

**SURNIDHI INVESTMENTS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particular		Note No.	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
<b>A</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>Shareholder's Funds</b>			
	a) Share Capital	<b>3</b>	5,00,00,000.00	5,00,00,000.00
	b) Reserve & Surplus	<b>4</b>	2,54,86,727.70	2,53,20,662.46
	c) Money received against share warrants		-	-
			7,54,86,727.70	7,53,20,662.46
<b>2</b>	<b>Share Application Money pending allotment</b>		-	-
<b>3</b>	<b>Non Current Liabilities</b>			
	a) Long-term borrowings		-	-
	b) Deferred tax liabilities (net)		-	-
	c) Other long-term liabilities		-	-
	d) Long-term provisions		-	-
<b>4</b>	<b>Current Liabilities</b>			
	a) Short-term borrowings		-	-
	b) Trade payables		-	-
	c) Other current liabilities	<b>5</b>	1,50,360.00	3,87,765.00
	d) Short-term provisions		-	-
			1,50,360.00	3,87,765.00
		<b>TOTAL</b>	7,56,37,087.70	7,57,08,427.46
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	a) Fixed Assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital Work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	b) Non-current Investments	<b>6</b>	2,92,31,861.81	2,92,31,861.81
	c) Deferred tax assets (net)		-	-
	d) Long-term loans and advances	<b>7</b>	3,37,54,265.05	3,35,94,962.89
	e) Other non-current assets		-	-
			6,29,86,126.86	6,28,26,824.70
<b>2</b>	<b>Current Assets</b>			
	a) Current Investments		-	-
	b) Inventories	<b>8</b>	93,750.00	93,750.00
	c) Trade Receivables	<b>9</b>	3,15,000.00	-
	d) Cash and cash equivalents	<b>10</b>	1,22,16,210.84	1,27,16,562.76
	e) Short-term loans and advances	<b>11</b>	26,000.00	71,290.00
	f) Other current assets		-	-
			1,26,50,960.84	1,28,81,602.76
		<b>TOTAL</b>	7,56,37,087.70	7,57,08,427.46

See accompanying notes forming part of the financial statements

**Auditor's Report**

In terms of our report attached  
For M A R S & Associates  
Chartered Accountants  
Firm Registration Number: 010484N

For and on behalf of the Board of Directors

Sd/-  
Sanjay Sharma  
(Director)

Sd/-  
Ruchir Jain  
(Director)

Sd/-  
Rajesh Kumar Aggarwal  
Partner  
M.No. 089057  
Place: New Delhi  
Date: 30/05/2013

Sd/-  
Shipra Chattree  
(Company Secretary)

Place: New Delhi  
Date: 30/05/2013

**SURNIDHI INVESTMENTS LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2013**

PARTICULARS		Note No.	For the year ended 31.03.2013 Amount (Rs.)	For the year ended 31.03.2012 Amount (Rs.)
<b>A</b>	<b>CONTINUEING OPERATIONS</b>			
1	Revenue from Operations	12	3,50,000.00	-
		Total	3,50,000.00	-
<b>2</b>	<b>EXPENENSES</b>			
	(a) Employee Benefit Expenses	13	4,50,000.00	-
	(b) Other Expenses	14	10,17,431.60	22,42,573.19
		Total	14,67,431.60	22,42,573.19
<b>3</b>	<b>Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1- 2)</b>		(11,17,431.60)	(22,42,573.19)
4	Finance Costs	15	14,341.36	2,67,240.00
5	Depreciation & amortisation expense		-	-
6	Other Income	16	12,97,838.20	1,41,601.77
<b>7</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 ± 4 ± 5 ± 6)</b>		1,66,065.24	(23,68,211.42)
8	Exceptional items		-	-
<b>9</b>	<b>Profit / (Loss) before extraordinary items and tax (7 ± 8)</b>		1,66,065.24	(23,68,211.42)
10	Extraordinary items		-	-
<b>11</b>	<b>Profit / (Loss) before tax (9 ± 10)</b>		1,66,065.24	(23,68,211.42)
<b>12</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT credit		-	-
	(c) Current tax expense relating to prior years		-	(12,97,159.64)
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	-
			-	(12,97,159.64)
<b>13</b>	<b>Profit / (Loss) from continuing operations (11 ± 12)</b>		1,66,065.24	(10,71,051.78)
<b>B</b>	<b>DISCONTINUEING OPERATIONS</b>		-	-
<b>C</b>	<b>TOTAL OPERATIONS</b>			
<b>14</b>	<b>Profit/Loss for the year</b>		1,66,065.24	(10,71,051.78)
<b>15</b>	<b>Earning per Equity Share</b>			
	(1) Basic		0.03	(0.21)
	(2) Diluted		0.03	(0.21)

See accompanying notes forming part of the financial statements

**Auditor's Report**

In terms of our report attached  
For M A R S & Associates  
Chartered Accountants  
Firm Registration Number: 010484N

For and on behalf of the Board of Directors

Sd/-  
Rajesh Kumar Aggarwal  
Partner  
M.No. 089057  
Place: New Delhi  
Date: 30/05/2013

Sd/-  
Sanjay Sharma  
(Director)

Sd/-  
Ruchir Jain  
(Director)

Place: New Delhi  
Date: 30/05/2013

## SURNIDHI INVESTMENTS LIMITED

### Note-3 Share Capital

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
<b>Authorised Capital</b> 55,00,000 (Previous Year 55,00,000) Equity Shares of Rs. 10/- each (with voting rights)	5,50,00,000.00	5,50,00,000.00
<b>Issued Subscribed &amp; Paid up Capital</b> 50,00,000 (Previous Period 50,00,000) Equity Shares with voting rights of Rs. 10/- each fully paid up.	5,00,00,000.00	5,00,00,000.00
Total	5,00,00,000.00	5,00,00,000.00

#### a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares with voting rights	As at 31.03.2013		As at 31.03.2012	
	No.	Amount	No.	Amount
Opening Balance	50,00,000	5,00,00,000.00	50,00,000	5,00,00,000.00
Add: Fresh Issue	-	-	-	-
Closing Balance	50,00,000	5,00,00,000.00	50,00,000	5,00,00,000.00

#### b) Terms/rights attached to Equity Shares

The company has only one class of Equity Shares at par value of Rs. 10/- per share. All these shares have same rights and preferences with respect to payment of dividend, repayment of capital and voting. In event of liquidation the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the

#### c) Details of shares held by each shareholder holding more than 5% shares:

Equity Shares with voting rights	As at 31.03.2013		As at 31.03.2012	
	No.	Percentage	No.	Percentage
Mohit Gupta	25,90,200	51.80%	12,39,800	24.80%

### Note-4 Reserve & Surplus

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
a) <u>Capital Reserve</u>		
Opening Balance	9,32,000.00	9,32,000.00
Add: Addition during the year	-	-
Less: Utilized / transferred during the year	-	-
Closing Balance	9,32,000.00	9,32,000.00
Total (a)	9,32,000.00	9,32,000.00
b) <u>General Reserve</u>		
Opening Balance	-	-
Add: Transfer From Special Reserve	1,26,18,987.00	-
Less: Transfer to Special reserve	-	-
Closing Balance	1,26,18,987.00	-
Total (b)	1,26,18,987.00	-
c) <u>Special Reserve (in terms of Section 45IC of RBI)</u>		
Opening Balance	1,26,18,987.00	1,26,18,987.00
Add: Additions during the year	-	-
Less: Utilized / transferred during the year to General Reserve	1,26,18,987.00	-
Closing Balance	-	1,26,18,987.00
Total (c)	-	1,26,18,987.00
d) <u>Balance as per Profit &amp; Loss Account</u>		
Opening Balance	1,17,69,675.46	1,28,40,727.24
Add: Profit/Loss during the year	1,66,065.24	(10,71,051.78)
Less: Transfer to Special reserve	-	-
Closing Balance	1,19,35,740.70	1,17,69,675.46
Total (d)	1,19,35,740.70	1,17,69,675.46
Total (a+b+c+d)	2,54,86,727.70	2,53,20,662.46

:- During the year, the company surrendered its NBFC Licence. Therefore, the amount in Special Reserve was transferred to General Re:

### Note - 5 Other Current Liabilities

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
a) Interest Payable	-	2,34,642.00
b) Expenses Payable	1,50,360.00	1,53,123.00
Total	1,50,360.00	3,87,765.00

**SURNIDHI INVESTMENTS LIMITED**

**Note -6 Non-current Investments**

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
Land at Barota & Savoli	1,07,37,511.81	1,07,37,511.81
Land at Kundli	96,77,000.00	96,77,000.00
Land at Savoli	88,17,350.00	88,17,350.00
Total	2,92,31,861.81	2,92,31,861.81
Aggregate amount of quoted investments	-	-
Aggregate market value of listed and quoted investments	-	-
Aggregate value of listed but not quoted investments	-	-
Aggregate amount of unquoted investments	2,92,31,861.81	2,92,31,861.81

**Note -7 Long-term Loans and Advances**

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
(Unsecured, considered good)		
a) Income Tax Refunds Due	7,54,265.05	5,94,962.89
b) <u>Advance against purchase of Property</u>		
Basant Projects Limited	1,00,00,000.00	1,00,00,000.00
L.K. Properties Private Limited	2,30,00,000.00	2,30,00,000.00
Total	3,37,54,265.05	3,35,94,962.89
<b>Note: Long-term loans and advances include amounts due from:</b>		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-

**Note -8 Inventories**

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
Stock-in-trade (At lower of Cost and net Realisable Value) (7,500 Equity Shares of Apollo Tyres Limited)	93,750.00	93,750.00
Total	93,750.00	93,750.00

**Note -9 Trade Receivables**

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
b) <u>Other Trade receivables</u> (Unsecured, considered good)		
Let Us Fly Inc	3,15,000.00	-
Total	3,15,000.00	-
<b>Note: Trade receivables include debts due from:</b>		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-

**Note -10 Cash and Cash Equivalents**

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
a) Cash on hand	1,39,593.99	83,631.99
b) Balances with banks - in current accounts	22,486.36	1,09,83,867.54
c) In deposit accounts	1,20,54,130.49	16,49,063.23
Total	1,22,16,210.84	1,27,16,562.76

**Note -11 Short-term Loans and Advances**

Particulars	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
Advance against expenses	26,000.00	71,290.00
Total	26,000.00	71,290.00
<b>Note: Short-term loans and advances include amounts due from:</b>		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-

**SURNIDHI INVESTMENTS LIMITED**

**Note -12 Revenue from Operations**

Particulars	For the year ended 31.03.2013 Amount (Rs.)	For the year ended 31.03.2012 Amount (Rs.)
Consultancy Charges	3,50,000.00	-
Total	3,50,000.00	-

**Note -13 Employee Benefit Expense**

Particulars	For the year ended 31.03.2013 Amount (Rs.)	For the year ended 31.03.2012 Amount (Rs.)
Salaries and wages	4,50,000.00	-
Total	4,50,000.00	-

**Note -14 Other Expenses**

Particulars	For the year ended 31.03.2013 Amount (Rs.)	For the year ended 31.03.2012 Amount (Rs.)
a) Rent including lease rentals	36,000.00	18,000.00
b) Advertising Expenses	57,823.00	6,609.00
c) Postage Expenses	-	628.00
d) Demat Charges	35,524.60	25,212.00
e) Communication	1,850.00	-
f) Listing Fee	-	15,000.00
g) Travelling and conveyance	7,130.00	7,536.00
h) Printing and stationery	950.00	-
i) Legal and professional	7,99,046.00	7,21,677.00
j) Payments to auditors - as statutory auditors	33,708.00	22,472.00
k) from long-term investments	-	14,21,688.19
l) Prior period items	42,354.00	-
m) Miscellaneous expenses	3,046.00	3,751.00
Total	10,17,431.60	22,42,573.19

**Note -15 Finance Costs**

Particulars	For the year ended 31.03.2013 Amount (Rs.)	For the year ended 31.03.2012 Amount (Rs.)
a) Interest on borrowings	-	2,60,713.00
b) Interest on delayed payment of income tax	14,229.00	6,200.00
c) Bank Charges	112.36	327.00
Total	14,341.36	2,67,240.00

**Note -16 Other Income**

Particulars	For the year ended 31.03.2013 Amount (Rs.)	For the year ended 31.03.2012 Amount (Rs.)
a) Interest on deposits	12,94,958.20	1,37,968.77
b) Interest on income tax refund	-	753.00
c) Dividend Income	2,880.00	2,880.00
Total	12,97,838.20	1,41,601.77

	AS AT 31.3.2013 Amount (Rs.)	AS AT 31.3.2012 Amount (Rs.)
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**Note - 5 Other Current Liabilities**

<u>Expenses payable</u>		
Audit Fee Payable	56,180.00	22,472.00
Salary Payable	35,000.00	
Rent Payable		54,000.00
Delhi Stock Exchange		15,000.00
National Stock Exchange		13,240.00
Anand Dua (HUF)	3,000.00	
Statutory remittances	56,180.00	48,411.00
	1,50,360.00	1,53,123.00

**Note -7 Long-term Loans and Advances**

<u>Balances with government authorities</u> <u>Unsecured, considered good</u>		
(i) Income Tax Refunds		
Refund AY 2003-04	3,50,233.00	3,50,233.00
Refund AY 2004-05	722.00	722.00
Refund AY 2005-06	9,272.00	9,272.00
Refund AY 2007-08	8,159.89	8,159.89
Refund AY 2008-09	55,756.00	55,756.00
Refund AY 2009-10	1,64,555.00	1,64,555.00
(ii) TDS Receivable AY 2012-13	6,265.00	6,265.00
(ii) TDS Receivable AY 2013-14	1,59,302.16	
	7,54,265.05	5,94,962.89

**Note -11 Short-term Loans and Advances**

a) Others (Amount Recievable)		
Jain & Sultania	-	55,150.00
Rajiv Bajaj & Associates	-	16,140.00
Alankit Assignments	26,000.00	-
	26,000.00	71,290.00

**Note -5 Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, TDS etc.)**

a) TDS Payable		
Jain & Sultania	56,180.00	-
Rajiv Bajaj & Associates	-	22,340.00
b) Interest Payable on TDS	-	26,071.00
	56,180.00	48,411.00
<b>Note-5 Interest accrued on others</b>		
a) Interest Payable		
JPG Developers	-	2,34,642.00
	-	2,34,642.00

**SURNIDHI INVESTMENTS LIMITED**

**Note -17 Additional Information to Financial Statements**

<b>Note</b>	<b>Particulars</b>	<b>AS AT 31.3.2013 Amount (Rs.)</b>	<b>AS AT 31.3.2012 Amount (Rs.)</b>
17.1	Monies received against share warrants	Nil	Nil
17.2	Share application money pending allotment	Nil	Nil
17.3	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	<u>Contingent liabilities</u>		
	(a) Claims against the Company not acknowledged as debt	Nil	Nil
	(b) Guarantees	Nil	Nil
	(c) Other money for which the Company is contingently liable	Nil	Nil
(ii)	<u>Commitments</u>		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	Nil	Nil
	Intangible assets	Nil	Nil
	(b) Uncalled liability on shares and other investments partly paid	Nil	Nil
	(c) Other commitments	Nil	Nil
17.4	<b>Details of unlisted amounts out of issue of securities made for specific purpose</b>	Nil	Nil
17.5	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
iv)	The amount of interest due and payable for the year	Nil	Nil
v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil
Note:	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
17.6	<b>Discloser as per clause-32 of the Listing Agreement with the Stock Exchange</b>	Nil	Nil
17.7	<b>Details of Derivatives Instruments and unhedged foreign currency exposures</b>	Nil	Nil
17.8	<b>Disclosure required in terms of Clause 13.5A of chapter XIII on Guidances for preferential issues (Discloser and Investor Protection) guidelines, 2000</b>		
i)	Total Amount received from issue of fully convertible debenture	Nil	Nil
ii)	Total Amount received from issue of warrants	Nil	Nil
iii)	Purpose for which the money received has been utilised		
	a. Capital Expenditure	Nil	Nil
	b. Working Capital	Nil	Nil
	Unutilised monies as at March. 2013	Nil	Nil
17.9	<b>Details of fixed assets held for sale</b>	Nil	Nil
		<b>For the year ended 31.03.2013 Amount (Rs.)</b>	<b>For the year ended 31.03.2012 Amount (Rs.)</b>
17.10	<b>Value of imports calculated on CIF basis</b>	Nil	Nil
17.11	<b>Expenditure in foreign currency</b>	Nil	Nil
17.12	<b>Details of consumption of imported and indigenous items</b>	Nil	Nil
17.13	<b>Earnings in foreign exchange</b>	Nil	Nil
17.14	<b>Amounts remitted in foreign currency during the year on account of dividend</b>	Nil	Nil

## SURNIDHI INVESTMENTS LIMITED

### Note - 18 Disclosures under Accounting Standards

Note	Particulars				
18.1	<p><b>Employee Benefit Plans</b> The company accounts for short term employee benefits viz., salary, bonus and other allowances as and when the services are rendered by employees i.e., on accrual basis of accounting.</p>				
18.2	<p><b>Segment Reporting</b> <u>Primary Segment (Business Segment)</u> There are no separate reportable segments as per the provisions of AS 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.</p> <p><u>Secondary Segment (Geographical Segment)</u> The Company operates only in the domestic market. As a result separate segment information for different geographical segments is also not disclosed.</p>				
18.3	<p><b>Related Party Transactions</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Description of relationship</th> <th style="text-align: left;">Name of Related Parties</th> </tr> </thead> <tbody> <tr> <td>Key Management Personnel (KMP) Relatives of KMP</td> <td>Mr. Mohit Gupta Mr. Jagdish Prashad Gupta (Father's Father of Mr. Mohit Gupta)</td> </tr> </tbody> </table> <p><u>Company in which KMP / Relatives of KMP can exercise significant influence :</u> Amco Investment &amp; Leasing Ltd. Carewell Network Pvt. Ltd. Cheerful Exim Pvt. Ltd. Gupta Tyres Pvt. Ltd. Harwin Impex Pvt. Ltd. Hi-Life Overseas Pvt. Ltd. JPG Developers Pvt. Ltd. Kapil Exim Pvt. Ltd. Shreya Cap-Fin Pvt. Ltd.</p> <p>Note: There is no Related Party Transaction</p>	Description of relationship	Name of Related Parties	Key Management Personnel (KMP) Relatives of KMP	Mr. Mohit Gupta Mr. Jagdish Prashad Gupta (Father's Father of Mr. Mohit Gupta)
Description of relationship	Name of Related Parties				
Key Management Personnel (KMP) Relatives of KMP	Mr. Mohit Gupta Mr. Jagdish Prashad Gupta (Father's Father of Mr. Mohit Gupta)				
18.4	<p><b>Leases</b> <u>As Lessee</u> The Company has entered into operating lease arrangements for office premises. The lease is cancellable by giving one month notice. There are no minimum agreed lease payments.</p>				
18.5	<p><b>Deferred tax (liability) / asset</b> Deferred tax has not been provided in view of uncertainty of profits</p>				
19	<p>Previous Year figures have been regrouped/rearranged wherever necessary</p>				



## SURNIDHI INVESTMENTS LIMITED

### Notes forming part of the financial statements

Note	Particulars
<b>1 Corporate Information</b>	The Company was registered as Non Banking Finance Company (NBFC) with The Reserve Bank of India, Delhi. The company opted for surrendering the Certificate of Registration and applied to the Reserve Bank of India. On representations made and after fulfilling the due requirements, Reserve Bank of India vide its order dated 29th October cancelled the certificate of Registration to act as Non Banking Finance Company (NBFC)
<b>2 Significant accounting policies (Illustrative)</b>	
<b>2.1 Basis of accounting and preparation of financial statement</b>	These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
<b>2.2 Use of estimates</b>	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>2.3 Inventories</b>	Inventories are valued at the lower of cost (on FIFO/ weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.
<b>2.4 Cash and cash equivalents (for the purposes of Cash Flow Statement)</b>	Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid Investment that are readily convertible in to known amount of cash and which are subject to insignificant risk of changes in value.
<b>2.5 Cash Flow Statement</b>	Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.
<b>2.6 Depreciation and amortisation</b>	The company does not have any tangible or intangible assets
<b>2.7 Revenue Recognition</b>	Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except that no interest income is recognized on Non-Performing Assets, considering prudential norms for income recognition issued by Reserve Bank of India for Non-Banking Financial Companies. Interest Income on such assets is recognized when the amount is received and appropriated towards interest.
<b>2.8 Other income</b>	Interest income is accounted on accrual basis. Dividend Income is accounted for when the right to receive it is established.
<b>2.9 Tangible fixed assets</b>	The company does not have any tangible assets
<b>2.10 Intangible assets</b>	The company does not have any intangible assets
<b>2.11 Foreign currency transactions and translations</b>	No Foreign currency transaction have been made during the year
<b>2.12 Government grants, subsidies and export incentives</b>	The Company has not received any Government grant, subsidies an export incentive.
<b>2.13 Investments</b>	Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.
<b>2.14 Employee benefits</b>	The company is not statutorily covered under any statute pertaining to PF, ESI, Gratuity etc.
<b>2.15 Borrowing costs</b>	Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## SURNIDHI INVESTMENTS LIMITED

### Notes forming part of the financial statements

Note	Particulars
<b>2.16</b>	<p><b>Segment Reporting</b></p> <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.</p> <p>Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.</p> <p>Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".</p>
<b>2.17</b>	<p><b>Leases</b></p> <p>Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.</p> <p>Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.</p> <p>Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.</p>
<b>2.18</b>	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are</p>
<b>2.19</b>	<p><b>Taxes on Income</b></p> <p>Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.</p> <p>Current and Deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.</p>
<b>2.20</b>	<p><b>Impairment of assets</b></p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>
<b>2.21</b>	<p><b>Provision and contingencies</b></p> <p>A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimate d reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the out flow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.</p>

**SURNIDHI INVESTMENTS LIMITED**  
Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		1,66,065.24		(23,68,211.42)
<i>Adjustments for:</i>				
Depreciation and amortisation	-	-	-	-
Provision for impairment of fixed assets and intangibles	-	-	-	-
Finance costs	14,341.36	-	-	-
Interest income	(12,94,958.20)	-	-	-
Dividend income	(2,880.00)	-	-	-
Net (gain) / loss on sale of investments	-	-	-	-
Rental income from investment properties	-	-	-	-
Liabilities / provisions no longer required written back	-	-	-	-
Other non-cash charges	-	-	-	-
Net unrealised exchange (gain) / loss	-	(12,83,496.84)	-	-
Operating profit / (loss) before working capital changes		<b>(11,17,431.60)</b>		<b>(23,68,211.42)</b>
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-	-	-	-
Trade receivables	(3,15,000.00)	-	-	-
Short-term loans and advances	45,290.00	18,41,076.00	18,41,076.00	-
Long-term loans and advances	(1,59,302.16)	(1,00,00,000.00)	(1,00,00,000.00)	-
Other current assets	-	(71,290.00)	(71,290.00)	-
Other non-current assets	-	-	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-	-	-	-
Other current liabilities	(2,37,405.00)	2,57,403.00	2,57,403.00	-
Other long-term liabilities	-	-	-	-
Short-term provisions	-	(33,59,179.00)	(33,59,179.00)	-
Long-term provisions	-	-	-	-
Cash flow from extraordinary items		(6,66,417.16)		(1,13,31,990.00)
Cash generated from operations		(17,83,848.76)	12,97,159.00	12,97,159.00
Net income tax (paid) / refunds		-	-	-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(17,83,848.76)</b>		<b>(1,24,03,042.42)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Inter-corporate deposits (net)	-	-	-	-
Purchase of long-term investments	-	-	-	-
Proceeds from sale of long-term investments	-	-	-	-
Loans given	-	-	-	-
Loans realised	-	-	-	-
Interest received	12,94,958.20	-	-	-
Dividend received	2,880.00	-	-	-
Rental income from investment properties	-	-	-	-
Rental income from operating leases	-	-	-	-
Cash flow from extraordinary items	-	-	-	-
		12,97,838.20		-
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>12,97,838.20</b>		<b>-</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-	-	-	-
Share application money received / (refunded)	-	-	-	-
Proceeds from long-term borrowings	-	-	-	-
Repayment of long-term borrowings	-	-	-	-
Net increase / (decrease) in working capital borrowings	-	-	-	-
Proceeds from other short-term borrowings	-	-	-	-
Repayment of other short-term borrowings	-	-	-	-
Finance cost	(14,341.36)	-	-	-
Dividends paid	-	-	-	-
Tax on dividend	-	(14,341.36)	-	-
Cash flow from extraordinary items	-	-	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(14,341.36)</b>		<b>-</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(5,00,351.92)</b>		<b>(6,40,555.00)</b>
Cash and cash equivalents at the beginning of the year		1,27,16,562.76		1,33,57,116.00
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents at the end of the year		1,22,16,210.84		1,27,16,561.00
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet		1,22,16,210.84		-
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		<b>1,22,16,210.84</b>		<b>-</b>
Add: Current investments considered as part of Cash and cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year</b>		<b>1,22,16,210.84</b>		<b>1,27,16,561.00</b>
Comprises:				
(a) Cash on hand		1,39,593.99		83,631.00
(b) Balances with banks				
(i) In current accounts		22,486.36		1,09,83,867.00
(ii) In deposit accounts with original maturity of less than 3 months		1,20,54,130.49		16,49,063.00
(e) Current investments considered as part of Cash and cash equivalents		-		-
		<b>1,22,16,210.84</b>		<b>1,27,16,561.00</b>
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				

See accompanying notes forming part of the financial statements

In terms of our report attached  
For M A R S & Associates  
Chartered Accountants  
Firm Registration Number: 010484N

For and on behalf of the Board of Directors

Sd/-  
Rajesh Kumar Aggarwal  
Partner  
M.No. 089057  
Place: New Delhi  
Date: 30/05/2013

Sd/-  
Sanjay Sharma  
(Director)

Sd/-  
Ruchir Jain  
(Director)

Place: New Delhi  
Date: 30/05/2013

**SURNIDHI INVESTMENTS LIMITED**

Notes forming part of the financial statements

Note 18 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2013 Amount (Rs.)	For the year ended 31 March, 2012 Amount (Rs.)
18	<b>Earnings per share</b>		
	<u>Basic</u>		
18.a	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	1,66,065.24	(10,71,051.78)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares	50,00,000	50,00,000
	Par value per share	10.00	10.00
	Earnings per share from continuing operations - Basic	0.03	(0.21)
18.b	<u>Total operations</u>		
	Net profit / (loss) for the year	1,66,065.24	(10,71,051.78)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares	50,00,000	50,00,000
	Par value per share	10.00	10.00
	Earnings per share - Basic	0.03	(0.21)
18.c	<u>Basic (excluding extraordinary items)</u>		
	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	1,66,065.24	(10,71,051.78)
	(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares	50,00,000	50,00,000
	Par value per share	10.00	10.00
	Earnings per share from continuing operations, excluding extraordinary items - Basic	0.03	(0.21)
18.d	<u>Total operations</u>		
	Net profit / (loss) for the year	1,66,065.24	(10,71,051.78)
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares	50,00,000	50,00,000
	Par value per share	10.00	10.00
	Earnings per share, excluding extraordinary items - Basic	0.03	(0.21)
	<u>Diluted</u>		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
18.e	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	1,66,065.24	(10,71,051.78)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	1,66,065.24	(10,71,051.78)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares for Basic EPS	50,00,000	50,00,000
	Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	50,00,000	50,00,000
	Par value per share	10.00	10.00
	Earnings per share, from continuing operations - Diluted	0.03	(0.21)

**SURNIDHI INVESTMENTS LIMITED**

**Notes forming part of the financial statements**  
**Note 18 Disclosures under Accounting Standards (contd.)**

Note	Particulars	For the year ended 31 March, 2013 Amount (Rs.)	For the year ended 31 March, 2012 Amount (Rs.)
18.f	<u>Total operations</u>		
	Net profit / (loss) for the year	1,66,065.24	(10,71,051.78)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	1,66,065.24	(10,71,051.78)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) attributable to equity shareholders (on dilution)	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares for Basic EPS	50,00,000	50,00,000
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	50,00,000	50,00,000
	Par value per share	10.00	10.00
Earnings per share - Diluted	0.03	(0.21)	
	<u>Diluted (excluding extraordinary items)</u>		
18.g	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	1,66,065.24	(10,71,051.78)
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	1,66,065.24	(10,71,051.78)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) from continuing operations attributable to equity shareholders (on dilution)	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares for Basic EPS	50,00,000	50,00,000
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	50,00,000	50,00,000
Par value per share	10.00	10.00	
Earnings per share, from continuing operations, excluding extraordinary items - Diluted	0.03	(0.21)	
18.h	<u>Total operations</u>		
	Net profit / (loss) for the year	1,66,065.24	(10,71,051.78)
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	1,66,065.24	(10,71,051.78)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) attributable to equity shareholders (on dilution)	1,66,065.24	(10,71,051.78)
	Weighted average number of equity shares for Basic EPS	50,00,000	50,00,000
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	50,00,000	50,00,000
Par value per share	10.00	10.00	
Earnings per share, excluding extraordinary items - Diluted	0.03	(0.21)	