

**Independent Auditor's Report**

To the Members of

**Karaikal Power Company Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Karaikal Power Company Private Limited, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31<sup>st</sup> 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 read with the General Circular 15/2013 dated 13th September, 2013. 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.

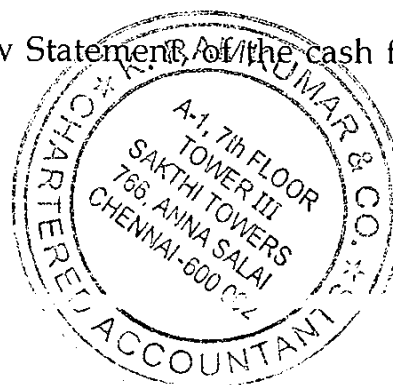
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 but not for the purpose of expressing an opinion on the effectiveness of the Company'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 March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended 31<sup>st</sup> March 2014 and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended 31<sup>st</sup> March 2014.



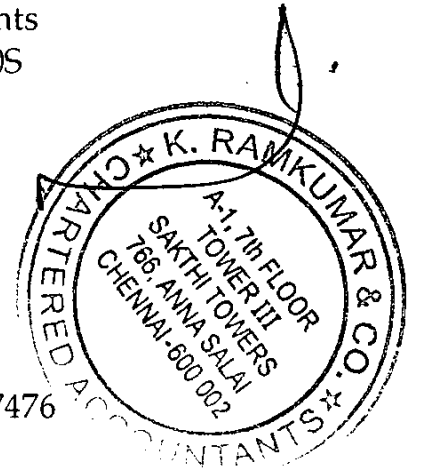
**Report on Other Legal and Regulatory Requirements**

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 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K RAMKUMAR & CO.  
Chartered Accountants  
Firm Regn No: 028305

R. M. V.

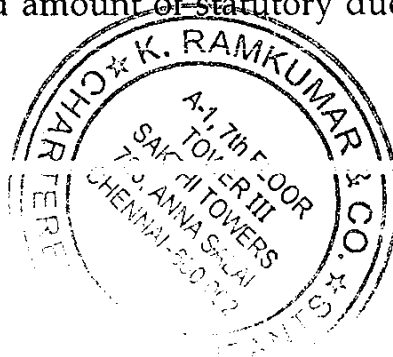
R M V Balaji  
(Partner)  
Membership No. : 27476



Place: Karaikal  
Date: 6<sup>th</sup> May, 2014

**ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF KARAIKAL POWER COMPANY PRIVATE LIMITED[UNDER THE COMPANIES (AUDITORS' REPORT) ORDER 2003] FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

1. Based on our scrutiny of the books of accounts and other records and according to the information and explanations received by us from the management we are of the opinion that the question of commenting on maintenance of proper record of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise, since the company had no fixed assets excepting Capital Work in Progress during the period under review.
2. The Company does not have any Inventory for the period under review.
3. a) The company has not given any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act.  
The Company has taken unsecured loan from its Holding Company. The maximum amount involved during the year and the year end balance of loan taken was ₹30,136,793/-.
- b) The Holding Company hasn't charged interest during the year ended 31<sup>st</sup> March, 2014. Further, according to the information and explanation given to us other terms and conditions of the loans taken are not, prima facie, prejudicial to the interest of the Company.
- c) In respect of loan taken, the loan is repayable on call and the Company has repaid as and when such calls are made.
4. In our opinion and according to the explanation given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business.
5. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information and explanations given to us the transaction in pursuance of contracts or arrangements entered in the register maintained u/s 301 of The Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at rates or value which are reasonable having regard to the prevailing market rates or values at the relevant time.
6. The Company has not accepted any deposits from the public in terms of provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. The Company is not required to have a separate internal audit system for the period under consideration.
8. We have been informed that the Central Government has not prescribed the maintenance of Cost Records under the provisions of Section 209(1) (d) of the Companies Act, 1956.
9. a) According to the Records of the Company, the Company is irregular in depositing with appropriate authorities undisputed statutory dues including provident fund, and Income tax. Other statutory dues including Sales tax, Customs duty are not applicable to the company. There were undisputed dues of Income Tax and Professional Tax amounting to ₹291,476/- as at 31<sup>st</sup> March 2014, payable for a period of more than six months from the date they become payable.  
b) There are no disputed amount of statutory dues which have not been deposited with the concerned authorities.

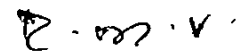


10. The accumulated losses of the company have exceeded fifty percent of its net worth as at 31<sup>st</sup> March, 2014 and it has incurred the cash losses in the current financial year of ₹ 13,427/- and ₹ 12,835/- in the immediately preceding financial year.
11. The Company has not taken loans from financial institutions/banks or issued debentures till 31<sup>st</sup> March, 2014. Hence, the question of reporting on defaults in repayment of dues to financial institutions/banks or debentures does not arise.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund/ Society. Therefore clause 4(xiii) of the order is not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. The company has not given any guarantees for Loans taken by others from Banks or financial institutions.
16. The Company has not obtained any term loans. Hence no comment is required under clause (xvi) of para 4 of the order.
17. According to the information and explanations 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. No long term funds have been used to finance short term assets except permanent working capital.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s 301 of the Act.
19. The Company has not issued any debentures during the period.
20. The Company has not made any public issue during the period covered under audit.
21. According to the information and explanations given to us, no cases of fraud on or by the company has been noticed or reported during the year.

For K RAMKUMAR & Co.,

Regn No: 02830S

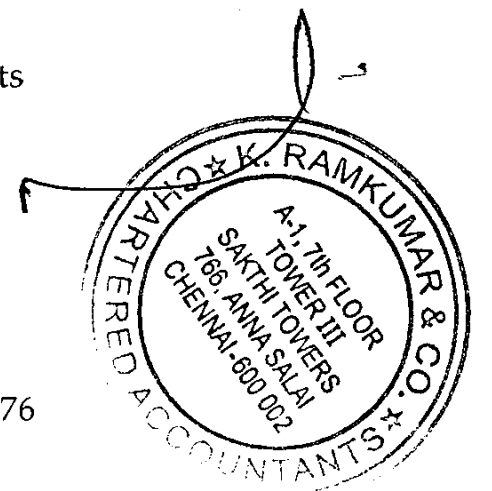
Chartered Accountants



R M V Balaji

( Partner)

Membership No: 27476



Place: Karaikal

Date: 06<sup>th</sup> May, 2014

# KARAIKAL POWER COMPANY PVT LTD

## BALANCE SHEET

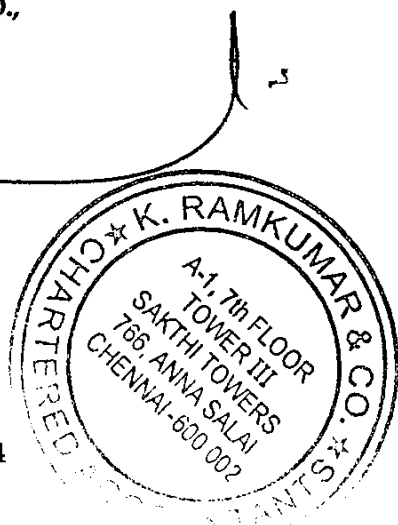
Particulars	Note	As At 31-Mar-2014 ₹	As At 31-Mar-2013 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	100,000	100,000
Reserves & Surplus	3	(83,449)	(70,022)
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	4	20,499,567	23,852,827
Trade Payables	5	21,216	21,778
Other Current Liabilities	6	10,541,543	7,186,405
Short-Term Provisions	7	24,015	24,015
		<b>31,102,892</b>	<b>31,115,003</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets:	8		
Capital Work In Progress		30,926,136	30,926,136
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	9	166,756	175,980
Short-Term Loans & Advances	10	10,000	12,887
		<b>31,102,892</b>	<b>31,115,003</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

R.M.V.  
R M V BALAJI  
Partner  
Membership No. 27476

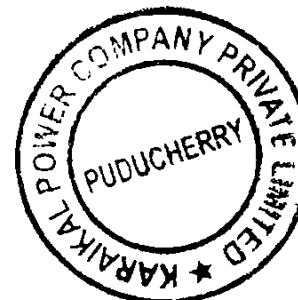
Place : Karaikal  
Date : 6-May-2014



For and on behalf of Board of Directors

*Kundhan Rathi*  
KUNDAN RATHI  
Director

*R K Samal*  
R K SAMAL  
Director



# KARAIKAL POWER COMPANY PVT LTD

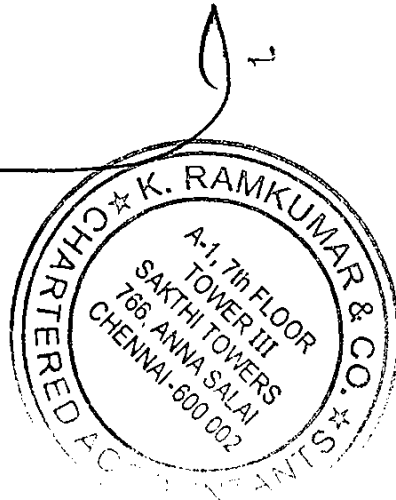
## STATEMENT OF PROFIT & LOSS

Particulars	Note	Year Ended 31-Mar-2014 ₹	Year Ended 31-Mar-2013 ₹
<b>INCOME</b>			
Other Income		-	-
<b>EXPENSES</b>			
Other Expenses	11	13,427	12,835
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>13,427</b>	<b>12,835</b>
Exceptional Items		(13,427)	(12,835)
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>(13,427)</b>	<b>(12,835)</b>
Extraordinary Items		-	-
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>(13,427)</b>	<b>(12,835)</b>
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (A)</b>		<b>(13,427)</b>	<b>(12,835)</b>
Profit (Loss) from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
<b>PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)</b>		<b>-</b>	<b>-</b>
<b>PROFIT (LOSS) FOR THE PERIOD (A+B)</b>		<b>(13,427)</b>	<b>(12,835)</b>
<b>EARNINGS PER SHARE</b>			
Basic (Face Value ₹ 10/-)		(1.34)	(1.28)
Diluted (Face Value ₹ 10/-)		(1.34)	(1.28)
<b>SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS</b>			

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

*R. M. V.*  
R M V BALAJI  
Partner  
Membership No. 27476

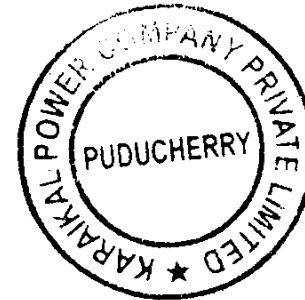
Place : Karaikal  
Date : 6-May-2014



For and on behalf of Board of Directors

*Kundhan Rathi*  
KUNDAN RATHI  
Director

*R K Samal*  
R K SAMAL  
Director



# KARAIKAL POWER COMPANY PVT LTD

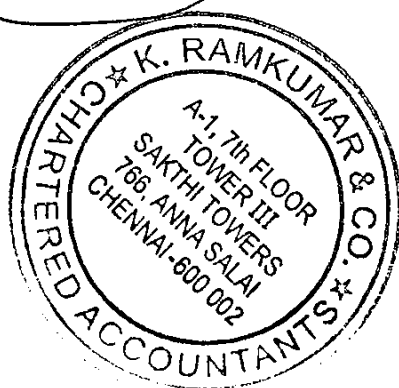
## CASH FLOW STATEMENT

S No	Particulars	Year Ended 31-Mar-2014 ₹	Year Ended 31-Mar-2013 ₹
<b>A CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
	Net Profit (Loss) before Taxation and Extraordinary Items	(13,427)	(12,835)
	Adjustment for:		
	Depreciation	-	-
	<b>Operating Profit before Working Capital Changes</b>	<u>(13,427)</u>	<u>(12,835)</u>
	Decrease (Increase) in Short Term Loans & Advances	2,887	30,792
	Increase (Decrease) in Trade Payables	(562)	19,663
	Increase (Decrease) in Other Current Liabilities	3,355,138	238,683
	Increase (Decrease) in Short Term Provisions	-	17,512
	Increase (Decrease) in Other Long Term Liabilities	-	(23,801)
	<b>Cash Generated from Operations</b>	<u>3,344,036</u>	<u>270,014</u>
	Income Tax Paid	-	-
	<b>Cash Flow before Extraordinary Items</b>	<u>3,344,036</u>	<u>270,014</u>
	Adjustment for Extraordinary Items (Preliminary Expenses)	-	-
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<u>3,344,036</u>	<u>270,014</u>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
	Purchase of Fixed Assets	-	(432,098)
	<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<u>-</u>	<u>(432,098)</u>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
	Proceed from Short Term Borrowings	(3,353,260)	174,000
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<u>(3,353,260)</u>	<u>174,000</u>
	Net Increase in Cash and Cash Equivalents (A+B+C)	(9,224)	11,916
	Cash and Cash Equivalents at beginning of Year	175,980	164,064
	<b>Cash and Cash Equivalents at end of Year</b>	<u>166,756</u>	<u>175,980</u>

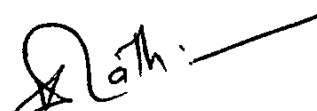
As per our Report of even date attached  
For K RAMKUMAR & CO.,  
Regn No: 028305  
Chartered Accountants

R M V BALAJI  
Partner  
Membership No : 27476

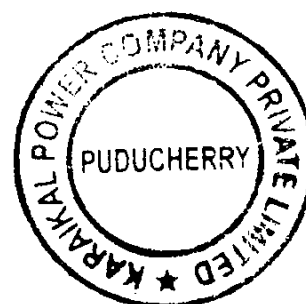
Place : Karaikal  
Date : 6-May-2014



For and on behalf of Board of Directors

  
KUNDAN RATHI  
Director

  
R K SAMAL  
Director



# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 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 and the provisions of the Companies Act, 1956.
- Use of Estimates: The preparation of financial statements requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statement & reported income & expenses during the reporting period. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.
- Method of Accounting - The Company maintains its accounts on accrual basis.
- The Accounting Standards recommended by The Institute of Chartered Accountants of India have been followed wherever applicable to the Company.

#### 1.2 REVENUE RECOGNITION

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

#### 1.3 FIXED ASSETS & DEPRECIATION

- The Fixed Assets are stated at cost of acquisition including interest paid on specific borrowings up to the date of acquisition / installation of the assets and improvement thereon less depreciation.
- Depreciation is provided on fixed assets, on straight-line method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.
- Cost of assets not put to use before the year end are shown under Capital Work - in - Progress.
- The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating divisions which the assets belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognized in the profit and loss account.

#### 1.4 PRELIMINARY EXPENSES

Preliminary expenses are fully charged off in the year in which they are incurred.

#### 1.5 OPERATING LEASES

The Company does not have any obligations under any leases for office and residential space.

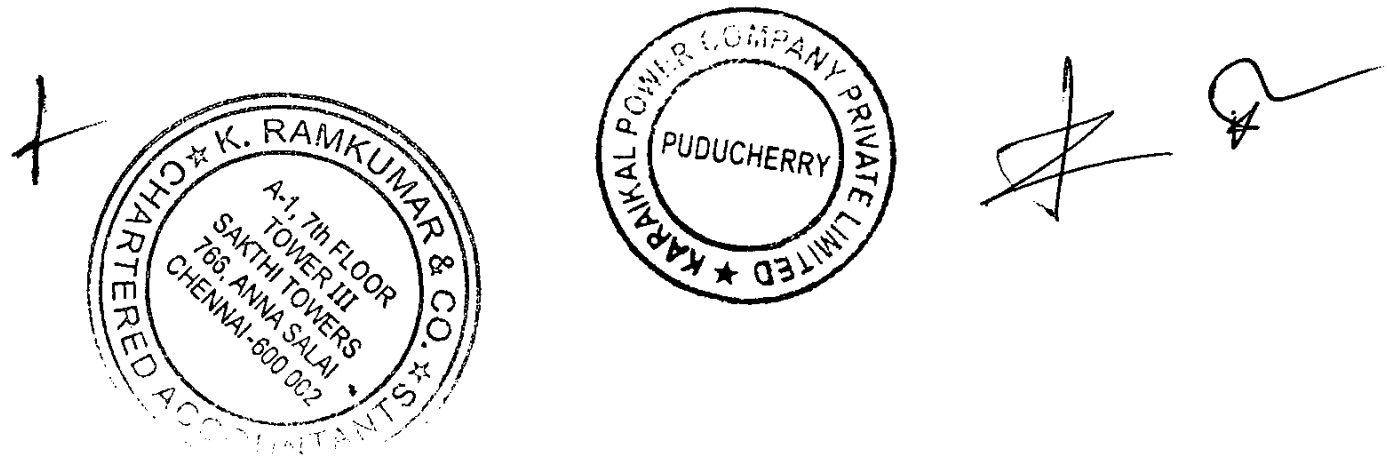
Assets subject to operating leases are included under fixed assets or current assets as appropriate. Lease income is recognized in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the profit and loss account.

#### 1.6 VALUATION OF CLOSING STOCK

- Raw Material: Raw Material, Stores and Spares are valued at weighted average cost. Cost comprises all costs of purchase.
- Work-in-progress: Work-in-progress is valued at cost or the contract rates whichever is lower.
- Completed projects: Completed Projects are valued at cost or net realizable value, whichever is less.

#### 1.7 INVESTMENTS

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





# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

### 1.8 EMPLOYEE BENEFITS

**a. Short Term Employee Benefits**

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

**b. Post Employee Benefits**

**• Provident Fund**

The Company's contribution to Provident Fund is deposited with the Regional Provident Fund Commissioner and is charges to Profit and Loss account/relevant Project Cost every year.

**• Gratuity**

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

**• Leave Encashment**

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

### 1.9 FOREIGN CURRENCY TRANSACTIONS

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

### 1.10 TAX ON INCOME

- a. The accounting treatment for income Tax in respect of Company's income is based on the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax on income for the current period is determined on the basis of Taxable Income computed in accordance with the provisions of the Income Tax Act, 1961.
- b. Deferred Tax on timing differences between the accounting income and taxable income for the year is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

### NOTE 2 : SHARE CAPITAL

#### 2.1 Authorised, Issued, Subscribed and Paid up Capital:

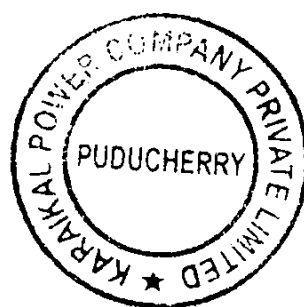
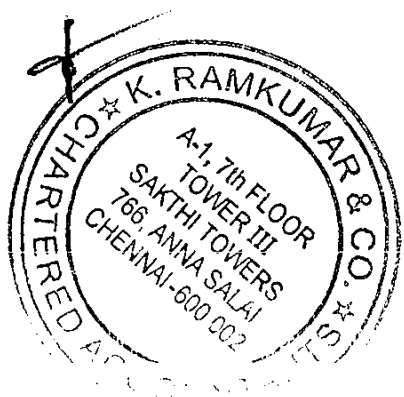
Particulars	As At	As At	As At	As At
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	Nos	Nos	₹	₹
<b>Authorised Capital</b>				
Equity Shares face value of ₹ 10/- each	10,000	10,000	100,000	100,000
<b>Issued, Subscribed and Paid up Capital</b>				
Equity Shares face value of ₹ 10/- each	10,000	10,000	100,000	100,000

#### 2.2 Reconciliation of number of Equity Shares Outstanding:

Particulars	As At	As At
	31-Mar-2014	31-Mar-2013
	Nos	Nos
Shares Outstanding at the beginning of the year	10000	10000
Add: Shares Issued during the year	-	-
Shares Outstanding at the end of the year	10000	10000

#### 2.3 Equity Shares held by Group Companies :

Particulars	Class of Shares	As At	As At
		31-Mar-2014	31-Mar-2013
		Nos	Nos
By Holding Company	Equity	10,000	10,000
		10,000	10,000



Handwritten signatures and initials.

# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

### 2.4 Shareholders holding more than 5 % :

Sl	Name of the Shareholders	As At 31-Mar-2014		As At 31-Mar-2013	
		Nos.	%	Nos.	%
	Marg Ltd	10,000	100%	10,000	100%
		<u>10,000</u>	<u>100%</u>	<u>10,000</u>	<u>100%</u>

Particulars	As At 31-Mar-2014 ₹	As At 31-Mar-2013 ₹
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### NOTE 3 : RESERVES & SURPLUS

#### Profit & Loss Account:

Balance at the beginning of the Year	(70,022)	(57,187)
Profit loss for the Period	(13,427)	(12,835)
Balance at the end of the Year	<u>(83,449)</u>	<u>(70,022)</u>

### NOTE 4 : SHORT-TERM BORROWINGS

#### From Others:

Loan From Holding Company	20,499,567	23,852,827
	<u>20,499,567</u>	<u>23,852,827</u>

### NOTE 5 : TRADE PAYABLE

#### Trade Payables

	21,216	21,778
	<u>21,216</u>	<u>21,778</u>

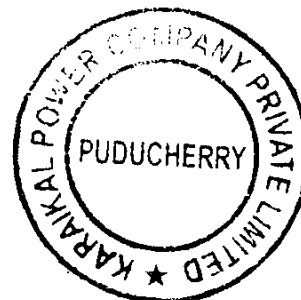
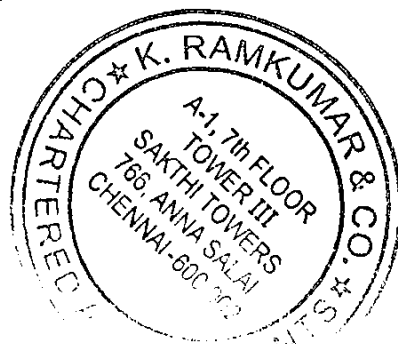
### NOTE 6 : OTHER CURRENT LIABILITIES

Interest Accrued but Not Due on Borrowings	3,719,508	3,296,231
Interest Accrued and Due on Borrowings	5,917,718	2,621,487
Other Payables		
Expenses Payable	277,904	276,023
Statutory Dues	291,473	657,724
Due to Directors	4,000	4,000
Creditors for Capital goods	330,940	330,940
	<u>10,541,543</u>	<u>7,186,405</u>

### NOTE 7 : SHORT-TERM PROVISIONS

#### Provision for employee benefits

Gratuity	16,709	16,709
Bonus	6,163	6,163
Leave Encashment	1,143	1,143
	<u>24,015</u>	<u>24,015</u>

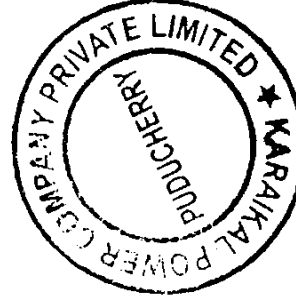
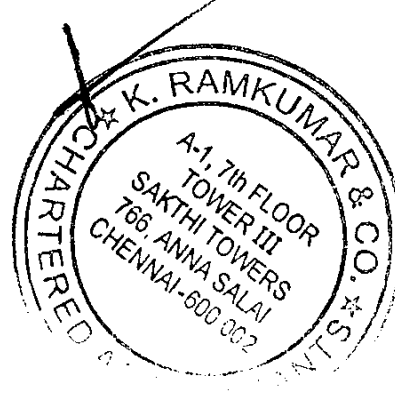


# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

**NOTE 8 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31-Mar-2013	Additions	Deductions/ Transfers	As At 31-Mar-2014	Up to 31-Mar-2013	For the year	Deletions	Up to 31-Mar-2014	As At 31-Mar-2014	As At 31-Mar-2013
Capital Work in Progress	30,926,136	-	-	30,926,136	-	-	-	-	30,926,136	30,926,136
Total	30,926,136	-	-	30,926,136	-	-	-	-	30,926,136	30,926,136
Previous Year	27,197,807	3,728,329	-	30,926,136	-	-	-	-	30,926,136	27,197,807




# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

Particulars	As At 31-Mar-2014 ₹	As At 31-Mar-2013 ₹
<b>NOTE 9 : CASH &amp; CASH EQUIVALENTS</b>		
Cash Balance	11,834	12,630
Balances with Scheduled Banks In Current Accounts	154,923	163,350
	166,756	175,980
<b>NOTE 10 : SHORT-TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured Short-Term Loans &amp; Advances and considered good</b>		
Others		
Advances to Suppliers	10,000	10,000
Prepaid Expenses	-	-
Prepaid Tax	-	2,887
	10,000	12,887
	Year Ended 31-Mar-2014 ₹	Year Ended 31-Mar-2013 ₹
<b>NOTE 11 : OTHER EXPENSES</b>		
Sitting Fees		
- Sitting Fees for Board Meeting	-	4,000
Secretarial Expenses	235	408
- Audit Fee	10,308	8,427
Professional Expenses	2,884	-
	13,427	12,835

**NOTE 12 : CONTINGENT LIABILITIES :**

- a. Estimated amount of liability on capital contracts: Nil

**NOTE 13 : DEFERRED TAX ASSET / LIABILITY :**

Considering the past performance of the company and the developments in the company, the management is of the opinion that there is no reasonable certainty that the company will be in a position to avail tax assets. Hence deferred tax asset has not been considered in accordance with AS 22 issued by ICAI.

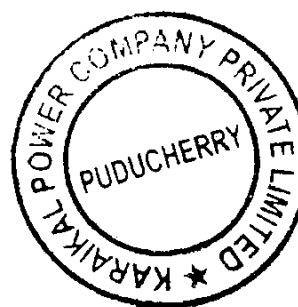
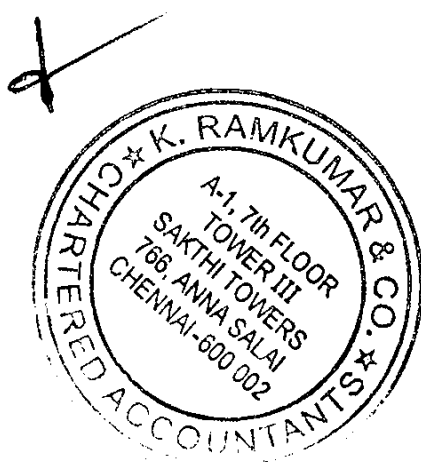
**NOTE 14 : EMPLOYEE BENEFITS**

**A. GRATUITY**

The company does not maintain any fund to pay for Gratuity

- i) Amount Recognized in the Profit and Loss A/c is as under :

Particulars	As At 31-Mar-2014 ₹	As At 31-Mar-2013 ₹
Current Service Cost	-	-
Interest Cost	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	-	-
Expenses Recognized in Profit and Loss Account	-	-



# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

ii) Movement in the Liability Recognized in the Balance Sheet during the year

Particulars	₹	
	As At 31-Mar-2014	As At 31-Mar-2013
Opening Net Liability		16,709
Expense as above	-	-
<b>Closing Net Liability</b>	<b>-</b>	<b>16,709</b>

iii) Net Assets / Liability in Balance Sheet as at 31st March,2013

Particulars	₹	
	As At 31-Mar-2014	As At 31-Mar-2013
Present Value of the Obligation	-	16,709
Difference	-	16,709
<b>Liability Recognized in the Balance Sheet</b>	<b>-</b>	<b>16,709</b>

iv) For determination of Gratuity Liability of the Company the following actuarial assumption were used:

Particulars	Year Ended	
	31-Mar-2014	31-Mar-2013
<b>PRINCIPAL ACTUARIAL ASSUMPTIONS</b> ( Expressed as weighted averages)		
Discount Rate	8%	8%
Salary Escalation Rate	8%	8%
Attrition Rate	4%	4%

### B. LEAVE ENCASHMENT

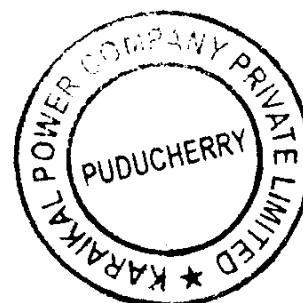
The Company does not maintain any fund pay for leave encashment

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

Particulars	₹	
	Year Ended 31-Mar-2014	Year Ended 31-Mar-2013
Current Service Cost	-	-
Interest Cost	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	-	-
<b>Expenses Recognized in Profit and Loss Account</b>	<b>-</b>	<b>-</b>

ii) Movement of the Liability Recognized in Balance Sheet is as under :

Particulars	₹	
	As At 31-Mar-2014	As At 31-Mar-2013
Opening Net Liability	1,143	7,432
Expense as Above	-	-
Contribution Paid	-	(6,289)
<b>Closing Net Liability</b>	<b>1,143</b>	<b>1,143</b>



# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

iii) Amount Recognised in the Balance Sheet during the year :

Particulars	₹	
	As At 31-Mar-2014	As At 31-Mar-2013
Present Value of the Obligation	-	1,143
Fair value of plan assets	-	-
Difference	-	1,143
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability Recognized in the Balance Sheet	-	1,143

iv) For determination of Leave Encashment liability of the Company the following actuarial assumption were used :

Particulars	Year Ended	Year Ended
	31-Mar-2014	31-Mar-2013
<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS</b>		
( Expressed as weighted averages)		
Discount Rate	8%	8%
Salary Escalation Rate	8%	8%
Attrition Rate	4%	4%

**NOTE 15 : RELATED PARTY DISCLOSURES :**

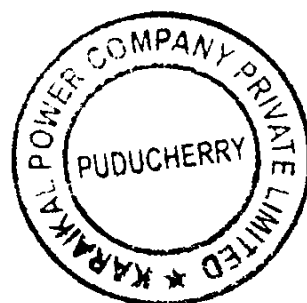
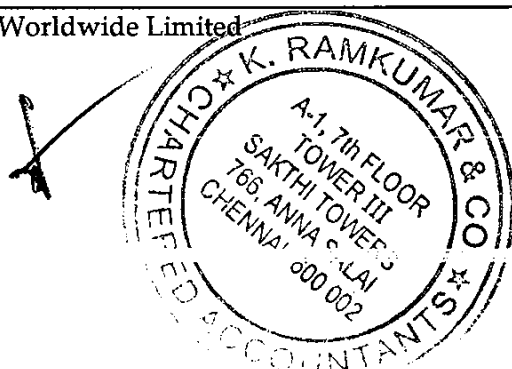
The following is the list of related parties:

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

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

c. Entity over which KMP of Holding Company and/or their relatives exercise control:

Sl	Company Name
1	Exemplarr Worldwide Limited



# KARAIKAL POWER COMPANY PVT LTD

## Notes To The Financial Statements

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

Particulars	Holding Company		Entity over which KMP of Holding Company and/or their relatives exercise control	
	Year Ended 31-Mar-2014	Year Ended 31-Mar-2013	Year Ended 31-Mar-2014	Year Ended 31-Mar-2013
<b>Transactions</b>				
Loans Received (Net)	366,248.00	3,470,231	-	-
Interest Paid	-	3,662,479	-	-
Services Received				11,236
<b>Balances</b>				
	As At 31-Mar-2014	As At 31-Mar-2013	As At 31-Mar-2014	As At 31-Mar-2013
Loan Received	30,136,793.00	29,770,545	-	-
Trade Payable			11,236	11,236

**NOTE 16 : OPERATING LEASES**

The Company does not have any obligations under any leases for office and residential space.

**NOTE 17 : INFORMATIONS UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

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

**NOTE 18 : EARNINGS PER SHARE (EPS):**

SI No	Particulars	Year Ended 31-Mar-2014	Year Ended 31-Mar-2013
a.	Profit After Tax (₹)		
	For Basic & Diluted EPS	(13,427)	(12,835)
b.	Weighted average number of equity shares (Nos)		
	For Basic & Diluted EPS	10,000	10,000
c.	Earning Per Share (₹)		
	Basic	(1.34)	(1.28)
	Diluted	(1.34)	(1.28)
d.	Nominal Value Per Share (₹)	10	10

**NOTE 19 : PRESENTATION OF PREVIOUS YEAR'S FIGURES**

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

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

*R.M.V.*

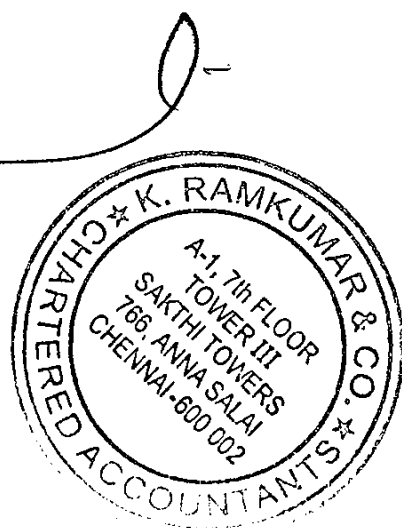
R M V BALAJI

Partner

Membership No. 27476

Place : Karaikal

Date : 6-May-2014



For and on behalf of Board of Directors

*Kundhan Rathi*

KUNDAN RATHI  
Director

*R K Samal*

R K SAMAL  
Director

