

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, 2016, 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 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.

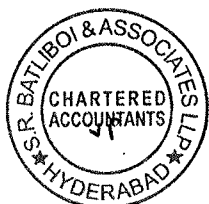
Auditor's Responsibility

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.

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, 2016, its loss and its cash flows for the year ended on that date.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

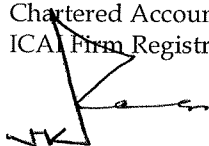
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) 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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

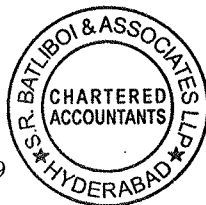
For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W


per **Vikas Kumar Pansari**
Partner

Membership Number: 093649



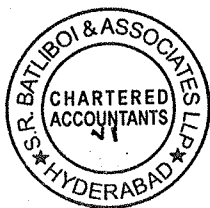
Place: Hyderabad

Date: April 27, 2016

Annexure 1 to the Independent Auditors' Report

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) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included under tangible assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(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, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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 are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, 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, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, 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, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government or debenture holders during the year.

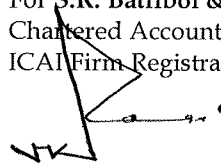


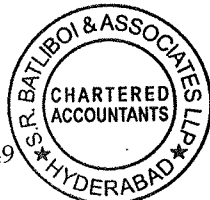
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no managerial remuneration has been paid / provided by the Company during the year. Therefore the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W


per **Vikas Kumar Pansari**
Partner
Membership Number: 093649



Place: Hyderabad
Date: April 27, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KARYAVATTOM SPORTS FACILITIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Karyavattom Sports Facilities Limited

We have audited the internal financial controls over financial reporting of Karyavattom Sports Facilities Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

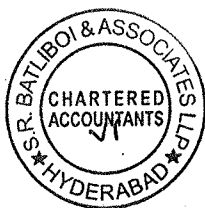
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

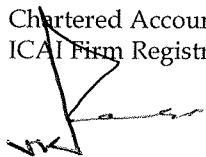
Explanatory paragraph

We also have audited, 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, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related 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, and our report dated April 27, 2016 expressed an unqualified opinion.

For **S.R. Batliboi & Associates LLP**

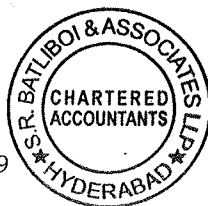
Chartered Accountants

ICAI Firm Registration Number: 101049W


per **Vikas Kumar Pansari**

Partner

Membership Number: 093649



Place: Hyderabad

Date: April 27, 2016

Karyavattom Sports Facilities Limited
 Balance Sheet as at March 31, 2016
 (All amounts in Indian Rupees except as otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	431,200,000	431,200,000
Reserves and surplus	4	(153,763,281)	(35,986,711)
		<u>277,436,719</u>	<u>395,213,289</u>
Non-current liabilities			
Long-term borrowings	5	2,715,340,000	2,166,000,000
Other long-term liabilities	6	2,903,975	6,035,562
		<u>2,718,243,975</u>	<u>2,172,035,562</u>
Current liabilities			
Short-term borrowings	7	170,000,000	-
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,818,797	11,738,670
Other current liabilities	9	744,936,909	456,487,483
		<u>926,755,706</u>	<u>468,226,153</u>
		<u>3,922,436,400</u>	<u>3,035,475,004</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	2,973,330,307	1,059,341
Capital work-in-progress	11	766,339,015	2,919,734,877
Loans and advances	12	2,395,795	24,290,874
Other non-current assets	13	27,000,005	30,175,346
		<u>3,769,065,122</u>	<u>2,975,260,438</u>
Current assets			
Cash and bank balances	14	134,255,856	44,339,386
Loans and advances	12	2,376,125	601,761
Other current assets	13	16,739,297	15,273,419
		<u>153,371,278</u>	<u>60,214,566</u>
		<u>3,922,436,400</u>	<u>3,035,475,004</u>

Significant accounting policies

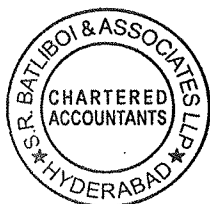
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The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
 Chartered Accountants
 ICAI 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

S.R. Pansari
 Director

B. Srinivas
 Director

S.R. Pansari
 Chief Financial Officer

Place: Hyderabad
 Date: April 27, 2016

Place: Mumbai
 Date: April 27, 2016



Karyavattom Sports Facilities Limited

Statement of Profit and Loss for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

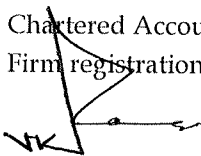
	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue			
Revenue from operations	15	87,383,871	-
Other income	16	1,167,765	1,040,988
Total revenue (I)		88,551,636	1,040,988
Expenses			
Other expenses	17	50,965,961	18,143,937
Employee benefit expenses	18	1,078,139	35,070
Finance costs	19	81,431,484	73,624
Depreciation (Refer note 2(b))	10	72,852,622	-
Total expenses (II)		206,328,206	18,252,631
Loss before tax (I-II)		(117,776,570)	(17,211,643)
Tax expense		-	-
Loss for the year		(117,776,570)	(17,211,643)
Earnings per share [Nominal value of share Rs. 10 (March 31, 2015: Rs. 10)]	20		
Basic and diluted		(2.73)	(0.68)
Significant accounting policies	2		

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

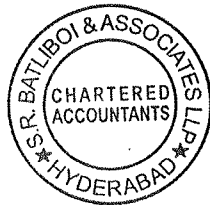
For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Firm registration number: 101049W


per Vikas Kumar Pansari
Partner

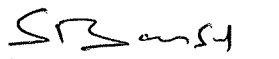
Membership No: 093649



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


Director


Director


Chief Financial Officer

Place: Hyderabad

Date: April 27, 2016

Place: Mumbai

Date: April 27, 2016



Karyavattom Sports Facilities Limited
Cash flow statement for year ended March 31, 2016
(All amounts in Indian Rupees except as otherwise stated)

	For the year ended March 31, 2016	For the year ended March 31, 2015
(A) Cash flow from operating activities		
Loss before tax	(117,776,570)	(17,211,643)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation	72,852,622	(4,383)
Interest income	(1,125,105)	-
Interest expenses	81,376,513	-
Operating profit / (loss) before working capital changes	35,327,460	(17,216,026)
Movement in working capital		
Increase in other liabilities	263,616,644	1,365,890
Increase in trade payable	80,127	11,987,076
Decrease / (increase) in other assets	2,690,902	(22,478,184)
Decrease / (increase) in loans and advances	10,601,407	(2,046,337)
Cash generated from / used in operating activities	312,316,540	(28,387,581)
Direct taxes paid	227,639	(389,945)
Net cash generated from / used in the operating activities	A 312,544,179	(28,777,526)
(B) Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(648,267,243)	(1,696,923,506)
(Decrease) / increase in capital creditors	(99,058,804)	338,327,242
Decrease in capital advances	9,291,669	110,089,997
Investments in bank deposits (having original maturity of more than three months)	(65,200,000)	-
Interest received	1,957,159	7,867,465
Net cash used in the investing activities	B (801,277,219)	(1,240,638,802)
(C) Cash from financing activities		
Proceeds from issue of shares	-	280,700,000
Proceeds from long term borrowings	768,800,000	1,060,800,000
Repayment of long term borrowings	(98,700,000)	-
Proceeds from Short-term borrowings	170,000,000	-
Interest paid	(326,650,490)	(211,052,799)
Net cash generated from financing activities	C 513,449,510	1,130,447,201
(D) Net increase / (decrease) in cash and cash equivalents	(A+B+C) 24,716,470	(138,969,127)
Cash and cash equivalent at the beginning of the year	44,339,386	183,308,513
Cash and cash equivalent at the end of the year (Refer note 14)	69,055,856	44,339,386
Net increase / (decrease) in Cash and cash equivalents	24,716,470	(138,969,127)

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**

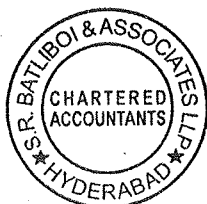
Firm registration number: 101049W

Chartered Accountants

per **Vikas Kumar Pansari**

Partner

Membership No: 093649



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

Shant Pall

Director

Bulaw

Director

S.R. Pansari
Chief Financial Officer

Place: Mumbai

Date: April 27, 2016



Place: Hyderabad

Date: April 27, 2016

Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2016

(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 of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(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 had adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company had 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 previous year 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 previous 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:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Annuity income:

Revenue recognition is based on annuity accrued on time basis in accordance with the provision of the "service concession arrangements".



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

Rental income:

Rent from customers is accounted based on the terms of the agreement on accrual basis.

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.

(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, except buildings, is provided on straight line method based on useful life of the assets as estimated by the management which coincides with rates prescribed under Schedule II to the Companies Act, 2013 other than assets specified in para below.
- ii. Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.:

Asset	Useful Life (years)	Method
Vehicles	5	SLM

- iii. Depreciation on Buildings is provided on straight line method over the lease period under the service concession agreement.

(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 relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use. 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.



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

(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.

(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 recognized immediately in the Statement of Profit and Loss.

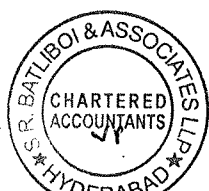
c. Other Employee Benefits

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



Karyavattom Sports Facilities Limited

Notes to financial statement for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

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.

(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.

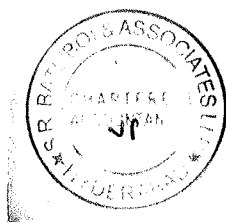
(o) Earnings per share:

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, 2016
(All amounts in Indian Rupees except as otherwise stated)

3: Share capital

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Authorized shares				
60,000,000 (March 31, 2015 : 60,000,000) equity shares of Rs. 10 each	60,000,000	600,000,000	60,000,000	600,000,000
Issued, subscribed and paid up shares				
43,120,000 (March 31, 2015 : 43,120,000) equity shares of Rs. 10 each fully paid up	43,120,000	431,200,000	43,120,000	431,200,000
	43,120,000	431,200,000	43,120,000	431,200,000

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

Equity shares

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	43,120,000	431,200,000	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	43,120,000	431,200,000

(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:

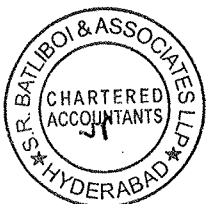
Name of shareholder	As at	As at
	March 31, 2016	March 31, 2015
IL&FS Transportation Networks Limited, holding company	43,120,000	43,120,000

(c) Shareholding more than 5% shares:

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% of total holding	No. of shares held	% of total holding
IL&FS Transportation Networks Limited	43,120,000	100.00%	43,120,000	100.00%

4: Reserves and surplus

	As at March 31, 2016	As at March 31, 2015
Deficit in the Statement of profit and loss		
Opening balance	(35,986,711)	(18,775,068)
Add: Loss for the current year	(117,776,570)	(17,211,643)
Deficit in the Statement of profit and loss	(153,763,281)	(35,986,711)



Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees except as otherwise stated)

5: Long-term borrowings

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Term loans				
From banks				
Indian rupee senior debt (secured)	2,111,540,000	1,596,000,000	204,760,000	84,000,000
From others				
Indian rupee subordinate debt from related party (unsecured)	603,800,000	570,000,000	-	-
	2,715,340,000	2,166,000,000	204,760,000	84,000,000
The above amount includes				
Secured borrowings	2,111,540,000	1,596,000,000	204,760,000	84,000,000
Unsecured borrowings	603,800,000	570,000,000	-	-
Amount disclosed under the head "other current liabilities" (Refer note 9)	-	-	(204,760,000)	(84,000,000)
	2,715,340,000	2,166,000,000	-	-

(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 and 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 and future) of the Project. The loan is repayable in 10 structured unequal annual instalments commencing from March 2016.

(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, 2016	As at March 31, 2015
Security Deposit payable	2,903,975	6,035,562
	2,903,975	6,035,562

7: Short-term Borrowings

	As at March 31, 2016	As at March 31, 2015
Indian rupee subordinate debt from related party (unsecured)	170,000,000	-
	170,000,000	-

Indian rupee subordinate debt from related party carries interest rate of 13% and is repayable within one year from the date of disbursement.

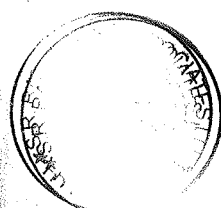
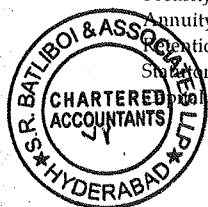
8: Trade payables

	As at March 31, 2016	As at March 31, 2015
Dues to micro and small enterprises*	-	-
Dues to other than micro and small enterprises	11,818,797	11,738,670
	11,818,797	11,738,670

*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.

9: Other current liabilities

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings (Refer note 5)	204,760,000	84,000,000
Interest accrued but not due on borrowings	17,405,194	17,405,195
Security Deposit payable	1,125,000	-
Annuity received in advance	252,708,629	-
Retention money payable (from related party)	7,749,000	-
Shareholder dues	7,104,165	1,938,563
Other creditors	254,084,921	353,143,725
	744,936,909	456,487,483



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2016

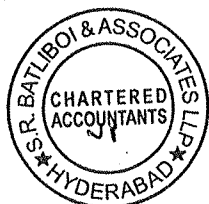
(All amounts in Indian Rupees except as otherwise stated)

10: Tangible assets

	Building	Office Equipments	Vehicle	Data processing equipments	Furniture and Fixtures	Electrical Installations and Equipment	Total
Cost							
At April 1, 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
Additions	2,429,740,182	25,000	-	54,500	143,291,124	472,012,782	3,045,123,588
At March 31, 2016	2,429,740,182	225,995	1,318,270	54,500	143,358,982	472,012,782	3,046,710,711
Depreciation							
At April 1, 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
Charge for the year	54,950,653	56,445	166,661	18,167	4,858,158	12,802,538	72,852,622
At March 31, 2016	54,950,653	142,449	596,072	18,167	4,870,525	12,802,538	73,380,404
Net block							
At March 31, 2015	-	114,991	888,859	-	55,491	-	1,059,341
At March 31, 2016	2,374,789,529	83,546	722,198	36,333	138,488,457	459,210,244	2,973,330,307

11: Capital work-in-progress

	As at March 31, 2016	As at March 31, 2015
Sub-contracting expenses	3,127,950,000	2,505,002,921
Fees for technical services	50,000,000	50,000,000
Other indirect cost incurred during construction period		
- Professional fees	34,660,578	28,649,685
- Travelling expenses	16,336,482	14,704,811
- Borrowing cost	562,726,929	316,702,516
- Other project expenses	33,594,798	15,349,452
	3,825,268,787	2,930,409,385
Less: Interest on deposits	(13,885,684)	(10,674,508)
	3,811,383,103	2,919,734,877
Less: Amount capitalised during the year	3,045,044,088	-
Closing balance	766,339,015	2,919,734,877



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

12: Loans and advances

	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Capital Advances				
Unsecured, considered good	-	9,291,669	-	-
Security Deposits				
Unsecured, considered good	1,864,847	1,855,100	-	-
Other loans and advances				
Unsecured, considered good				
- Advance recoverable in cash or kind	-	-	212,527	96,000
- Prepaid expenses	-	-	2,163,598	505,761
- Advance income-tax	530,948	758,587	-	-
- Balances with statutory / government authorities	-	12,385,518	-	-
	2,395,795	24,290,874	2,376,125	601,761

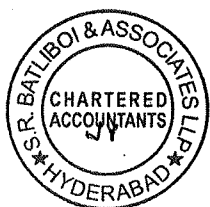
13. Other assets

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Non-current bank balances (Refer note 14)	1,700,000	1,700,000	-	-
Interest accrued on Bank deposits	-	-	998,460	17,021
Other receivables	-	-	12,574,131	12,089,294
Unamortized expenditure				
Ancillary cost of arranging the borrowings	25,300,005	28,475,346	3,166,706	3,167,104
	27,000,005	30,175,346	16,739,297	15,273,419

14: Cash and bank balances

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents				
Balances with banks:				
- On current accounts			19,047,254	16,339,343
- Deposits with original maturity of less than three months			50,000,000	28,000,000
Cash on hand			8,602	43
			69,055,856	44,339,386
Other Bank Balances				
- Deposits with remaining maturity for more than 12 months*	1,700,000	1,700,000	-	-
- Deposits with remaining maturity for less than 12 months	-	-	65,200,000	-
	1,700,000	1,700,000	65,200,000	-
Amount disclosed other under non-current assets (Refer note 13)	(1,700,000)	(1,700,000)	-	-
	-	-	134,255,856	44,339,386

* Deposits under lien



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

15: Revenue from operation

	For the year ended March 31, 2016	For the year ended March 31, 2015
Annuity income	84,291,371	-
Rental income	3,092,500	-
	87,383,871	-

16: Other income

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on bank deposits	1,125,105	-
Miscellaneous income	42,660	1,036,605
Depreciation (Refer note 2 (b))	-	4,383
	1,167,765	1,040,988

17: Other expenses

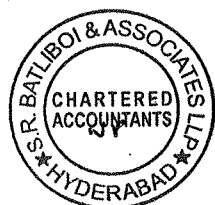
	For the year ended March 31, 2016	For the year ended March 31, 2015
Rates and taxes	14,783,283	2,201,270
Electricity Expenses	1,201,762	-
Rent	206,838	-
Legal and professional charges	7,145,855	3,877,899
Auditors' remuneration (Refer note 21)	1,837,992	1,568,029
Directors' sitting fees	190,225	120,000
Business promotion expenses	3,150,674	8,514,992
Travelling expenses	2,254,975	-
Security and housekeeping charges	15,493,082	-
Miscellaneous expenses	4,701,275	1,861,747
	50,965,961	18,143,937

18: Employee benefit expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	931,884	35,070
Contributions to provident fund	39,770	-
Staff welfare expenses	106,485	-
	1,078,139	35,070

19: Finance costs

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest	81,376,513	-
Bank charges	54,971	73,624
	81,431,484	73,624



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

20: 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, 2016	For the year ended March 31, 2015
Loss after tax attributable to equity shareholders	Rs.	(117,776,570)	(17,211,643)
Weighted average number of equity shares (basic and diluted)	Numbers	43,120,000	25,155,671
Nominal value per equity share	Rs.	10.00	10.00
Basic and diluted earnings per share	Rs.	(2.73)	(0.68)

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

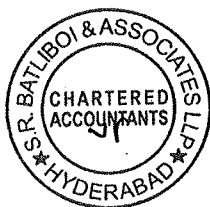
	For the year ended March 31, 2016	For the year ended March 31, 2015
Statutory audit fees	750,000	400,000
Other services	1,052,750	1,100,000
Out of pocket expenses	35,242	68,029
	1,837,992	1,568,029

22: Contingent Liability

	As at March 31, 2016	As at March 31, 2015
Bank guarantee	1,700,000	1,700,000
	1,700,000	1,700,000

23: Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (as at March 31, 2015: Rs. 408,357,689)



Karyavattom Sports Facilities Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees except as otherwise stated)

24: Related party disclosures

A. Names of related parties and related party relationship*

Year ended March 31, 2016:

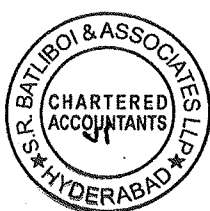
Nature of Relationship	Name of the Party
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited
Holding Company	IL&FS Transportation Networks Limited
Fellow Subsidiary	IL&FS Township & Urban Assets Limited
Fellow Subsidiary	IL&FS Financial Services Limited
Fellow Subsidiary	IL&FS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

B. Related party transactions

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
IL&FS Transportation Networks Limited		
Issue of shares	-	280,700,000
Short term loan taken	295,000,000	-
Short term loan repaid	(125,000,000)	-
Interest on short term loan	14,318,810	-
IL&FS Township & Urban Assets Limited		
Subordinate debt taken	33,800,000	252,500,000
Interest on subordinate debt	81,340,768	59,842,637
Sub-contract expenses	622,947,081	1,677,656,082
Mobilisation advance recovered	(9,139,390)	(110,089,997)
Reimbursement of expenses	817,892	353,211
Payment made on behalf of the Company	9,944,028	63,325,752
Retention money held	(1,713,438)	(3,993,579)
Security and housekeeping charges	12,263,450	-
Legal and consultation fees	225,288	-
IL&FS Securities Services Limited		
Legal and consultation fees	1,200	-
Professional fee	30,000	15,000
IL&FS Financial Services Limited		
Other borrowing costs	-	7,000,000
IL&FS Trust Company Limited		
Security trusteeship fees	200,000	250,000

C. Balances (payable)/receivable

Particulars	As at March 31, 2016	As at March 31, 2015
IL&FS Transportation Networks Limited		
Short term borrowing	(170,000,000)	-
IL&FS Township & Urban Assets Limited		
Subordinate debt	(603,800,000)	(570,000,000)
Capital creditor	(248,636,657)	(348,157,653)
Mobilisation advance	-	9,139,390
Interest accrued and not due	(17,405,195)	(17,405,195)
Trade payables	(2,604,877)	-
Retention money	(7,749,000)	(6,035,562)
IL&FS Financial Services Limited		
Trade payable	-	(6,345,771)
IL&FS Securities Services Limited		
Trade payable	(14,100)	(13,500)



Karyavattom Sports Facilities Limited

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees except as otherwise stated)

25: Expenditure in foreign currency (accrual basis): Nil

26: There is no hedged/unhedged foreign currency exposure as on March 31, 2016.

27: 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.

28: As at March 31, 2016, the company has a single employee and has no gratuity payable. Hence, the disclosure as required, under Accounting Standard 15 "Employee Benefits" are not given.

29: 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.

30: 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

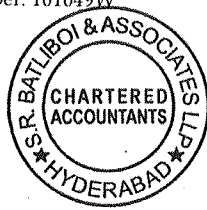
For **S.R. BATLIBOI & ASSOCIATES LLP**

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

[Signature]
Director

[Signature]
Director

[Signature]
Chief Financial Officer

Place: Mumbai
Date: April 27, 2015

