

KARYAVATTOM SPORTS FACILITY LIMITED

FINANCIAL STATEMENT

2014-15

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, 2014, 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.

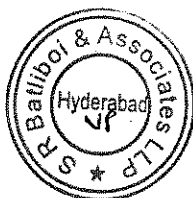
Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 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 the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of 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. 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.



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 of the state of affairs of the Company as at March 31, 2015, its loss, and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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 it 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 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 written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W



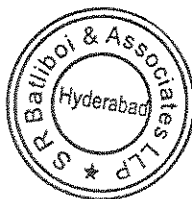
per **Vikas Kumar Pansari**

Partner

Membership Number: 093649

Place of Signature: Hyderabad

Date: April 27, 2015



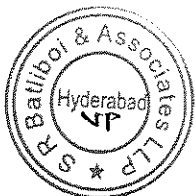
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 1 referred to in 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.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of 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 year. 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) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii)(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 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, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (viii) 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.
- (ix) 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 financial institution, bank or debenture holders.
- (x) 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.
- (xi) 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.
- (xii) 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 year.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W



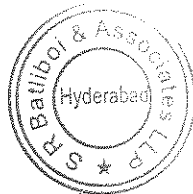
per **Vikas Kumar Pansari**

Partner

Membership Number: 093649

Place of Signature: Hyderabad

Date: April 27, 2015



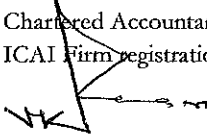
Karyavattom Sports Facilities Limited
Balance Sheet as at March 31, 2015
 (All amounts in Indian Rupees except as otherwise stated)

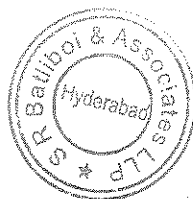
	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	431,200,000	150,500,000
Reserves and surplus	4	(35,986,711)	(18,775,068)
		<u>395,213,289</u>	<u>131,724,932</u>
Non-current liabilities			
Long-term borrowings	5	2,166,000,000	1,189,200,000
Other long-term liabilities	6	6,035,562	2,041,983
		<u>2,172,035,562</u>	<u>1,191,241,983</u>
Current liabilities			
Trade payables	7	11,738,670	3,745,173
Other current liabilities	8	456,487,483	32,794,351
		<u>468,226,153</u>	<u>36,539,524</u>
		<u>3,035,475,004</u>	<u>1,359,506,439</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,059,341	1,029,208
Capital work-in-progress	10	2,919,734,877	1,019,596,890
Loans and advances	11	24,290,874	130,699,365
Other non-current assets	12	30,175,346	20,715,833
		<u>2,975,260,438</u>	<u>1,172,041,296</u>
Current assets			
Cash and cash equivalents	13	44,339,386	183,308,513
Loans and advances	11	601,761	1,846,985
Other current assets	12	15,273,419	2,309,645
		<u>60,214,566</u>	<u>187,465,143</u>
		<u>3,035,475,004</u>	<u>1,359,506,439</u>

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

As per our report of even date

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


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



Place: Hyderabad
 Date: April 27, 2015

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


 Director


 Director


 Chief Financial Officer



Place: Mumbai
 Date: April 27, 2015

Karyavattom Sports Facilities Limited
Statement of Profit and Loss for the year ended March 31, 2015
 (All amounts in Indian Rupees except as otherwise stated)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
Other income	14	1,040,988	-
Total revenue (I)		1,040,988	-
Expenses			
Other expenses	15	18,143,937	13,335,472
Employee benefit expenses	16	35,070	-
Finance costs	17	73,624	223,664
Depreciation (Refer note 2(b))	9	-	320,650
Total expenses (II)		18,252,631	13,879,786
Loss before tax (I-II)		(17,211,643)	(13,879,786)
Tax expense		-	-
Loss for the year		(17,211,643)	(13,879,786)
Earnings per share [Nominal value of share Rs. 10 (March 31, 2014: Rs. 10)]	18		
Basic and diluted		(0.68)	(0.92)
Significant accounting policies	2		

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

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

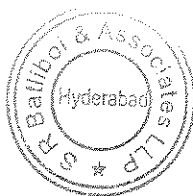
Firm registration number: 101049W



per **Vikas Kumar Pansari**

Partner

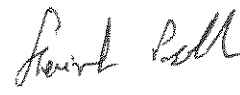
Membership No: 093649



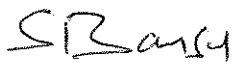
**For and on behalf of the Board of Directors of
 Karyavattom Sports Facilities Limited**



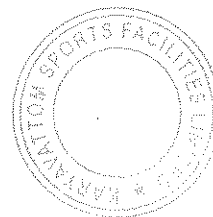
Director



Director



Chief Financial Officer



Place: Hyderabad

Date: April 27, 2015

Place: Mumbai

Date: April 27, 2015

Karyavattom Sports Facilities Limited
Cash flow statement for year ended March 31, 2015
(All amounts in Indian Rupees except as otherwise stated)

		For the year ended March 31, 2015	For the year ended March 31, 2014
(A) Cash flow from operating activities			
Loss before tax		(17,211,643)	(13,879,786)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation		(4,383)	320,650
Operating loss before working capital changes		(17,216,026)	(13,559,136)
Movement in working capital			
Increase / (decrease) in other liabilities		1,365,890	(3,793,420)
Increase in trade payable		11,987,076	4,145,437
(Increase) / decrease in other assets		(20,778,184)	2,237,727
Increase in loans and advances		(2,046,337)	(6,000,825)
Cash used in operating activities		(26,687,581)	(16,970,217)
Direct taxes paid		(389,945)	(279,000)
Net cash used in the operating activities	A	(27,077,526)	(17,249,217)
(B) Cash flow from investing activities			
Purchase of fixed assets		(25,750)	(113,348)
Increase in capital work-in-progress		(1,696,897,756)	(604,421,270)
Increase / (decrease) in capital creditors		338,327,242	(2,474,121)
Investment in fixed deposits (having maturity of more than three months)		(1,700,000)	-
Decrease in capital advances		110,089,997	57,360,657
Interest received		7,867,465	2,790,022
Net cash used in the investing activities	B	(1,242,338,802)	(546,858,060)
(C) Cash from financing activities			
Proceeds from issue of shares		280,700,000	-
Proceeds from long-term borrowings		1,060,800,000	811,700,000
Interest paid		(211,052,799)	(86,023,147)
Net cash generated from financing activities	C	1,130,447,201	725,676,853
(D) Net (decrease)/increase in cash and cash equivalents	(A+B+C)	(138,969,127)	161,569,576
Cash and cash equivalent at the beginning of the year		183,308,513	21,738,937
Cash and cash equivalent at the end of the year (Refer note 13)		44,339,386	183,308,513
Net (decrease)/increase in Cash and cash equivalents		(138,969,127)	161,569,576

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

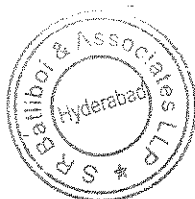
For S.R. BATLIBOI & ASSOCIATES LLP

Firm registration number: 101049W

Chartered Accountants

per Vikas Kumar Pansari
Partner

Membership No: 093649



Place: Hyderabad

Date: April 27, 2015

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

[Signature]

Director

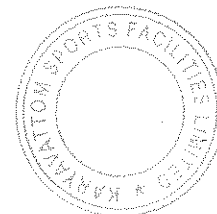
[Signature]

Director

[Signature]
Chief Financial Officer

Place: Mumbai

Date: April 27, 2015



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2015

(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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

(b) Change in accounting policy:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company has decided to change the policy retrospectively for charging depreciation on the basis of Straight Line Method in place of Written Down Value Method. The impact of such change in accounting policy is not material to the financial statements. Depreciation under other income of Rs. 4,383 is on account of reversal of depreciation due to change in accounting policy (net of depreciation charge of Rs 214,494 for the current year).

(c) 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.

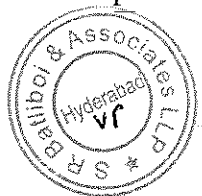
(d) Cash and cash equivalents:

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

(e) 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.



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

(f) 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.

(g) Depreciation:

- i. Depreciation on fixed assets is calculated on a straight-line basis over the useful life of assets as prescribed under Schedule II of the Companies Act 2013.
- ii. All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.

(h) Capital work-in-progress:

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

(i) 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.

(j) 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.

(k) 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.

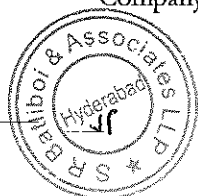
(l) Employee Benefits:

a. Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

b. Long Term

The Company has both defined-contribution and defined-benefit plans. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

(i) Defined-contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

The actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

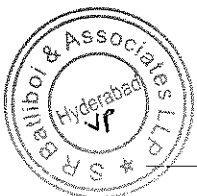
c. Other Employee Benefits

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.

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 immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(m) 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.



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

(n) Contingent liability:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

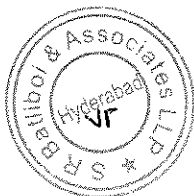
(o) Earnings per share:

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.

(p) 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.



Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts in Indian Rupees except as otherwise stated)

3: Share capital

	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Authorized shares (Nos.)				
60,000,000 (March 31, 2014 : 40,000,000) equity shares of Rs. 10 each	60,000,000	600,000,000	40,000,000	400,000,000
Issued, subscribed and paid up shares (Nos.)				
43,120,000 (March 31, 2014 : 15,050,000) equity shares of Rs. 10 each fully paid up	43,120,000	431,200,000	15,050,000	150,500,000
	43,120,000	431,200,000	15,050,000	150,500,000

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

Equity shares

	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	15,050,000	150,500,000	15,050,000	150,500,000
Shares issued during the year	28,070,000	280,700,000	-	-
Shares outstanding at the end of the year	43,120,000	431,200,000	15,050,000	150,500,000

(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:

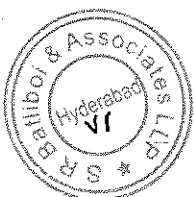
Name of shareholder	As at March 31, 2015	As at March 31, 2014
IL&FS Transportation Networks Limited, holding company	43,120,000	15,049,990
IL&FS Township & Urban Assets Limited, fellow subsidiary	-	10

(c) Shareholding more than 5% shares:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of total holding	No. of shares held	% of total holding
IL&FS Transportation Networks Limited	43,120,000	100.00%	15,049,990	99.99%

4: Reserves and surplus

	As at March 31, 2015	As at March 31, 2014
Deficit in the Statement of profit and loss		
Opening balance	(18,775,068)	(4,895,282)
Add: Loss for the current year	(17,211,643)	(13,879,786)
Net deficit in the Statement of profit and loss	(35,986,711)	(18,775,068)



Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts in Indian Rupees except as otherwise stated)

5: Long-term borrowings

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Term loans				
From banks				
Indian rupee senior debt (secured)	1,596,000,000	871,700,000	84,000,000	-
From others				
Indian rupee subordinate debt from related party (unsecured)	570,000,000	317,500,000	-	-
	2,166,000,000	1,189,200,000	84,000,000	-
The above amount includes				
Secured borrowings	1,596,000,000	871,700,000	84,000,000	-
Unsecured borrowings	570,000,000	317,500,000	-	-
Amount disclosed under the head "other current liabilities" (Refer note 8)	-	-	(84,000,000)	-
	2,166,000,000	1,189,200,000	-	-

(i) Indian rupee senior debt from banks carries interest of base rate plus 1.50%. The loan is secured by first charge on all immovable properties and assets of the Project including mortgage of Project Land, present and future, first charge on all movable, tangible & intangible assets of Project including but not limited to Plant & Machinery, spares, tools, accessories of Project, all monies lying in Escrow Account into which all investment in the Project including annuity from authority and all Project revenue would be deposited, assignment of all rights, title, benefits and interest of the Company under Project Agreements to the extent by and in accordance with the Substitution Agreement as per Concession Agreement, Assignment of all rights and benefits under Project guarantee obtained pursuant to Construction Contract, Services and Operations Contract, if any relating to the Project, Current Assets of the Company including but not limited to Project's Book Debts, Operating Cash Flows, receivables, commissions, etc and All revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital (present & future) of the Project. The loan is repayable in 10 structured unequal annual instalments commencing from December 2015.

(ii) Indian rupee subordinate debt from related party carries interest which is higher by 2% of above mentioned bank loan. The loan is repayable in 13 unequal quarterly instalments commencing from May 2024.

6: Other long term liabilities

	As at March 31, 2015	As at March 31, 2014
Retention money payable		
Dues to micro and small enterprises*	-	-
Dues to other than micro and small enterprises	6,035,562	2,041,983
	6,035,562	2,041,983

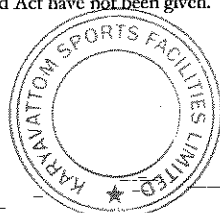
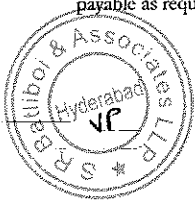
7: Trade payables

	As at March 31, 2015	As at March 31, 2014
Dues to micro and small enterprises*	-	-
Dues to other than micro and small enterprises	11,738,670	3,745,173
	11,738,670	3,745,173

8: Other current liabilities

	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowings (Refer note 5)	84,000,000	-
Interest accrued but not due on borrowings	17,405,195	17,405,195
Statutory dues	1,938,563	572,673
Capital creditors	353,143,725	14,816,483
	456,487,483	32,794,351

*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 year end together with the interest paid / payable as required under the said Act have not been given.



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2015

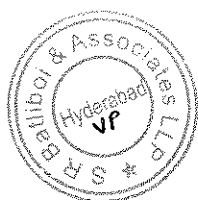
(All amounts in Indian Rupees except as otherwise stated)

9: Tangible assets

	Office Equipments	Vehicle	Furniture and Fixtures	Total - Tangible Asscts
Cost				
At April 1, 2013	129,755	1,318,270	-	1,448,025
Additions	45,490	-	67,858	113,348
At March 31, 2014	175,245	1,318,270	67,858	1,561,373
Additions	25,750	-	-	25,750
At March 31, 2015	200,995	1,318,270	67,858	1,587,123
Depreciation				
At April 1, 2013	8,605	202,910	-	211,515
Charge for the year	22,123	288,767	9,760	320,650
At March 31, 2014	30,728	491,677	9,760	532,165
Charge for the year	40,578	166,661	7,255	214,494
Adjustment (Refer note 2 (b))	14,698	(228,927)	(4,648)	(218,877)
At March 31, 2015	86,004	429,411	12,367	527,782
Net block				
At March 31, 2014	144,517	826,593	58,098	1,029,208
At March 31, 2015	114,991	888,859	55,491	1,059,341

10: Capital work-in-progress

	As at March 31, 2015	As at March 31, 2014
Sub-contracting expenses	2,505,002,921	827,346,839
Fees for technical services	50,000,000	50,000,000
Other indirect cost incurred during construction period		
- Professional fees	28,649,685	19,638,546
- Travelling expenses	14,704,811	12,849,963
- Guarantee fees	184,115	184,115
- Borrowing cost	316,702,516	105,649,717
- Other project expenses	15,165,337	6,789,650
	2,930,409,385	1,022,458,830
Less: Interest on deposits	(10,674,508)	(2,861,940)
	2,919,734,877	1,019,596,890



Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts in Indian Rupees except as otherwise stated)

11: Loans and advances

	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital Advances				
Unsecured, considered good	9,291,669	119,381,666	-	-
Security Deposits				
Unsecured, considered good	1,855,100	175,000	-	-
Loans and advances to related parties				
Unsecured, considered good*	-	-	-	1,030,406
Other loans and advances				
Unsecured, considered good				
- Advance recoverable in cash or kind - others	-	-	96,000	55,144
- Prepaid expenses	-	-	505,762	761,435
- Advance income-tax	758,587	368,642	-	-
- Balances with statutory / government authorities	12,385,518	10,774,057	-	-
	24,290,874	130,699,365	601,761	1,846,985
*IL&FS Urban Township & Assets Limited	-	-	-	1,030,406

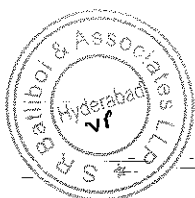
12. Other assets

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Non-current bank balances (Refer note 13)	1,700,000	-	-	-
Interest accrued on Bank deposits	-	-	17,021	71,918
Other receivables	-	-	12,089,294	-
Unamortized expenditure				
Ancillary cost of arranging the borrowings	28,475,346	20,715,833	3,167,104	2,237,727
	30,175,346	20,715,833	15,273,419	2,309,645

13: Cash and cash equivalents

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Balances with banks:				
On current accounts			16,339,343	113,295,761
- Fixed Deposits with Banks (having original maturity less than 3 months)			28,000,000	70,000,000
Cash on hand			43	12,752
Other Bank Balances				
- Fixed Deposits with Banks (having original maturity of more than 12 months)*	1,700,000	-	-	-
	1,700,000	-	44,339,386	183,308,513
Amount disclosed other under non-current assets (Refer note 12)	(1,700,000)	-	-	-
	-	-	44,339,386	183,308,513

* Deposits under lien



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

14: Other income

	For the year ended March 31, 2015	For the year ended March 31, 2014
Miscellaneous Income	1,036,605	-
Depreciation (Refer note 2 (b))	4,383	-
	1,040,988	-

15: Other expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
Rates and taxes	2,201,270	5,463
Legal and professional charges	3,877,899	5,882,277
Auditors' remuneration (Refer note 19)	1,568,029	900,000
Directors' sitting fees	120,000	150,000
Business promotion expenses	8,514,992	4,971,144
Miscellaneous expenses	1,861,747	1,426,588
	18,143,937	13,335,472

16: Employee benefit expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, wages and bonus	35,070	-
	35,070	-

17: Finance costs

	For the year ended March 31, 2015	For the year ended March 31, 2014
Bank charges	73,624	221,534
Interest others	-	2,130
	73,624	223,664



Karyavattom Sports Facilities Limited**Notes to financial statements for the year ended March 31, 2015**

(All amounts in Indian Rupees except as otherwise stated)

18: 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, 2015	For the year ended March 31, 2014
Loss after tax attributable to equity shareholders	Rs.	(17,211,643)	(13,879,786)
Weighted average number of equity shares (basic and diluted)	Numbers	25,155,671	15,050,000

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

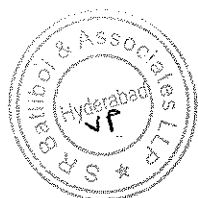
	For the year ended March 31, 2015	For the year ended March 31, 2014
Statutory audit fees	400,000	400,000
Other services	1,100,000	500,000
Out of pocket expenses	68,029	-
	1,568,029	900,000

20: Contingent Liability

	As at March 31, 2015	As at March 31, 2014
Bank Guarantee	1,700,000	-
	1,700,000	-

21: Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 408,357,689 (As at March 31, 2014: Rs. 1,075,771,495)



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

22: 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 Company Limited
Fellow Subsidiary	IL&FS Securities Services Limited

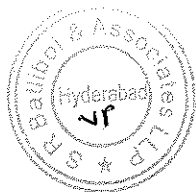
B. Related party transactions

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
IL&FS Transportation Networks Limited		
Issue of shares	280,700,000	-
IL&FS Township & Urban Assets Limited		
Indian Rupee Subordinate debt taken	252,500,000	100,000,000
Interest on subordinate debt	59,842,637	30,169,949
Sub-contract expenses	1,677,656,082	592,153,583
Mobilisation advance recovered	(110,089,997)	(57,360,657)
Reimbursement of expenses	353,211	2,489,117
Payment made on our behalf	63,325,752	25,160,498
Retention money deducted	(3,993,579)	(1,454,000)
IL&FS Financial Services Limited		
Other borrowing costs	7,000,000	-
IL&FS Trust Company Limited		
Security trusteeship fees	250,000	200,000
IL&FS Securities Services Limited		
Professional fee	15,000	25,500

C. Balances (payable)/receivable

Particulars	As at March 31, 2015	As at March 31, 2014
IL&FS Township & Urban Assets Limited		
Indian Rupee Subordinate debt	(570,000,000)	(317,500,000)
Capital creditor	(353,143,725)	10,552,945
Mobilisation advance	9,139,390	119,381,666
Advance recoverable in cash or in kind	-	1,030,406
Interest accrued but not due	(17,405,195)	17,405,195
Retention money	(6,035,562)	(2,041,983)
IL&FS Financial Services Limited		
Trade payable	(6,345,771)	-
IL&FS Securities Services Limited		
Trade payable	(13,500)	-

*As per Accounting Standard 18 (AS-18) on 'Related Party Disclosure', notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules, 2014.



Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2015
 (All amounts in Indian Rupees except as otherwise stated)

23: Expenditure in foreign currency (accrual basis)

	March 31, 2015	March 31, 2014
Professional fee	-	4,578,042
Travelling and conveyance	-	886,822
Total	-	5,464,864

24: There is no hedged/unhedged foreign currency exposure as on March 31, 2015.

25: 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.

26: As at March 31, 2015, the Company has a single employee and has no gratuity payable. Hence, the disclosures as required in Accounting Standard 15 "Employee Benefits" are not given.

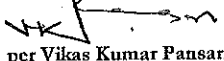
27: As per Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has to appoint whole time Company secretary as the paid up share capital is more than Rs. 50,000,000. The Company is in the process of appointment of whole time Company secretary. The Company based on internal assessment believes that aforesaid noncompliance will not have any material impact on the financial statements.

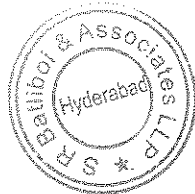
28: Previous year

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

As per our report of even date

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

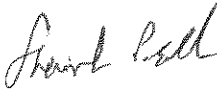

 per Vikas Kumar Pansari
 Partner
 Membership No: 093649



Place: Hyderabad
 Date: April 27, 2015

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


 Director


 Director


 Chief Financial Officer



Place: Mumbai
 Date: April 27, 2015