

Akshar Spintex Pvt. Ltd.

Director's Report

To,
The Members,
Akshar Spintex Pvt. Ltd.

Your Directors are pleased to present the First Director's Report on the Affairs of the Company together with the Audited Accounts for the year ended 31st March, 2014.

Review of Operations:

The company is still in the process of setting up the business. So commercial production has not started yet. The directors are hopeful of getting it started in the next year.

Dividends:

As company has not started its commercial production hence director do not recommend any dividend

Taxation:

Provision for Income-tax of Rs. zero is made in the books of Accounts

Particulars of Employees Under Section 217(2-A):

As required under the provision of section 217(2-A) of the Companies Act, 1956 read with Companies (Particulars of Employed) Amendment Rules, 2011 there is no employee who has been paid more than Rs. 5,00,000/- or more during the year under consideration.

Conservation of Energy & Technology Absorption:

Your company has taken steps to conserve energy. Steps have been taken to identify the areas of excessive energy consumption. Checks have been made to strengthen these areas and timely preventive maintenance has also been carried out to conserve energy.

Foreign Exchange Earnings and Outgo:

The company has not started its commercial operations; hence there is no Foreign Exchange Earnings and Outgo.

Director's Responsibility Statement:

As required u/s 134 of the Companies Act, 2013, your directors undertake that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they had selected such accounting policies and applied them consistently and met judgements 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 financial year and of the profit and loss of the company for that period;

- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on going concern basis; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors' Report:

Notes to Accounts in the Report are self-explanatory and therefore, in the Opinion of the Board, do not require any specific comments.

Auditors:

Auditors M/s H. B. Kalaria & Associates, Chartered Accountants, shall retire at the conclusion of the ensuing AGM. You are requested to appoint M/s H. B. Kalaria & Associates, Chartered Accountants to be the auditors of the company till the conclusion of the next AGM and fix their remuneration.

Secretarial Compliance Certificate:

In accordance with section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained compliance certificate from a Secretary in whole time practice.

Appreciation:

Your director places on record their appreciation for the devoted services of the employees of the company and also for the kind co-operation and support extended by the banks and government authorities from time to time.

Date: 23/06/2014

Place: Haripar

For and On Behalf of the Board of Directors

Akshar Spintex Pvt. Ltd.



Director



Director

Akshar Spintex Pvt. Ltd.
Auditor's Report

To,
The Members,
Akshar Spintex Pvt. Ltd.

We have audited the attached Balance Sheet of Akshar Spintex Pvt. Ltd. as at 31st March, 2014 and also the Profit and Loss Account of the company for the year ended on the date annexed thereto.

Preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in Annexure referred above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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.
- iii. The Balance Sheet dealt with by this report are in agreement with the books of account.
- iv. In Our Opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in section 129 of the Companies Act, 2013;
- v. On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of section 164 of the Companies Act, 2013;

vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes given thereon give the information required by the Companies Act, 2013, 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 31st March, 2014; and

Place: Rajkot
Date: 23/06/2014

For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W




(Hardik H. Kalaria)
Partner
M. No. 155474

Akshar Spintex Pvt. Ltd.

Annexure to the Auditor's Report

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief in our opinion, we further report that:

Fixed Assets - Clause 4(i)

The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is commensurate with the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

During the year, the company has not disposed off a substantial part of the fixed assets of the company.

Inventories - Clause 4(ii)

Company has not started its commercial production as such there is no inventory maintained by the company & hence this clause is not applicable.

Loans to Parties Covered Under Register Maintained u/s 170 of the Companies Act, 2013 - Clause 4(iii)

According to the information and explanations given to us, the Company has granted/taken loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under section 170 of the Companies Act, 2013. The outstanding balance of such advances at the end of the financial year is ₹ [81582500] and the maximum balance outstanding during the year was ₹ [152857500].

Internal Control System - Clause 4(iv)

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

Transactions with Parties Covered Under Register Maintained u/s 170 - Clause 4(v)

According to the information and explanations given to us and based on the audit procedures applied by us, we are of the opinion that the transactions that need to be entered in the Register u/s 170 have been so entered. The transactions for the services rendered by the parties have been made at the fees prima facie not prejudicial to the interest of the Company and its members and have been approved by the Board of Directors.

Acceptance of Deposits - Clause 4(vi)

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits/unsecured loans falling within the purview of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended.

Internal Audit System - Clause 4(vii)

The company does not have a formal internal audit system. However, in our opinion, there are adequate internal control procedures that are commensurate with the size and nature of its business.

Cost Records u/s 148 - Clause 4(viii)

In our opinion and according to the explanations given to us, maintenance of cost records u/s 209(1)(d) of the Companies Act, 2013 is not applicable to the Company.



9. Statutory Dues - Clause (ix)(a) and Clause (ix)(b)

a. Undisputed Dues:

The Company is regular in depositing with the appropriate authorities, the undisputed statutory dues including income-tax, sales tax, service tax, customs duty, and any other material statutory dues applicable. Provident fund, investor education protection fund, ESIC, wealth tax, excise duty, cess are not applicable to the company

b. Disputed Dues:

According to the information and explanation given to us, no disputed amounts in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at the end of the financial year.

10. Accumulated Losses and Cash Losses - Clause 4(x)

This being the first Year of establishment & company has not started its commercial production hence this clause is not applicable

11. Dues to Financial Institutions, Banks or Debenture Holders - Clause 4(xi)

In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12. Loans and Advances Granted by way of Pledge - Clause 4(xii)

The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures, or any other securities. Therefore, the provisions of this clause are not applicable to the Company.

13. Nidhi/Mutual Benefit Fund/Society/Chit Fund Company - Clause 4(xiii)

In our opinion, the Company is not a nidhi/mutual benefit fund/society/chit fund company. Therefore, the provisions of this clause are not applicable to the Company.

14. Dealing in Shares/Securities and other Investments - Clause 4(xiv)

In our opinion, the Company is not dealing in or trading in shares, securities, debentures or any other securities. Accordingly, the provisions of this clause are not applicable to the Company.

15. Guarantees Given by the Company - Clause 4(xv)

The company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of this clause are not applicable to the Company.

16. Term Loans - Clause 4(xvi)

In our opinion, the term loans have been applied for the purpose for which they were raised.

17. Sources of Funds and its Application - Clause 4(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 investment.

18. Preferential Allotment of Shares - Clause 4(xix)

The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 170 of the Companies Act, 2013. Therefore, the provisions of this clause are not applicable to the Company.



19. Issue of Debentures - Clause 4(xix)

According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of this clause are not applicable to the Company.

20. Public Issue and its End Use - Clause 4(xx)

According to the information and explanations given to us and the public records inspected by us, the Company has not raised any money via a Public Issue of Securities. Therefore, the provisions of this clause are not applicable to the Company.

21. Frauds - Clause 4(xxi)

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

Place: Rajkot
Date: 23/06/2014

For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W




(Hardik H. Kalaria)
Partner
M. No. 155474

Form No. 3CA
[See Rule 6G(1)(a)]

Audit Report under section 44AB of the Income-tax Act, 1961 in the case where the accounts of the business or profession of a person have been audited under any other law

1. We report that the statutory audit of Akshar Spintex Pvt. Ltd. located at Revenue Survey No.102/2 Paiki, Plot No. - 2 Ranuja Road , Haripar, Tal: Kalawad having PAN AALCA7373E was conducted by us in pursuance of the provisions of the Companies Act, 2013 (Act) and we annex hereto a copy of our audit report dt. 23/06/2014 along with a copy of each of:
 - a. The audited Balance Sheet as at 31st March, 2014.
 - b. Documents declared by the said Act to be part of, or annexed to, Balance Sheet.

Place: Rajkot
Date: 23/06/2014

For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W




(Hardik H. Kalaria)
Partner
M. No. 155474

Akshar Spintex Pvt. Ltd.

Balance Sheet as on 31st March, 2014

PARTICULARS	Note	31st March 2014		31st March, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	1	2,51,00,000		-	
(b) Reserves and Surplus		-		-	
(c) Share Money		2,50,00,000	5,01,00,000	-	-
(2) Non Current Liabilities					
(a) Long-term Borrowings	2	18,93,43,373		-	
(b) Deferred Tax Liabilities (Net)		-		-	
(c) Other Long-term Liabilities		-		-	
(d) Long-term Provisions		-	18,93,43,373	-	-
(3) Current Liabilities					
(a) Short-term Borrowings		-		-	
(b) Trade Payables	3	41,84,327		-	
(c) Other Current Liabilities	4	43,18,159		-	
(d) Short-term Provisions	5	10,000	85,12,486	-	-
TOTAL			24,79,55,859		-
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets	6				
i. Tangible Assets					
Gross Block		75,16,744		-	
Depreciation		-		-	
Net Block		75,16,744		-	
ii. Intangible Assets		-		-	
iii. Capital Work in Progress		11,72,65,995		-	
iv. Intangible Assets under Development		-		-	
(b) Non-current Investments	7	99,55,585		-	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long-term Loans and Advances	8	1,14,500		-	
(e) Other Non-current Assets		-	13,48,52,825	-	-
(2) Current Assets					
(a) Current Investments		-		-	
(b) Inventories		-		-	
(c) Trade Receivables		-		-	
(d) Cash and Bank Balance	9	2,48,97,511		-	
(e) Short-term Loans and Advances	10	8,82,05,523		-	
(f) Other Current Assets		-	11,31,03,034	-	-
TOTAL			24,79,55,859		-
Notes to Accounts & Significant Accounting Policies	12				

As Per Our Separate Report Of Even Date

For, H. B. Kalaria & Associates,

Chartered Accountants

FRN: 104571W


Haridk H. Kalaria)

Partner

U.N. No. 155474

FRN: AXRPK3438Q

Place: Rajkot

Date: 23/06/2014



For & On Behalf of the Board of Directors

Akshar Spintex Pvt. Ltd.


Director


Director

Place: Haripar

Date: 23/06/2014

Akshar Spintex Pvt. Ltd.

Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2014

Particulars	Grp	31st March 2014		31st March, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Note 1: Share Capital					
Authorized:					
11500000 (PY Nil) Equity Shares of ₹10 each			<u>11,50,00,000</u>		-
Issued Subscribed and Paid Up Capital:					
Opening Balance of Shares Outstanding		-		-	
Issued/(Bought Back) during the year		<u>25,10,000</u>		-	
Closing Balance of Shares Outstanding		25,10,000		-	
(x) Face Value of Shares		10	2,51,00,000	-	-
Shareholding of Promoters/Directors	A				
Total			<u>2,51,00,000</u>		-
Note 2: Long-term Borrowings					
From Banks					
Sundram Finance Ltd (Bolero Loan)		4,71,090		-	
State Bank Of India loan A/c		10,72,89,783		-	
			<u>10,77,60,873</u>		-
From Related Parties & Others	B		<u>8,15,82,500</u>		-
Total			<u>18,93,43,373</u>		-
Note 3: Trade Payables					
Sundry Creditors for Goods/Services	C		41,84,327		-
Total			<u>41,84,327</u>		-
Note 4: Other Current Liabilities					
Creditors for Expenses	D		40,25,023		-
Other Payables					
Statutory Liabilities					
TDS (194 C)		1,49,766		-	
TDS (194 J)		1,43,370		-	
			2,93,136		-
Total			<u>43,18,159</u>		-
Note 5: Short-term Provisions					
Others					
Audit Fees Provision		10,000		-	
			10,000		-
Total			<u>10,000</u>		-
Note 7: Non-current Investments					
Preliminary Expense		34,420		-	
Pre - Oprative Expense		99,21,165		-	
			99,55,585		-
Total			<u>99,55,585</u>		-
Note 8: Long-term Loans and Advances					
Security Deposits & Others					
CST Deposit		10,000		-	
VAT Deposit		10,000		-	
PGVCL Deposit		94,500	1,14,500	-	
Total			<u>1,14,500</u>		-



Akshar Spintex Pvt. Ltd.

Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2014

Particulars	Grp	31st March 2014		31st March, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Note 9: Cash and Bank Balance					
Cash On Hand			2,59,204		-
Balances with Banks:					
Fixed Deposits Exceeding 12 Months					
State Bank Of India F.D.		2,02,54,132		-	
State Bank Of India F.D. 38364		9,52,191		-	
State Bank Of India F.D. 39183		50,192	2,12,56,515	-	
Others					
Bank Of Baroda A/c 0231		21,625		-	
State Bank Of India A/c 625000		33,60,167		-	
			33,81,792		-
Total			2,48,97,511		-
Note 10: Short-term Loans and Advances					
To Others					
Advances to suppliers (Capital goods)					
Draft Air (I) Pvt. Ltd		7,51,000		-	
Godrej & Boyes Manu. Com. Ltd.		12,51,281		-	
Kirloskar Toyato Textile Machinery Pvt. Ltd.		2,22,15,006		-	
Moksha Thermo Plastic Pvt. Ltd.		54,24,054		-	
Nagar Engineer		10,00,000		-	
Rieter India Pvt Ltd		26,43,891		-	
Rintex Industries		2,00,000		-	
S R and Co.		1,00,000		-	
Santosh Engineers		1,01,49,367		-	
Sieger Spintech Equipment Pvt Ltd		2,10,000		-	
Trutzschler India Pvt Ltd		2,85,01,727		-	
Vikrant Transformer		1,00,000		-	
Voltmap Tranformers Ltd. (Unit 2)		3,70,000		-	
Zinser Textile Sys. Pvt Ltd		77,61,843		-	
Cotspin Consultancy		5,50,000		-	
Crisil Ltd		2,398		-	
PKM Advisory Services Pvt Ltd		5,000		-	
Jainex Steel		13,832		-	
Duties & taxes					
Excise Duty Receivable		68,93,124		-	
TDS Receivable		26,996		-	
VAT Receivable		36,004		-	
			8,82,05,523		-
Total			8,82,05,523		-



Akshar Spintex Pvt. Ltd.

Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2014

Particulars	31st March 2014		31st March, 2013	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Group A: Shareholding of Promoters/Directors	Value of Shares	% Holding	Value of Shares	% Holding
Amit Vallabbhai Ghadiya 502000 Equity Shares of Rs. 10 each	50,20,000	20%	-	#DIV/0!
Ashokbhai S. Bhalala 400000 Equity Shares of Rs. 10 each	40,00,000	16%	-	#DIV/0!
Rajdeep Mansukhlal Patel 250000 Equity Shares of Rs. 10 each	25,00,000	10%	-	#DIV/0!
Nipaben Vikashbhai Sorathia 250000 Equity Shares of Rs. 10 each	25,00,000	10%	-	#DIV/0!
Sonal Prakashkumar Sorathai 250000 Equity Shares of Rs. 10 each	25,00,000	10%	-	#DIV/0!
Rekhaben Harikrishna Chauhan 500000 Equity Shares of Rs. 10 each	50,00,000	20%	-	#DIV/0!
Others 358000 Equity Shares Of Rs. 10 Each	35,80,000	14%	-	#DIV/0!
Total	2,51,00,000		-	
Group B: Long-term Borrowings from Related Parties & Others				
Amitbhai V. Gadhiya	65,94,500			
Ashokbhai Shukanbhai Bhalala HUF	5,00,000			
Ashokbhai Shukanbhai Bhalala	84,19,000			
Charmi Nayanbhai Gadhiya	14,50,000			
Chetnaben Ashokbhai Bhalala	3,00,000			
Harekrishana S. Chauhan	10,00,000			
Harekrishana S. Chauhan HUF	15,00,000			
Jalpaben Pareshbhai Bhalala	7,00,000			
Manubhai Jivrajbhai Gajera	25,00,000			
Narmadaben S. Chauhan	25,00,000			
Nayan Vallabbhai Gadhiya	47,19,000			
Nipaben Vikasbhai Sorathia	1,44,00,000			
Pareshbhai Sukanbhai Bhalala	53,50,000			
Pareshbhai Sukanbhai Bhalala HUF	6,00,000			
Pooja Amitbhai Gadhiya	16,50,000			
Prakash R. Sorathia	37,50,000			
Pravinbhai Sukanbhai Bhalala	26,00,000			
Pravinbhai Sukanbhai Bhalala HUF	9,50,000			
Rajdeep Mansukhlal Patel	59,50,000			
Rekhaben Harikrishna Chauhan	15,00,000			
Sarojben Pravinbhai Bhalala	4,50,000			
Shukanbhai V. Bhalala HUF	7,00,000			
Sonal Prakashkumar Sorathia	1,35,00,000			
Total		8,15,82,500		
		8,15,82,500		
Group C: Sundry Creditors for Goods/Services				
Joyti Cement Products	61,057			
Kalim Steel Traders	17,21,458			
Kanaiya Steel	10,07,787			



Akshar Spintex Pvt. Ltd.**Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2014**

Particulars	31st March 2014		31st March, 2013	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
M/s Jay Engineers	3,371		-	
Patel Electric	12,033		-	
Quanark Industries Chemicals	48,854		-	
Rakesh M. Menpara	3,76,896		-	
Santosh Electric Co.	1,80,998		-	
Shiv Enterprise	7,71,873		-	
Total		41,84,327		-
Group D: Creditors for Expenses				
Ambabhai Keshvbhai	5,02,575		-	
Dineshbhai Devshibhai Vaghamshi	1,86,946		-	
Divyesh Rameshbhai Dudhagra	2,44,285		-	
Goel Roadways	10,07,386		-	
H. B. Kalariya & Associates	2,248		-	
Kaushik R. Sardhara	1,14,905		-	
Nilesh Rameshbhai Dudhagra	2,42,305		-	
R.B. Fabrication	17,09,373		-	
Singh & Associates	15,000		-	
Total		40,25,023		-



Akshar Spintex Pvt. Ltd.

Note 6: Tangible & Intangible Assets and Capital Work in Progress

Particulars	Rate of Depreciation	Gross Block				Depreciation				Amount in ₹	
		As on 01.04.2013	Additions	Deductions/ Adjustments	Total as on 31.03.2014	As on 01.04.2013	Depreciation for the Year	Deductions/ Adjustments	Total as on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Tangible Assets											
Land and Building											
Factory Land	0.00%	-	63,59,610	-	63,59,610	-	-	-	-	63,59,610	-
Plant and Machinery											
Submersible Motar	13.91%	-	31,278	-	31,278	-	-	-	-	31,278	-
Furniture and Fixtures											
Furniture and Fixtures	18.10%	-	3,000	-	3,000	-	-	-	-	3,000	-
Vehicles											
Vehicle Bolero	25.89%	-	6,45,969	-	6,45,969	-	-	-	-	6,45,969	-
Vehicle Crane	25.89%	-	3,52,840	-	3,52,840	-	-	-	-	3,52,840	-
Vehicle Suzuki Access	25.89%	-	53,597	-	53,597	-	-	-	-	53,597	-
Office Equipments											
Computer System	40.00%	-	63,250	-	63,250	-	-	-	-	63,250	-
Others											
Mobile Instrument	18.10%	-	7,200	-	7,200	-	-	-	-	7,200	-
Sub-Total											
		-	75,16,744	-	75,16,744	-	-	-	-	75,16,744	-
Capital Work in Progress											
Factory Building		-	5,06,57,003	-	5,06,57,003	-	-	-	-	5,06,57,003	-
Machinery		-	6,64,36,614	-	6,64,36,614	-	-	-	-	6,64,36,614	-
Electrification		-	1,72,379	-	1,72,379	-	-	-	-	1,72,379	-
Total Capital WIP											
		-	11,72,65,995	-	11,72,65,995	-	-	-	-	11,72,65,995	-
Total Tangible Assets											
		-	12,47,82,739	-	12,47,82,739	-	-	-	-	12,47,82,739	-



Akshar Spintex Pvt. Ltd.

Significant Accounting Policies

Corporate Information

Manufacturing, Trading & Exporting of Cotton Yarn

1 Basis of Accounting

These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Certain items of income and expenses and asset valuation are recognized for the purpose of financial statement in different time periods than for tax purposes.

These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [(Companies Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

2 Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

3 Fixed Assets

Tangibles

All fixed assets are stated at cost of acquisition, less accumulated depreciation and includes adjustment arising from exchange rate variations attributable to fixed assets. In the case of fixed assets acquired for new projects / expansion certain direct expenses incurred upto the date of completion of project are capitalised and expenditure for maintenance and repairs are charged to the Profit and Loss Account, when assets are sold or discarded their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the Profit & Loss Account. When fixed assets are revalued any surplus on revaluation is credited to the revaluation reserve account.

4 Depreciation/Amortization

Tangibles

As company has not commenced its commercial production hence depreciation has not been provided.

5 Inventories

Company has not commenced commercial production hence no inventory.

6 Employee Benefits

No Provisions for employee benefit is required to be made in the books of Accounts.

7 Provisions and Contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



Revenue Recognition

The company follows accrual concept for recognizing income and expenditure but in current year no income & expenditure.

Taxes on Income

Provision for income tax is not required to be made as the company is not started commercial production.


Earnings per Share

Accounting Standard 20 "Earning Per Share" is not applicable to company as company has not started its commercial production.

Place: Rajkot
Date: 23/06/2014



For, H. B. Kalaria & Associates,
Chartered Accountants
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(Hardik H. Kalaria)
Partner
M. No. 155474