

KARYAVATTOM SPORTS FACILITIES LIMITED

ANNUAL REPORT

2012-13

Karyavattom Sports Facilities Limited

DIRECTORS' REPORT

The Shareholders
Karyavattom Sports Facilities Limited

Your Directors take pleasure in presenting the Directors' Report along with the Audited Statement of Accounts for the period ended March 31, 2013

FINANCIAL RESULTS :

For the year ended	(in Rupees)	
	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	896,468	-
Total Expenses	5,555,910	235,840
Profit/ (Loss) Before Tax	(4,659,442)	(235,840)
Less: Provision for Tax	-	-
Profit/ (Loss) After Tax	(4,659,442)	(235,840)
Balance carried forward	(4,895,282)	(235,840)

Operations:

During the period under review, your company has achieved the construction progress upto the foundation level. The works are progressing generally well on all fronts and is expected to be completed prior to the scheduled Commercial Operation Date (COD) of December 18, 2014. As of now the Project has achieved about 14% overall completion

DIVIDEND :

Due to inadequacy of profits, your Directors do not recommend dividend for the financial year under review

Karyavattom Sports Facilities Limited

CAPITAL :

During the year under review, your Company had allotted 15,000,000 Equity Shares of Rs 10 each to IL&FS Transportation Networks Limited, the parent Company. Accordingly, the issued and paid up capital of the Company has increased to Rs 150,500,000 divided into 15,050,000 Equity Shares of Rs 10/- each

DIRECTORS :

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Ms Shaivali Parekh and Mr Ram Walase, Directors of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment

AUDITORS :

M/s S R Batliboi & Associates LLP, Chartered Accountants, Hyderabad, existing Statutory Auditors of the Company, retires at the ensuing Annual General Meeting of the Company and being eligible, have provided their consent for re-appointment as Auditors of the Company for FY 2014, subject to approval of the Members at the ensuing Annual General Meeting (AGM)

CORPORATE GOVERNANCE:

Five Board Meetings were held during the year under review on April 19, 2012, July 19, 2012, September 17, 2012, October 18, 2012 and January 18, 2013. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr Mukund Sapre	5	5
2	Mr Anilkumar Pandala	5	3
3	Mr Deep Sen	4	2
4	Mr Ram Walase	5	4
5	Ms Shaivali Parekh	5	5
6	Mr Krishna Ghag	1	0

Karyavattom Sports Facilities Limited

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. The Audit Committee comprises of Mr Deep Sen, Mr Ram Walase and Ms Shaivali Parekh. The Audit Committee met two times during the year under review on October 18, 2012 and January 18, 2013

FIXED DEPOSIT:

Your Company has not invited/ accepted any deposits during the year under review

PARTICULARS OF EMPLOYEES :

The Company did not have any employee falling under provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended. Thus, there were no employees in respect of whom the information is required to be provided

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), the Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting 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; and
- (d) they have prepared annual accounts on a going concern basis

Karyavattom Sports Facilities Limited

FOREIGN EXCHANGE EARNINGS AND OUTGO :

There were no foreign exchange earnings and outgo during the year ended March 31, 2013

Since your Company does not have any manufacturing facility/activity, the other particulars in the Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988 are not applicable and hence not provided

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :

The provisions of Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption do not apply to the Company

ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for the extended support and co-operation received from various Government Authorities including Government of Kerala (GoK), National Games Secretariat (NGS), and other Regulatory Authorities, Banks, Financial Institution and Shareholders of the Company

For and on behalf of the Board of Directors

Sd/-
Ram Walase

Sd/-
Shaivali Parekh
Directors

Place : Mumbai
Dated : April 18, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Karyavattom Sports Facilities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Karyavattom Sports Facilities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



Annexure referred to in paragraph [1] of our report of even date

Re: Karyavattom Sports Facilities Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The nature of the Company's business is such that it does not hold any inventory. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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 fixed assets. The activities of the Company do not involve purchase of inventory and the sale of goods and the Company has not rendered any services during the period. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) According to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contract that need to be entered into the register maintained under section 301. Accordingly, the provisions of clause 4(v) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public. Accordingly, provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

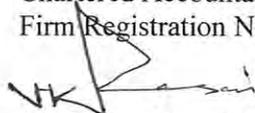
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

S. R. Batliboi & Associates LLP

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

Chartered Accountants

Firm Registration Number: 101049W



per **Vikas Kumar Pansari**

Partner

Membership Number: 093649



Place: Mumbai

Date: April 18, 2013

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, no dues are outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess on account of any dispute.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the 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 has not defaulted in repayment of dues to a bank. There are no dues to financial institutions or debenture holders.
- (xii) According to the information and explanations given to us 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. Accordingly, provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (xviii) The Company has not made any preferential allotment of shares 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 period. Accordingly, provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the period.
- (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 period.

S.R. Batliboi & Associates LLP

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Firm Registration No: 101049W

VK Pansari

per Vikas Kumar Pansari

Partner

Membership No: 93649



Place: Mumbai

Date: April 18, 2013

Karyavattom Sports Facilities Limited

Balance Sheet as at March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

	Notes	As at March 31, 2013	As at March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	150,500,000	500,000
Reserves and surplus	4	(4,895,282)	(235,840)
		145,604,718	264,160
Non-current liabilities			
Long-term borrowings	5	377,500,000	-
Other long-term liabilities	6	587,983	-
		378,087,983	-
Current liabilities			
Trade payables	7	1,053,736	180,000
Other current liabilities	8	46,435,297	62,454,206
		47,489,033	62,634,206
		571,181,734	62,898,366
Assets			
Non-current assets			
Fixed assets (net)			
Tangible assets	9	1,236,510	-
Capital work-in-progress	10	339,387,818	62,448,602
Loans and advances	11	182,029,494	303,325
Other non-current assets	12	22,953,560	-
		545,607,382	62,751,927
Current assets			
Cash and cash equivalents	13	21,738,937	146,439
Loans and advances	11	1,597,688	-
Other current assets	12	2,237,727	-
		25,574,352	146,439
		571,181,734	62,898,366

Significant accounting policies

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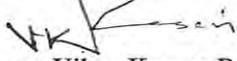
The accompanying notes are an integral part of the financial statements

As per our report of even date

S. R. Batliboi & Associates LLP
For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Firm registration number: 101049W


per Vikas Kumar Pansari
Partner

Membership No: 093649



Place: Mumbai

Date: April 18, 2013

For and on behalf of the Board of Directors of
Karyavattom Sports Facilities Limited


Director


Director

Place: Mumbai

Date: April 18, 2013

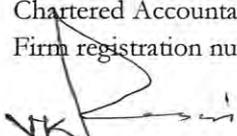
Karyavattom Sports Facilities Limited
Statement of Profit and Loss for the year ended March 31, 2013
(All amounts in Indian Rupees except as otherwise stated)

	Notes	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
Other income	14	896,468	-
Total revenue (I)		896,468	-
Expenses			
Other expenses	15	5,339,925	235,840
Finance costs	16	4,470	-
Depreciation	9	211,515	-
Total expenses (II)		5,555,910	235,840
Loss before tax (I-II)		(4,659,442)	(235,840)
Tax expense		-	-
Loss for the year		(4,659,442)	(235,840)
Earnings per share [Nominal value of share Rs. 10 (March 31, 2012: Rs. 10)]	17		
Basic and diluted		(0.50)	(4.72)
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements
As per our report of even date

S. R. Batliboi & Associates LLP
For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
Firm registration number: 101049W


per Vikas Kumar Pansari
Partner
Membership No: 093649



Place: Mumbai
Date: April 18, 2013

For and on behalf of the Board of Directors of
Karyavattom Sports Facilities Limited


Director


Director

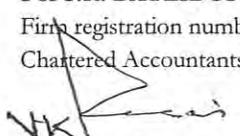
Place: Mumbai
Date: April 18, 2013

Karyavattom Sports Facilities Limited
Cash flow statement for year ended March 31, 2013
(All amounts in Indian Rupees except as otherwise stated)

	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
(A) Cash flow from operating activities		
Loss before tax	(4,659,442)	(235,840)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation	211,515	-
Interest income	(896,468)	-
Operating loss before working capital changes	(5,344,395)	(235,840)
Movement in working capital		
(Decrease)/increase in other liabilities	(1,897,328)	8,755,305
Increase in trade payable	1,461,719	-
Increase in other assets	(25,191,287)	-
Increase in loans and advances	(6,795,217)	-
Cash (used in)/generated from operating activities	(37,766,508)	8,519,465
Direct taxes paid	(89,642)	-
Net cash (used in)/generated from the operating activities	A (37,856,150)	8,519,465
(B) Cash flow from investing activities		
Purchase of fixed assets	(1,448,025)	-
Increase in capital work-in-progress	(224,747,954)	(62,448,602)
(Decrease)/increase in capital creditors	(38,900,181)	53,878,901
Increase in capital advances	(176,438,998)	(303,325)
Interest received	896,468	-
Net cash used in the investing activities	B (440,638,690)	(8,873,026)
(C) Cash from financing activities		
Proceeds from issue of shares	150,000,000	500,000
Proceeds from long-term borrowings	377,500,000	-
Interest paid	(27,412,662)	-
Net cash generated from financing activities	C 500,087,338	500,000
(D) Net increase in cash and cash equivalents	(A+B+C) 21,592,498	146,439
Cash and cash equivalent at the beginning of the year/period	146,439	-
Cash and cash equivalent at the end of the year/period	21,738,937	146,439
Net increase in Cash and cash equivalents	21,592,498	146,439

Significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

S.R. Batliboi & Associates LLP
For S.R. BATLIBOI & ASSOCIATES LLP
Firm registration number: 101049W
Chartered Accountants

per Vikas Kumar Pansari
Partner
Membership No: 093649



Place: Mumbai
Date: April 18, 2013

For and on behalf of the Board of Directors of
Karyavattom Sports Facilities Limited


Director


Director

Place: Mumbai
Date: April 18, 2013

Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

(1) Background:

Karyavattom Sports Facilities Limited ("the Company") was incorporated on November 4, 2011, and Certificate for Commencement of Business was issued on November 15, 2011.

The Company is a Special Purpose Vehicle promoted by IL&FS Transportation Networks Limited (ITNL). The Company has entered into a Concession Agreement on April 4, 2012 with University of Kerala & National Games Secretariat, a society under Travancore – Cochin Literary Scientific and Charitable Societies Act – 1955 to undertake development of a Greenfield Stadium ("Stadium") at Karyavattom in Thiruvananthapuram, Kerala, on Design, Build, Operate and Transfer (DBOT) model on annuity basis.

(2) Significant accounting policies:

(a) Basis for preparation of Financial statements:

The Financial statements are prepared under historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles and comply with the accounting standards notified under the Companies (Accounting standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

(b) Use of estimates:

The presentation of Financial Statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(d) Revenue recognition:

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(e) Tangible fixed asset:

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



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Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

(f) Depreciation:

Depreciation on tangible fixed assets is computed as under:

- i. In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956.
- ii. The Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

<u>Asset Type</u>	<u>Useful Life</u>
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years
Licensed Software	Over the licence period
Intellectual Property Rights	5 - 7 years

- iii. Depreciation on fixed assets, other than on assets specified in 2(f) (i) and (ii) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal.
- iv. All categories of assets costing less than Rs. 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

(g) Capital work-in-progress:

Capital work-in-progress includes direct and attributable expenses incurred in connection with development and construction of Stadium.

(h) Impairment of tangible assets:

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

(i) Borrowing cost:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

(j) Leases:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



L. J.P.

Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

(k) Taxation:

- i. Taxes include taxes on income, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted.
- ii. Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements.
- iii. Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the carry forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.
- iv. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(l) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue 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 period are adjusted for the effects of all dilutive potential equity shares.

(m) Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



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A handwritten signature in blue ink, consisting of a stylized 'S' followed by a flourish.

Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees except as otherwise stated)

3: Share capital

	As at March 31, 2013		As at March 31, 2012	
Authorized shares (Nos.)				
40,000,000 (March 31, 2011 : 50,000) equity shares of Rs. 10 each	40,000,000	400,000,000	50,000	500,000
Issued, subscribed and paid up shares (Nos.)				
15,050,000 (March 31, 2011 : 50,000) equity shares of Rs. 10 each fully paid up	15,050,000	150,500,000	50,000	500,000
	15,050,000	150,500,000	50,000	500,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Equity shares

	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year/period	50,000	500,000	-	-
Shares issued during the year/period	15,000,000	150,000,000	50,000	500,000
Shares outstanding at the end of the year/period	15,050,000	150,500,000	50,000	500,000

(a) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

(b) Shares held by holding company and/or its subsidiaries:

Out of equity issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Name of shareholder	As at	As at
	March 31, 2013	March 31, 2012
IL&FS Transportation Networks Limited, holding company	15,049,990	49,940
IL&FS Township & Urban Assets Limited, fellow subsidiary	10	10

(c) Shareholding more than 5% shares:

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares held	% of total holding	No. of shares held	% of total holding
IL&FS Transportation Networks Limited	15,049,990	99.99%	49,940	99.99%

4: Reserves and surplus

	As at	As at
	March 31, 2013	March 31, 2012
Deficit in the Statement of profit and loss		
Opening balance	(235,840)	-
Add: Loss for the current year/period	(4,659,442)	(235,840)
Net deficit in the Statement of profit and loss	(4,895,282)	(235,840)



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Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

5: Long-term borrowings

Term loans

From banks

Indian rupee senior debt (secured)

From others

Indian rupee subordinate debt from related party (unsecured)

	As at March 31, 2013	As at March 31, 2012
	160,000,000	-
	217,500,000	-
	377,500,000	-
The above amount includes		
Secured borrowings	160,000,000	-
Unsecured borrowings	217,500,000	-
	377,500,000	-

(i) Indian rupee senior debt from bank carries interest of base rate plus 1.50%. The loan is secured by creation of charge on all uncalled share capital, calls made but not paid, ship, goodwill, patent, license under a patent, trademark, copyright or license under a copyright, immovable property, any interest in immovable property, book debts, movable property (not being pledge), floating charge, of the project of the Company. The sanctioned limit for the loans are of Rs 1,680,000,000 against which the Company has drawn Rs 160,000,000 as at March 31, 2013. The loan is repayable in 10 structured annual installments from the end of moratorium period as per schedule given below:

S. No.	Months	Amount
1	Jun-15	84,000,000
2	Jun-16	168,000,000
3	Jun-17	168,000,000
4	Jun-18	151,200,000
5	Jun-19	201,600,000
6	Jun-20	151,200,000
7	Jun-21	168,000,000
8	Jun-21	184,800,000
9	Jun-21	201,600,000
10	Jun-21	201,600,000
	Total	1,680,000,000

(ii) Unsecured subordinate debt from a related party carries interest which is higher by 2% of above mentioned bank loan. The sanctioned limit for the loan is of Rs 420,000,000 against which the Company has drawn Rs 217,500,000. This loan is repayable by May 2027 as per schedule given below:

S. No.	Month	Amount
1	May-24	21,000,000
2	Aug-24	21,000,000
3	Nov-24	21,000,000
4	Feb-25	21,000,000
5	May-25	21,000,000
6	Aug-25	21,000,000
7	Nov-25	21,000,000
8	Feb-26	21,000,000
9	May-26	5,250,000
10	Aug-26	5,250,000
11	Nov-26	5,250,000
12	Feb-27	5,250,000
13	May-27	231,000,000
	Total	420,000,000



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Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees except as otherwise stated)

6: Other long term liabilities

Trade payables (retention money payable)

Dues to micro and small enterprises*
 Dues to other than micro and small enterprises

	As at March 31, 2013	As at March 31, 2012
	-	-
	587,983	-
	587,983	-

7: Trade payables

Dues to micro and small enterprises*
 Dues to other than micro and small enterprises

	As at March 31, 2013	As at March 31, 2012
	-	-
	1,053,736	180,000
	1,053,736	180,000

8: Other current liabilities

Interest accrued but not due on borrowings
 Statutory dues
 Capital creditors*

	As at March 31, 2013	As at March 31, 2012
	24,778,600	-
	4,366,093	6,263,421
	17,290,604	56,190,785
	46,435,297	62,454,206

*According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.



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Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

9: Tangible assets

	Gross Block		Depreciation		Net Block	
	As at April 1, 2012	As at March 31, 2013	As at April 1, 2012	Depreciation for the year	As at March 31, 2013	As at March 31, 2012
Office Equipments	-	129,755	-	8,605	8,605	121,150
Vehicle	-	1,318,270	-	202,910	202,910	1,115,360
	-	1,448,025	-	211,515	211,515	1,236,510

10: Capital work-in-progress

	As at March 31, 2013	As at March 31, 2012
Sub-contracting expenses	235,193,256	-
Fees for technical services	55,150,000	55,150,000
Other indirect cost incurred during construction period		
- Professional fees	11,970,224	5,196,113
- Travelling expenses	7,071,277	1,818,783
- Guarantee fees	184,115	-
- Borrowing cost	26,999,975	-
- Other project expenses	2,818,971	283,706
	339,387,818	62,448,602



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Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees except as otherwise stated)

11: Loans and advances

	Long-term		Short-term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Capital Advances				
Unsecured, considered good	176,742,323	303,325	-	-
Security Deposits				
Unsecured, considered good	175,000	-	-	-
Loans and advances to related parties				
Unsecured, considered good*	-	-	90,521	-
Other loans and advances				
Unsecured, considered good				
- Advance recoverable in cash or kind - others	-	-	152,280	-
- Prepaid expenses	1,013,638	-	1,354,887	-
- Advance income-tax	89,642	-	-	-
- Balances with statutory / government authorities	4,008,891	-	-	-
	182,029,494	303,325	1,597,688	-

*IL&FS Urban Township & Assets Limited

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12. Other assets

	Non-current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Unamortized expenditure				
Ancillary cost of arranging the borrowings	22,953,560	-	2,237,727	-
	22,953,560	-	2,237,727	-

13: Cash and cash equivalents

	As at March 31, 2013	As at March 31, 2012
Balances with banks:		
On current accounts	21,738,937	146,439
	21,738,937	146,439

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Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

14: Other income

	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
Interest Income		
Interest on short-term deposit	896,468	-
	<u>896,468</u>	<u>-</u>

15: Other expenses

	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
Rates and taxes	3,071,695	3,060
Legal and professional charges	523,985	-
Auditors' remuneration (Refer note 18)	833,401	211,030
Directors' sitting fees	95,000	-
Preliminary expenses written off	-	21,750
Business promotion expenses	754,463	-
Miscellaneous expenses	61,381	-
	<u>5,339,925</u>	<u>235,840</u>

16: Finance costs

	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
Bank charges	2,094	-
Others	2,376	-
	<u>4,470</u>	<u>-</u>



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Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

17: Earnings per share

The following reflects the loss and share data used in the basic and diluted EPS computations:

	Unit	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
Loss after tax attributable to equity shareholders	Rs.	(4,659,442)	(235,840)
Weighted average number of equity shares (basic and diluted)	Numbers	9,351,370	50,000
Nominal value per equity share	Rs.	10.00	10.00
Basic and diluted earnings per share	Rs.	(0.50)	(4.72)

18: Auditor's remuneration (excluding service tax):

	For the year ended March 31, 2013	For the period from November 4, 2011 to March 31, 2012
Statutory audit fees	350,000	200,000
Review of special purpose financial statements	200,000	-
Audit of special purpose financial statements	250,000	-
Certification fee	-	11,030
Out of pocket expenses	33,401	-
	833,401	211,030

19: Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,610,564,421 (As at March 31, 2012: Rs. 313,500)



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Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

20: Related party disclosures

A. Names of related parties and related party relationship*

Related parties with whom transactions have taken place during the year:

Nature of Relationship	Name of the Party
Holding Company	IL&FS Transportation Networks Limited
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited
Fellow Subsidiary	IL&FS Township & Urban Assets Limited
Fellow Subsidiary	IL&FS Financial Services Limited
Fellow Subsidiary	IL&FS Trust Co Limited
Fellow Subsidiary	IL&FS Securities Services Limited

B. Related party transactions

Particulars	For the year ended March 31, 2013	For the period from Nov 4, 2011 to March 31, 2012
Infrastructure Leasing & Financial Services Limited		
Short-term deposit placed	101,772,831	-
Short-term deposit withdrawn	(101,772,831)	-
Interest income on short-term deposit	847,152	-
IL&FS Transportation Networks Limited		
Issue of shares	150,000,000	499,400
IL&FS Township & Urban Assets Limited		
Issue of shares	-	100
Subordinate debt taken	217,500,000	-
Interest on subordinate debt	24,781,078	-
Professional fee	-	55,150,000
Sub-contract expenses	235,193,256	-
Mobilisation advance given	200,000,000	-
Mobilisation advance recovered	(23,257,677)	-
Reimbursement of expenses	606,145	2,180,353
Payment made on our behalf	-	2,333,694
IL&FS Financial Services Limited		
Short-term deposit placed	25,000,000	-
Short-term deposit withdrawn	(25,000,000)	-
Interest income on short-term deposit	49,316	-
Professional fee	16,300,000	551,500
Reimbursement of expenses	945,484	-
IL&FS Trust Co Limited		
Security trusteeship fees	453,562	-
IL&FS Securities Services Limited		
Professional fee	25,000	-

C. Balances (payable)/receivable

Particulars	As at March 31, 2013	As at March 31, 2012
IL&FS Township & Urban Assets Limited		
Subordinate debt	(217,500,000)	-
Capital creditor	(13,126,630)	(53,909,202)
Mobilisation advance	176,742,323	-
Advance recoverable in cash or in kind	90,521	-
Interest accrued but not due	(24,778,600)	-
IL&FS Financial Services Limited		
Capital creditor	-	(496,350)
IL&FS Trust Co Limited		
Capital creditor	(104,726)	-

*As per Accounting Standard 18 (AS-18) on 'Related Party Disclosure', notified under the Companies (Accounting standard) Rules, 2008 (as amended) and the relevant provisions of the Companies Act, 1956.



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Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees except as otherwise stated)

21: Segment reporting

The Company is a special purpose vehicle for development, operation & maintenance of Greenfield Stadium at Karyavattom in Thiruvananthapuram, Kerala and thus operates under a single business and geographical segment. As a result, disclosure under Accounting Standard 17 (AS 17) on "Segment Reporting" has not been made.

22: As per Section 383A of the Companies Act, 1956 the Company has to appoint whole time Company secretary as the paid up share capital is more than 50,000,000. The Company is in the process of appointment of whole time Company secretary.

23: Previous period

Figures for the previous period have been regrouped, reclassified where necessary, to conform to the classification of the current year.

As per our report of even date

S.R. Batliboi & Associates LLP
For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
Firm registration number: 101049W

Vikas Kumar Pansari

per **Vikas Kumar Pansari**
Partner
Membership No: 093649



Place: Mumbai
Date: April 18, 2013

For and on behalf of the Board of Directors of
Karyavattom Sports Facilities Limited

[Signature]
Director

[Signature]

Director

Place: Mumbai
Date: April 18, 2013