

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIVERSIDE INFRASTRUCTURE (INDIA) PRIVATE LIMITED

Report on the Financial Statements

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

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

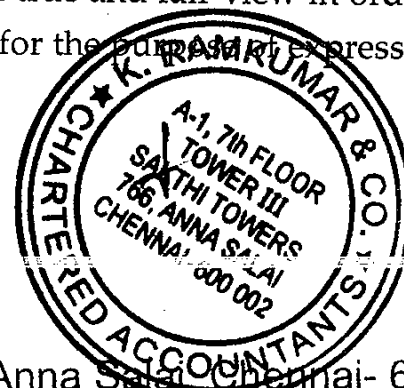
Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on



whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis of Qualified Opinion

Attention is invited to Note 22, regarding suspension of the project of the company. The company has capitalised interest on loans amounting to ₹ 39,58,44,791/- (PY ₹ 41,84,20,822/-) and other expenses of ₹ 67,24,784/- (PY ₹ 3,31,67,788/-) during the year ended 31st March, 2015, which is not in accordance with Accounting Standard (AS-16) "Borrowing Costs" and Accounting Standard (AS-10) "Accounting for Fixed Assets" respectively. Accordingly, the assets of the company are overstated by ₹ 85,41,58,185/- (PY ₹ 45,15,88,609/-) and loss for the year ended 31st March, 2015 and the accumulated losses are understated by ₹ 85,41,58,185/- (PY ₹ 45,15,88,609/-) as on 31st March, 2015.

Qualified Opinion

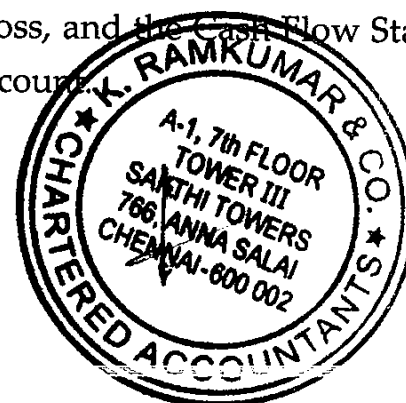
In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis of Qualified opinion paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 23 to financial statements regarding preparing financial statements on 'Going concern' basis. The accompanying financial statements have been prepared on a going concern basis, after giving due considerations to all matters more fully explained in the said note.

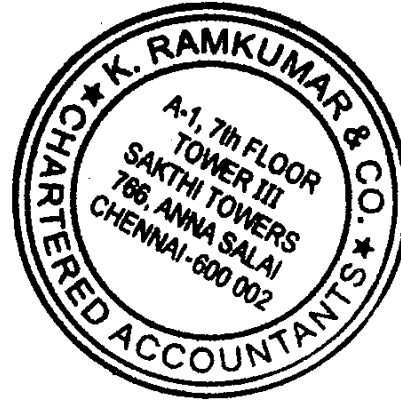
Report on Other Legal and Regulatory Requirements

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 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



K. Ramkumar & Co.
CHARTERED ACCOUNTANTS

- 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) *The Going Concern matter described under the Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



For K Ramkumar & Co
Chartered Accountants
Firm Registration no: 02830S

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R M V Balaji
Partner

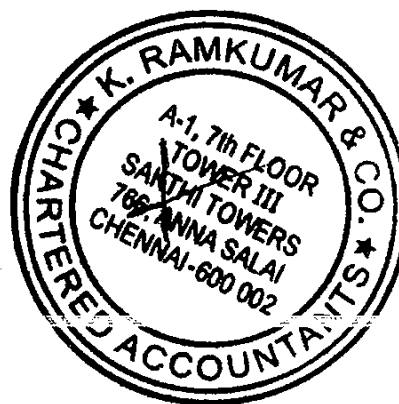
Membership no: 027476

Place: Chennai

Date: 29th May, 2015

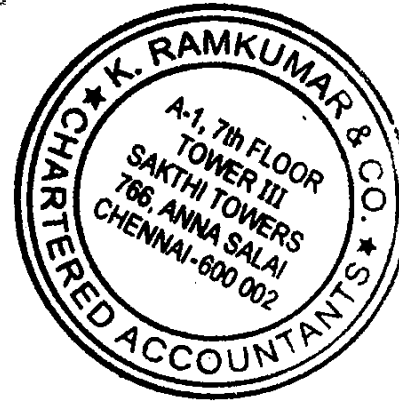
ANNEXURE TO AUDITORS' REPORT REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF RIVERSIDE INFRASTRUCTURE (INDIA) PRIVATE LIMITED:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The fixed assets were physically verified during the year by the management, as per the programme of physical verification of fixed assets over a period of three years which is, in our opinion, reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no serious discrepancies have been noticed on such verification.
- 2) The company does not have any inventory for the period under review. Hence reporting under this clause is not applicable.
- 3) The Company has not granted unsecured loans parties, covered in the register maintained under section 189 of the Companies Act. Hence reporting under this clause is not applicable to the company.
- 4) In our opinion and according to the explanation given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and doesn't have any unclaimed deposits. Hence reporting under this clause is not applicable to the company.
- 6) We have been informed that the Central Government has not prescribed the maintenance of Cost Records under the provisions of section 148 (1) of the Companies Act, 2013,
- 7) a) *According to the information and explanations given to us and as per the records produced by the company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Tax deducted at Source, Service Tax, and other material statutory dues applicable to it.*
b) *According to the information and explanations given to us and as per the records produced by the company, undisputed amounts payable in respect of Tax deducted at source, Professional tax, Provident Fund and Service Tax to the extent of ₹ 44,43,065/- (PY ₹ 249,551), ₹ 56,669/- (PY 47,909/-), ₹ 22,753/- (PY ₹ 7,730/-), ₹ 210,929/- (PY 205,423/-) respectively, were in arrears as at 31st March 2015, for a period of more than six months from the date they became payable.*
c) According to the records of the Company and the information and explanation given to us, there are no dues of sales tax, service tax or other applicable statutory dues applicable to it which has 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, hence, clause (vii)(c) of the Order is not applicable to the Company.



K. Ramkumar & Co.
CHARTERED ACCOUNTANTS

- 8) The Company has no accumulated losses as on 31st March, 2015. The company has incurred cash loss of ₹ 717,195/- during the financial year covered by audit and ₹ Nil in the immediately preceding financial year.
- 9) According to the information and explanations given to us and as per the records produced by the company, the outstanding defaults in payment of principal/interest as on 31st March, 2015 were ₹ 942,99,812/- for a period less than 90 days and ₹ 311,00,77,362 for a period exceeding 90 days.
- 10) The company has not given guarantees for loans taken by others from Banks or financial institutions, the terms and conditions of which are prima facie not prejudicial to the interests of the company.
- 11) In our opinion and according to information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- 12) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of audit.



For K Ramkumar & Co
Chartered Accountants
Firm Registration no: 028305

R. M. V. Balaji
R M V Balaji
Partner
Membership no: 027476

Place: Chennai
Date: 29th May, 2015

RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

BALANCE SHEET

Particulars	Note	As At 31-Mar-2015	As At 31-Mar-2014
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	1,630,000,000	1,630,000,000
Reserves & Surplus	3	149,879,177	151,421,291
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	203,709,445	170,646,876
Deferred Tax Liability (Net)	5	35,063	40,087
Other Long-Term Liabilities	6	13,691,412	13,691,412
Long-Term Provisions	7	623,681	631,043
CURRENT LIABILITIES			
Short-Term Borrowings	8	-	21,018,421
Trade Payables	9	21,922,927	22,544,243
Other Current Liabilities	10	4,330,683,757	3,928,574,493
Short-Term Provisions	11	886,875	504,707
		<u>6,351,432,337</u>	<u>5,939,072,573</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	12		
Tangible Assets		688,254,070	688,574,523
Capital Work In Progress		5,402,485,779	4,999,949,439
Long-Term Loans & Advances	13	2,432,517	2,432,518
CURRENT ASSETS			
Cash & Cash Equivalents	14	24,697,909	21,346,851
Short-Term Loans & Advances	15	233,562,062	226,769,242
		<u>6,351,432,337</u>	<u>5,939,072,573</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

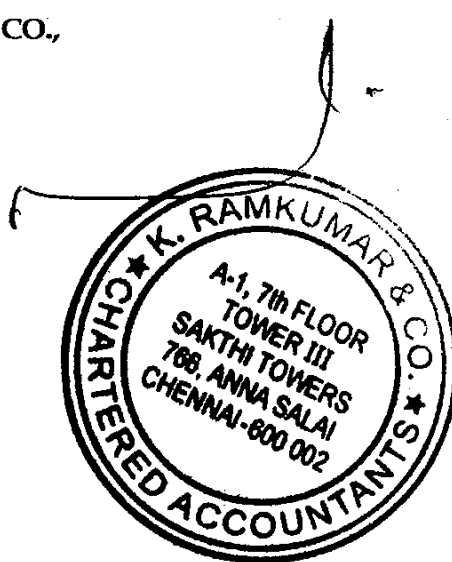
R M V BALAJI

Partner

Membership No. 27476

Place : Chennai

Date : 29-May-2015



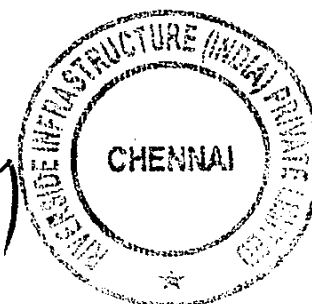
For and on behalf of Board of Directors

G R K REDDY

Director

V P RAJINI REDDY

Director



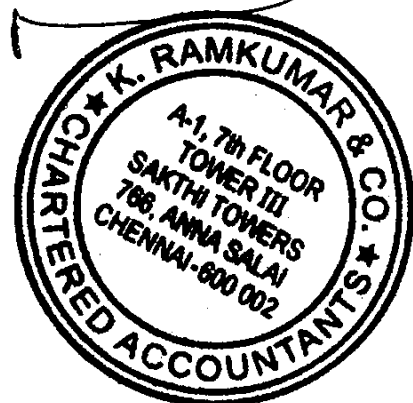
RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

STATEMENT OF PROFIT & LOSS

Particulars	Note	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
INCOME			
Other Income	16	-	1,194,630
		-	1,194,630
EXPENSES			
Depreciation and Amortisation	12	320,453	119,852
Finance Costs	17	617,195	701,743
Other Expenses	18	100,000	100,000
		1,037,648	921,596
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(1,037,648)	273,034
Exceptional Items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(1,037,648)	273,034
PROFIT (LOSS) BEFORE TAX		(1,037,648)	273,034
TAX EXPENSE			
Current Tax		421,950	545,730
Taxes - Prior Period		87,540	(578)
Deferred Tax	19	(5,024)	(17,641)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		(1,542,114)	(254,477)
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)		-	-
PROFIT (LOSS) FOR THE PERIOD (A+B)		(1,542,114)	(254,477)
EARNINGS PER SHARE			
Basic (Face Value ` 10/-)		(0.009)	(0.002)
Diluted (Face Value ` 10/-)		(0.009)	(0.002)
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS			

As per our Report of even date attached
For K RAMKUMAR & CO.,
Regn No: 02830S
Chartered Accountants

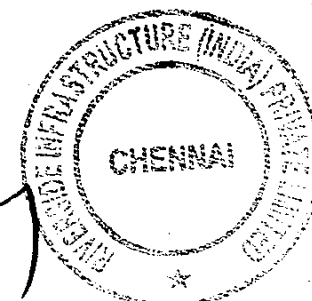
R M V BALAJI
Partner
Membership No. 27476



For and on behalf of Board of Directors

G R K REDDY
Director

V P RAJINI REDDY
Director



Place : Chennai
Date : 29-May-2015

RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

CASH FLOW STATEMENT

S No	Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
A	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Net Profit before Taxation and Extraordinary Items	(1,037,648)	273,034
	Adjustment for:		
	Depreciation and Amortisation	320,453	119,852
	Finance Cost	617,195	(492,887)
	Operating Profit before Working Capital Changes	(100,000)	(100,001)
	Decrease (Increase) in Short term Loans & Advances	(6,792,820)	(84,215,413)
	Decrease (Increase) in Long term Loans & Advances	-	-
	Increase (Decrease) in Trade Payables	(621,316)	12,253,129
	Increase (Decrease) in Short Term Provisions	382,168	374,134
	Increase (Decrease) in Long Term Provisions	(7,362)	(141,928)
	Increase (Decrease) in Other Current Liabilities	402,109,264	2,478,456,061
	Increase (Decrease) in Other Long Term Liabilities	-	-
	Cash Generated from Operations	394,969,934	2,406,625,982
	Income Tax	(509,490)	(545,152)
	Cash Flow before Extraordinary Items	394,460,444	2,406,080,830
	Adjustment for Extraordinary Items	-	-
	NET CASH USED IN OPERATING ACTIVITIES (A)	394,460,444	2,406,080,830
B	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(402,536,340)	(451,588,609)
	NET CASH USED IN INVESTING ACTIVITIES (B)	(402,536,340)	(451,588,609)
C	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds (Repayment) from Short Term Borrowings	(21,018,421)	21,018,421
	Proceeds from Long Term Borrowings	33,062,569	(1,975,153,143)
	Finance Cost Paid (Net)	(617,195)	492,887
	NET CASH FROM FINANCING ACTIVITIES (C)	11,426,953	(1,953,641,835)
	Net Increase in Cash and Cash Equivalents (A+B+C)	3,351,057	850,386
	Cash and Cash Equivalents at beginning of Year	21,346,850	20,496,464
	Cash and Cash Equivalents at end of Year	24,697,907	21,346,850

As per our Report of even date attached

For K RAMKUMAR & CO.,

Chartered Accountants

Firm Regn. No. 028305

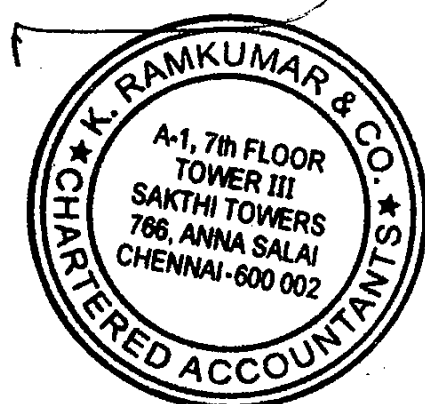
R M V BALAJI

Partner

Membership No. 27476

Place : Chennai

Date : 29-May-2015



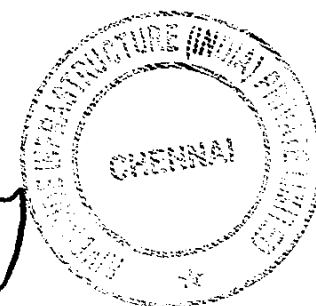
For and on Behalf of the Board of Directors

G R K Reddy
G R K REDDY

Director

V P Rajini Reddy
V P RAJINI REDDY

Director



RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the Accounting Standards as specified by Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014.
- b. Use of Estimates: The preparation of financial statements requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statement & reported income and expenses during the reporting period. Examples of such estimates includes provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.
- c. Method of Accounting - The Company maintains its accounts on accrual basis.
- d. The Accounting Standards recommended by The Institute of Chartered Accountants of India have been followed wherever applicable to the Company.

1.2 REVENUE RECOGNITION

All Income and Expenses have been recognised on accrual system of accounting.

1.3 FIXED ASSETS & DEPRECIATION

- a. The Fixed Assets are stated at cost of acquisition including interest paid on specific borrowings up to the date of acquisition / installation of the assets and improvement thereon less depreciation.
- b. Depreciation is provided on fixed assets, on straight-line method, on pro-rata basis on the basis of the useful lives prescribed under schedule II to the Companies Act, 2013, subject to the adjustments arising out of transitional provisions of schedule II to the Companies act, 2013.
- c. Cost of assets not put to use before the year end are shown under Capital Work - in - Progress.
- d. The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating divisions which the assets belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss against recognised in the profit and loss account.

1.4 OPERATING LEASES

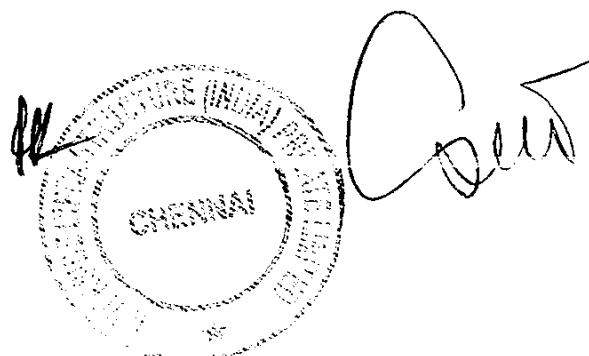
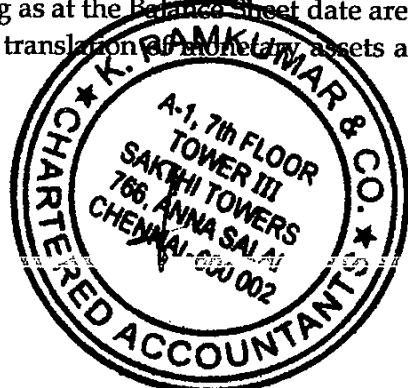
Assets subject to operating leases are included under fixed assets or current assets as appropriate. Lease income is recognised in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the profit and loss account.

1.5 INVESTMENTS

Investments are classified as Long-term and Current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current Investments are shown at cost or market value whichever is lower.

1.6 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted on the exchange rate prevailing at the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.



RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

1.7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when:

- The Company has a present obligation as a result of a 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed.

1.8 TAX ON INCOME

a The accounting treatment for income Tax in respect of company's income is based on the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI). Tax on income for the current period is determined on the basis of Taxable Income computed in accordance with the provisions of the Income Tax Act 1961.

b Deferred Tax on timing differences between the accounting income and taxable income for the year is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

1.9 EMPLOYEE BENEFITS

a Short Term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the bonus, exgratia are recognized in the period in which the employee renders service.

b Post employee benefits

- Provident Fund

The Company's contribution to Provident Fund is deposited with the Regional Provident Fund Commissioner and is charged to Capital Work-in-Progress account every year.

- Gratuity

The Company is having Defined Benefit plan for the Gratuity and the provision is made based on actuarial valuation in accordance with the AS 15 of The Institute of Chartered Accountants of India.

- Leave Encashment

Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with AS 15 of The Institute of Chartered Accountants of India.

1.10 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of the asset/project. All other borrowing costs are treated as period cost and charged to Profit and Loss account in the year in which they are incurred.

1.11 EARNINGS PER SHARE

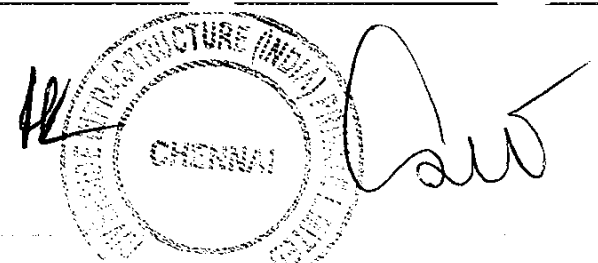
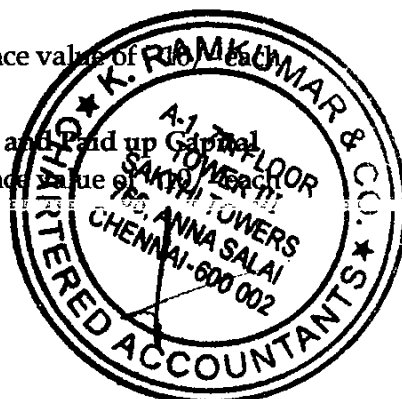
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

NOTE 2 : SHARE CAPITAL

2.1 Authorised, Issued, Subscribed and Paid up Capital:

Particulars	As At	As At	As At	As At
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
	Nos	Nos		
Authorised Capital				
Equity Shares face value of Rs. 100/-	170,000,000	170,000,000	1,700,000,000	1,700,000,000
Issued, Subscribed and Paid up Capital				
Equity Shares face value of Rs. 100/-	163,000,000	163,000,000	1,630,000,000	1,630,000,000



RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

2.2 Reconciliation of number of Equity Shares Outstanding :

Particulars	As At	As At
	31-Mar-2015	31-Mar-2014
	Nos	Nos
Shares Outstanding at the beginning of the year	163,000,000	163,000,000
Add: Shares Issued during the year		
Further Allotment	-	-
Shares Outstanding at the end of the year	<u>163,000,000</u>	<u>163,000,000</u>

2.3 Details of Equity Shares held by Group Companies :

Particulars	Class of Shares	As At	As At
		31-Mar-2015	31-Mar-2014
		Nos	Nos
By Holding Company	Equity	120,500,000	120,500,000
		<u>120,500,000</u>	<u>120,500,000</u>

2.4 Details of Shareholders holding more than 5 % Equity Share :

Sl Name of the Shareholders	As At		As At	
	31-Mar-2015		31-Mar-2014	
	Nos	%	Nos	%
1 MARG Limited	120,500,000	73.93%	120,500,000	73.93%
2 Mr. G R K Reddy	17,000,000	10.43%	17,000,000	10.43%
3 Veltoso Holdings Limited	25,500,000	15.64%	25,500,000	15.64%
	<u>163,000,000</u>	<u>100.00%</u>	<u>163,000,000</u>	<u>100.00%</u>
			As At	As At
			31-Mar-2015	31-Mar-2014

NOTE 3 : RESERVES & SURPLUS

3.1 Securities Premium Account:

Opening Balance	162,248,897	162,248,897
Add: Addition during the year		
	<u>162,248,897</u>	<u>162,248,897</u>

3.2 Profit & Loss Account:

Balance at the beginning of the Year	(10,827,606)	(10,573,129)
Profit (loss) for the Year	(1,542,114)	(254,477)
Balance at the end of the Year	<u>(12,369,720)</u>	<u>(10,827,606)</u>
	<u>149,879,177</u>	<u>151,421,291</u>

NOTE 4 : LONG-TERM BORROWINGS

4.1 Secured Loans:

Term Loan:

From Banks & Financial Institution:

Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties*

* Loans Guaranteed by Directors

4.2 Default on repayment of long term loans and interest thereon:

The Company defaulted in payment of loan of ` 213,96,14,734/- (PY ` 213,96,14,734/-) and interest of ` 97,04,62,628/- (PY ` 70,70,62,762/-) for more than 90 days as on 31-Mar-15. Interest of ` 942,99,812/- was outstanding for less than 90 days as on 31-Mar-15.

4.3 Unsecured Loans:

From Others:

Loans From Holding Company	203,709,445	170,646,876
	<u>203,709,445</u>	<u>170,646,876</u>
	<u>203,709,445</u>	<u>170,646,876</u>

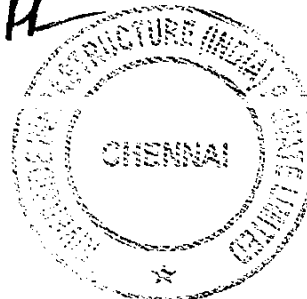
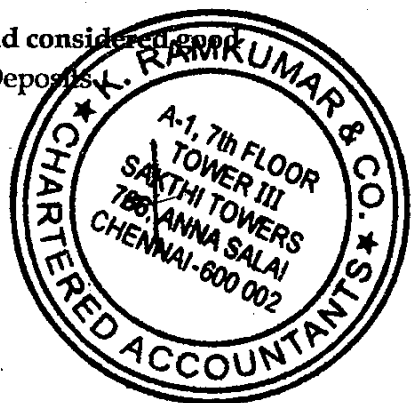


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RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
NOTE 5 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability	35,063	40,087
	35,063	40,087
NOTE 6 : OTHER LONG-TERM LIABILITIES		
Lease Deposits	13,691,412	13,691,412
	13,691,412	13,691,412
NOTE 7 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	472,895	504,488
Leave Encashment	150,786	126,555
	623,681	631,043
NOTE 8 : SHORT-TERM BORROWINGS		
Unsecured Loans:		
From Others:		
Loans From Holding Company	-	-
Loans From Other Companies	-	21,018,421
	-	21,018,421
NOTE 9 : TRADE PAYABLE		
Trade Payables	21,922,927	22,544,243
	21,922,927	22,544,243
NOTE 10 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	2,139,614,734	2,139,614,734
Interest Accrued but Not Due on Borrowings	-	26,856,262
Interest Accrued and Due on Borrowings	1,223,904,727	801,203,673
Other Payables		
Advances from Customers	271,358,636	270,935,000
Expenses Payable	10,411,636	5,661,894
Statutory Dues	5,017,415	3,926,319
Sundry Creditors for Capital Goods	680,376,609	680,376,611
	4,330,683,757	3,928,574,493
NOTE 11 : SHORT-TERM PROVISIONS		
Provision for employee benefits		
Bonus	104,874	104,874
Gratuity	11,277	12,919
Leave Encashment	6,388	5,849
Others:		
Income Tax	764,336	381,065
	886,875	504,707
NOTE 13 : LONG-TERM LOANS AND ADVANCE		
Unsecured and considered good		
Security Deposits	2,432,517	2,432,518
	2,432,517	2,432,518



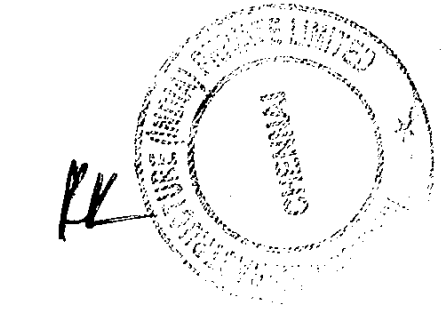
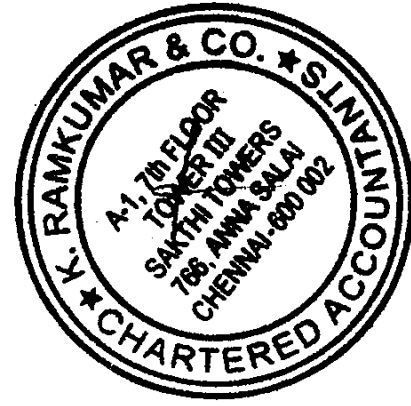
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RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

NOTE 12 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31-Mar-2014	Additions	Deductions/ Transfers	As At 31-Mar-2015	Up to 31-Mar-2014	For the year	Deletions	Up to 31-Mar-2015	As At 31-Mar-2015	As At 31-Mar-2014
INTANGIBLE ASSET	-	-	-	-	-	-	-	-	-	-
TANGIBLE ASSET										
OTHER ASSETS										
Land	688,134,245	-	-	688,134,245	-	-	-	-	688,134,245	688,134,245
Computers	682,748	-	-	682,748	407,284	241,326	-	648,610	34,137	275,464
Office Equipment	118,970	-	-	118,970	20,518	66,937	-	87,455	31,515	98,452
Furniture & Fittings	12,894	-	-	12,894	12,894	12,190	-	12,894	-	-
Electrical Equipment & Fittings	95,066	-	-	95,066	28,703	12,190	-	40,893	54,173	66,363
Total	689,043,923	-	-	689,043,923	469,399	320,453	-	789,853	688,254,070	688,574,523
Previous Year	688,694,376	-	-	688,694,376	328,007	119,852	-	447,860	688,574,524	688,694,375
CAPITAL WORK IN PROGRESS										
Capital Work in Progress	4,999,949,439	402,536,340	-	5,402,485,779	-	-	-	-	5,402,485,779	4,999,949,439
Total	4,999,949,439	402,536,340	-	5,402,485,779	-	-	-	-	5,402,485,779	4,999,949,439
Previous Year	4,548,360,830	451,588,609	-	4,999,949,439	-	-	-	-	4,999,949,439	4,548,360,830



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RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

iv) For determination of Gratuity liability of the Company the following actuarial assumptions were used:

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Discount Rate	7.80%	8.50%
Salary Escalation Rate	8.00%	8.00%
Attrition Rate	4.00%	4.00%

B Leave Encashment

The Company doesn't maintain any fund to pay for leave encashment

i) Amount recognised in the Profit and Loss Account/relevant Project Cost is as under:

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
Current Service Cost	42,617	(3,806)
Interest cost	3,167	19,795
Net Actuarial (Gain)/Loss Recognised in the Year	169,285	(90,793)
Expenses Recognised in Profit and Loss Account	215,069	(74,804)

ii) Movement in the liability recognised in the Balance Sheet during the year:

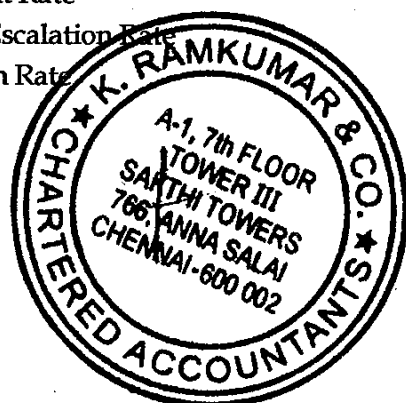
Particulars	As At 31-Mar-2015	As At 31-Mar-2014
Opening Net Liability	132,404	258,562
Expense as above	215,069	(74,804)
Contribution Paid	(190,299)	(51,354)
Closing Net Liability	157,174	132,404

iii) Net Assets/Liability in the Balance Sheet as at 31-Mar-2015

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
Present Value of The Obligation	157,174	132,404
Difference	157,174	132,404
Liability Recognised in the Balance Sheet	157,174	132,404

iv) For determination of Gratuity liability of the Company the following actuarial assumptions were used:

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Discount Rate	7.80%	8.50%
Salary Escalation Rate	8%	8%
Attrition Rate	4%	4%



RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

NOTE 27 : OPERATING LEASES

The company does not have any obligations under any lease.

NOTE 28 : SEGMENT REPORTING

The Company is engaged in the business of development and operation of a Mall, which as per Accounting Standard 17 on "Segment Reporting" issued by the ICAI is considered to be the only reportable business segment. The Company is operating only in India which is considered as a single geographical segment.

NOTE 29 : INFORMATIONS UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as the period end together with interest paid / payable under this Act have not been given.

NOTE 30 : FOREIGN CURRENCY TRANSACTIONS

Expenditure in foreign currencies (on accrual basis)

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
a. Professional Fees	-	-
b. Traveling Expenses	-	-

NOTE 31 : EARNINGS PER SHARE (EPS):

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
a. Profit After Tax (₹)		
For Basic & Diluted EPS	(1,542,114)	(254,477)
b. Weighted average number of equity shares (Nos)		
For Basic EPS & Add: Potential Equity Shares on account of Share Application money For Diluted EPS	163,000,000 - 163,000,000	173,402,740 - 173,402,740
c. Earning Per Share (₹)		
Basic	(0.009)	(0.002)
Diluted	(0.009)	(0.002)
d. Nominal Value Per Share (₹)	10.00	10.00

NOTE 32 : PRESENTATION OF PREVIOUS YEAR'S FIGURES

Previous year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year figures.

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

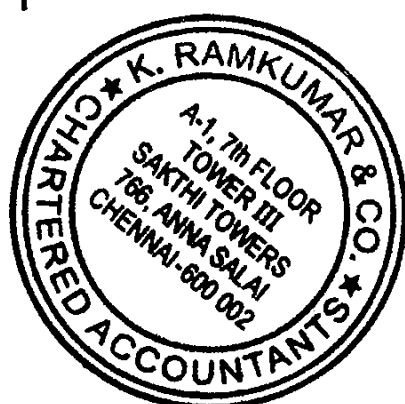
R M V BALAJI

Partner

Membership No. 27476

Place : Chennai

Date : 29-May-2015



For and on behalf of Board of Directors

G R K Reddy

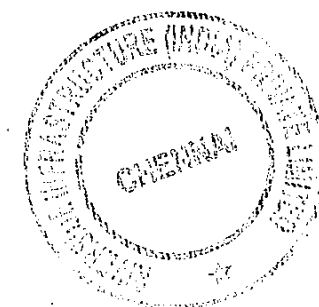
G R K REDDY

Director

V P Rajini Reddy

V P RAJINI REDDY

Director



RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
NOTE 14 : CASH & CASH EQUIVALENTS		
Cash Balance	32,196	33,869
Balances with Scheduled Banks		
In Current Accounts	3,301,674	1,084,915
In Deposit Accounts		
Deposit maturing after 12 months	21,364,039	20,228,067
	24,697,909	21,346,851
NOTE 15 : SHORT-TERM LOANS & ADVANCES		
Unsecured Loans & Advances and considered good		
Others		
Advances to Suppliers	86,594,433	86,533,007
Advances to Staff	1,265,202	1,079,835
Advances to Others	6,481,579	-
Prepaid Expenses	-	101,777
Prepaid Taxes	130,167,314	130,001,089
Security Deposits	9,053,534	9,053,534
	233,562,062	226,769,242
NOTE 16 : OTHER INCOME		
Interest Received from FD	-	1,194,630
Profit / loss on Sale of Fixed Assets	-	-
	-	1,194,630
NOTE 17 : FINANCE COSTS		
Interest Expense	608,525	-
Bank & Finance Charges	8,670	701,743
	617,195	701,743
NOTE 18 : OTHER EXPENSES		
Secretarial Expenses	-	-
Payment to Auditors		
Audit Fee	100,000	100,000
	100,000	100,000
NOTE 19 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax expense/(income) for the year	(5,024)	(17,641)
	(5,024)	(17,641)

NOTE 20 : CONTINGENT LIABILITIES

- a. Estimated amount of liability on capital contracts : ` 256.88 Crores (PY: ` 256.88 Crores)
- b. Other Contingent Liabilities : ` 5,86,426/- (Previous Year Nil)

NOTE 21 : TERM LOANS

During the year, State Bank of Patiala and Syndicate Bank have assigned the loan availed by the Company to Edelweiss Asset Reconstruction Company Limited ('the ARC'). Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding amount of Rs 115.76 Crores as on 31st March, 2015 is included in Current Maturities of long term of borrowings in Note 10 and the Company continues to provide interest at the rates originally charged by the Banks.

NOTE 22 : INTEREST ON BORROWINGS

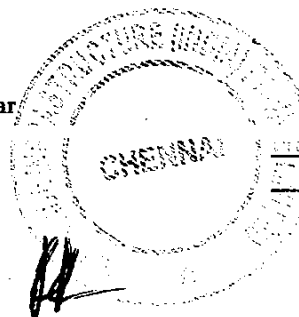
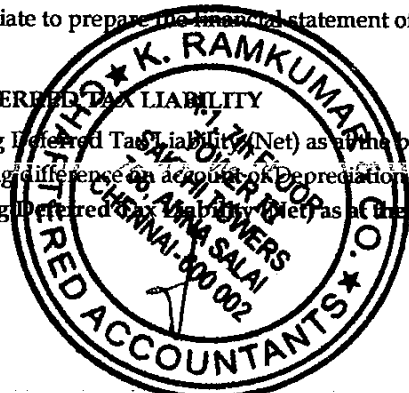
The management is taking efforts for resuming the Mall project and is in discussion with strategic partners for this purpose. Further, considering the latest valuation of the property of the company, the management considers it appropriate to capitalise the interest of Rs 39,58,44,791/- (PY Rs 41,84,20,822/-) and overheads of Rs 67,24,784/- (PY Rs 3,31,67,788) during the year ended 31st March, 2015.

NOTE 23 : PREPARATION OF FINANCIAL STATEMENTS ON 'GOING CONCERN' BASIS

The Mall project of the Company continues to be suspended and the Riverside Mall property of the company had been taken into possession by the banks, as the company has defaulted into payments of dues to the bank/financial institutions towards principal and interest. The company is redesigning the project and also having discussion with strategic partners. The management of the company is hopeful that it will get the approval in a short time which will make the project self-sustaining in terms of cash flows. Some of the loans have been assigned to Asset Reconstruction Companies during the year. Considering these factors, the management considers it appropriate to prepare the financial statement of the company on 'Going Concern' basis.

NOTE 24 : DEFERRED TAX LIABILITY

Outstanding Deferred Tax Liability (Net) as at the beginning of the year	40,087	57,728
Add: Timing difference on account of depreciation	(5,024)	(17,641)
Outstanding Deferred Tax Liability (Net) as at the end of the year	35,063	40,087



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RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

NOTE 25 : RELATED PARTY DISCLOSURES

The following is the list of related parties:

- a. Holding Company – Marg Limited
- b. List of fellow subsidiaries, where control existed during the year:-

Sl	Company Name	Sl	Company Name
1	Advance Infradevelopers Private Limited	2	Agni Infradevelopers Private Limited
3	Akhil Infrastructure Private Limited	4	Ambar Nivas Private Limited
5	Amir Constructions Private Limited	6	Anumanthai Beachside Resorts Private Limited
7	Anuttam Constructions Private Limited	8	Aprati Constructions Private Limited
9	Archana Infradevelopers Private Limited	10	Arohi Infrastructure Private Limited
11	Aroopa Infradevelopers Private Limited	12	Ashram Infradevelopers Private Limited
13	Atul Infrastructure Private Limited	14	Avatar Constructions Private Limited
15	Bharani Infrastructure Private Limited	16	Comex Infrastructure Private Limited
17	Darpan Houses Private Limited	18	Darshan Homes Private Limited
19	Dasha Infradevelopers Private Limited	20	Future Parking Private Limited
21	Guiding Infradevelopers Private Limited	22	Hilary Constructions Private Limited
23	Kanchanajunga Infradevelopers Private Limited	24	Karaikal Port Private Limited
25	Karaikal Power Company Private Limited	26	Kirtidhara Infrastructure Private Limited
27	Magnumopus Infrastructure Private Limited	28	Marg Aviations Private Limited
29	Marg Business Park Private Limited	30	MARG Hotels and Service Apartments Private Limited
31	Marg Industrial Clusters Limited	32	Marg Infrastructure Developers Limited
33	Marg International Dredging PTE Ltd	34	Marg Logistics Private Limited
35	Marg Marine Infrastructure Limited	36	Marg Properties Limited
37	Marg Sri Krishnadevaraya Airport Private Limited	38	Marg Swarnabhoomi Port Private Limited
39	Marg Trading PTE Ltd	40	Mukta Infrastructure Private Limited
41	Navita Estates Private Limited	42	Navrang Infrastructure Private Limited
43	New Chennai Township Private Limited	44	O M R Developers Private Limited
45	Parivar Apartments Private Limited	46	Rainbow Habitat Private Limited
47	Saptajit Projects Private Limited	48	Sarang Infradevelopers Private Limited
49	Shikha Infrastructure Private Limited	50	Shubham Vihar Private Limited
51	Signa Infrastructure India Limited	52	Sulekh Constructions Private Limited
53	Swatantra Infrastructure Private Limited	54	Talin Infradevelopers Private Limited
55	Uttarak Infradevelopers Private Limited	56	Vyan Infraprojects Private Limited
57	Yuva Constructions Private Limited		

c. Key Management Personnel

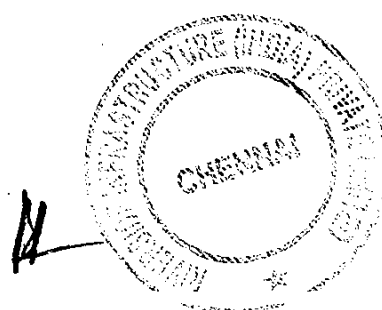
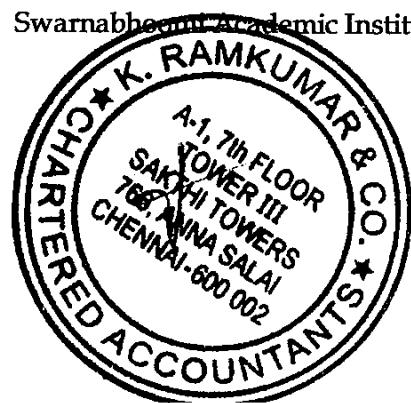
G R K Reddy-Director

d. Relative of KMP

V P Rajini Reddy-Director & Wife of KMP

e. Entities over which KMP and/or their relatives exercise control:

- 1 Akshya Infrastructure Private Limited
- 2 Avinash Constructions Private Limited
- 3 Exemplarr Worldwide Limited
- 4 Jeevan Habitat Private Limited
- 5 Marg Capital Markets Limited
- 6 Marg Foundation
- 7 Noble Habitat Private Limited
- 8 Swarnabhoomi Academic Institutions



RIVERSIDE INFRASTRUCTURE (INDIA) PVT LIMITED

Notes To The Financial Statements

c. The following transactions were carried out with the related parties during the course of the business:

Particulars	Holding Company		Entities over which KMP & Relatives exercise control	
	Transactions			
	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Capital Contract Expenditure	-	-	-	-
Interest on loan	35,202,534	28,793,546	-	-
Services Received	-	-	-	9,528.00
Loans and Advances Received (Repaid)-Net	33,062,569	53,930,241	-	-
Allocation of Common Expenses	1,777,852	6,126,221	-	-
Share Application Money Received	-	-	-	-
Shares Allotted	-	-	-	-
Securities Premium Received	-	-	-	-
Guarantees and Collaterals Received	-	-	-	-
	Balances			
	As At 31-Mar-2015	As At 31-Mar-2014	As At 31-Mar-2015	As At 31-Mar-2014
Unsecured Loan	354,168,660	285,903,557	-	-
Creditors for capital goods	597,410,022	597,410,022	-	-
Trade Payables	-	-	13,431.00	13,431.00
Guarantees and Collaterals Received	2,230,094,217	2,230,094,217	-	-

NOTE 26 : EMPLOYEE BENEFITS

A Gratuity

The Company does not maintain any fund to pay for Gratuity

i) Amount recognised in the Profit and Loss Account is as under:

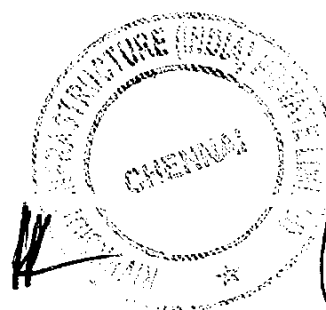
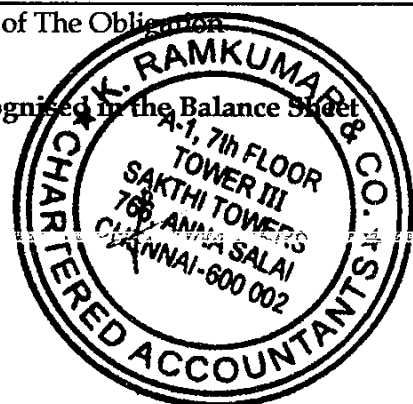
Particulars	As At 31-Mar-2015	As At 31-Mar-2014
Current Service Cost	94,320	259,349
Interest cost	37,316	45,612
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	(8,070)	(324,162)
Expenses Recognised in Profit and Loss Account	123,566	(19,201)

ii) Movement in the liability recognised in the Balance Sheet during the year:

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
Opening Net Liability	517,407	536,608
Expense as above	123,566	(19,201)
Contribution Paid	(156,801)	-
Closing Net Liability	484,172	517,407

iii) Net Assets/Liability in the Balance Sheet as at 31-Mar-2015

Particulars	As At 31-Mar-2015	As At 31-Mar-2014
Present Value of The Obligation	484,172	517,407
Difference	484,172	517,407
Liability Recognised in the Balance Sheet	484,172	517,407



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