293
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	13,020,265	9,889,237
Capital Work-in-progress	12	11,680,137,931	9,988,108,651
Long-term loans and advances	13	1,297,841,117	1,344,230,834
Other Non-current Assets	14	271,524,348	193,484,479
Current Assets			
Cash and bank balances	15	5,428,655	3,358,124
Short-term loans and advances	16	15,528,412	11,876,684
Other Current assets	17	45,190	820,285
TOTAL		13,283,525,918	11,551,768,293
Significant accounting policies and notes to accounts	1 & 2		

As per our report of even date

For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 0005115




N.SRI KRISHNA
Partner
Membership No: 26575

For and on behalf of the Board of Directors



B.V.N. Rao
Director
DIN: 00051167



K.V. Rao
Director
DIN: 00012584




G.V. Suresh Kumar
Company Secretary



Srinivasa Rao Suru
CFO

Place: Chennai
Date: April 26, 2015

Place: Hyderabad
Date: April 26, 2015

KAKINADA SEZ PRIVATE LIMITED
AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1ST APRIL 2014 TO 31st MARCH 2015

Amount in Rs.

Particulars	Notes	Year Ended 31st March 2015	Year Ended 31st March 2014
I Revenue from Operations			
Total		-	-
II Expenses			
Other Expenses	18	4,225,429	1,382,126
Total		4,225,429	1,382,126
III Profit/(Loss) before tax		(4,225,429)	(1,382,126)
Tax Expense		-	-
IV Profit/(Loss) for the period		(4,225,429)	(1,382,126)

As per our report of even date

For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 0005115



N.SRI KRISHNA
Partner
Membership No: 26575



For and on behalf of the Board of Directors



B.V.N.Rao
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DIN: 00051167



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DIN: 00012584




G.V. Suresh Kumar
Company Secretary



Srinivasa Rao Suru
CFO

Place: Chennai
Date: April 26, 2015

Place: Hyderabad
Date: April 26, 2015

KAKINADA SEZ PRIVATE LIMITED
AUDITED CASH FLOW STATEMENT FOR THE PERIOD 1ST APRIL 2014 TO 31st MARCH 2015

Amount in Rs.

	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(4,225,429)	(1,382,126)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	-	-
Interest Income	-	-
Finance charges	-	-
Operating Profit Before Working Capital Changes	(4,225,429)	(1,382,126)
Movements in working capital:		
Increase/(decrease) in long-term provisions	2,209,404	2,600,427
Increase/(decrease) in short-term provisions	90,806	404,269
Increase/(decrease) in other current liabilities	586,032,258	(28,871,610)
Increase/(decrease) in other long-term liabilities	(536,805,800)	-
Decrease/(increase) in long-term loans and advances	(92,165)	(867,000)
Decrease/(increase) in short-term loans and advances	(3,651,729)	822,733
Decrease/(increase) in other current assets	775,095	16,292,266
Decrease/(increase) in other non-current assets	(16,195,074)	(13,844,457)
Cash generated from/(used in) Operations	28,137,365	(24,845,498)
Direct Taxes paid (net of refunds)	-	-
Net Cash Flow from/(used in) Operating Activities (A)	28,137,365	(24,845,498)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets, Including Intangible assets, CWIP and Capital Advances	(255,286,684)	(281,656,425)
(Investments)/redemption of bank deposits	(61,844,795)	(11,175,000)
Net cash flow from/(used in) Investing Activities (B)	(317,131,479)	(292,831,425)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	1,368,125,677	917,500,000
Repayment of Long term borrowings	(416,666,667)	(540,000,000)
Proceeds from short term borrowings	727,197,647	744,219,640
Interest paid	(1,387,592,013)	(814,504,353)
Net Cash flow from/(used in) Financing Activities (C)	291,064,644	307,215,287
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	2,070,531	(10,461,635)
Cash and Cash Equivalents at the 1st April 2014	3,358,124	13,819,759
Cash and Cash Equivalents at the 31st March 2014	5,428,655	3,358,124
Components of Cash and Cash Equivalents		
Cash on hand	520,413	30,454
With Banks		
- on current accounts	4,908,242	3,327,671
	5,428,655	3,358,124

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the 'Accounting Standard -3' on 'Cash Flow Statements' as referred to in section 133 of the Companies Act, 2013 and the reallocation required for this purpose are as made by the Group.
 - Previous period figures have been regrouped and reclassified to conform to those of the current period
- As per our report of even date

For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 0005115




N.SRI KRISHNA
Partner
Membership No: 26575

For and on behalf of the Board of Directors



B.V.N. Rao
Director
DIN: 00051167



K.V. Rao
Director
DIN: 00012584




G.V. Suresh Kumar
Company Secretary



Srinivasa Rao Suru
CFO

Place: Chennai
Date: April 26, 2015

Place: Hyderabad
Date: April 26, 2015

KAKINADA SEZ PRIVATE LIMITED

Notes to Audited Financial Statements for the year ended 31st March 2015

1 Significant Accounting Policies

a) Basis of Accounting

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements are prepared under the historical cost convention and comply with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition, including any attributable cost for bringing asset to its working condition for its intended use, less accumulated depreciation.

c) Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the assets net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.

d) Depreciation

Pursuant to the enactment of the Companies Act 2013 ('the Act'), the Company has effective April 01, 2014, reviewed and revised the estimated useful life of fixed assets, generally in accordance with the provision of Schedule II of the Act or as assessed by the management, except for assets individually costing less than Rs. 5,000, which are fully Depreciated in the year of acquisition.

e) Foreign Currency Transactions

Foreign Currency Transactions are accounted at The exchange rates prevailing on the date of the transaction.

f) Employee Benefits

i) Defined Contribution Plans

Contributions paid/ payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

The Company makes monthly contributions and has no further obligations under such plans beyond its contributions.

ii) Defined Benefit Plan

The liability as at the balance sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately.

iii) Other Long term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are recognised immediately and are not deferred.

iv) Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



g) Borrowing Costs

Borrowing Cost attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are put to use.

h) Taxation

The company is in the implementation stage of SEZ at Kakinada. The company is eligible for Tax Holiday period of 10 years. However, Deferred Tax on timing differences between taxable income and accounting income shall be provided subject to consideration of prudence, as and when the Company commences operation.

i) Provisions

Provisions are recognized where there is a present obligations 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 the reliable estimate can be made. These are reviewed at each balance Sheet date and adjusted to reflect the current best estimates.

j) Claims

The claims against the company not acknowledged as Debts shall be disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

k) Preliminary Expenses

Preliminary Expenses will be written of over a period of five years from the year of commencement of commercial operations.

l) Pre-operative Expenses

Pre-operative Expenses during construction period of execution of project, shall be carried forward and will be capitalized upon commencement of commercial operations, of the project.

2 Notes to Accounts

a) Capital and Other Commitments

(i) Capital Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided for are valued at (Net of Advances) Rs.6.51Cr (Previous Year Rs 2.97Cr)

(ii) Other Commitments - Leases

As a Lessee:

Lease rental charged to CWIP

Particulars	March 31, 2015	March 31, 2014
Payment		
Lease rentals under cancellable leases and non-cancellable leases	27,677,076	25,371,481
Obligations on non-cancellable leases:		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
Grand Total	27,677,076	25,371,481



b) Contingent Liabilities not provided for

Income Tax Demand from the Department under the Income Tax Act, 1961 of Rs. 773.42 Lakhs as at 31.03.2015 (Previous Year: Rs. 773.42 Lakhs)

c)

The Company is in the process of acquiring Land from Government of Andhra Pradesh/APIIC. Extent of land acquired through this process is 2094.74 Acres.

d) Sundry Creditors includes Rs NIL (Previous Year Rs. NIL) pertaining to Small Scale Industrial Undertakings (SSI) to the extent such parties have been identified from the available information/documents. There are no SSI units to whom the company owes a sum exceeding Rs 1.00 Lakhs and outstanding for more than 30 days (but not over due) as at 31st March 2015.

e) There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st march 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

f)

The Company is in the process of acquiring land for implementing a Multi Product Special Economic Zone within the meaning of Special Economic Zone Act 2005. The Company has obtained an initial Notification from the Ministry of Commerce, Government of India vide Notification No. 635(E) dated 23rd April 2007 for an extent of 1035.6688 hectares, the formal approval for the same is initially given for 3 years from June 2006. The said formal approval is extended till August 2015. The company has obtained further notification from Government of India vide Notification No. 342(E) dated 6th February 2013 for an extent of 1013.64 hectares and the formal approval has been given initially for 3 years from February 2012, which on application by the company has been extended further by one year upto February 2016. The company upon completion of acquisition of the desired land will apply for an appropriate Notification, pending the same the entire land that is acquired till date by the company is treated as land acquired for the purpose of implementation of Special Economic Zone awaiting notification.

g) Land acquisition for SEZ Project comprises direct purchases, Land acquired from APIIC, and Land awarded by Government of Andhra Pradesh (GOAP) through notification. The Land acquired through awards by GOAP includes, payment towards structures, standing crops, solatium and interest from the date of notification till the date of award. All the above costs are treated as part of land acquisition cost.

h) In respect of ongoing land acquisition process, there are claims of different types pending before various judicial forums such as, disputes between claimants, or writ petitions filed against property acquisitions, of land etc. As these cases are subject to judicial verdicts which are pending, the final impact if any on financial statements of company towards the ongoing project execution is not determinable as on the date of Balance Sheet.

i)

Further to the acquisition of land for development of Special Economic Zones the company has initiated various rehabilitation and resettlement initiatives to relocate the inhabitants residing in the land acquired. The amount of expenditure incurred by the company towards rehabilitation and resettlement initiatives amounting to Rs. 65,88,00,429/- (31st March 2014: Rs.63,68,99,416/-) is treated as part of land acquisition cost and is grouped along with capital work-in-progress. The company had estimated that additional cost of Rs.41.03Cr is likely to be incurred towards rehabilitation and resettlement as required under AS 29, no provision has been made in this regard, as the negotiations with the beneficiaries towards obtaining possession of land necessitating the rehabilitation is still going on and once the potential obligation is materialized, the same will be provided for.

j) Employee Benefits:

i) Defined Benefit Plan

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet

Particulars	2014-15	2013-14
A) Net Employee Benefit Expenses		
Current Service Cost	911,813	688,333
Interest cost on benefit obligation	433,819	297,403
Expected Return on Plan Assets	(182,052)	(30,367)
Net (gain)/loss recognised	745,684	310,005
Past Service Cost	-	-
Net Benefit Expense	1,909,264	1,265,374
B) Balance Sheet		
Defined benefit obligation	6,667,792	4,881,629
Fair value of plan assets	3,603,802	265,955
Less: Unrecognised past service cost	-	-
Net Asset/(Liability) recognised in Balance sheet	(3,063,990)	(4,615,674)
C) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	4,881,629	3,757,397
Interest Cost	433,819	297,403
Current Service Cost	911,813	688,333
Past Service Cost	-	-
Acquisition Cost	263,977	-
Benefits Paid	(383,397)	(171,509)
Actuarial (gains)/losses on obligation	559,951	310,005
Closing defined benefit obligation	6,667,792	4,881,629
D) Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	265,955	407,097
Expected Return on Plan Assets	182,052	30,367
Contribution by employer	3,724,925	-
Benefits Paid	(383,397)	(171,509)
Actuarial gain/(loss)	(185,733)	-
Closing fair value of plan assets	3,603,802	265,955



ii) Liability towards leave encashment based on actuarial valuation amounts to Rs. 96,55,499/- as at March 31, 2015 (March 31, 2014: Rs. 53,17,515/-)

k) Related Party Transactions:

Disclosures in respect of related parties as defined in Accounting Standard 18, with whom transactions have taken place during the year, are given below:

List of Related Parties

Name of the Company	Nature of Relationship
GMR Holdings Pvt. Ltd. (GHPL)	Ultimate Holding Company
GMR SEZ and Port Holding Pvt. Ltd. (GSPHPL)	Holding Company
GMR Infrastructure Limited (GIL)	Holding Company's Holding Company
GMR Energy Limited (GEL)	Fellow Subsidiary of Holding Company
GMR Kakinada Energy Pvt. Ltd. (GKEPL)	Fellow Subsidiary of Holding Company
GMR Krishnagiri SEZ Limited (GKSEZ)	Fellow Subsidiary of Holding Company
GMR Hyderabad International Airport Ltd. (GHIAL)	Fellow Subsidiary of Holding Company
GMR Hotels and Resorts Ltd (GHRL)	Fellow Subsidiary of Holding Company
GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	Fellow Subsidiary of Holding Company
GMR Corporate Affairs Private Limited (GCAPL)	Fellow Subsidiary of Holding Company
GMR Aviation Private Limited (GAPL)	Fellow Subsidiary of Holding Company
Raxa Security Services Limited (RAXA)	Subsidiary of Ultimate Holding Company
GMR Bannerghatta Properties Private Limited (GBPPL)	Subsidiary of Ultimate Holding Company
GMR Projects Private Limited (GPPL)	Subsidiary of Ultimate Holding Company
GMR Varalaxmi Foundation (GVF)	Group Company
GMR Airport Developers Private Limited (GADL)	Fellow Subsidiary of Holding Company
GMR Highways Ltd (GHL)	Fellow Subsidiary of Holding Company (GIL)
GMR Kamalanga Energy Limited (GKEL)	Fellow Subsidiary of Holding Company (GIL)
GMR Chattishgarh Energy Ltd (GCEL)	Fellow Subsidiary of Holding Company (GIL)
GMR Ulundurpet Expressways Pvt Ltd (GUEPL)	Fellow subsidiary of Holding Company (GIL)
Gmr Hyderabad Vijayawada Express Ways Pvt Ltd (GHVEPL)	Fellow Subsidiary of Holding Company (GIL)
Gmr Gujarat Solar Power Private LTD (GGSPPL)	Fellow Subsidiary of Holding Company (GIL)
GMR Family Fund Trust (GFFT)	Enterprise where key managerial personnel and their relatives exercise significant influence
Dhruvi Securities Pvt Ltd	Fellow Subsidiary of Holding Company (GIL)
Delhi International Airport Ltd	Subsidiary of holding Company's of holding company
GMR Coastal Energy Pvt Ltd	Fellow Subsidiary of Holding Company (GIL)
Kakinada Infrastructure Holdings Pvt. Ltd. (KIHPL)	Significant Influence

Sl. No.	Particulars	2014-15	2013-14
A)	Transactions during the year		
1	Loan from Group companies		
	- GMR SEZ and Port Holding Pvt. Ltd	191,200,000	547,500,000
	- Dhruvi Securities Pvt Ltd	155,000,000	-
	- GMR Infrastructure Limited	1,880,312,603	370,000,000
2	Loan repaid to group companies		
	- Dhruvi Securities Pvt Ltd	146,000,000	-
	- GMR SEZ and Port Holding Pvt. Ltd	712,386,926	-
	- GMR Infrastructure Limited	-	540,000,000
3	Security Charges		
	-Raxa Security Services Limited	7,133,475	5,942,681
4	Interest on group company loans		
	- GMR SEZ and Port Holding Pvt. Ltd	38,919,233	1,415,240
	- Dhruvi Securities Pvt Ltd	11,674,120	-
	- GMR Infrastructure Limited	427,798,638	362,955,685
5	Paid for employee loan balance on transfer		
	- GMR Krishnagiri SEZ Limited	-	834,806
	- GMR Kamalanga Energy Limited	-	152,862
	- GMR Chattishgarh Energy Ltd	-	20,831
	- GMR Highways Ltd	-	(502,000)
	- Delhi International Airport Limited	16,670	-
6	Rent		
	- GMR Hyderabad International Airport Ltd	2,240,202	1,638,163
	- GMR Energy Limited	3,420,000	3,420,000
	- GMR FAMILY FUND TRUST	18,749,640	12,559,215
7	Bus Hire, Electricity & IT & Communication Charges		
	- GMR Hyderabad International Airport Ltd	2,001,622	1,222,412
8	Boarding & Lodging		
	- GMR Hotels and Resorts Ltd	188,200	-



9	Reimbursement of Expenses to		
	- GMR Hyderabad International Airport Ltd	-	-
	- GMR Varalaxmi Foundation	7,765,473	7,530,281
	- GMR Infrastructure Limited	46,360,364	21,633,856
	- GMR Krishnagiri SEZ Limited	374,477	-
	- GMR SEZ and Port Holding Pvt. Ltd	3,041,300	2,295,000
	- Delhi International Airport Limited	730,497	12,599
	- GMR COASTAL ENERGY PRIVATE LIMITED	898,880	-
	- GMR Airport Developers Private Limited	24,903	-
10	Travelling Expenses		
	- GMR Aviation Private Limited	869,167	-
	- GMR Krishnagiri SEZ Limited	13,354	2,130,630
	- Delhi International Airport Limited	-	10,637
11	Reimbursement of Expenses by		
	- GMR Krishnagiri SEZ Limited	-	(29,379)
	- GMR Hyderabad International Airport Ltd	-	(24,371)
	- GMR Energy Limited	(190,040)	-
	- Delhi International Airport Limited	-	(17,247)
B)	Outstanding Balances at the year end		
1	Issued Capital		
	- GMR SEZ and Port Holding Pvt. Ltd	479,371,010	479,371,010
	- Kakinada Infrastructure Holdings Pvt. Ltd	378,300,000	378,300,000
2	Lease Deposit-Refundable		
	- GMR Energy Limited	500,000,000	500,000,000
	- GMR Kakinada Energy Pvt. Ltd	36,805,800	36,805,800
3	Land Aggregation & Material Supply		
	- GMR Projects Private Limited	1,000,000,000	1,000,000,000
4	Loan from Group companies		
	- GMR SEZ and Port Holding Pvt. Ltd	26,313,074	547,500,000
	- Dhruvi Securities Pvt Ltd	9,000,000	-
	-GMR Infrastructure Limited	4,290,312,603	2,410,000,000
5	Creditors/Payable		
	- GMR Aviation Pvt Ltd	959,212	-
	-GMR Infrastructure Limited	396,364,435	358,376,286
	- GMR Hyderabad International Airport Ltd	125,559	-
	- GMR Krishnagiri SEZ Limited	-	654,908
	- Delhi International Airport Limited	294,097	-
	- GMR SEZ and Port Holding Pvt. Ltd	5,080,408	1,273,716
	- Raxa Security Services Limited	1,293,419	1,023,489
	- GMR Energy Limited	1,852,042	517,560
	- GMR Varalaxmi Foundation	2,716,862	1,956,421
	- GMR FAMILY FUND TRUST	3,074,362	12,230,563
	- Dhruvi Securities Pvt Ltd	1,588,817	-
6	Security Deposit receivable		
	- Raxa Security Services Limited	4,200,000	4,200,000
7	Receivable		
	- Kakinada Refinery and Petrochemicals Pvt Limited	-	69,930
	- GMR Kakinada Energy Pvt. Ltd	13,555	-
	- GMR Highways Ltd	-	502,000

l) Particulars of Remuneration of Auditors

Particulars	2014-15	2013-14
Audit Fees	250,000	250,000
Other Certification Fees	-	100,000
Reimbursement of Expenses	65,088	-
Total	315,088.0	350,000.0

m) Segment Reporting

There are no separate reportable segments as per Accounting Standards 17, as the entire operations of the company relate to one segment namely implementation of SEZ at Kakinada.

n) Earnings per share

The company has not commenced any commercial operations. During the year no profit is attributable to the equity share holders.

o) Expenditure in Foreign Currency:

Particulars	2014-15	2013-14
Professional Charges	-	1,525,038



p) Details of Interest accrued and due as on 31st march 2015:

Name of the Bank / FI / Lender	Amt due Rs.
GMR Infrastructure Ltd	338,999,541
GMR SEZ & Port Holdings Pvt Ltd.	5,080,408
Dhruvi Securities	1,588,817
United Bank of India	7,421,625
Central Bank of India	18,466,884
Oriental Bank of Commerce	7,730,665
Total	379,287,940

3 Quarters interest due to GMR Infrastructure Ltd; 2 Quarters interest is due to GMR SEZ & Port Holdings & Dhruvi Securities; Interest accrued for Feb-15 & Mar-15 is due to United Bank of India and Central Bank of India; Interest accrued for the month of March 15 is due to Oriental Bank of Commerce.

q) During the year 2010-11 the Company has entered into agreement with GMR Energy Limited and GMR Kakinada Energy Private Limited for lease of land aggregating to 3,649.29 acres and 268.63 acres respectively. In terms of the said lease initially entered into between the company and the lessees the lease has to commence as per the respective covenants. Whereas the company and the lessee have entered into an addendum to the referred original lease deed and in terms of the said addendum the following aspects of registered original lease deed were modified.

1. The lessees agreed to pay in addition to the lease amount towards land all the expenses towards developmental costs as levied by the company upon completion of the developmental activities.
2. The lease commencement date has been mutually reset at 01st April 2015 and consequently no lease income has accrued and accordingly recognized in the financial statements.
3. As per the original lease deed read with the addendum the lease commencement have been reset and consequently the disclosures required under AS 19 has also not been made in the financial statements as they are not applicable for the current financial statements.
4. Both the above leases were cancelled on 20.03.2015 in the office of the Sub Registrar-Tuni

r) Expenditure during construction period

During this period the company incurred a sum of Rs.169,20,29,280/- (Previous Year Rs. 1,41,76,23,395/-) towards expenditure incurred in respect of ongoing SEZ project under execution by the company. This expenditure is directly connected with land acquisitions which is the primary asset of the project. Other expenditure incurred which is not directly connected with the ongoing land acquisitions is treated as period cost and charged off to the profit and loss account.

s) Figures of the Previous Year have been re-grouped or re-arranged wherever considered necessary to conform to the current year presentation or classification.



KAKINADA SEZ PRIVATE LIMITED

Notes to Audited Financial Statements as at 31st Mar 2015

3 Share Capital

Particulars	31.03.2015	31.03.2014
Authorised Shares		
20,00,00,000 (31st March' 2014: 20,00,00,000) Equity Shares of Rs. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up Capital		
8,27,08,275 (31st March'14: 8,27,08,275) Equity Shares of Rs. 10 each fully paid up	827,082,750	827,082,750
11,28,60,411 (31st March'14: 11,28,60,411) Equity Shares of Rs. 10 each - Rs.1 Paid up	112,860,411	112,860,411

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

Particulars	31.03.2015		31.03.2014	
	No.	Amount	No.	Amount
At the beginning of the period – Rs. 10 each	82,708,275	827,082,750	82,708,275	827,082,750
Issued during the period	-	-	-	-
Outstanding at the end of the period (A)	82,708,275	827,082,750	82,708,275	827,082,750
At the beginning of the period – Rs. 1 each	112,860,411	112,860,411	112,860,411	112,860,411
Issued during the period	-	-	-	-
Outstanding at the end of the period (B)	112,860,411	112,860,411	112,860,411	112,860,411
Total (A+B)		939,943,161		939,943,161

b) Shares held by holding company

Particulars	31.03.2015	31.03.2014
GMR SEZ & Port Holdings Private Limited		
4,21,81,220 (31st March'14: 4,21,81,220) Equity Shares of Rs. 10 each	421,812,200	421,812,200
5,75,58,810 (31st March'14: 5,75,58,810) Equity Shares of Re.1 each	57,558,810	57,558,810
Total	479,371,010	479,371,010

c) Details of shareholders holding more than 5% shares in the company

Particulars	31.03.2015		31.03.2014	
	No.	% of holding	No.	% of holding
Equity Shares - Face Value Rs. 10 each paid up Rs. 10				
GMR SEZ & Port Holdings Private Limited	42,181,220	51.00%	42,181,220	51.00%
Kakinada Infrastructure Holdings Private Limited	34,700,000	41.95%	34,700,000	41.95%
Veda Infra-Projects (India) Private Limited	5,300,000	6.41%	5,300,000	6.41%
Equity Shares - Face Value Rs. 10 each paid up Rs. 1				
GMR SEZ & Port Holdings Private Limited	57,558,810	51.00%	57,558,810	51.00%
Kakinada Infrastructure Holdings Private Limited	31,300,000	27.73%	31,300,000	27.73%
Veda Infra-Projects (India) Private Limited	23,450,000	20.78%	23,450,000	20.78%



4 Reserve & Surplus

Particulars	31.03.2015	31.03.2014
Surplus/(Deficit) in the statement of profit and loss as per last financial statements	(24,084,964)	(22,702,838)
Profit/(Loss) for the period	(4,225,429)	(1,382,126)
Net Surplus/(Deficit) in the statement of profit and loss	(28,310,393)	(24,084,964)

5 Long-term Borrowings

Particulars	Non-current portion		Current Maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Rupee Term Loans				
Secured				
From Banks (Refer (a) below)	1,250,000,000	2,083,333,333	833,333,333	416,666,667
Unsecured				
From Related Parties -Refer (b) below	1,915,625,677	2,957,500,000	2,410,000,000	-
Total	3,165,625,677	5,040,833,333	3,243,333,333	416,666,667

(a) Secured Loan From Banks

Term Loan from ICICI Bank (Secured) of Rs. 208.33 Cr (Mar 31, 2014: Rs.250 Cr) is secured by pari passu first charge on Land and buildings appurtenant thereon and first ranking exclusive charge over Debt Service Reserve Account maintained with ICICI Bank. Further, secured by an irrevocable and unconditional guarantee given by GMR Infrastructure Ltd. The loan is repayable in 12 equal quarterly installments starting from 27th October 2014 (The end of 27 months from the 1st drawdown date) and carries an interest rate of 10.00% p.a. plus spread of 5.50% p.a. i.e. effective rate of 15.50% p.a. payable monthly. Four Quarterly installments are falling due for repayment within the next twelve months hence an amount of Rs. 83.33 Cr is categorised as current maturities of long term borrowings under Note.7

(b) Unsecured Loans from Related Parties

(i) Inter Corporate Loan of Rs.204Cr (31Mar'14: Rs.204 Crs) from GMR Infrastructure Ltd at an interest rate of 14% p.a., payable on qtrly basis, repayable in 3 years (Due in the month of Mar'16). Rs.204 Crores is falling due for repayment within the next twelve months hence it is categorised as current maturities of long term borrowings under Note.7

(ii) Intercompany Loans of Rs.69.50Cr (31Mar'14: Rs.37Cr) from GMR Infrastructure Ltd at an interest rate of 14.75% payable on Qtrly basis, repayable in 2 years (Due in the months of Jan'16 to June'16). Rs.37 Crores is falling due for repayment within the next twelve months hence it is categorised as current maturities of long term borrowings under Note.7

(iii) Intercompany Loans of Rs.15.24Cr (31Mar'14: Nil) from GMR Infrastructure Ltd at an interest rate of 12.25% payable on Qtrly basis, repayable in 2 years (Due in the month of Aug'16)

(iv) Intercompany Loans of Rs. 65.35Cr (31Mar'14: Nil) from GMR Infrastructure Ltd at an interest rate of 12.25% payable on Qtrly basis, repayable in 3 years (Due in the months of Oct'17 and Nov'17)

(iv) Intercompany Loans of Rs. 74.94Cr (31Mar'14: Nil) from GMR Infrastructure Ltd at an interest rate of 12.25% payable on Qtrly basis, repayable in 3 years (Due in the months of Jan'18 to Mar'18)

(v) Intercompany Loans of Rs. 2.63Cr (31 Mar 14: Rs.54.75Cr) from GMR SEZ and Port Holding Pvt Ltd at an interest rate of 9.50% p.a., payable on qtrly basis, repayable in 3 years (Due in the month of Apr'17).

vi) Intercompany Loan of Rs. 0.90Cr (31 Mar 14: NIL) from Dhruvi Securities Pvt Ltd at an interest rate of 14.75% p.a., payable on qtrly basis, repayable in 2 years (Due in the month of Apr'16).

6 Other Long-term Liabilities

Particulars	31.03.2015	31.03.2014
Interest free lease deposit for lease of land		
Related Parties	-	536,805,800
Total	-	536,805,800



7 Long-term provisions

Particulars	31.03.2015	31.03.2014
Provision for Leave Encashment	8,635,358	4,890,156
Provision for Gratuity	3,063,990	4,599,788
Total	11,699,348	9,489,944

8 Short-term Borrowings

Particulars	31.03.2015	31.03.2014
Loan against third party fixed deposits repayable on demand from Banks (Unsecured)	2,628,024,916	2,615,367,269
Loan against third party fixed deposits repayable on demand from Financial Institution - M/s SICOM Limited (Unsecured)	2,320,140,000	1,605,600,000
Total	4,948,164,916.36	4,220,967,269

a) Loan against third party fixed deposits repayable on demand from Banks of Rs. 262.80Cr (Mar 31, 2014: Rs. 261.53 Cr) are secured by fixed deposits of Rs. 283.95Cr deposited by GIL and other group companies. The rate of interest for these arrangements with different banks is FD rate plus 1% p.a or their Base rate, whichever is higher

b) Loans against third party deposits repayable on demand from Financial Institution (M/s SICOM Limited) of Rs. 232.01 Cr. (March 31, 2014: Rs. 160.56 crore) is secured by charge on fixed deposit of Rs. 236.75 crore placed by GIL and other Group companies. The rate of interest is FD rate plus 1% p.a.

9 Other Current Liabilities

Particulars	31.03.2015	31.03.2014
Current Maturities of Long-term Borrowings - Ref Note 5(a) & 5(b)	3,243,333,333	416,666,667
Interest Accrued but not due	973,470	993,151
Interest Accrued and Due - Refer note 2 (p)	379,287,940	373,468,530
Others	*	
Non-trade Payables	617,904,405	29,550,607
Security Deposit from vendors	151,321	151,321
TDS Payable	2,327,834	2,201,578
Other Current Liabilities	739,529	3,187,326
Total	4,244,717,833	826,219,179

10 Short-term provisions

Particulars	31.03.2015	31.03.2014
Provision for employee benefits		
Provision for Leave Encashment	1,020,141	427,359
Provision for Bonus	665,235	621,875
Provision for Superannuation	-	186,761
Provision for LTA	-	206,767
Provisions-Gratuity	-	15,886
Others		
Provisions-IT	-	135,922
Total	1,685,376	1,594,570

a) The Company has paid Income Tax under Protest of Rs. 4.73 Cr (shown under Note no. 14 below - Other Non-Current Assets). Provision has not been made for the same, since the company has contested the same in Appeal before the Hon'ble High Court of Andhra Pradesh. This Rs.4.73 Cr consists of Rs.4.54 Cr for regular tax assessments and Rs. 0.19 Cr for penalty. The appeal is admitted by the Hon'ble High Court and the hearings are in progress.



11 Tangible Assets

Description	Gross Block		Additions	Deletions	As on		Depreciation		As on		Net Block	
	As on 01.04.2014	As on 31.03.2015			31.03.2015	01.04.2014	As on 01.04.2014	Additions	31.03.2015	31.03.2015	As on 31.03.2015	As on 31.03.2014
Buildings	2,616,866	2,708,359	91,493	-	2,708,359	198,528	198,528	1,087,600	1,286,128	1,422,231	2,418,338	
Office Equipment	4,462,294	7,819,698	3,357,405	-	7,819,698	648,172	648,172	1,406,316	2,054,488	5,765,211	3,814,122	
Computers	2,495,431	7,283,801	4,788,370	-	7,283,801	897,930	897,930	1,723,211	2,621,140	4,662,661	1,597,502	
Furniture & Fixtures	1,120,085	2,388,488	1,268,403	-	2,388,488	620,763	620,763	1,161,867	1,782,629	605,859	499,322	
Vehicles	2,275,989	835,361	-	1,440,628.00	835,361	716,035	716,035	-	271,057	564,304	1,559,954	
Total	12,970,665	21,035,708	9,505,670.97	1,440,628.00	21,035,708	3,081,427	3,081,427	5,378,994	8,015,442	13,020,265	9,889,237	
2013-14	10,375,697	12,970,665	2,594,968	-	12,970,665	1,896,008	1,896,008	1,185,420	3,081,427	9,889,237	8,479,689	

a) In accordance with the provisions of Schedule II of the Companies Act, 2013, the Company has revised the estimated useful lives of its fixed assets with effect from April 01, 2014. Accordingly, the netbook value of the fixed assets as at April 01, 2014, is depreciated on a prospective basis over the remaining useful life, wherever applicable. Further, in case of fixed assets whose useful life on such reassessment had expired as of April 01, 2014, net book value of assets of Rs 4,22,822/- is adjusted against the surplus / (deficit) in the statement of profit and loss/ CWIP as of April 01, 2014.

b) Based on the Physical verification of fixed assets, obsolete assets amounting to Rs.16,126/- has been written off during the current financial year.



12 Capital Work-in-progress

S.No	Particulars	31.03.2015	31.03.2014
1	Land and Land Related Expenses	3,347,289,609	3,327,560,355
2	Rehabilitation Expenses	658,800,429	636,899,416
3	Interest & Finance Charges	6,561,558,734	5,150,809,345
4	Rates & Taxes	9,662,576	8,776,341
5	Consultancy Charges	450,956,685	377,878,864
6	Overhead Cost		
a	Advertisement	9,730,816	9,730,816
b	Audit Fees & other expenses	521,182	521,182
c	Bad Debts W/O	(376,782)	721,933
d	Books & Periodicals	12,329	12,329
e	Business Promotion	2,402,456	2,401,956
f	Computer Maintainance	3,643,045	1,861,340
g	Conveyance & Vehicle Maintaince	39,478,184	33,564,445
h	Depreciation	9,443,777	3,518,623
i	Electricity Charges	10,635,696	7,574,046
j	Fringe Benefit Tax	1,134,587	1,134,587
k	General Expenses	13,202,957	10,388,462
l	Guest House Maintainance	3,622,849	3,180,520
m	Insurance	2,355,962	1,496,773
n	Loss on Sale of Assets	763,990	311,108
o	Office Maintainance	9,276,232	8,376,341
p	Pooja Expenses	12,974	9,474
q	Postage & Telegram	469,963	377,119
r	Printing & Stationery	4,882,462	3,743,753
s	Rent	78,729,324	51,052,247
t	Repairs & Maintaince	2,360,983	2,225,577
u	Salaries & HR Costs	320,893,066	224,203,155
v	Security Charges	46,467,134	38,866,112
w	Staff Welfare	13,320,308	10,941,227
x	Telephone Charges	7,740,418	7,212,782
y	Travelling Expenses	71,145,987	62,758,424
	Overhead Cost Total	651,869,898	486,184,330
	Total	11,680,137,931	9,988,108,651

(a) First pari passu charge has been created on land for the term loan availed by GMR Energy Limited from LIC of India to the extent of Rs.700 Crores.

(b) Second charge has been created on land for the Non Convertible Debentures (NCDs) issued by GMR Infrastructure Limited to ICICI Bank Ltd upto the extent of Rs.250 Crores.

(c) Subservient charge has been created on land for the Term Loan availed by GMR Infrastructure Limited from ICICI Bank Ltd to the extent of Rs.1000 Crores

13 Long-term Loans & Advances

Particulars	31.03.2015	31.03.2014
Capital Advances – Unsecured, considered good	62,984,222	109,466,104
Capital Advances to related parties – Unsecured, considered good	1,229,000,000	1,229,000,000
Security Deposits – Unsecured considered good	5,856,895	5,764,730
Total	1,297,841,117	1,344,230,834

14 Other Non-Current Asseets

Particulars	31.03.2015	31.03.2014
Preliminary Expenses to the extent not written off	76,340	76,340
Balance with Statutory /Government authorities	61,105,045	44,909,971
Income Tax paid under protest	47,295,236	47,295,236
ADV TAX - FBT	27,932	27,932
Other Bank deposits-Restricted	163,019,795	101,175,000
Total	271,524,348	193,484,479



15 Cash and Bank balances

Particulars	31.03.2015	31.03.2014
Balance with banks on current account	4,908,242	3,327,671
Cash on hand	520,413	30,454
Total	5,428,655	3,358,124

16 Short-term Loans & Advances

Particulars	31.03.2015	31.03.2014
Loans to Employees - Unsecured, Considered good	775,448	2,386,945
Advances recoverable in cash or kind - Unsecured considered good	10,886,874	5,900,833
TDS Receivable	3,866,091	3,588,906
Total	15,528,412	11,876,684

17 Other Current Assets

Particulars	31.03.2015	31.03.2014
Non Trade Receivable	13,555	586,977
Interest Accrued on Fixed Deposits	31,635	233,308
Total	45,190	820,285

18 Other Expenses

Particulars	2014-15	2013-14
Payment to Auditors - Refer Note 2(l)	250,000	350,000
Reimbursement-Expenses-Statutory Auditor -	65,088	-
Consultancy Charges - Internal Audit	100,000	-
Business Promotion Expenses	2,322,192	699,898
Book & Periodicals	25,228	22,018
Advertisement Expenses	925,677	3,840
Membership Fee	80,150	11,610
Seminars & Conference	229,549	116,850
ROC Expenses	16,668	12,070
Pooja Expenses	85,509	88,748
Sitting Fee	15,000	60,000
Rates & Taxes & other exp.	2,220	10,800
Meetings - Lodging	57,648	893
Books - Magazines	50,500	5,400
Total	4,225,429	1,382,126

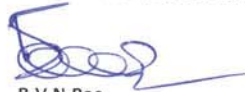
As per our attached report of even date

for Brahmayya & Co.
Chartered Accountants

N. Sri Krishna
Partner
Membership No. 26575
Firm Reg. No. 000511S

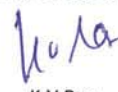


For and on behalf of the Board of Directors



B.V.N. Rao
Director
DIN: 00051167


G.V. Suresh Kumar
Company Secretary



K.V. Rao
Director
DIN: 00012584


Srinivasa Rao Suru
CFO



Place: Chennai
Date: April 26, 2015

Place: Hyderabad
Date: April 26, 2015