

**ACORIS RESEARCH LIMITED**

**14TH ANNUAL REPORT  
MARCH 31, 2014**

## **ACORIS RESEARCH LIMITED**

### **BOARD OF DIRECTORS**

- : Mr. Jai Hiremath
- : Mr. Sameer Hiremath
- : Mr. Anish Swadi
- : Mr. Sham Wahalekar

### **AUDITORS**

- : P.M.Kathariya & Co.  
Chartered Accountants

### **REGISTERED OFFICE**

- : 603, Great Eastern Chambers,  
CBD Belapur,  
Navi Mumbai – 400 614

## ACORIS RESEARCH LIMITED

### DIRECTORS' REPORT

The Members,

Your Directors submit their 14<sup>th</sup> Annual Report and Audited Accounts for the year ended March 31, 2014

#### RESULTS:

The company is a 100% subsidiary of Hikal Ltd.

The Company was not having any operational during the year

	Amount in Rupees	
	2013-14	2012-13
Turnover	-	-
(Profit) / Loss before interest and depreciation	(2,500)	(2,500)
Interest	-	-
Loss before depreciation	(2,500)	(2,500)
Depreciation	127,506	127,506
Loss before taxation	130,006	130,006
Net loss after tax	130,006	130,006

#### DIRECTORS:

Mr. Sham Wahalekar retires by rotation and being eligible offers himself for re-appointment.

#### **DIRECTORS' RESPONSIBILITIES**

Your Directors confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) That the Directors 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 ended March 31, 2014 and of the profit of the company for that year;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

#### AUDITORS:

Messers P.M.Kathariya & Co Chartered Accountants is retiring auditors, offer themselves for re-appointment.

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Since the company was not having any operation during the year , the additional information required under the provisions of Sec. 217(l)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are not applicable to the company.

**EMPLOYEES**

The company considers its work force to a valuable asset. The Company continued to have cordial relationships with all its employees. Employee development programs and exercises were conducted by the management team. Employees were sponsored for various external seminars and other developmental programs. The total workforce of the company stood at nil as on March 31, 2014.

**PARTICULARS OF EMPLOYEES:**

As required by the provisions of the section 217 (2A) of the Companies Act, 1956, read with companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees form part of the Director's Report. However, as per the provisions of the Sec. 219 (1) (b) (iv) of the Companies Act, 1956, the report and accounts is being sent to all shareholders of the company excluding the aforesaid information, any shareholders interested in obtaining such particulars may write to the Company at the corporate office of the company.

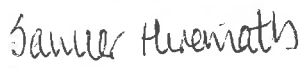
**ACKNOWLEDGEMENTS**

The Board of Directors place on record their appreciation and sincere support extended to the company by its Bankers, Financial Institutions and other respected customers and suppliers.

The Board also places on record its appreciation for the impeccable service and unstinting efforts rendered by its employees at all levels, across the board towards its overall success.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

  
**Jai Hiremath**  
Director

  
**Sameer Hiremath**  
Director

**Place : Mumbai**

**Dated :**

8 JULY 2014



# P.M. Kathariya & Co.

Chartered Accountants

Room No. 6, Kermani Bldg, 4th Floor, 27  
Sir P.M. Road, Fort, Mumbai - 400 001.

Mob. : 9821034665 Tel. : 66315862, Telefax : 22856615,  
Email : pmkathariya@rediffmail.com / gmail.com

## Independent Auditors' Report

To the Members of

Acoris Research Limited

### Report on the financial statements

We have audited the accompanying financial statements of Acoris Research Limited ('the Company'), which comprise the balance sheet as at 31 March 2014, and the statement of profit and loss and the cash flow statement for the year ended 31 March 2014, 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 judgement, 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2014;
- (b) in the case of the statement of profit and loss, 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 of the Company for the year ended on that date.





# P.M. Kathariya & Co.

## Chartered Accountants

Room No. 6, Kermani Bldg, 4th Floor, 27  
Sir P.M. Road, Fort, Mumbai - 400 001.

Mob. : 9821034665 Tel. : 66315862, Telefax: 22856615,  
Email : pmkathariya@rediffmail.com / gmail.com

### Independent Auditors' Report (Continued)

## Acoris Research Limited

### 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, the statement of profit and loss and the 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 sub-section (3C) of section 211 of the Act; and
  - (e) on the basis of written representations received from the directors of the Company as at 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.



For P.M. Kathariya & Co  
Chartered Accountants

P.M. Kathariya  
Proprietor

Membership No: 31315

Mumbai  
6 May 2014



# **P.M. Kathariya & Co.**

## **Chartered Accountants**

*Room No. 6, Kermani Bldg, 4th Floor, 27  
Sir P.M. Road, Fort, Mumbai - 400 001.*

*Mob. : 9821034665 Tel. : 66315862, Telefax: 22856615,  
Email : pmkathariya@rediffmail.com / gmail.com*

### ANNEXTURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of Report of even date to the members of M/s Acoris Research Ltd)

1. In our opinion and according to the information and explanations given to us, the nature of company's activities, is such that the clauses VIII, X, XII, XIV, XVIII, XIX and XX of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. We have been informed that the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such physical verification.  
c. In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year, thereby affecting the going concern.
3. a. We are informed that the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b. In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
c. In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory, and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
4. a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The company has not taken unsecured loans from Directors and relatives covered in the register maintained under Section 301 of the Companies Act, 1956.  
b. In our Opinion and according to the information given to us, the terms and conditions are not prima facie prejudicial to the interest of the company.  
c. As the loan has not taken by the company the question of overdue amounts does not arise.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.





# **P.M. Kathariya & Co.**

## **Chartered Accountants**

*Room No. 6, Kermani Bldg, 4th Floor, 27  
Sir P.M. Road, Fort, Mumbai - 400 001.*

*Mob. : 9821034665 Tel. : 66315862, Telefax: 22856615,  
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6. In our opinion, and according to the information and explanations given to us, the Company has adequate internal control system commensurate with the size of the Company and 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 weakness in internal control system.
7. According to the information and explanations given to us, during the year under report there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Act. Accordingly, clause (b) of paragraph 4(v) of the said Order is not applicable.
8. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under are applicable.
9. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities during the year, and there are, no undisputed amounts payable to the extent applicable in respect of provident fund, investors education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and any other statutory dues outstanding, as at March 31, 2014 for a period of more than six months from the date they became payable.
10. In our opinion and according to the information and explanations given to us, the Company has applied the term loans for the purposes for which they were obtained.
11. On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution. The Company has not obtained any borrowings by way of debentures.
12. In our opinion, and on the basis of our examination and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that the Company has not applied the funds raised on short term basis during the year for long term investment
13. To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.



Mumbai, Dated: May 6, 2014

For P.M. Kathariya & Co  
Chartered Accountants

P.M. Kathariya  
Proprietor  
Membership No: 31315



**ACORIS RESEARCH LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

	Notes	As at March 31, 2014	Amount in Rupees As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	150,500,800	150,500,800
Reserves and surplus	2	<u>(150,387,126)</u>	<u>(150,257,120)</u>
		113,674	243,680
<b>Current liabilities</b>			
Trade payables	3	5,000	2,500
<b>TOTAL</b>		<u><u>118,674</u></u>	<u><u>246,180</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
(i) Tangible assets	4	118,674	246,180
(ii) Capital work-in-progress	4	-	-
		<u>118,674</u>	<u>246,180</u>
		<u><u>118,674</u></u>	<u><u>246,180</u></u>
<b>Significant accounting policies</b>	6		

The accompanying notes 1 -8 are an integral part of this balance sheet

As per our report of even date attached

For and on behalf of the Board of Directors of Acoris Research Limited

For P.M.Kathariya & Co.  
Chartered Accountants

*P.M. Kathariya*  
**P.M.Kathariya**  
 Proprietor  
 Membership No.: F-31315  
 Date : May 6, 2014  
 Mumbai



*Jai Hiremath*  
**Jai Hiremath**  
 Director

*Sameer Hiremath*  
**Sameer J Hiremath**  
 Director

Date : May 6, 2014  
 Mumbai

**ACORIS RESEARCH LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

		Amount in Rupees	
	Notes	Year ended March 31, 2014	Year ended March 31, 2013
<b>INCOME</b>			
Other income		-	-
<b>Total Revenue (I)</b>		<u>-</u>	<u>-</u>
<b>EXPENSES</b>			
Other expenses	5	2,500	2,500
Depreciation and amortization expense	4	127,506	127,506
<b>Total expenses (II)</b>		<u>130,006</u>	<u>130,006</u>
<b>Profit/(loss) before tax ( I-II)</b>		<b>(130,006)</b>	<b>(130,006)</b>
<b>Tax expenses</b>			
Deferred tax		-	-
<b>Total tax expenses</b>		<u>-</u>	<u>-</u>
<b>Profit/(loss) for the year ( A + B )</b>		<b>(130,006)</b>	<b>(130,006)</b>
Basic and diluted earnings per share Rs.	7	<b>(0.01)</b>	<b>(0.01)</b>
Face value per share Rs.10/-			
<b>Significant accounting policies</b>	6		

The accompanying notes 1 -8 are an integral part of this statement of profit and loss

As per our report of even date attached

For and on behalf of the Board of Directors of Acoris Research Limited


For **P.M.Kathariya & Co.**  
Chartered Accountants

  
**P.M.Kathariya**  
Proprietor  
Membership No.: F-31315  
Date : May 6, 2014  
Mumbai



  
**Jai Hiremath**  
Director

Date : May 6, 2014  
Mumbai

  
**Sameer J Hiremath**  
Director

# ACORIS RESEARCH LIMITED

## Notes to financial statements for the year ended March 31, 2014

	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>NOTE 1</b>		
<b>SHARE CAPITAL</b>		
<i>Authorised</i>		
25,000,000 Equity Shares of Rs. 10/- each (31 March 2013 : 25,000,000 Equity Shares of Rs. 10/- each)	250,000,000	250,000,000
500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each (31 March 2013 : 500,000 Cumulative Redeemable Preference Shares of Rs.100/- each)	50,000,000	50,000,000
	<u>300,000,000</u>	<u>300,000,000</u>

### *Issued, subscribed and paid-up capital* Equity shares

15,050,080 Equity Shares of Rs. 10/- each fully paid-up (31 March 2013 : 15,050,080 equity Shares of Rs. 10/- each fully paid up)	150,500,800	150,500,800
	<u>150,500,800</u>	<u>150,500,800</u>

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity shares

	March 31, 2014		March 31, 2013	
	Nos.	Amount in Rupees	Nos.	Amount in Rupees
At the beginning of the year	15,050,080	150,500,800	15,050,080	150,500,800
Outstanding at the end of the year	<u>15,050,080</u>	<u>150,500,800</u>	<u>15,050,080</u>	<u>150,500,800</u>

#### b. 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. 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 distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of shareholders holding more than 5% shares in the company

	March 31, 2014		March 31, 2013	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs 10 each fully paid				
Hikal Limited	15,050,080	100.00	15,050,080	100.00



# ACORIS RESEARCH LIMITED

## Notes to financial statements for the year ended March 31, 2014

	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>NOTE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Add : Under Demerger Scheme with Hikal Limited	134,562,737	134,562,737
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	(284,819,857)	(284,689,851)
Add: Profit for the year	(130,006)	(130,006)
Net surplus in the statement of profit and loss	<u>(284,949,863)</u>	<u>(284,819,857)</u>
<b>Total reserves and surplus</b>	<u>(150,387,126)</u>	<u>(150,257,120)</u>
<b>NOTE 3</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Trade Payables	<u>5,000</u>	<u>2,500</u>



# ACORIS RESEARCH LIMITED

Notes to financial statements for the year ended March 31, 2014

## NOTE 4

### FIXED ASSETS

[At cost less (depreciation / amortisation) and impairment provision]

Description	Gross block				Depreciation/ amortisation				Net block		
	As at April 1, 2013	Additions	Deductions/ Adjustments	Adjustments of borrowing cost and exchange difference	As at March 31, 2014	Upto March 31, 2013	For the Period/Year	Deductions/ Adjustments	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible assets</b>											
Office equipments	786,588	-	-	-	786,588	540,408	127,506	-	667,914	118,674	246,180
	<b>786,588</b>	-	-	-	<b>786,588</b>	<b>540,408</b>	<b>127,506</b>	-	<b>667,914</b>	<b>118,674</b>	<b>246,180</b>
Previous year											
Tangible assets	705,206,470	-	704,419,883	-	786,587	93,139,952	127,506	92,727,051	540,407	246,180	-
Total	705,206,470	-	704,419,883	-	786,587	93,139,952	127,506	92,727,051	540,407	246,180	-
Capital work-in-progress											
Total										<b>118,674</b>	<b>246,180</b>



# ACORIS RESEARCH LIMITED

## Notes to financial statements for the year ended March 31, 2014

	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>NOTE 5</b>		
<b>OTHER EXPENSES</b>		
Auditors remuneration	2,500	2,500
	<u>2,500</u>	<u>2,500</u>



**ACORIS RESEARCH LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

**Amount in Rupees**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Taxation		(130,006)		(130,006)
Adjustment for depreciation	127,506		127,506	
		127,506		127,506
Adjustment for increase/decrease in: Current liabilities		(2,500)		(2,500)
	2,500		2,500	
		2,500		2,500
<b>NET CASH FROM OPERATING ACTIVITIES</b>		-		-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		-		-
Cash and cash equivalents as at March 31, 2013 (Opening Balance)		-		5,882,133
Transferred on demerger		-		5,882,133
Cash and cash equivalents as at March 31 2014 (Closing Balance)		-		-

As per our report of even date attached

For P.M.Kathariya & Co.  
Chartered Accountants

*P.M. Kathariya*

P.M.Kathariya  
Proprietor  
Membership No.: F-31315  
Dated: May 6, 2014  
Mumbai :



For and on behalf of the Board of Directors

*Jai Hiremath*

Jai Hiremath  
Director

*Sameer J Hiremath*

Sameer J Hiremath  
Director

Dated: May 6, 2014  
Mumbai

## ACORIS REASERCH LIMITED

### NOTE 6

#### Significant accounting policies

##### *6.1 Basis of preparation of financial statements*

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, except for certain financial instruments which are measured at fair values, in accordance with the provisions of the Companies Act 1956 ("the Act") and accounting principles generally accepted in India ("GAAP") and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI.

##### *6.2 Use of estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material their effects are disclosed in the notes to financial statement. Any revision to accounting estimates is recognized prospectively in the current and future periods.

##### *6.3 Fixed assets and depreciation/ amortization*

Fixed assets are stated at cost of acquisition/construction less accumulated depreciation and impairment, if any.. Cost includes taxes, duties, freight and other incidental expenses related to acquisition/construction. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Interest on borrowings, to finance acquisition of fixed assets during construction period is capitalized.

Depreciation on fixed assets other than on leasehold land is provided on straight-line method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Leasehold land is amortized over the primary period of lease.





## **Significant accounting policies (continued)**

### **6.4 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **6.5 Inventories**

Raw material, packing material, stores, spares and consumables are valued at cost. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost is ascertained on monthly moving weighted average basis and in case of work-in-progress and finished products include appropriate production overheads. Duty liabilities in respect of uncleared finished goods are provided for and included in the carrying value of inventories

### **6.6 Revenue recognition**

Sales are recognized on dispatch of goods to the customers. Sales are inclusive of excise duty but net of trade discount and sales tax. Income from services is accounted for when the services are rendered. Excise duty collected on sales is separately reduced from turnover.

### **6.7 Foreign currency transactions**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange Contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Project development expenditure pending allocation, except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### **6.8 Retirement benefits**

Company's contributions to defined contribution schemes such as provident fund and family pension funds are charged to the profit and loss account on accrual basis. Provision for leave encashment and gratuity, which is in the nature of defined benefit scheme, is based on actuarial valuation done by independent actuaries.



## **Significant accounting policies (continued)**

### **6.9 *Leases (including assets acquired under deferred payment terms)***

Assets acquired under the finance leases are capitalised at fair value of the leased asset at the inception of lease and included within fixed assets. Such assets are depreciated as per the depreciation policy for such assets stated in Note No. 21.3 above. Liabilities under finance leases less interest not yet charged are included under Deferred Payment Credits/Lease Obligations in the financial statements. Finance charges are debited to the profit and loss account over the term of the contract so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Rentals for assets acquired under operating leases are charged to the profit and loss account on a straight-line basis over the term of lease.

### **6.10 *Borrowing Costs***

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use all other borrowing costs are charged to revenue.

### **6.11 *Accounting for taxes on income***

Provision for current tax is made based on the tax payable for the year under the Income-tax Act, 1961. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets other than on unabsorbed tax depreciation and unabsorbed tax losses are recognized only to the extent that there is a reasonable certainty of their realization. Deferred taxes are recognized only to the extent that there is virtual certainty of their realization supported by convincing evidence.

### **6.12 *Miscellaneous expenditure (to the extent not written off or adjusted)***

Preliminary/public issue expenses are written off equally over a period of five years.



**NOTE 7**

<b>Earnings per share</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Basic earnings per share		
Profit after taxation	(130,006)	(130,006)
Numerator used for calculating basic earnings per share	15,050,080	15,050,080
Basic earnings per share (Rs.)	(0.01)	(0.01)
Nominal value of shares (Rs.)	10.00	10.00

**NOTE 8**

<b>Auditor's remuneration</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Audit fees	2,500	2,500
Tax audit	-	-
Certification & Other Matters	-	-
Total	2,500	2,500

The previous year's figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 8

As per our report of even date attached

For and on behalf of the Board of Directors


**For P.M.KATHARIYA & Co.**  
Chartered Accountants



**P.M.Kathariya**  
Proprietor  
M.No.: F-31315



  
**Jai Hiremath**  
Director

  
**Sameer Hiremath**  
Director

Dated: May 6, 2014  
Mumbai:

Dated: May 6, 2014  
Mumbai: