



Dineshkumar R. Saroj (B.com, ACA)
Chartered Accountants

46, Indiranagar, P.D. Pandya College Road, NR. Vandervat Talav Vatva Ahmedabad-382445

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Independent Auditor's Report

To the Members of
NEESA INFRASTRUCTURE LIMITED.

Report on the financial statement

We have audited the accompanying financial statements of NEESA INFRASTRUCTURE LIMITED. ("the Company"), which comprise of the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance 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.

Auditors' Responsibility:

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

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

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

Opinion:

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- in the case of the Profit and Loss Account, of the profit/ loss for the period ended on that date:





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Report on other Legal & 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 the sub section (4A) of the section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 & 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, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub section(3C) of section 211 of the Companies Act, 1956;
 - 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 are 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.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and reporting on financial statement.

For, Dineshkumar Saroj.
Chartered Accountants

Proprietor
Membership No. : 156143



Place: Ahmedabad
Date: 05/09/2014

Annexure referred to in paragraph of the Auditor's Report of even date to the members of NEESA INFRASTRUCTURE LTD. On the financial statement for the year ended 31st march 2014.

1. **In respect of its fixed assets:**
 - a) **As informed to us the Company is in process of updating the fixed assets register showing full particulars, including quantitative details and situation of fixed assets.**
 - b) **The fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification by the management.**
 - c) **The Company has not disposed off any major Fixed Assets during the year.**
2. **In respect of its inventories:**
 - a) **The management of the Company has conducted physical verification of inventory at reasonable intervals.**
 - b) **The procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the 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 inventories and no material discrepancies were noticed on physical verification.**
3. **In respect of loans**
 - a) **In our opinion and according to the information and explanation given to us, the Company has granted loan secured or unsecured, to parties covered in the register maintained under section 301 of the Companies Act, 1956**
 - b) **In our opinion and according to the information and explanation given to us, the Company has not taken loans from the Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956**
 - c) **In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company are prima facie, not prejudicial to the interest of the company**
4. **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, 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 weaknesses in internal control system.**
5. **In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956;**
 - a) **in our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and**
 - b) **Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.**
6. **In our opinion and according to the information and explanations given to us , the company has complied with the provisions of Section 58A and 58AA of the Companies Act 1956 and the rules framed there under, where applicable, with regards to the deposit acceptance.**
7. **In our opinion the company has an internal audit system commensurate with the size and nature of its business.**



8. We are informed that the Company is not required to maintain cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

9. In respect of Statutory Dues:

a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor 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, except for TDS, VAT and ESIC to the extent applicable, with the appropriate authorities

Name of statute	Amount	Remark
ESIC	106257/-	Not Paid
Professional Tax	238156/-	Not Paid
TDS	3629870/-	Not Paid
Labour Welfare Fund	1008/-	Not Paid
EPF Employee	135232/-	Not Paid
Service Tax Payable	1578235/-	Not Paid
Excise Duty payable	2331348/-	Not Paid
VAT	2517627/-	Not Paid

10. According to the information and explanations given to us there are no disputed dues of Income tax sales tax wealth tax service tax Customs duty/Excise duty/cess more than six months.

11. According to the information and explanations given to us the Company has defaulted in repayment of dues to a financial institution or bank

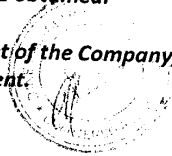
12. The company has provided corporate guarantee for its associates company for its bank finance.

13. The provisions of any special statute applicable to chit fund/nidhi/ mutual benefit fund/societies are not applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanations given to us the Company has applied term loans for the purpose for which the loans were obtained.

16. On the basis of overall examination of the Balance Sheet of the Company, the funds raised on short-term basis have not been used for long term investment.



NEESA INFRASTRUCTURE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As at 31/03/14		As at 31/03/13	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	1	202,925,000		202,925,000	
(b) Reserves and Surplus	2	(68,934,096)		98,411,316	
(c) Money received against share warrants			133,990,904		301,336,316
2. Share application money pending allotment (To the extent not refundable)		2,000,000	2,000,000	2,000,000	2,000,000
3. Non-current liabilities					
(a) Long-term borrowings	3	674,014,880		654,954,190	
(b) Deferred Tax liabilities (Net)	4	94,164,217		103,056,326	
(c) Other Long term liabilities		-		-	
(d) Long-term Provisions			768,179,097		758,010,516
4. Current Liabilities					
(a) Short term borrowings	5	590,026,114		603,615,618	
(b) Trade payables	6	125,465,777		63,346,161	
(c) Other current liabilities	7	84,264,231		75,709,176	
(d) Short term provisions	8	455,688		302,204	
			800,211,810		742,973,159
TOTAL			1,704,381,811		1,804,319,991
II ASSETS					
1. Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		798,507,898		836,912,128	
(ii) Intangible assets		3,632,700		5,153,327	
(iii) Capital work-in-progress		4,008,394		1,385,829	
(iv) Intangible assets under development					
(b) Non-current investments	10	64,055,820		63,545,820	
(c) Deferred tax assets (net)					
(d) Long-term loans and advances	11	18,130,609		9,281,992	
(e) Other non-current assets			888,335,421		916,279,096
2. Current assets					
(a) Current investments					
(b) Inventories	12	415,357,614		447,757,820	
(c) Trade receivables	13	259,696,702		301,295,006	
(d) Cash and Bank Balances	14	2,698,506		30,819,455	
(e) Short-term loans and advances	15	138,293,568		108,168,614	
(f) Other current assets					
			816,046,390		888,040,895
TOTAL			1,704,381,811		1,804,319,991

For, Dinesh kumar R. Saroj
Chartered Accountants

Dinesh Kumar R. Saroj

Dinesh kumar R. Saroj
(Proprietor)
Mem No. 166143
Date :- 05.09.2014
Place :- Ahmedabad



For and on behalf of the Board
NEESA INFRASTRUCTURE LIMITED

[Signature]
Director

[Signature]
Director

NEESA INFRASTRUCTURE LIMITED
STATEMENT of PROFIT AND LOSS FOR THE PERIOD ENDED 31/03/14

PARTICULARS	Note No.	Upto 31/03/2014		Upto 31/03/2013	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations:	16		539,344,680		1,720,909,568
Sale of Products		539,344,680		1,720,909,568	
Sale of Services					
Other Operating Revenues					
Less: Excise Duty					
II Other Income	17	2,825,169	2,825,169	113,821,651	113,821,651
III Total Revenue (I + II)			542,169,849		1,834,731,219
IV Expenses					
Cost of Materials Consumed	18	398,428,657		1,477,722,551	
Purchase and service charges					
Changes in inventories of finished goods, work in progress and Stock-in- trade	19	53,570,748		95,153,867	
Employee benefits expense	20	32,303,600		18,247,103	
Finance Costs	21	99,375,020		108,568,585	
Depreciation and amortization expense		40,457,529		39,683,091	
Other expense	22	94,271,717		118,410,236	
Total Expense			718,407,270		1,857,785,433
V Profit before exceptional and extraordinary items and tax (III-IV)			(176,237,421)		(23,054,214)
VI EBIDITA					
VII Profit before extraordinary items and tax (V-VI)			(176,237,421)		(23,054,214)
VIII Extraordinary items					
IX Profit before tax (VII-VIII)			(176,237,421)		(23,054,214)
X Tax expense:					
(1) Current tax			-		-
(2) Deferred tax liability (assets)			(8,892,109)		31,293,181
Mat Credit Entitlement			-		-
XI Profit/(Loss) for the period from continuing operations (IX - X)			(167,345,312)		(54,347,396)
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the period (XI + XIV)			(167,345,312)		(54,347,396)
XVI Earnings per equity share:					
(1) Basic			(8.25)		(2.68)
(2) Diluted			(8.25)		(2.68)
See accompanying notes to the financial statements					

For, Dinesh kumar R. Saroj
Chartered Accountants

Dinesh Kumar R. Saroj
Dinesh kumar R. Saroj
(Proprietor)
Mem No. 156143
Date :- 05.09.2014
Place :- Ahmedabad



For and on behalf of the Board
NEESA INFRASTRUCTURE LIMITED

[Signature]
Director

[Signature]
Director

NEESA INFRASTRUCTURE LIMITED
STATEMENT of PROFIT AND LOSS FOR THE PERIOD ENDED 31/03/2014

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 1				
SHARE CAPITAL				
-Authorised				
3000000 Equity Shares of Rs. 10/- each [Previous Year : 3000000 Equity Shares of Rs.10/- each]	300,000,000		300,000,000	
-Issued, Subscribed and Paid up				202,925,000
* 20292500 Equity Shares of Rs.10/- each fully paid-up. [Previous Year : 18992500 Equity Shares of Rs.10/- each] * [9496250 Equity Shares were allotted (preceeding 5 years) as fully paid up Bonus Shares by way capitalisation Share Premium Account]	202,925,000		202,925,000	
TOTAL		202925000		202,925,000

	Nos	Amt(Rs)	Nos	Amt(Rs)
- Reconciliation of Shares:				
Opening Share Capital	20,292,500	202,925,000	18,992,500	189,925,000
Add: Shares Issued During the year	-	-	1,300,000	13,000,000
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	20,292,500	202,925,000	20,292,500	202,925,000
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	20,292,500	202,925,000	20,292,500	202,925,000

-List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	In Nos	In %	In Nos	In %
Sanjay Gupta	19,702,500	96.9%	19,702,500	96.9%

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 2				
RESERVES AND SURPLUS				
Share Premium		132,225,000		132,225,000
Opening Balance	132,225,000		117,925,000	
Add : Premium on shares allotted	-		14,300,000	
Less : Appropriations	-		-	
Closing Balance	-		-	
Profit and Loss Account		(201,159,096)		(33,813,784)
Opening Balance	(33,813,784)		20,533,711	
Add: Profit During The Year	(167,345,312)		(54,347,495)	
Less: Proposed Dividend (Incl .Tax)	-		-	
Closing Balance	-		-	
TOTAL		(68,934,096)		98,411,216



Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 3' LONG TERM BORROWINGS <i>-Secured</i>		670,462,430		651,654,190
Term Loans	180,357,590		651,654,190	
<i>From Bank</i>				
SBI 30263238135 (Repayable within 8 EQI of Rs.13.00 lacs per quarter)	28,600,000			
SBI 30727098269 (Repayable within 21 EQI of Rs. 106.00 lacs per quarter) (Secured by way of charge on all the Fixed Assets of the company and Mortgage over Holiday Home, DLF City and Flate No. 302.)	265,226,905			
Central Bank 3112744034-dahej (Repayable within 29 EMI of Rs. 70.35 lacs per quarter) Secured by way of Charge on all the Fixed Assets of the company and Mortgage on Lease hold land at Dahej SEZ.)	196,277,935			
Other Banks (Secured by way of charge on all the Fixed Assets of the company)				
<i>- Unsecured</i>		3,552,450		3,300,000
17% OCD Debenture	3,552,450		3,300,000	
Interest on OCD @ 17%				
(There is default in Repayment in interest of the following Term Loan) Term Loans from SBI A/c 30263238135 Term Loan from SBI A/c 30727098269 Term Loan from Central Bank A/c 3112744034				
TOTAL		674,014,880		654,954,190

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 4' DEFERRED TAX LIABILITY				
Deferred Tax Liabilities	103,056,326		103,056,326	
Deferred Tax Assets	(8,892,109)		-	
Deferred Tax Liabilities (Net)				
TOTAL		94,164,217		103,056,326



Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 5				
SHORT TERM BORROWINGS		377,313,064		378,811,207
-Secured				
Loans repayable on demand	377,313,064		378,811,207	
From Banks				
(Secured by way of company's entire current assets including Raw material, Stock, Stores, Debts, Receivable and Other current assets				433,973,854
Bill of Exchange, Personal Guarantee of Director and other current assets created through this finance)		212,629,318		224,720,679
-Unsecured				
Loans repayable on demand	17,370,482		25,460,776	55,162,647
From Banks (Bank Overdraft due to issue of cheques)			29,701,871	
From Financial Institution	195,258,836		169,558,033	
From Others				
Bifurcation is pending for related and Non Related Parties				
Loans and advances from related parties		83,732		83,732
Other loan and advances				
TOTAL		590,026,114		603,531,886

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 6				
TRADE PAYABLES		125,465,777		63,346,161
Trade Payables	50,573,710		30,510,123	
For Goods	7,952,263			
For Capital Goods and Expenses	66,939,804		32,836,038	
For Expenses				
Others				
TOTAL		125,465,777		63,346,161

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 7				
OTHER CURRENT LIABILITIES			15,759,324	
Current maturities of long term debt (SC Pending)			915,424	
Interest Due but not paid	265,338		2,447,228	
Unpaid Salary	-		-	
Unpaid dividends	-		-	
Unpaid matured Deposits and Interest accrued thereon	-		-	
Interest Accrued and Due on Borrowings	-		-	
Interest Accrued but not Due on Borrowings	-		-	
Income received in Advance	-		-	
Refundable Application Money received for allotment and Interest accrued thereon	-		-	
Other Payables (Specify Nature)	66,961,160		-	
Advance From Customers				
Statutory Dues	3,629,870		4,107,257	
TDS Payable	135,232		19,735	
PF Payable	106,257		36,498	
ESIC Payable	1,008		489	
Labour Welfare fund	2,331,348		-	
Excise Duty payable	238,156		43,756	
PT Payable	1,578,235		3,184,758	
Service Tax Payable	2,517,627		59,852	
VAT Payable	6,500,000		49,134,854	
Other Payables				
TOTAL				75,709,176



Particulars	As on 31/3/2014		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 8 SHORT TERM PROVISIONS				
Provision for Audit Fee	-	-	275,000	-
Provision for Taxation	455,688	-	-	-
Provision For Salary	-	-	27,204	-
Provision For Interest	-	-	-	-
Corporate Dividend Tax	-	-	-	-
TOTAL		455,688		302,204

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 10 NON-CURRENT INVESTMENTS (All Unquoted)				
Number Face Value Per Unit Trade Investment (Long term) in Mutual Funds				
Number Face Value Per Unit Non - Trade Investment in				
333000 10 Ahmedabad Stock exchange	-	-	250,000	-
25000 10 Guj Sysport Pvt Ltd	250,000	-	36,000	-
1440 25 Citizen Co-op bank ltd	36,000	-	-	-
4300000 10 Cambay SEZ Hotel Pvt. Ltd.	43,510,000	-	43,000,000	-
224998 10(80 Premium) Euclid Construction Pvt. Ltd.	20,249,820	-	20,249,820	-
NSC Deposit (Government Security)	10,000	-	10,000	-
Total Non- Current Investment		64,055,820		63,545,820

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 11 LONG TERM LOAN & ADVANCES				
Security Deposit	10,632,614	-	8,881,373	-
Other Loans & Advances recoverable in cash or kind	7,497,995	-	400,619	-
Total		18,130,609		9,281,992

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 12 INVENTORIES				
Raw Material	210,869,627	413,357,614	146,792,655	447,757,820
Fuel	-	-	-	-
Work In Process	177,453,195	-	240,682,066	-
Finished Goods	27,034,792	-	37,081,127	-
Stores and Spares	-	-	23,201,973	-
TOTAL		413,357,614		447,757,820

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 13 TRADE RECEIVABLES				
Over Six Months	259,696,702	259,696,702	301,295,006	301,295,006
Good				
Doubtful				
Below Six Months				
Good				
Doubtful				
(Debts Due by Directors and Other Related Parties To be disclosed)				
TOTAL		259,696,702		301,295,006



NOTE 99' FIXED ASSETS

SR. NO.	DESCRIPTION OF ASSETS	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			COST AS ON 01.04.2013	ADDITION DURING THE YEAR	ADJ. DURING THE YEAR	TOTAL COST AS AT 31.03.2014	DEPRECIATION AS AT 01.04.2013	ADDITION DURING THE YEAR	DEP. ADJ.	TOTAL DEPRE. AS AT 31.3.2014	AS AT 31.03.2014	AS AT 31.03.2013
1	Tangible Assets: LAND - Lease Hold - Free Hold	2.62%	71,604,042	-	-	71,604,042	1,974,306	658,102	-	2,632,408	68,971,634	69,629,736
2	BUILDING	3.34%	408,873,417	-	-	408,873,417	35,735,219	13,656,372	-	49,391,592	359,481,825	373,138,197
3	PLANT AND EQUIPMENTS	4.75%	412,201,408	308,884	-	412,510,292	71,175,108	19,591,288	-	90,766,396	321,743,896	341,026,900
4	FURNITURE AND FIXTURE	6.63%	10,466,496	-	-	10,466,496	1,168,904	662,529	-	1,831,433	8,635,063	9,297,592
5	VEHICLES	9.50%	4,922,376	57,018	-	4,979,394	2,122,365	471,974	-	2,594,339	2,385,055	2,800,011
6	OFFICE EQUIPMENT	4.75%	5,087,519	132,330	-	5,169,849	763,249	244,528	-	1,007,777	4,162,072	4,274,270
7	Computer	16.71%	4,877,385	34,440	-	4,911,825	3,669,262	794,586	-	4,463,847	447,978	1,208,123
8	Electrification	6.33%	45,142,557	-	-	45,142,557	9,604,658	2,857,524	-	12,462,182	32,680,375	35,537,899
	Total Tangible Assets		963,125,200	532,672	-	963,657,872	126,213,072	38,936,902	-	165,149,974	798,507,898	836,912,128
	Intangible Assets:											
7	Softwares		7,603,135	-	-	7,603,135	2,449,808	1,520,627	-	3,970,435	3,632,700	5,153,327
	TOTAL RS.		970,728,335	532,672	-	971,261,007	128,662,879	40,457,529	-	169,120,409	802,140,598	842,065,455
	CWTP		1,385,829	2,622,565	-	4,008,394					4,008,394	1,385,129
	PREVIOUS YEAR RS.		959133722	11594613	-	970728335	88979788	39683091	-	128562879	842065456	870,157,899



Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 14				
CASH AND BANK BALANCES				30,819,455
-Cash and Cash Equivalents	1,346,352.73		345,101	
Cash on Hand				
Balance with Banks	667,372.37		26,359,879	
-In Current Accounts	684,781.00		4,114,475	
-In Fixed Deposit Accounts	-		-	
- As Margin Money	-		-	
- Other Bank Balances				
Balance with Banks	-		-	
-In Current Accounts	-		-	
-In Fixed Deposit Accounts	-		-	
- As Margin Money	-		-	
TOTAL		2,698,506		30,819,455

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 15				
SHORT TERM LOANS AND ADVANCES				
Loans and advances to related parties (Secured/ Unsecured/ Doubtful)	39,904,413.00		349,990	
Security Deposit	-		450,732	
For Capital Goods and Capital Expenses	81,885,727.00		4,830,613	
Other Advances	9,286,513.50		13,969,447	
Advance to staff	389,429.00		3,070,283	
Balance with Statutory Authorities	1,725,576.84		8,516,196	
Mat Credit Entitlement (Current or Non Current ??)	5,101,909.00		5,101,909	
Advance recoverable in Cash or kind	-		71,879,444	
TOTAL		138,293,568		108,168,614



Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 16				
REVENUE FROM OPERATION				
Indigenous Sales	166,677,297		266,619,269	
Manufactured Goods	274,829,125		1,347,621,580	
Traded Goods	1,927,905		-	
Other Sales (Scrap Sales)	75,622,038		97,644,946	
Real Estate Income	20,288,316		9,023,773	
Sale of Services				1,720,909,568
TOTAL		539,344,680		

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 17				
OTHER INCOME				
Interest	-		1,134,862	
Rate Difference Income	46,468		2,355,693	
Other Income	1,064,971		23,457,080	
Prior Period Income-Sundry Balances Written Off	1,171,643		83,223,113	
Insurance Claim Received	135,985		1,686,119	
Deduction from salary	97,209		13,944	
Discount Received	38,573		-	
Scrap sales	270,320		1,948,840	
TOTAL		2,625,169		113,821,651

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 18				
COST OF MATERIAL CONSUMED				
Raw Materials' Consumption			113,554,024	
Stock at Commencement	169,994,628		1,534,163,154	
Add: Purchases	420,163,850		169,994,628	
Less: Stock at Close	191,729,821		1,477,722,551	
Stores And Spare consumed				
TOTAL		398,428,657		1,477,722,551

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 19				
Change in Stocks				
Stock at Commencement		133,279,184		228,433,050
Work-in Process	96,198,057		160,850,006	
Finished Goods	37,081,127		67,583,044	
Less: Stock at Close		79,708,436		133,279,184
Work-in-Process	54,755,090		96,198,057	
Finished Goods	24,953,346		37,081,127	
Stock Decreased / (Increased) by		53,570,748		93,153,867
TOTAL				

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE 20				
EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages, Bonus etc.	32,137,590		17,680,248	
Contribution to P.F. E.S.I and Other Statutory Funds	54,248		198,352	
Workmen and Staff Welfare Expenses	111,762		368,503	
Expense on ESOPs	-		-	
TOTAL		32,703,600		18,247,103



Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE '21'				
FINANCE COSTS		99,142,996		106,312,527
Interest Expense	69,697,977		58,162,860	
Interest on Term Loan	16,207,936		44,358,042	
Interest on Working Capital	-		561,000	
Interest on Unsecured Loans	10,295,002		3,102,661	
Interest Others	2,942,082		127,963	
Bank and finance charges	-		-	
Net gain/loss on foreign currency transaction Relating to Loans	-	232,022	-	2,256,058
Other Borrowing Costs	232,022		2,256,058	
Interest and Penalty Statutory dues	-		-	
TOTAL		99,375,020		108,568,585

Particulars	As on 31/3/14		As on 31/03/13	
	Rupees	Rupees	Rupees	Rupees
NOTE '22'				
OTHER EXPENSES	1,462,889		-	
Manufacturing Exp	7,813,957		5,569,377	
Freight Charges	20,154,915		31,603,076	
Direct wages	50,457,887		50,869,925	
Power & Fuel	-		14,213,453	
Work Expenses	2,972		2,696,331	
Administrative and General expenses	-		275,000	
Auditors Remuneration	261,414		439,406	
Communication Exp	1,098,450		628,116	
Conveyance & travelling Exp	1,876,240		-	
Consultancy Charges	2,918,216		6,747,648	
Legal & professional Charges	121,237		233,198	
Printing & Stationery	253,717		1,006,683	
Rent	636,399		346,095	
Factory Exp	737,353		948,094	
Office Exp	491,446		191,641	
Kasar	1,203,643		221,796	
Selling & Distribution Exp	591,851		-	
Insurance Exp	679,209		-	
L.T.Tribunal Exp (F.Y.2006-2007)	1,391,389		109,428	
Transportation charges	-		-	
Repairs To - Buildings	406,945		116,215	
- Machinery	(332,779)		209,372	
- Others	836,770		1,758,228	
Franking & Stamping Charges	-		-	
Preliminary Expenses	1,207,596		227,153	
Others	-		-	
Prior Period Items	-		-	
TOTAL		94,271,229		118,410,236



NEESA INFRASTRUCTURE LTD.

Schedule 23. Notes on accounts

(A) SIGNIFICANT ACCOUNTING POLICIES:

(1) BASIS OF ACCOUNTING:

The financial statements are prepared on an accrual basis of accounting and are in accordance with the Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 (the Act) and comply in all material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standard) Rules, 2006.

Accounting policies not specifically referred to otherwise are consistent with the Generally Accepted Accounting Principles followed by the Company.

(2) USE OF ESTIMATES:

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

(3) FIXED ASSETS:

Fixed Assets are shown at cost less depreciation. Fixed Assets are shown at their cost of acquisition, which comprises of purchase price, freight, duties and any directly attributable cost of bringing the assets to its working condition for the intended use as reduced by Convent credit wherever applicable.

Capital Work in Progress includes capital items not installed or civil work under construction not completed and preoperative expenditure related to and incurred during implementation of Projects and pending to be allocated.

(4) DEPRECIATION:

Depreciation is provided on Straight line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on Intangible Assets has been provided as per the estimated useful life of the assets i.e. 3 years.

Depreciation on addition to fixed assets during the year is provided on pro-rata basis.

(5) BORROWING COST:

Borrowing cost attributable to acquisition, construction or production of qualifying assets is capitalized as part of the cost of that asset, till the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.



- (6) **INVENTORY:**
Raw Materials, Fuel and Stores and Spares are valued at lower of cost as determined by FIFO method or net realizable value. Cost includes freight, taxes and duties and is net of CENYAT credit.
Finished Goods are valued at lower of cost or net realizable value. Cost includes all direct costs, applicable production overheads to bring the goods to the present location and condition and excise duty.
- (7) **INVESTMENTS:**
Investment classified as long Term Investments are stated at cost less any provision for permanent diminution. Investments in Associates/ subsidiary are stated at cost of acquisition.
- (8) **REVENUE RECOGNITION:**
a. Revenue is being recognized when there is reasonable certainty of its ultimate realization / collection.
b. Incomes from other business operations are accounted on accrual basis.
c. Turnover is exclusive of any taxes and levies.
d. Revenue from real estate business accounted on Agreement to Sale basis!
- (9) **RETIREMENT BENEFITS:**
Retirement benefits in the form of Provident fund accounted for on cash accrual basis and charged to Profit & Loss account.
- (10) **TAXES ON INCOME:**
Provision is made for deferred tax for all timing difference arising between taxable income and accounting income at currently enacted or substantially enacted tax rates. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet.
- (11) **EMPLOYEES BENEFITS:**
Post-employment benefit:
i) Defined Contribution: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the appropriate authority.
ii) Defined Benefit: Company's liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. leave encashment are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognized in the Profit and Loss account in the period of occurrence of such gains and losses. Provision for gratuity and other long term employee benefit not made.



iii) *Short-term employee benefits:*
Short term employee benefits are charged off at the undiscounted amount in the profit and loss account in the year in which the related service is rendered

(12) **IMPAIRMENT OF ASSETS**

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

(13) **EXPENDITURE DURING CONSTRUCTION:**

In case of new projects all pre-operative expenditure, initial spares acquired for machineries, interest on specific borrowings for the purpose and cost incurred for raising borrowings are capitalized pro-rata to the cost of qualifying fixed assets upto the date of installation.

Expenses incurred relating to projects prior to commencement of commercial operations are classified as Pre-operative expenses and disclosed under Capital Work-in-Progress. These expenses are allocated to the relevant fixed assets of the project on a proportionate basis on the respective date of the assets put to use.

(14) **PROVISIONS, CONTIGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will an outflow of resources. Contingent liabilities are not recognized but are disclosed, in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(15) **MISCELLANEOUS EXPENDITURE:**

Preliminary Expenses are amortized over a period of 5 years.



(B) Notes to accounts:

1. Schedule "1" to "23" form an integral part of Balance Sheet and Profit & Loss Statement and are duly authenticated.
2. Contingent liability not provided for Bank Guarantee of Rs.15, 25,000 /-and Corporate guarantee provided by the company for its associated company for Bank finance..
3. The Income Tax Department had initiated Search Operations under section 132 of Income Tax Act, 1961 against the group company which has now been culminated in Initiation of Block Assessment Proceedings. The Assistance Commissioner of IncomeTax (AOT), Central Circle Ahmedabad has served a notice under section 153A (1) (a) of income Tax Act, 1961 upon the company requiring to furnish the Return of Income for the Last Six (6) years i.e. A.Y. 2005-2006 to A.Y.2010-2011. The matter is currently pending before ACIT, Ahmedabad. In the opinion of the company, no provision for any tax liability is required to be made as Block Assessment Proceedings are going on and no demand has been made
4. The Company had filed an application, for Corporate Debt Restructuring (CDR) with CDR Cell, envisaging reliefs and concessions under CDR Scheme. The Application of the company has been admitted by CDR Cell for granting various reliefs & concessions as mentioned in the scheme, which are briefly stated as under.
 - a) Moratorium of repayment of rupee term loans up to August, 2013 & extended repayment schedule of existing term loans up to December, 2021 to repay the loan in step up installments.
 - b) Concessioning of rate of interest by way of rationing in existing interest rate. The revised interest rate is ranging from 11% p.a. to 12.50% p.a. over a period of revised repayment of 10 years.
 - c) Conversion of existing working capital facilities together with overdraft & short term loans into Working Capital Term Loan (WCTL-1). Which is to be repaid over a period of 10 years with moratorium upto August, 2013?
 - d) Granting of addition Working Capital Term Loan (WCTL-2) of Rs.25.89 Crore by existing lenders for the company's requirement for repairs & maintenance, capital expenditure, advertisement, marketing & branding expense to meet the repayment obligation of prisms' creditors.
 - e) Exemption from payment of penal interest, additional interest & liquidated damages.
 - f) Collateral security for the Corporate Debt Restructuring (CDR) provided as under:



Details of Property	Realizable Value
Plot of Land Admeasuring about 16,148 sq. mt. situated at survey no. 1072/1015, Khewat Khatuni no. 76, Village: Liyon ka Guda, Tehsil-Girwa, Udaipur, Rajasthan in name of NIL	19.98
Plot No. z/88/3 of Dahej SEZ area, Dahej, Tal. Vagar, Dist. Bharuch, Gujarat in name of NIL	9.04
Flat No. 302, Block B, Plot No. C-58/24, Sector 62, Stellar Appt. Noida. Built-up Area-1776 sq.ft. owned by NIL	0.83
Plot of Land bearing admeasuring 8094 sq. mt. survey no.278 located at Changodar, sanand, Ahmedabad owned by NAFI	5.70
Plot of Land bearing admeasuring 8296 sq.mt. bearing survey no.261 located at Navapura, sanand, Ahmedabad owned by NAFI	5.85
Plot of Land bearing admeasuring 6981 sq. mt. bearing survey no. 1282 located at Visalpur, Dascroi, Ahmedabad owned by NAFI	4.90
Plot of Land bearing admeasuring 5666 sq. mt. bearing survey no. 1284 I located at Visalpur, Dascroi, Ahmedabad owned by NAFI	4.00
Holiday Home GH, DLF City-2 DLF Qutub Enclave Complex, Phase-II, Gurgaon, Haryana, admeasuring 300 sq. yards owned by technodot engineers p. ltd.	0.83
Plot of Land bearing admeasuring 11,112 sq. mt. situated at Plot no. 5 & 6 Industrial Area, Growth Centre Phase-II, Abu Road, Rajasthan owned by NIL	6.30
Plot of Land bearing admeasuring 10,000 sq. mt. situated at Plot no. B-2 Industrial Area, Growth Centre Phase-II, Abu Road, Rajasthan owned by NAFL	4.70
Plot No. 1-1,2 Neemrana EPIP, RIICO, Shahjahanpur, Dist. Alwar, Rajasthan owned by NAFL	47.58

5. The company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable under this Act could not be given.
6. In our opinion of the Board of Directors, Current Assets, Loans and Advances are approximately of the value at which these are stated in the Balance Sheet, if realized in the ordinary course of business.
7. Company has issued Optionable Convertible Debenture which are converted into Working Capital Term Loan-1 therefore debenture Redemption Reserve is not created by the company.
8. Our Responsibility is to express opinion the financial statements, which are responsibility of the asseesee..
9. Figures in brackets ate related to previous year. Previous year's figures have been regrouped and rearranged wherever required to make them comparable to current year.
10. Figures have been rounded off to nearest multiple of rupee.
11. Remuneration to auditor:

Particular	For the year ended March 2014	For the year ended March 2013
Statutory Audit Fees	10000/-	275000/-



12. PAYMENT TO DIRECTOR/ MANAGERIAL REMUNERATION

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salary, Remuneration etc.	-	1296500

13. RELATED PARTY DISCLOSURE

Disclosures as required by the Accounting Standard 18 (AS-18) "Related Party Disclosures" are given below:

a. List of the related Parties as on 31st March 2014

Sr No	Name of the Related parties	Relationship
1	Arvind Gupta	Individual having Significant Influence
2	Sanjay Gupta	-----Do-----
3	Neesa Technologies Ltd	-----Do-----
4	Neesa Agritech & Food Ltd.	-----Do-----
5	Neesa Holidays Pvt Ltd	-----Do-----
6	Neesa Education P. Ltd.	-----Do-----
7	Neesa Vacation Club Pvt Ltd	-----Do-----
8	Neesa Leisure Limited	Enterprise having Significant Influence
9	Cambay SEZ Hotels Pvt Ltd	-----Do-----
10	Technodot Engineers Ltd.	-----Do-----
11	Neesa Financial Services Ltd.	-----Do-----

As per our report of even date
Signature to all schedules "1" to 23

For Dinesh Kumar R Saroj

Chartered accountant

Proprietor
Membership no 156143



Place: Ahmedabad
Date: 05/09/2014

NEESA INFRASTRUCTURE LTD

Director

Place: Ahmedabad
Date: 05/09/2014