



INDEPENDENT AUDITOR'S REPORT

To
The Members of
SAPTASWARA AGRO FARMS PRIVATE LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Saptaswara Agro Farms Private Limited** which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. 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 these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



4. Opinion

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

- i. In the case of Balance Sheet, of state of affairs of the Company as at 31st March 2015;
- ii. In the Statement of Profit and Loss, of the Loss, for the year ended on that date; and

5. Emphasis of Matters

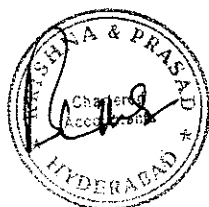
- i. Schedule no.7 consisting of advances which includes advances given to M/s Satyam Computer Services Limited as per under mentioned details.

Date	Cheque No.	Bank	Amount (Rs.)
26/05/2008	927201	Axis Bank	6,00,00,000
26/05/2008	927202	Axis Bank	4,00,00,000
27/06/2008	927204	Axis Bank	5,00,00,000
27/06/2008	927203	Axis Bank	6,00,00,000
27/06/2008	927205	Axis Bank	4,00,00,000
31/07/2008	927207	Axis Bank	5,00,00,000
31/07/2008	927206	Axis Bank	5,00,00,000
		Total	35,00,00,000

Out of the above advances an amount of Rs. 15,25,00,000/- were received during earlier years and Rs. 19,75,00,000/- is still outstanding as on 31st March 2015. Management is of the opinion that the aforesaid amount is fully recoverable. Accordingly no adjustments have been made to the accompanying Financial Statements. Pending final outcome of the recovery process and availability of other documentary evidence, we are unable to comment on the extent of recoverability of the aforesaid amount and the consequential impact thereof, if any, on the accompanying Financial Statements.

- ii. Note no. (2) of Notes to Accounts which reads as under : A Civil Suit has been filed as an Indigent Person in the Court of Hon'ble 1st Addl. Chief Judge, City Civil Court at Secunderabad numbered as OP/SR No: 276/2010 through its authorized special power of attorney holder for an amount of Rs.19,75,00,000/- along with claim for damages. The claims for damages in the suit have not been recognized in the Financial Statements pending settlement. Due to change in the Management, the Company has already filed an Interim Application in the Honorable First Additional Chief Judge, City Civil Court, Secunderabad praying that the company will now pay the Court fee and the Civil Suit may be decided upon the merits of the matter. Orders were passed on 07-06-2011 allowing the payment of the Court Fee. The original petition was numbered as Suit no. 87 of 2011, subsequent to payment of the Court Fee.

The Court has directed for service of Summons on Satyam Computer Services Limited (SCSL) on 29-07-2011. Summons was served on SCSL on 13-01-2012. SCSL appeared and had moved an application under Order VII Rule XI for rejection of Plaint, filed by the Company, Meanwhile, SCSL merged into Tech Mahindra Limited as per High Court order dated 11-06-2013, the same was informed by the SCSL to the Civil Court, Hon'ble Court posted the case for amendment of Plaint on 20-09-2013. As per scheme of arrangement and as per High Court order dated 11-06-2013, Tech Mahindra Limited will be substituted in the place of SCSL in the suit. Matter is posted on 02-06-2015 for amendment. Saptaswara also challenged the AP High Court order dated : 11-06-2013 before Division bench of AP High Court and the same is pending. Joint Director of Enforcement Directorate filed a complaint No 1 of 2014 against the SCSL and impleading Company as a party for its alleged activities under Sec 3 r/w 4 of PMLA before XXI Addl. Metropolitan Magistrate Court, Hyderabad which has been posted to June 05, 2015.



6. 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, the same is not applicable to the Company for time being.
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 and Statement of Profit and Loss 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) The going concern matter described in sub-paragraphs (i) and (ii) under the Emphasis of matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of written representations received from the directors as on March 31st 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 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 our information and according to the explanations given to us:
 - i. *The financial statements do not disclose the impact of pending litigations referred to Note no. 2 in the Notes to accounts.*

Place of Signature: Hyderabad
Date of Report: 21-05-2015



For M/s Krishna & Prasad
Chartered Accountants
Firm's Regn. No: 001460S
[Signature]
[B L N Phani Kumar]
Partner
Membership No.028391

SAPTASWARA AGRO FARMS PRIVATE LIMITED

Balance sheet as at March 31, 2015

Particulars	Notes	March 31, 2015 Rupees	March 31, 2014 Rupees
Equity and liabilities			
Shareholder's Funds			
Share capital	3	100,000	100,000
Reserves and surplus	4	(2,817,540)	(2,785,256)
		(2,717,540)	(2,685,256)
Non-current liabilities			
Long-term borrowings	5	200,014,555	200,014,555
Current liabilities			
Trade payables	6	2,752,985	2,720,701
		200,050,000	200,050,000
Assets			
Long-term Loans and advances	7	200,050,000	200,050,000
		200,050,000	200,050,000
Current assets			
Cash and bank balances	8	-	-
		200,050,000	200,050,000

Summary of Significant accounting policies and notes on accounts 1&2

The accompanying notes are an integral part of the financial statements

As per our report of even date

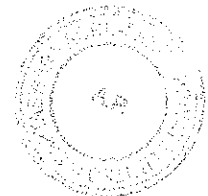
For Krishna & Prasad
Chartered Accountants
Firm registration number: 001460S
per B.L.N. Phani Kumar
Partner
Membership No: 028391



Place: Hyderabad
Date: 21-05-2015

For and on behalf of the Board of Directors
SAPTASWARA AGRO FARMS PRIVATE LIMITED

M. Suguna M. Suguna
Director Director



Place: Hyderabad
Date: 21-05-2015

SAPTASWARA AGRO FARMS PRIVATE LIMITED

Statement of profit and loss for the year ended March 31, 2015

Particulars	Notes	March 31, 2015 Rupees	March 31, 2014 Rupees
Income			
Revenue from Operations		-	-
Total revenue (I)		<u>-</u>	<u>-</u>
Expenses			
Other expenses	9	32,284	13,670
Total Expenses (II)		<u>32,284</u>	<u>13,670</u>
Profit/(loss) For the year		(32,284)	(13,670)
Earnings per equity share (nominal value of share Rs. 100 (March 31, 2014 Rs. 100))			
Basic			
Computed on the basis of profit from continuing operations and total profit for the year		(32.28)	(13.67)
Diluted			
Computed on the basis of profit from continuing operations and total profit for the year		(32.28)	(13.67)

Summary of significant accounting policies and notes on accounts 1&2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For Krishna & Prasad

Chartered Accountants

Firm registration number: 001460S

per B.L.N. Phani Kumar
Partner

Membership No: 028391



Place: Hyderabad

Date: 21-05-2015

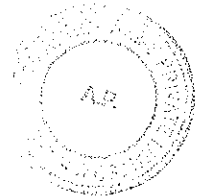
For and on behalf of the Board of Directors
SAPTASWARA AGRO FARMS PRIVATE LIMITED

M. Suguna
M Suguna
Director

Mukesh Sharma
Mukesh Sharma
Director

Place: Hyderabad

Date: 21/05/2015



GAPTASWARA AGRO FARMS PRIVATE LIMITED

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

	March 31, 2015	March 31, 2014
3 Share capital		
Authorized		
25,000 (March 31, 2014 : 25,000) Equity shares of Rs. 100 each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
Issued, subscribed and paid up		
1,000 (March 31, 2014 : 1,000) Equity shares of Rs. 100 each fully paid up	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

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

Equity shares

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	1,000	100,000	1,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

(c) List of shareholders holding more than 5% shares in the company:

Equity Shares of Rs. 100 each

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
IL&FS Engineering and Construction Company Limited	1,000	100%	1,000	100%

4 Reserves and surplus

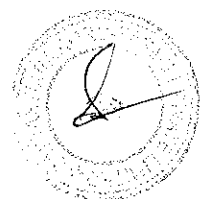
	March 31, 2015	March 31, 2014
Surplus/(deficit) in the Statement of profit and loss		
Balance as per last financial statements	(2,785,256)	(2,771,586)
Loss for the year	(32,284)	(13,670)
Net surplus / (deficit) in the Statement of profit and loss	<u>(2,817,540)</u>	<u>(2,785,256)</u>

5 Long term borrowings

	Non-current	
	March 31, 2015	March 31, 2014
from Related Parties	200,000,000	200,000,000
from others	14,555	14,555
	<u>200,014,555</u>	<u>200,014,555</u>

6 Trade payables

	March 31, 2015	March 31, 2014
Others	2,752,985	2,720,701
	<u>2,752,985</u>	<u>2,720,701</u>



SAPTASWARA AGRO FARMS PRIVATE LIMITED

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

7 Loans and advances

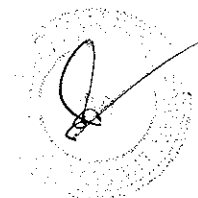
	Long term	
	March 31, 2015	March 31, 2014
Loans and advances to related parties		
Unsecured, considered good	-	-
Other loans and advances,		
Unsecured, considered good	200,050,000	200,050,000
Total	200,050,000	200,050,000

8 Cash and bank balances

	Current	
	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Balances with banks:		
On current accounts	-	-
Cash on hand	-	-
Other bank balances		
Deposits with original maturity for more than 12 months	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Margin money deposits	-	-
Amount disclosed under non-current assets	-	-

9 Other expenditure

Audit Fee	12,360	12,360
Rates & Taxes	19,924	510
Legal and Professional Charges	-	800
Service Charges	-	-
Total	32,284	13,670



SAPTASWARA AGRO-FARMS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

SCHEDULE:1

SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention: The Financial Statements are prepared under the historical cost convention in accordance with applicable mandatory accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956

SCHEDULE:2

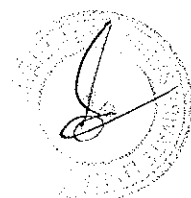
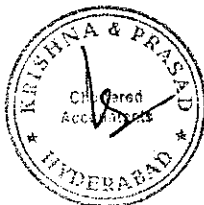
NOTES TO THE ACCOUNTS:

1. During the Financial year 2010-11, the ownership and Management of the Company were changed vide Share Sale and Purchase Agreement dated 28th day of February 2011. The Company has become 100% subsidiary of IL&FS Engineering and Construction Company Ltd . In view of the change in Management and Ownership, the Management is confident of conducting the business of the Company on Going Concern basis.
2. Schedule No.7 consisting of advances which includes advances given to M/s Satyam Computer Services Ltd as per the under mentioned details:

Date	Cheque.No	Bank	Amount(Rs.)
26/05/2008	927201	AXIS BANK	6,00,00,000
26/05/2008	927202	AXIS BANK	4,00,00,000
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30/07/2008	927207	AXIS BANK	5,00,00,000
30/07/2008	927206	AXIS BANK	5,00,00,000
		Total	35,00,00,000

Out of the above advances an amount of Rs.15, 25, 00,000 were received back during earlier years and Rs.19,75,00,000/- is still outstanding as on 31.03.2015.

A civil suit was filed as an Indigent Person in the Court of the Honorable 1st Additional Chief Judge, Civil Court, Secunderabad and same was numbered as OP/SR No:276/2010 through its authorized Special Power of attorney holder for recovery of an amount of Rs.19,75,00,000/- along with claim for damages. The claim for damages in the suit have not been recognized in the financial statements pending settlement . Due to change in the Management, the Company has already filed an Interim Application in the Honorable 1st Additional Chief Judge, City Civil Court, Secunderabad praying that the Company be allowed to pay the Court fee and the Civil Suit may be decided upon the merits of the matter. Orders were passed on 7.6.2011 allowing the payment of the Court Fee. The original petition was numbered as Suit No. 87 of 2011, subsequent to payment of the Court Fee. The Court has



directed for service of Summons on Satyam Computer Services Limited (SCSL) on 29.07.2011. Summons were served on SCSL on 13.01.2012. SCSL appeared and had moved an application under Order VII Rule XI for rejection of Plaint, filed by the Company, Meanwhile SCSL merged in to Tech Mahindra Ltd as per High Court order dated: 11.06.2013, the same was informed by the SCSL to the Civil court, Hon'ble court posted the case for amendment of Plaint on 20.09.2013. As per scheme of arrangement and as per the High Court order dated 11.06.2013, Tech Mahindra Ltd will be substituted in the place of SCSL in the suit. Matter is posted on 02.06.2015 for amendment.

Saptaswara also challenged the AP High Court order dated:11.06.2013 before Division bench of AP High court and the same is pending.

Joint Director of Enforcement Directorate filed a complaint No 1 of 2014 against Ramalinga Raju and others one of the accused Company as a party for its alleged activities under Sec 3 r/w 4 of PMLA before XXI Addl Metropolitan Magistrate Court, Hyderabad which has been posted to 05.06.2015.

3. The Company has not commenced any commercial operations during the financial year
4. Particulars of remuneration paid to Directors and Perquisites – Nil
5. Details of Auditors Remuneration:

	2014-2015	2013-2014
	Rs.	Rs.
As Auditors	11,000/-	11,000/-
Service Tax	1,360/-	1,360/-
	-----	-----
Total	12,360/-	12,360/-
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6. There are no dues to Small Scale Industrial Undertakings.
7. Particulars of remuneration paid to Directors and Perquisites - Nil
8. The provision of paragraphs 4A, 4C and 4D of part II of Schedule VI to the Companies Act, 1956 are not applicable to the Company.



For M/s. Krishna & Prasad,
Chartered Accountants
Firm registration no:001460S

B.L.N. Phani Kumar
(B.L.N.PHANI KUMAR)
PARTNER
Membership No. 028391
Place: Hyderabad
Date: 21-05-2015

for and on behalf of Board of Directors
For SAPTASWARA AGRO- FARMS PRIVATE LIMITED

M. Suguna
M Suguna
DIRECTOR

Mukesh Sharma
Mukesh Sharma
DIRECTOR

