

**PUNE SHOLAPUR ROAD DEVELOPMENT
COMPANY LIMITED**

ANNUAL REPORT

2012-13

DIRECTORS' REPORT

The Shareholders,
Pune Sholapur Road Development Company Limited

Your Directors have pleasure in presenting the Fourth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2013

Financial Results:

The financial results of the Company are as under:

Particulars	(in ₹)	
	Year ended on March 31, 2013	Year ended on March 31, 2012
Total Income	-	-
Total Expenses	2,170,050	1,563,177
Profit/(Loss) Before Tax	(2,170,050)	(1,563,177)
<u>Less: Provision for Tax</u>	-	827,000
Profit/(Loss)After Tax	(2,170,050)	(2,390,177)
Balance carried forward	(11,797,624)	(9,627,574)

Operations:

During the year under review, your Company commenced the development works of 4 laning of Pune to Sholapur section of NH-9 in the state of Maharashtra, comprising of 101.30 km on Design Build Finance Operate & Transfer (DBFOT) on toll basis awarded by National Highway Authority of India (NHAI). The Company has achieved the physical progress of 94.64% as of March 31, 2013

Dividend:

Due to inadequacy of profits, your Directors have not recommended any dividend for the year under review

Capital:

During the year under the review there was no change in the Capital Structure of the Company. The Authorized and Paid-up Share Capital of your Company has been ₹1,60,00,00,000

Directors:

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Harish Mathur and Dr. V. K. Raina, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Auditors:

M/s. Gianender & Associates, Chartered Accountants, retires at the ensuing Annual General Meeting of the Company and have expressed their willingness to continue as Statutory Auditors of the Company, if re-appointed.

Corporate Governance:

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

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Harish Mathur	4	3
3	Dr. V. K. Raina	4	3
4	Mr. Danny Samuel	4	4
5	Mr. Deep Sen	4	4
6	Mr. M. B. Bajulge	4	4
7	Mr. Kazim Raza Khan	4	4

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. The Audit Committee is comprised of Mr. Krishna Ghag, Mr. Harish Mathur and Mr. Danny Samuel. The Audit Committee met four times during the year under review on April 19, 2012, July 19, 2012, October 18, 2012 and January 18, 2013

Deposits:

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

Particulars of Employees:

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956.

Directors Responsibility Statement:

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

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

Foreign Exchange Earnings and Outgo:

There was no earning or outgo of foreign exchange during the year under review.

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

Acknowledgments:

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India (NHAI), and other Regulatory Authorities, Banks, Financial Institution and Shareholders of the Company.

For and on behalf of the Board

SD/-	SD/-
K. R. Khan	Danny Samuel
Managing Director	Director

Mumbai, April 19, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of
Pune Sholapur Road Development Company Limited.

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Gianender & Associates
Chartered Accountants
FRN: 004661N


G.K. Agrawal
Partner
Membership No. :081603

Place:
Date:



ANNEXURE REFERRED TO IN PARAGRAPH 4 OF THE AUDITOR'S REPORT TO THE MEMBERS OF PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31st, 2013.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of the fixed assets is reasonable.
 - (c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4(i)(c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- (ii) As the Company does not have any inventory, clauses (ii)(a) to (ii)(c) of paragraph 4 of the Order are not applicable.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 (the Act). Accordingly, clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The activities of the company during the year under audit, do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of contracts required to be entered in the register maintained under section 301 of the Act have been so entered where ever applicable.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) As the Company has not accepted any deposits from the public, paragraph 4(vi) of the Order is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. Based on the certificate of cost accountant, we are of the opinion that the Company has maintained the cost records. However, we are not required to make a detailed examination of the same.

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- (ix) (a) According to the information and explanations given to us and according to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues to the extent applicable to the Company including sales tax / value added tax and tax deducted at source.
- (b) According to the information and explanations given to us no undisputed amounts in respect to the statutory dues referred to above which were outstanding as at March 31st, 2013 for a period of more than six months from the date they became payable.
- (c) As explained to us and according to the records of the Company, there are no dues of income tax/ sales tax/ value added tax/ wealth tax /service tax/ customs duty/ excise duty/ cess which have not been deposited on account of any dispute.
- (x) Since the Company has been registered for a period of less than five years, paragraph 4(x) of the Order is not applicable to the Company.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to lender banks.
- (xii) Since the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund/ nidhi /mutual benefit fund / society, paragraph 4(xiii) of the Order is not applicable.
- (xiv) Since the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company, were prima-facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to the companies / parties / firms covered in the register maintained under Section 301 of the Act .
- (xix) The Company has not issued any debentures during the year. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) Since the company has not raised any money during the year by way of public issue, paragraph 4(xx) of the Order is not applicable.



(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Gianender & Associates
Chartered Accountants
Firm.Regn No 004661N

G.K. Agrawal 18/4/13

G.K. Agrawal
Partner
M.No.081603

Place :
Date :



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Balance Sheet As At March 31, 2013

Particulars	Note	As At		As At	
		March 31, 2013		March 31, 2012	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	1,60,00,00,000		1,60,00,00,000	
(b) Reserves and surplus	3	1,94,93,74,667	3,54,93,74,667	(96,27,574)	1,59,03,72,426
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	7,58,92,57,749		3,41,66,79,900	
(b) Other long term liabilities	5	38,32,80,702	7,97,25,38,451	15,45,67,640	3,57,12,47,540
3 CURRENT LIABILITIES					
(a) Short-term borrowings	6	-		16,20,00,000	
(b) Other current liabilities	7	1,45,27,01,982		1,98,25,05,756	
(c) Short-term provisions	8	35,840	1,45,27,37,822	51,060	2,14,45,56,816
TOTAL			12,97,46,50,940		7,30,61,76,782
II ASSETS					
1 NON-CURRENT ASSETS					
(a) Fixed assets (net)	9				
(i) Tangible assets		69,16,758		81,55,813	
(ii) Intangible assets under development		12,70,07,05,434	12,70,76,22,192	6,56,59,56,783	6,57,41,12,596
(b) Long-term loans and advances	10	16,71,43,073	16,71,43,073	63,62,10,422	63,62,10,422
2 CURRENT ASSETS					
(c) Cash and Bank Balance	11	29518989.58		28,73,367	
(d) Short-term loans and advances	12	3,33,58,346		1,69,44,132	
(e) Other current assets	13	3,70,08,339	9,98,85,675	7,60,36,265	9,58,53,764
TOTAL			12,97,46,50,940		7,30,61,76,782

Notes 1 to 23 form part of the financial statements.

As per our report of even date attached.
For Gianender & Associates
 Chartered Accountants
 Firm Registration no. 004661N


J K Agrawal
 Partner

Membership Number : 81603
 Place: Mumbai
 Date:

18/4/13

For and on behalf of the Board


Managing Director


Director



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2013

	Particulars	Note	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I	Revenue from operations		-	-
II	Other income		-	-
III	Total revenue (I + II)		-	-
IV	Expenses			
	Finance costs	14	22,728	22,779
	Administrative and general expenses	15	21,47,322	15,40,398
	Total expenses (IV)		21,70,050	15,63,177
V	Profit before taxation (III-IV)		(21,70,050)	(15,63,177)
VI	Tax expense:			
	(1) Current tax		-	8,27,000
	(2) Tax relating to earlier period		-	-
	(3) Deferred tax (net)		-	-
	Total tax expense (VI)		-	8,27,000
VII	Profit before consolidation adjustments (V-VI)		(21,70,050)	(23,90,177)
VIII	Share of profit transferred to minority interest (net)		-	-
IX	Share of profit / (loss) of associates (net)		-	-
	Profit for the period (VII+VIII+IX)		(21,70,050)	(23,90,177)
	Earnings per equity share (Face value per share Rupees 10/-)			
	(1) Basic (not annualised)		0.01	0.01
	(2) Diluted (not annualised)		0.01	0.01

Notes 1 to 23 form part of the financial statements.

As per our report of even date attached.

For Gianender & Associates

Chartered Accountants

Firm Registration no. 004661N

G K Agrawal

Partner

Membership Number : 81603

Place: Mumbai

Date:

G K Agrawal
18/4/13

For and on behalf of the Board

[Signature]

Managing Director

[Signature]

Director



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Cash Flow Statement for the Year Ended March 31, 2013

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Cash Flow from Operating Activities		
Profit / (Loss) Before Tax	(21,70,050)	(15,63,177)
Adjustments for :-		
Depreciation	-	-
Construction Income	-	-
Miscellaneous Expenses (Wealth tax)	56,245	60,052
Operating profit before Working Capital Changes	(21,13,805)	(15,03,125)
Adjustments / changes in working capital:		
(Decrease) / Increase in Other current liabilities, other non-current liability & Trade payables	4,92,520	1,40,748
Cash Generated from Operating Activities	(16,21,285)	(13,62,377)
Payment of Taxes	(71,465)	(13,73,993)
Net Cash generated / (used in) Operating activity (A)	(16,92,750)	(27,36,370)
Cash flow from Investing Activities		
Interest received	30,37,841	46,52,507
Purchase of Fixed Assets (Including intangible assets)	(8,92,500)	-
Purchase of Fixed Assets (Including intangible assets)	(5,30,37,50,737)	(95,31,88,192)
Net Cash generated / (used in) from Investing Activities (B)	(5,30,16,05,396)	(94,85,35,685)
Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	4,23,04,23,200	77,00,00,000
Proceeds from Short Term Borrowings	18,80,00,000	16,20,00,000
Repayment of Short Term Borrowings	(35,00,00,000)	-
Interest and finance expense	(69,96,51,722)	(41,77,09,040)
Grant Received	1,96,11,72,291	-
Net Cash from Financing Activities (C)	5,32,99,43,769	51,42,90,960
Net Increase / (Decrease) in Cash & Bank Balance (A+B+C)	2,66,45,623	(43,69,81,095)
Cash and Cash Equivalent at the beginning of the period / year	28,73,367	43,98,54,463
Cash and Cash Equivalent at the end of year	2,95,18,990	28,73,367
Net Increase / (Decrease) in Cash & Cash Equivalents	2,66,45,623	(43,69,81,096)

Footnotes:

Reconciliation of Cash and Bank Balance with the Balance Sheet

	Year Ended March 31, 2013	Year Ended March 31, 2012
Components of Cash and Bank Balance		
Cash and cash equivalents as per Balance Sheet (Refer note 12)	2,95,18,990	28,73,367
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements	-	-
Fixed deposits placed for periods exceeding 3 months	-	-
Cash and Cash Equivalent at the end of the year *	2,95,18,990	28,73,367
* Components of Cash & Cash Equivalent		
Cash on hand	1,846	1,236
Balances with banks		
- In Current accounts	2,95,17,144	28,72,131
- In Deposit accounts	-	-
Total	2,95,18,990	28,73,367

Notes 1 to 23 form part of the financial statements.

As per our report of even date attached,

For Gianender & Associates

Chartered Accountants

Firm Registration no. 004661N

G K Agrawal

Partner

Membership Number : 81603

Place: Mumbai

18/4/13



For and on behalf of the Board

[Signature]

Managing Director

[Signature]

Director

PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2013

Note 1 – SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) in India, the provisions of the Companies Act, 1956, and applicable accounting standards referred to in Section 211(3C) of Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

2. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

3. Fixed Assets and Depreciation

- a. An intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- b. Carriageway representing toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises of construction cost and other pre-operative costs incurred during the construction phase.
- c. Administrative and other general overhead expenses net of income from temporary investments, incurred up to the date of commencement of commercial operations that are specifically attributable to the construction / acquisition / development of the Intangible assets is allocated and capitalised as part of cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure.
- d. Tangible fixed assets are stated at original cost net of tax / duty credits availed if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Administrative and other general overheads that are specifically attributable to the construction/ acquisition / development of fixed assets or bringing the fixed asset to working condition are allocated and capitalised as a part of cost of fixed asset.
- e. For depreciation on fixed assets other road project assets, the Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2013

- f. Depreciation on fixed assets other than on assets specified in Notes 3(e) is provided on the Written down Value method using the rates prescribed by Schedule XIV of the Companies Act, 1956.
- g. All categories of assets costing less than ₹ 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

4. Impairment of Assets

The carrying values of assets of the Company's cash-generating unit are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

5. Borrowing Cost

Borrowing costs incurred in respect of borrowings made towards construction of the Project assets are treated as a part of Intangible Assets under Development for subsequent capitalization as on commencement of commercial operations of the road. Borrowing costs incurred subsequent to the capitalisation date are charged to the Statement of Profit and Loss. In accordance of Accounting Standard – 16 "Borrowing Costs", income earned on investment (short term) of funds intermittently surplus but inextricably linked with the project is set off against related borrowing cost.

6. Taxes on Income

Taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes those that have been substantially enacted.

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 were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries 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.

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 taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

7. Provisions, Contingent Liabilities and Contingent Assets



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2013

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

8. Revenue Recognition

Fee collections from the users of the facility are accounted as and when it becomes due and the recovery is certain.

Interest income is accrued at applicable interest rates on time proportionate basis.

9. Earnings per Share

Basic earnings per share is calculated by dividing the net profit 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.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

10. Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value, which have duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

11. Cash Flow Statements

The Cash Flow Statement is prepared in accordance with "indirect method" as prescribed in the Accounting Standard (AS) 3 on "Cash Flow Statements".

12. Preliminary Expenditure

Preliminary expenses incurred on incorporation of the Company are written off in the period during which it was incurred.

13. Current/Non-Current Assets and Liabilities:

Assets are classified as current when it satisfies any of following criteria:

- It is expected to be realized within twelve months after the reporting date,
- It is held primarily for the purpose of being traded,
- It is Cash or cash equivalent unless it restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as Non-current.

Liabilities are classified as current when it satisfies any of following criteria:

- It is expected to be settled within twelve months after the reporting date,



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2013

- It is held primarily for the purpose of being traded,
- The company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-current.

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 2: Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number		Number	
Authorised				
Equity Shares of Rupees 10/- each	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000
Issued				
Equity Shares of Rupees 10/- each	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (Refer footnote no. i, ii and iii)	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000
Total	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000

Footnotes:

i. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. 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 distribution will be in proportionate to the number of equity shares held by the shareholders. Of the above, 160,000,000 (previous year 160,000,000) shares are held by the IL&FS Transportation Networks Limited, being the Holding Company.

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2013		As at March 31, 2012	
	Equity Shares		Equity Shares	
	No. of Shares		No. of Shares	
Shares outstanding at the beginning of the year	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000

ii. During the year ended March 31, 2013, no dividend is declared by Board of Directors. (Previous year - Nil)

iii. Shareholding more than 5%

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited & Its Nominees	16,00,00,000	100%	16,00,00,000	100%
Total	16,00,00,000	100%	16,00,00,000	100%

Note 3: Reserves and Surplus

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Capital Reserve				
Grant from National Highways Authority of India				
Opening balance	-		-	
(+) Addition during the period / year	1,96,11,72,291	1,96,11,72,291	-	
Closing Balance				
(b) Surplus in Statement of Profit and Loss				
Opening balance	(96,27,574)		(72,37,396)	
(+) Profit for the current period / year	(21,70,050)		(23,90,177)	
Closing Balance		(1,17,97,624)		(96,27,574)
Total		1,94,93,74,667		(96,27,574)



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 4: Long-term borrowings

Particulars	As at March 31, 2013		As at March 31, 2012	
Term Loans Secured				
From banks (Refer footnote)	7,58,92,57,749	7,58,92,57,749	3,41,66,79,900	3,41,66,79,900
Total		7,58,92,57,749		3,41,66,79,900

Foot Note:

Secured by hypothecation of:

(i) All movable, tangible and intangible assets other than the Project Assets;

(ii) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues, Receivables, Cash and insurance proceeds in Project accounts, Debt Service Reserve Account and any other bank accounts relating to/connected with the Project and all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to, under and in respect thereof and all monies including all cash flows and receivables and all proceeds arising from / in connection with the Project and all insurance proceeds payable into the said accounts, which have been/are deposited / credited / lying therein, all investments, assets, instruments and securities which represent amounts in the said accounts, both present and future, provided such charge over the Escrow Account shall only be to the extent permissible as per the water fall of priorities specified in the Concession Agreement and Escrow Agreement.

(iii) All contractual rights, assignment rights, applicable permits, title, interest, benefits, claims and demands whatsoever of the Borrowers in, to under and or in respect of all the Project Agreements including agreements, contracts, indemnities, guarantees, and all other documents/writings in respect of the Project and all licences, security, permits, approvals and consents in respect of the Project which are now executed or hereafter to be executed and delivered by the Borrower, including, without limitation, the right to compel performance thereunder, and to be substituted for the Borrower therein, and to commence and conduct either in the name of the Borrower or in its own name or otherwise any proceedings against any Person in respect of any breach of, the Project

Agreements, including without limitation, rights to recover payments and/or collect any receivables pertaining thereto, and the right to claim the benefits of all rights, entitlements, claims and powers of the Borrower thereunder and enforce the same, including any claims of the Borrower under or in any proceedings against any person(s) in connection therewith; and together with the right to further assign any of the Project Agreements and/or any rights thereunder provided such assignment is limited to and to arise to the extent provided under Substitution Agreement.

(iv) All rights under project guarantees obtained pursuant to construction, development contract or operations contract if any relating to the project provided such assignment shall be limited to and to arise to the extent provided under the Substitution Agreement

(v) Debt Service Reserve Account and other Sub account required to be created by the Borrower under any project Agreement or contract provided such assignment / charge shall be guided by the provision of the Escrow Agreement and limited only to the extent of water fall of priorities permissible as provided in the Escrow Agreement .

(vi) Repayment Schedule:

Total Loans Commitment is ` 957.68 Cr.

Loans Disbursed till March 31, 2013 is ` 765.05 Cr. (Previous year ended March 31, 2012 is ` 342.01 Cr.)

payable in 44 unequal quarterly installments commencing in the quarter ending March 31, 2014 and ending in December 31, 2023:

FY ending	Repayment in	% repaid	Amount of Debt Repayment in *	
			As at March 31, 2013	As at March 31, 2012
2013	(1 quarterly instalment)			34,20,100
2014	(4 quarterly instalment)	0.80%	6,12,65,451	2,73,60,800
2015	(4 quarterly instalment)	1.60%	12,25,30,902	5,47,21,600
2016	(4 quarterly instalment)	3.60%	27,56,94,530	12,31,23,600
2017	(4 quarterly instalment)	5.00%	38,29,09,069	17,10,05,000
2018	(4 quarterly instalment)	7.20%	55,13,89,059	24,62,47,200
2019	(4 quarterly instalment)	9.60%	73,51,85,413	32,83,29,600
2020	(4 quarterly instalment)	12.00%	91,89,81,766	41,04,12,000
2021	(4 quarterly instalment)	14.80%	1,13,34,10,844	50,61,74,800
2022	(4 quarterly instalment)	16.47%	1,26,13,02,474	56,32,90,470
2023	(4 quarterly instalment)	16.47%	1,26,13,02,474	56,32,90,470
2024	(3 quarterly instalment)	12.36%	94,65,51,219	42,27,24,360
	Total	99.90%	7,65,05,23,200	3,42,01,00,000

Term loan of ` 6,12,65,451- which is repayable during F.Y.:2013-14 is classified under Current maturity of long term debt. (Previous year ended March 31, 2012 ` 34,20,100/- which was repayable during F.Y.:2012-13



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 5:-Other long term liabilities

Particulars	As at March 31, 2013		As at March 31, 2012	
Others:				
To related party (Holding Company)		37,45,23,904		15,09,69,326
To others		87,56,798		35,98,314
Total		38,32,80,702		15,45,67,640

Footnote

The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosures, if any relating to amount unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.

Note 6: Short-term borrowings

Particulars	As at March 31, 2013		As at March 31, 2012	
Loans and advances from related parties				
Unsecured			16,20,00,000	16,20,00,000
Total		-		16,20,00,000

Note 7: Other current liabilities

Particulars	As at March 31, 2013		As at March 31, 2012	
Current maturities of long-term debts (Refer note 4)				
(a) Term Loans				
From banks		6,12,65,451		34,20,100
Other liabilities				
(a) For Acquisition / construction of fixed assets				
To related party (Holding Company)	1,31,91,88,429		1,94,59,76,055	
To others	4,39,70,281	1,36,31,58,710	54,55,886	1,95,14,31,941
(b) Other liabilities		2,82,77,821		2,76,53,715
Total		1,45,27,01,982		1,98,25,05,756

Note 8 : Short-term provisions

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Other Provisions				
Provision for wealth tax		35,840		51,060
(Net of advance tax ` 2,24,527 (As at 31 March, 2012 ` 1,53,062)				
Total		35,840		51,060

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 9 - Fixed assets:

Particulars	Gross block			Accumulated depreciation and amortization			Net block			
	Balance as at April 1, 2012	Adjustments / Reclassifications	Additions	Deletions / Adjustments	Balance as at April 1, 2012	Adjustments / Reclassifications	Depreciation charge	Deletions / Adjustments	Balance as at March 31, 2013	Balance as at March 31, 2012
a) Tangible assets										
Land	1,49,10,648	-	6,92,500.00	-	68,29,033	-	20,92,330	-	89,21,363	8,92,500
Vehicles	1,56,900	-	-	-	62,702	-	59,225	-	1,21,227	59,96,285
Data processing equipments	1,50,67,548	-	8,92,500	-	69,11,735	-	31,31,555	-	90,43,290	34,973
Total										
	1,50,67,548	-	8,92,500	-	69,11,735	-	31,31,555	-	90,43,290	81,55,813
	1,49,10,648	-	6,92,500	-	68,29,033	-	20,92,330	-	89,21,363	80,81,615
	1,56,900	-	-	-	62,702	-	59,225	-	1,21,227	74,198
	1,50,67,548		8,92,500		69,11,735		31,31,555		90,43,290	81,55,813
b) Intangible assets under Development										
(Refer note 9A)	6,56,59,56,783	-	6,13,47,48,651	-	-	-	-	-	12,70,07,05,434	6,56,59,56,783
Grand Total										
	6,58,10,24,331	-	6,13,56,41,151	-	69,11,735	-	31,31,555	-	90,43,290	6,57,41,13,596
Tangible asset Previous Year	1,50,67,548	-	-	-	40,49,214	-	28,62,501	-	69,11,735	81,55,813
Intangible Asset Previous Year	3,95,35,37,247	-	26,12,41,9537	-	40,49,214	-	28,62,501	-	69,11,735	656,59,56,783
	1,50,67,548		26,12,41,9537		40,49,214		28,62,501		69,11,735	81,55,813
	3,95,35,37,247									656,59,56,783
										1,10,18,314
										395,35,37,247

Note:

1. Depreciation amounting to 21,31,555- (Previous year ended 28,62,501/-) as shown above, being depreciation on assets used during the construction period is debited to Capital work in progress.

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note:9A
Intangible assets under Development

Particular	As at March 31, 2012 (₹)	Total Expenses for the period April-March 2013 (₹)	Balance as at March 31, 2013 (₹)
Intangible assets under Development			
EPC Cost	2,82,09,85,769	5,18,92,14,166	8,01,01,99,935
Plant & Machinery	-	11,33,624	11,33,624
Borrowing Cost			
Debt Syndication Fees	10,56,32,104	-	10,56,32,104
Facility Agent Fees	11,03,000	-	11,03,000
Security Trusteeship Fee	31,88,123	5,61,800	37,49,923
Upfront Fees	2,64,08,026	-	2,64,08,026
Credit Rating Fees	37,22,625	12,64,050	49,86,675
Processing & Other Misc Exp	4,41,200	70,000	5,11,200
Interest during construction	3,57,02,88,755	69,93,94,406	9,46,00,30,951
Bank Guarantee Charges	46,05,136	-	46,05,136
Lodging & Boarding Expenses	60,156	-	60,156
Printing & Stationery Expenses	5,722	-	5,722
Telephone & Fax Expenses	12,240	-	12,240
Travelling & Conveyance Exp	12,38,810	1,48,591	13,87,401
Vehicle Hire Charges	57,786	-	57,786
Misc Exp	1,42,499	-	1,42,499
Business Promotion Expenses	9,10,233	18,548	9,28,781
Concession Fee	1	1	2
ROB Maintenance Charges	1,48,20,000	17,21,119	1,65,41,119
Cess on Utility Shifting Work	-	18,93,390	18,93,390
Service Tax on Payment to Advocate Fees	-	3,059	3,059
Insurance exp	2,19,13,590	37,84,708	2,56,98,298
Independent Engineer Fees	76,82,606	44,62,442	1,21,45,048
Professional Fees	1,75,76,458	2,14,77,516	3,90,53,974
Stamping & Registration Exp	3,98,50,923	5,04,750	4,03,55,673
Project Management Fees	1,28,92,421	-	1,28,92,421
Project Development Fees	1,20,84,16,675	21,56,83,325	1,42,41,00,000
Depreciation on Fixed Assets	1,70,25,92,000	-	1,70,25,92,000
	2,91,14,08,675	21,56,83,325	3,12,70,92,000
	69,11,735	21,31,555	90,43,290
(A)	6,58,85,25,163	6,13,77,86,492	12,72,63,11,655
Less: Income			

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to Financial Statements for year ended March 31, 2013

Note 10 : Long-term Loans and Advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Capital Advances				
Secured, considered good	-		-	
Unsecured, considered good	16,71,39,573	16,71,39,573	63,62,06,922	63,62,06,922
(b) Security Deposits				
Unsecured, considered good	3,500	3,500	3,500	3,500
Total		16,71,43,073		63,62,10,422

Note 11 : Cash and Cash Equivalents

Particulars	As at March 31, 2013		As at March 31, 2012	
Cash and Cash Equivalents				
(a) Cash on hand	1,846		1,236	
(b) Balances with banks				
- In Current accounts	2,95,17,144	2,95,18,990	28,72,131	28,73,367
(c) Other Bank Balance				
Total		2,95,18,990		28,73,367
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is		2,95,18,990		28,73,367

Footnotes:

- i) Balances with banks includes deposits amounting to ` Nil (As at March 31, 2012 ` Nil) which have an original maturity of more than 12 months.
Balances with banks includes deposits amounting to ` Nil (As at March 31, 2012 ` Nil) which have a maturity of more than 12 months from the Balance Sheet date.
- ii) Balances with banks - other earmarked accounts includes ` Nil (As at March 31, 2012 ` Nil) which have restriction on repatriation.

Note 12 : Short-term Loans and Advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Loans and advances to related parties				
Unsecured, considered good				
(b) Other loans and advances				
Unsecured, considered good				
- Advance recoverable in cash or kind	72,46,548		1,76,227	
- Advance towards utility shifting work	1,55,32,757		1,36,61,187	
- Prepaid expenses	13,04,964		19,36,657	
- Advance payment of taxes (net of provisions ` 66,07,500 (As at 31 March, 2012 ` 63,22,000)	54,87,322		11,70,061	
- MVAT input available	37,86,755	3,33,58,346	-	1,69,44,132
Total		3,33,58,346		1,69,44,132

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
(FOR CONSOLIDATION INTO THE FINANCIAL INFORMATION OF IL&FS TRANSPORTATION NETWORKS LIMITED)

Note 13 : Other current assets

Particulars	As at March 31, 2013		As at March 31, 2012	
- Receivable from NHAI towards utility shifting work	3,70,08,339	3,70,08,339	7,60,36,265	7,60,36,265
Total		3,70,08,339		7,60,36,265

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 14 : Finance Costs

Particulars	As at March 31, 2013		As at March 31, 2012	
Finance charges		22,728		22,779
Total		22,728		22,779

Note 15 : Administrative and General Expenses

Particulars	As at March 31, 2013		As at March 31, 2012	
Legal and consultation fees		5,56,421		6,37,504
Travelling and conveyance		1,16,804		1,11,454
Rates and taxes		8,149		2,710
Registration expenses		250		-
Insurance		51		203
Directors' fees		3,70,000		2,70,000
Auditors Remmuration (Refer Footnote)		8,75,239		3,58,475
Miscellaneous expenses		2,20,408		1,60,052
Total		21,47,322		15,40,398

Footnote : Auditor's Remuneration Breakup

Particulars	As at March	
	31, 2013	31, 2012
Audit Fees	2,50,000	2,50,000
Tax Audit Fees	-	-
Fees for other services	5,06,455	75,000
Reimbursement of expenses	4,000	-
Service Tax on the above	1,14,784	33,475
	8,75,239	3,58,475

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 16: Contingent liabilities and capital commitments

a) Capital Commitments

Particulars		As at March 31, 2013	As at March 31, 2012
Sr No	Particulars (Name of party & description)		
	IL&FS Transportation Networks Limited		
	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances in respect of mobilisation of ` 16,71,39,573/- [previous year ended March 31, 2012 ` 636,206,922/-)	1,62,06,26,201	6,34,07,73,018

b) Other commitments:

Particulars		As at March 31, 2013	As at March 31, 2012
Sr No	Particulars (Name of party & description)		
	IL&FS Transportation Networks Limited		
1	Estimated amount of contracts to be executed on Project Management cost (upto the end of construction period) and not provided for	3,00,00,000	14,56,83,325
2	Estimated amount of contracts to be executed from schedule project completion date, on Operation & Maintenance (Base price ` 62,000,000/- for base year 2009, escalated @ 5% p.a. upto the end of concession period) and not provided for	2,18,98,27,101	2,18,98,27,101
	IL&FS Trust Limited		
1	Estimated amount of contracts to be executed on security trusteeship fees (upto the end of repayment of last installment of term loan) and not provided for	55,00,000	60,00,000



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 17: Earnings per equity share

Particulars	Unit	Year Ended March 31, 2013	Year Ended March 31, 2012
Profit / (Loss) after tax	Rupees	-21,70,050	-23,90,177
Weighted number of Equity Shares outstanding	Number	16,00,00,000	16,00,00,000
Nominal Value of equity shares	Rupees	10	10
Basic Earnings per share	Rupees	-0.01	-0.01
Equity shares used to compute diluted earnings per share	Number	16,00,00,000	16,00,00,000
Diluted Earnings per share	Rupees	-0.01	-0.01

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 18: Related Party Disclosure

a Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries of Holding Company (with whom there have been transactions during the period)	IL&FS Trust Company Limited	ITCL
Key Management personnel	K R Khan	

b Transactions / Balances with related parties as mentioned (a) above

Account head	ITNL	ITCL
Balances:	Amount in rupees	Amount in rupees
Balance receivable	17,62,662 (1,36,227)	- (-)
Road Development cost payable	1,31,91,88,429 (1,84,10,84,055)	- (-)
Project Management Fees payable	- (10,48,92,000)	- (-)
Retention Money payable	37,45,23,904 (15,09,69,326)	- (-)
Mobilisation advance given	16,71,39,573 (63,62,06,922)	- (-)
Equity share capital	1,60,00,00,000 (1,60,00,00,000)	- (-)
Short Term Loan Taken	- (16,20,00,000)	- (-)
Security Trusteeship Fees paid in Advance	- (-)	- (5,51,500)

Footnote:

Figures in brackets represent figures for the year ended March 31, 2012

Account head	ITNL	ITCL
Transactions:	Amount in rupees	Amount in rupees
Road Development cost charge	5,18,92,14,166 (59,32,09,381)	- (-)
Project Management Fees charge	21,56,83,325 (26,22,30,003)	- (-)
Short Term Loan Taken	18,80,00,000 (16,20,00,000)	- (-)
Short Term Loan repaid	35,00,00,000 (-)	- (-)
Interest on Short Term Loan Taken	1,26,53,314 (2,784)	- (-)
Mobilisation advance paid	67,50,000 (-)	- (-)
Mobilisation advance adjusted	47,58,17,349 (-)	- (-)
Security Trusteeship Fees charge	- (-)	5,61,800 (2,75,750)

Footnote:

1) Reimbursement of expenses is not included above

2) Figures in brackets represent figures for the year March 2012

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PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED
Notes to the Financial Statements as at March 31, 2013

Note 19: Directors' Remuneration :

The Directors have been paid sitting fees for the Board and Committee meetings attended by them. Further, no remuneration has been paid by the Company to the Manager appointed under section 269 of the Companies Act, 1956.

Note 20: Segment Reporting:

The Company is engaged in infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in note no.1 and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 – "Segment Reporting" have not been made.

Note 21:

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), deferred tax assets and liability should be recognised for all timing differences in accordance with the said standard. However considering the present financial position and requirement of the said Accounting Standard-22 regarding certainty/virtual certainty, the carried forward losses is not provided for as an asset. However, the same will be re-assessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid Accounting Standard.

Note 22:

Company has no employees on its rolls hence disclosure under AS-15 is not applicable

Note 23:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For Gianender & Associates
Chartered Accountants
Firm Registration no. 004661N


G K Agrawal
Partner
Membership Number : 81603
Place: Mumbai
Date: 18/4/13

For and on behalf of the Board



Managing Director



Director

