



**INFRA PROJECTS PRIVATE LIMITED**  
**ENGINEERING CONSULTANTS & CONTRACTORS**

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Company will be held at 10.00 A.M. on 30th September, 2010 at the Registered Office of the Company at 403/404, 4<sup>th</sup> Floor, Superplaza Complex, Nr; Sandesh Press, Vastrapur, Ahmedabad: 380054 transact the following ordinary business:

1. To receive, consider and adopt the audited accounts as at and for the year ended 31.3.2010 and the reports of the Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration.
3. To transact any other business with the permission of Chair.

By the order of the Board

AHMEDABAD: 28.08.2010

  
CHAIRMAN

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with audited Balance Sheet and Profit & Loss Account for the period ended 31.3.2010.

### Working:

The Company has achieved targeted Results and your Directors are very hopeful that the performance of the Company will improve further in the coming years considering the order position and the developments around the globe and the expertise the Company in carrying out the work. The turnover was satisfactory during the year.

Brief financial figures are as under.

|                                    | 2009-10   | 2008-09   |
|------------------------------------|-----------|-----------|
| Sales                              | 542431746 | 243331623 |
| Profit before Depreciation         | 20317659  | 11555848  |
| Depreciation                       | 2496070   | 1077689   |
| Provision for Taxation Current tax | 6100000   | 3000000   |
| Deferred Tax                       | 247457    | 84794     |
| Fringe Benefit Tax                 | 0         | 135000    |
| Net Profit                         | 11474132  | 7258365   |
|                                    |           |           |

### Dividend

Your Directors recommend dividend of 12.5 % on Equity shares subject to Income Tax.

### Employees

The Company has no employee who is covered Under Section 217(2A) of the Companies Act, 1956.

### Auditors

Raj P. Shah & Co., Chartered Accountants, the present auditors are eligible for reappointment.

The Company has not entered in to any dealings in Foreign Exchange.

Directors appreciate the efforts put in by the employees of the Company for their whole- hearted co-operation.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance of Section 217(2AA) of the Companies Act, 1956 the Directors of the Company confirm:

- a) that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- b) that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the PROFIT of the Company for the year ended on that date;
- c) that proper and sufficient care has taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

For and on behalf of Board.

Place: Ahmedabad  
Date : 28-08-2010

  
(MR. GAURANG P. SHAH )  
CHAIRMAN

**AUDITORS' REPORT**

TO  
**The Members**  
**HEC INFRA PROJECTS PRIVATE LIMITED.**

We have audited the attached Balance Sheet of HEC INFRA PROJECTS PRIVATE LIMITED as on 31.3.2010 and also Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and the Profit & Loss Account complies with the Mandatory Accounting standards referred in Section 211(3C) of the Companies Act, 1956.
5. On the basis of written representations received from the directors, as on 31.3.2010 and taken on record by the Board of Directors, we report that none of the directors is Disqualified as on 31.3.2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes there on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - a) in case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and ;
  - b) in case of Profit & Loss Account, the Profit of the Company for the year ended on that date
7. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

**FOR RAJ P. SHAH & CO;**  
**CHARTERED ACCOUNTANTS**  
**FRN:127284W**

  
**[ RAJ P. SHAH ]**  
Proprietor  
M.No. 44073



AHMEDABAD: 28.08.2010

## Annexure

RE: HEC INFRA PROJECTS PVT LTD

Referred to in paragraph 7 of our report of even date,

- i. (a) The company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year at reasonable intervals and no material dispensaries were noticed on such verification.
- (c) The company has not disposed off a major part of its fixed Assets during the year.
- II. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III. The Company has not granted or taken any loans secured or unsecured to / from the firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- V. (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, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any part during the year.
- VI. In our opinion and according to the information and explanations given to us, the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted from the public does not apply to the Company. The Company Law Board has passed no order.



- VII In our opinion, the Company is not required to have a formal internal audit system.
- VIII In our opinion, the Central Government has not prescribed maintenance of Cost records under section 209 (1) (d) of the Companies Act, 1956.
- IX (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues that are applicable to it.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.3.2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, excise duty and cess which have not been deposited on account of any dispute.
- X. The company does not have any accumulated losses nor has it incurred any cash losses during the financial year covered by our audit and the immediately preceding previous year.
- XI. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of dues to a financial institution.
- XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. Provisions of any special statute applicable to chit funds are not applicable to the Company.
- XIV. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (Xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- XV. In our opinion, the terms and conditions on which the company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- XVI. In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No term-loan funds have been used to financial short-term assets except permanent working capital.
- XVIII. According to the information and explanations given to us, the company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company

- XIX. The Company has not issued any Debentures.
- XX. The Company has not made any public issues during the year
- XXI. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For RAJ P. SHAH & CO;  
Chartered Accountants  
FRN:127284W

  
[ RAJ P. SHAH ]  
Proprietor  
M.No. 44073



AHMEDABAD  
28<sup>TH</sup> August, 2010

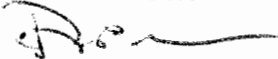
**HEC INFRA PROJECTS PRIVATE LIMITED**

BALANCE SHEET AS AT 31.3.2010

| PARTICULARS   | SCHE<br>DULE | AMOUNT<br>31.03.2010 | AMOUNT<br>31.03.2009 |
|---|--------------|----------------------|----------------------|
| <b>SOURCES OF FUNDS</b>   |              |                      |                      |
| <b>Share Capital</b>  | 1            | 4911660              | 3030000              |
| Share Application Money   |              | 0                    | 12275000             |
| <b>Reserves &amp; Surplus</b>   |              |                      |                      |
| Profit and Loss Account   |              | 21459023             | 11064366             |
| Share Premium Account   |              | 32588138             | 11670000             |
| General Reserve   |              | 500000               | 0                    |
| <b>Loans</b>  | 2            |                      |                      |
| Secured   |              | 90893399             | 17135281             |
| Unsecured   |              | 19972251             | 20438563             |
| Deferred Tax Liability  |              | 366947               | 119490               |
|   |              | <u>170691418</u>     | <u>75732700</u>      |
| <b>APPLICATION OF FUNDS</b>   |              |                      |                      |
| <b>Fixed Assets ( At Cost)</b>  | 3            |                      |                      |
| Gross Block   |              | 28841090             | 11543501             |
| Depreciation  |              | 4107162              | 1611092              |
| Net Block   |              | <u>24733928</u>      | <u>9932409</u>       |
| <b>Investments At Cost</b>  |              |                      |                      |
| Unquoted, Non Trade<br>Units of Mutual Funds                                      |              | 523000               | 500000               |
| <b>Current Assets, Loans and advances</b>   | 4            |                      |                      |
| Sundry Debtors  |              | 270218435            | 118313009            |
| Closing Stock   |              | 27197650             | 6313322              |
| Cash & Bank Balances  |              | 1547250              | 699617               |
| Loans and advances  |              | 40178633             | 11648101             |
|   |              | <u>339141968</u>     | <u>136974049</u>     |
| <b>Less: Current liabilities &amp; provisions</b>                                 |              |                      |                      |
| Sundry Creditors  |              | 187028003            | 68543298             |
| Provision for Taxation  |              | 6100000              | 3135000              |
| Proposed Dividend & Tax thereon   |              | 579475               | 0                    |
|   |              | <u>193707478</u>     | <u>71678298</u>      |
| <b>Net Current Assets</b>   |              | 145434490            | 65295751             |
| <b>Miscellaneous expenditure ( to the extent<br/>not written off or adjusted)</b> |              |                      |                      |
| Preliminary Expenses  |              | 0                    | 4540                 |
|   |              | <u>170691418</u>     | <u>75732700</u>      |
| <b>Notes Forming part of accounts</b>   | 7            | 0                    |                      |

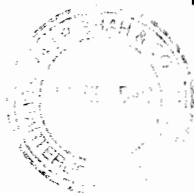
As per our report of even date attached

**FOR RAJ P. SHAH & CO**  
Chartered Accountants,  
FRN:127284W



**( RAJ P. SHAH )**  
Proprietor  
Mem. No. 44073

Place: Ahmedabad  
Date: 28.08.2010



**For HEC INFRA PROJECTS PVT LTD**



**( GAURANG SHAH )**



**( RUPAL SHAH )**  
DIRECTORS




**HEC INFRA PROJECTS PRIVATE LIMITED**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

| PARTICULARS                       | SCHE | AMOUNT           | AMOUNT           |
|-----------------------------------|------|------------------|------------------|
|                                   |      | 31.03.2010       | 31.03.2009       |
| <b>INCOME:</b>                    |      |                  |                  |
| Sales                             |      | 542431746        | 243331623        |
| Rent Received                     |      | 2404800          | 1102200          |
| Interest & Misc Incomes           |      | 603170           | 614096           |
|                                   |      | <u>545439716</u> | <u>245047919</u> |
| <b>EXPENDITURE:</b>               |      |                  |                  |
| Cost of Sales                     | 5    | 458610377        | 193270295        |
| Direct Expenses                   | 6    | 34915134         | 20879402         |
| Other Expenditure                 | 7    | 31596546         | 19342374         |
| <b>Profit before Depreciation</b> |      | 20317659         | 11555848         |
| Depreciation                      |      | 2496070          | 1077689          |
| <b>Profit before taxation</b>     |      | 17821589         | 10478159         |
| Provision for Taxation            |      |                  |                  |
| Current Tax                       |      | 6100000          | 3000000          |
| Deferred Tax                      |      | 247457           | 84794            |
| Fringe Benefit Tax                |      | 0                | 135000           |
| <b>Profit after Taxation</b>      |      | 11474132         | 7258365          |
| Balance Brought forward           |      | 11064366         | 3806001          |
| Proposed Dividend                 |      | 497083           | 0                |
| Tax on Dividend                   |      | 82392            | 0                |
| Transfer to General Reserve       |      | 500000           | 0                |
| <b>Balance Carried forward</b>    |      | <u>21459023</u>  | <u>11064366</u>  |
| Earning per Share-Basic           |      | 28.85            | 28.46            |
| -Diluted                          |      | 0.00             | 11.06            |

**FOR RAJ P. SHAH & CO**  
Chartered Accountants,  
FRN:127284W

  
**( RAJ P. SHAH )**  
Proprietor  
Mem. No. 44073

Place: Ahmedabad  
Date: 28.08.2010

**For HEC INFRA PROJECTS PVT LTD**

  
**(GAURANG SHAH)**

  
**(RUPAL SHAH)**  
DIRECTORS

**HEC INFRA PROJECTS PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010**

| <b>PARTICULARS</b>  | <b>31.03.2010</b> | <b>31.03.2009</b> |
|---|-------------------|-------------------|
|   | <b>Amount Rs.</b> | <b>Amount Rs.</b> |
| <b>SCHEDULE 1</b>   |                   |                   |
| <b>SHARE CAPITAL</b>  |                   |                   |
| Authorised  |                   |                   |
| 400000 Equity Shares of Rs.10/- each  | 4000000           | 5000000           |
| 100000 Redeemable Preference Shares of Rs, 10 Each  | 1000000           |                   |
| Previous year, 500000 Equity Shares of Rs. 10 each  |                   |                   |
|   | <u>5000000</u>    | <u>5000000</u>    |
| Issued Subscribed and paid up   |                   |                   |
| 397666 Equity Shares of Rs.10/- each fully paid up<br>(Previous Year-255000 Equity Shares of Rs.10/- each fully paid up)                            | 3976660           | 2550000           |
| 93500 Redeemable Preference Shares of Rs. 10 each fully paid up<br>( Previous year 48000 Redeemable Preference Shares of Rs. 10 each fully paid up) | 935000            | 480000            |
|   | <u>4911660</u>    | <u>3030000</u>    |
| <b>SCHEDULE 2</b>   |                   |                   |
| <b>SECURED LOANS</b>  |                   |                   |
| Cash Credit secured against Hypothecation of Stock and Books Debts of the Company   | 72307878          | 13608037          |
| Term Loan secured against Office Building   | 17071937          | 0                 |
| Term Loans secured against vehicles   | 1513584           | 3527244           |
|   | <u>90893399</u>   | <u>17135281</u>   |
| <b>UNSECURED LOANS</b>  |                   |                   |
| Intercorporate deposits   | 1931250           | 2500000           |
| From NBFCs  | 13642216          | 5484069           |
| From Directors, Shareholders, Friends & Relatives   | 4398785           | 12454494          |
|   | <u>19972251</u>   | <u>20438563</u>   |

## SCHEDULE 3

## FIXED ASSETS: [ AT COST]

| PARTICULARS      | GROSS BLOCK |           |        |          | DEPRECIATION |         |          | NET BLOCK |          |
|------------------|-------------|-----------|--------|----------|--------------|---------|----------|-----------|----------|
|                  | UP TO       | ADDITIONS | SALES  | UP TO    | UP TO        | FOR THE | UP TO    | AS ON     | AS ON    |
|                  | 31.03.09    |           |        | 31.03.10 | 31.03.09     | YEAR    | 31.03.10 | 31.03.10  | 31.03.09 |
| OFFICE BUILDING  | 5250000     | 14688619  | 0      | 19938619 | 350000       | 1246565 | 1596565  | 18342054  | 4900000  |
| COMPUTER         | 508929      | 100998    | 0      | 609927   | 230176       | 128326  | 358502   | 251425    | 278753   |
| OFFICE EQUIPMENT | 897372      | 354834    | 0      | 1252206  | 119114       | 132165  | 251279   | 1000927   | 778258   |
| MACHINERY        | 101400      | 0         | 0      | 101400   | 26630        | 10400   | 37030    | 64370     | 74770    |
| VEHICLES         | 3232058     | 630304    | 0      | 3862362  | 819109       | 704513  | 1523622  | 2338740   | 2412949  |
| OFFICE FURNITURE | 168775      | 2907801   | 0      | 3076576  | 66063        | 274101  | 340164   | 2736412   | 102712   |
| TOTAL            | 10158534    | 18682556  | 0      | 28841090 | 1611092      | 2496070 | 4107162  | 24733928  | 8547442  |
| Previous year    | 3414935     | 6969522   | 225000 | 10159457 | 533403       | 1077689 | 1611092  | 8548365   |          |

**HEC INFRA PROJECTS PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010**

| PARTICULARS | 31.03.2010 | 31.03.2009 |
|-------------|------------|------------|
|             | Amount Rs. | Amount Rs. |

**SCHEDULE : 4**

**CURRENT ASSETS, LOANS AND ADVANCES**

|   |                 |                |
|---|-----------------|----------------|
| Closing Stock   |                 |                |
| Stock of finished items   |                 |                |
| Valued at Cost or Market price whichever is lower, and as taken, valued and certified by a Director | 27197650        | 6313322        |
|   | <u>27197650</u> | <u>6313322</u> |

**SUNDRY DEBTORS**

|                 |                  |                  |
|-----------------|------------------|------------------|
| Unsecured, good |                  |                  |
| Over six months | 142123716        | 19244585         |
| Others          | 128094719        | 99068424         |
|                 | <u>270218435</u> | <u>118313009</u> |

**CASH & BANK BALANCES**

|   |                |               |
|---|----------------|---------------|
| Balance in Scheduled Banks in Current A/C | 909366         | 433807        |
| Cash on hand                              | 637884         | 265810        |
|   | <u>1547250</u> | <u>699617</u> |

**LOANS AND ADVANCES**

|  |                  |                 |
|--|------------------|-----------------|
| (advances recoverable in cash or kind or for value to be received, unsecured, good ) | 40178633         | 11648101        |
|  | <u>339141968</u> | <u>11648101</u> |

**SCHEDULE : 5**

**COST OF SALES**

|                     |                  |                  |
|---------------------|------------------|------------------|
| Opening Stock       | 6313322          | 0                |
| Purchases           | 479494705        | 199583617        |
|                     | <u>485808027</u> | <u>199583617</u> |
| Less: Closing Stock | 27197650         | 6313322          |
|                     | <u>458610377</u> | <u>193270295</u> |

**HEC INFRA PROJECTS PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31.03.2010**

| PARTICULARS                            | 31.03.2010<br>Amount Rs. | 31.03.2009<br>Amount Rs. |
|--|--------------------------|--------------------------|
| <b>SCHEDULE : 5</b>                    |                          |                          |
| <b>DIRECT EXPENSES</b>                 |                          |                          |
| Testing Charges                        | 308744                   | 800                      |
| Design & Drawings Charges              | 15000                    | 8000                     |
| Labour Charges                         | 26110157                 | 14008151                 |
| Site Expenses                          | 5941456                  | 4052352                  |
| Transportation                         | 798993                   | 714474                   |
| Wages                                  | 1740784                  | 2095625                  |
|  | <u>34915134</u>          | <u>20879402</u>          |
| <b>SCHEDULE : 6</b>                    |                          |                          |
| <b>OTHER EXPENSES</b>                  |                          |                          |
| Advertisement Expenses                 | 3000                     | 27000                    |
| Audit Fees                             | 60000                    | 45000                    |
| Bank charges                           | 1252895                  | 719377                   |
| Bank Interest                          | 3215086                  | 1179793                  |
| Interest to others                     | 3435923                  | 386618                   |
| Bonus                                  | 426850                   | 204550                   |
| Commission                             | 0                        | 10000                    |
| Computer Expenses                      | 43088                    | 101479                   |
| Consultancy Charges                    | 1081389                  | 0                        |
| Contribution to PF & other Schemes     | 266691                   | 264148                   |
| Directors' Remuneration & allowances   | 2100000                  | 1200000                  |
| Donation                               | 9600                     | 0                        |
| Electricity                            | 116186                   | 127782                   |
| Entertainment                          | 0                        | 544                      |
| Godown Rent                            | 15000                    | 90000                    |
| Insurance                              | 118526                   | 263446                   |
| Knowledge Upgradation                  | 0                        | 337125                   |
| Loss On Sale Of Security               | 0                        | 157742                   |
| Loss On Sale Of Asset                  | 0                        | 14519                    |
| Legal charges                          | 1292576                  | 2400                     |
| Misc Exp                               | 22844                    | 5000                     |
| Office Expenses & Office upkeep        | 393292                   | 133322                   |
| Office rent                            | 476520                   | 385350                   |
| Petrol & Diesel & Conveyance           | 435683                   | 178391                   |
| Postage and Courier Expenses           | 22196                    | 14064                    |
| Preliminary expenses                   | 4540                     | 4540                     |
| Printing & Stationary                  | 151733                   | 57521                    |
| Professional Charges                   | 718699                   | 462511                   |
| Registration Fees                      | 155638                   | 306383                   |
| Repairs and Maintenance                | 114580                   | 60070                    |
| Salaries, allowances to staff          | 5174498                  | 4887416                  |
| Sales Promotion Expenses               | 65090                    | 99923                    |
| Sales Tax & VAT & CST                  | 45006                    | 3030460                  |
| Service charges                        | 8631416                  | 580067                   |
| Security Exps                          | 88800                    | 87790                    |
| Subscription Expenses                  | 16649                    | 2700                     |
| Telephone                              | 292790                   | 273242                   |
| Tender Charges                         | 125400                   | 55031                    |
| Travelling                             | 862006                   | 1304466                  |
| Typing & Zerox                         | 122980                   | 74880                    |
| Vehicle Repairs & Maintenance Expenses | 235566                   | 345797                   |
| Works Contract tax                     | 3810                     | 1861927                  |
|  | <u>31596546</u>          | <u>19342374</u>          |

**SCHEDULE - 7**

**NOTES FORMING PART OF ACCOUNTS**

1. Accounting Policies

The Accounts are prepared on historical cost convention and materially comply with the mandatory accounting standards issued by Institute of Chartered Accountants of India. The significant accounting policies followed by the company are as stated below:

a) Fixed Assets

Fixed Assets are stated at cost of acquisition including incidental expenses related to acquisition and installation.

b) Depreciation

Depreciation is provided at the rates prescribed under Companies Act, 1956 on written down value on pro rata basis in case of additions.

c) General

i) Income and Expenditure are accounted on accrual basis for all known items.

ii) Contingent Liabilities are not provided for till the same are crystallised.

iii) Miscellaneous Expenditure shown in the Balance Sheet will be written off over a period of 5years.

2) Sundry Creditors, Debtors, Loans and Advances are subject to confirmation to be obtained from parties.

3) No provision has been made for gratuity as no employee has put the qualifying period of service for entitlement of this benefit and the provisions of Payment of Gratuity Act is not applicable to the Company.

4) The Company does not have any employee to whom the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1988 applies.

5) The earning per share Basic and diluted is calculated as under:

Numerator being net profit after tax  
Denominator being no. of fully paid up equity shares.

6) Auditor's Remuneration :

|                  | 2009-10 | 2008-09 |
|------------------|---------|---------|
| Audit Fees       | 45000   | 35000   |
| Taxation Matters | 15000   | 10000   |
| Total            | 60000   | 45000   |

7) Expenditure in Foreign currency is Nil and Income in Foreign Currency is Rs. Nil

8) According to the information available with the Company regarding the suppliers who constituted a Small Scale Industrial Undertaking, there are no amounts due to Small Scale Industrial Undertaking as on 31.3.2010

HEC INFRA PROJECTS PRIVATE LIMITED 2009-10

9) The Related party Transactions are as under:

| Name                                     | Nature Of payment     | Amount  | Nature of relation                          |
|--|-----------------------|---------|---|
| Shri Gaurang Shah                        | Director Remuneration | 1200000 | Director                                    |
| Smt Rupal Shah                           | Director Remuneration | 900000  | Director                                    |
| Harsh Electric corporation               | Labour charges        | 466022  | Firm in which directors are interested      |
| Highvolt Power & Control Systems Pvt Ltd | Purchases             | 9907523 | Directors are also Directors in the Company |

10) Import calculated on CIF basis is NIL.

As per our Report of even date attached

**FOR RAJ P. SHAH & CO;**  
CHARTERED ACCOUNTANTS  
FRN: 127284W



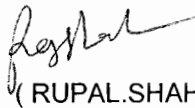
[ RAJ P. SHAH ]  
Proprietor  
M.No. 44073



**FOR HEC INFRA PROJECTS PVT LTD**



( GAURANG SHAH )



( RUPAL.SHAH )

DIRECTORS

Place : Ahmedabad  
Date : 28.08.2010

## HEC INFRA PROJECTS PRIVATE LIMITED

### BALANCE SHEET ABSTRACT

#### I. Registration Details:

Registration No. U45200GJ2005PTC46870  
State Code 4  
Balance Sheet date 31.03.2010

#### II. Capital Raised during the year (Amount Rs.in Thousand)

Public Issue NIL  
Right Issue NIL  
Bonus Issue NIL  
Private Placement 1881660

#### III. Position of Mobilization and Deployment of Funds

|                         |           |                      |           |
|-------------------------|-----------|----------------------|-----------|
| Total Liabilities       | 170691418 | Total Assets         | 170691418 |
| Sources of Funds        |           | Application of Funds |           |
| Paid-up Capital         | 4911660   | Net Fixed Assets     | 24733928  |
| Share application money | 0         | Investment           | 523000    |
| Reserves & Surplus      | 54547161  | Net Current Assets   | 145434490 |
| Secured Loans           | 90893399  | Misc.Expenditure     | 0         |
| Unsecured Loans         | 19972251  | Accumulated Losses   |           |
| Deferred Tax Liability  | 366947    |                      |           |

#### IV. Performance of Company

Turnover & other Incomes 545439716  
Total Expenditure 527618127  
Profit before Tax 17821589  
Profit after Tax 11474132  
Earning per Share 28.85  
Dividend Rate % 12.5

#### V. Generic Names of Three Principal Products

Item Code No.(ITC Code) N.A.  
Product Description Electrical Products

FOR HEC INFRA PROJECTS PRIVATE LIMITED

x   
[GAURANG SHAH

x   
RUPAL SHAH ]  
DIRECTORS

PLACE : AHMEDABAD  
DATE: 28.08.2010