

# Urban Infrastructure Venture Capital Limited

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 5<sup>th</sup> Annual Report and the audited accounts for the year ended March 31, 2010.

### 1. Financial Results:

The performance of the Company during the financial year ended March 31, 2010 is summarized below:

Particulars	2009-10	2008-09
	Rs.	Rs.
Gross Profit Before Interest and depreciation	43,85,75,393	20,98,53,691
Less: Interest	2,26,343	10,000
Less: Depreciation	12,25,462	14,19,497
<b>Profit before tax</b>	<b>43,71,23,588</b>	<b>20,84,24,194</b>
Less: Provision for tax	12,58,51,169	10,78,40,237
<b>Profit after tax</b>	<b>31,12,72,419</b>	<b>10,05,83,957</b>
Add: Balance in Profit & Loss Account	25,82,63,805	15,78,30,413
<b>Profit available for Appropriation</b>	<b>56,95,36,224</b>	<b>25,84,14,370</b>
Less: Appropriations:		
Transfer to General Reserves	25,00,00,000	-
Proposed dividend on Equity	25,00,000	-
Tax on Proposed Dividend	4,15,219	-
Less: Prior period Expenditure	-	1,50,565
<b>Surplus carried to Balance Sheet</b>	<b>31,66,21,005</b>	<b>25,82,63,805</b>

### 2. Operations:

As you are aware, your Company has been acting as an Investment Manager to Urban Infrastructure Venture Capital Fund ("the Fund"), a Venture Capital Fund registered with Securities and Exchange Board of India ("SEBI"). The fund launched a scheme "Urban Infrastructure Opportunities Fund" in May 2006 and had mobilized a capital commitment of Rs.2,221 crores. The entire capital commitment of Rs.2,221 crore has been drawn down. The Fund also came up with an Additional Offer for all its existing Contributors in the ratio of 2 additional units for every 5 units held as on May 12, 2008. The Fund allotted 88,820 units of Rs.1,20,000 (Including Rs.20,000 Premium) each and raised further capital commitment of Rs.1065.84 crores. Out of this, the Fund collected 20% upfront upon application i.e. Rs.24,000 (including Rs.4,000 premium) per unit, amounting to Rs.213.16 Crores.

Pursuant to Clause 3.14 of the Letter of Offer dated 12<sup>th</sup> May, 2008 issued by the Company, no drawdown shall be made by the Trustees from the Contributors after expiry of 18 months from the Closing date and the undrawn Additional Capital Commitment, shall stand cancelled on the expiry of the Additional Commitment Period i.e. on 14<sup>th</sup> December, 2009. Thereby the partly paid up units of UIOF, held by the Contributors, have been converted to Fully Paid Units of Rs.1,00,000/- each.

Your Company is also acting as an Indian Advisor to Urban Infrastructure Capital Advisors ("**UICA**"), Mauritius. UICA is Investment Manager to Urban Infrastructure Real Estate Fund ("**UIREF**"), a public limited life company with limited liability

# **Urban Infrastructure Venture Capital Limited**

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incorporated in Mauritius and licensed by the Financial Services Commission, Mauritius.

### **3. Dividend:**

Your Directors are pleased to recommend a final dividend of Rs.2.5 per Equity Share of face value of Rs.10/- each, for the year ended March 31, 2010.

The proposed dividend amounts to Rs.25 lakhs & a Dividend Distribution Tax of Rs.4,15,219/- shall be paid.

### **4. Directors:**

In terms of Articles of Association of the Company, Shri Anand Jain, Director retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

### **5. Auditors:**

M/s Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received consent from them to act as the Statutory Auditors of the Company.

### **6. Auditors' Report:**

There are no qualifications and / or observations in the Auditors' Report, calling for any explanations from the Board.

### **7. Directors Responsibility Statement:**

As required under Section 217 (2AA) of the Companies Act, 1956, it is hereby stated that, to the best of our knowledge and belief:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) we have taken proper and sufficient care 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; and
- d) We have prepared the annual accounts on a going concern basis.

### **8. Fixed Deposits:**

The Company has not accepted any fixed deposits during the year under review.

## **9. Particulars of Employees:**

The particulars as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is attached as **Annexure - A**.

## **10. Conservation of Energy, Research and Development, Technology absorption and Foreign Exchange Earnings and Outgoings:**

As regards the additional information required by the Companies [Amendment] Act, 1988, regarding Conservation of Energy, the same is not required to be given by the Company, as the Company is not listed in the Schedule to the Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1988.

Energy Conservation Measures, Progress made in Technology Absorption and Foreign Exchange Earning & Outgo as required by the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are as under:-

Energy Conservation Measures	:	Not Applicable
Progress made in Technology Absorption	:	Not Applicable
Foreign Exchange Earning & Outgo	:	

Earnings	-	Rs.8,69,34,373/-
Outgo	-	Rs. 1,208/-

## **11. Acknowledgements and Appreciation:**

The Directors take this opportunity to thank Contributors of the Urban Infrastructure Opportunities Fund, Shareholders & Bankers for their consistent support to the Company.

**For and on behalf of the Board of Directors**

**Anand Jain**  
**Chairman**

Date: 12.05.2010

Place: Mumbai

## AUDITORS' REPORT

**To,  
The Members of Urban Infrastructure Venture Capital Ltd.**

We have audited the attached Balance Sheet of '**Urban Infrastructure Venture Capital Limited**' ("the Company"), as at 31<sup>st</sup> March 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company 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.

1. 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 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.
2. As required by the Companies (Auditor's 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of Clause (g) of sub-Section (1) of Section 274 of the Companies Act 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
  - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For CHATURVEDI & SHAH**  
**(Registration No. 101720W)**  
**Chartered Accountants**

**R. KORIA**  
**Partner**  
**Membership No. 35629**

**Place:** Mumbai  
**Date:** 12<sup>th</sup> May, 2010

## **ANNEXURE TO AUDITOR'S REPORT**

**Re: Urban Infrastructure Venture Capital Ltd.**

**Referred to in paragraph 2 of our report of even date**

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and nature of its assets. No discrepancies were noticed on such verification as compared with the available records.
  - c. In our opinion and according to the information & explanations given to us, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of it is not affected.
- ii. In respect of its inventories:

The Company does not have any inventory. Therefore the provisions of Clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 not applicable.
- iii. According to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of Clause 4 (iii) of the Companies (Auditor's Report) Order 2003 are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal controls system.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - b) Where each of such transaction aggregating during the year to Rs.5,00,000/- or more in respect of each party, have been made at prices which are *prima facie* reasonable having regard to the prevailing market price at relevant time.

- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of Sections 58A, and 58AA of the Companies Act, 1956 and rules framed there under are not applicable for the year under audit.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of activities carried on by the Company. Hence the provisions of Clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- ix. According to the information & explanations given to us, and the records of the Company examined by us:
  - a. The Company has generally been regular in depositing with appropriate authorities 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 and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under Section 44 1A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
  - b. There were no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and any other material dues in arrears as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.
- x. The Company does not have accumulated losses at the end of financial year. It has not incurred any cash losses during the financial year covered by audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. During the year the Company has no dues to financial institutions and debenture holders.
- xii. According to the information and explanations given to us, 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. In our opinion, the Company is not a chit fund, a nidhi or a mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable.

- xiv. The Company has maintained proper records of transactions and contracts in respect of shares and other securities and timely entries have been made therein. All shares and other investments have been held by the Company in its own name except in certain cases where the same have been pledged as security with brokers.
- xv. According to the information and explanations given by the management, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi. According to the information & explanations given to us, the Company has not raised any term loan during the year.
- xvii. According to the information and explanations given to us and on the basis of review of utilization of funds, which is based on overall examination of the Balance sheet as at 31<sup>st</sup> March 2010 of the Company, related information as made available to us and as represented to us, by the management, funds raised on short term basis amounting to Rs. 5 51 08 171 have been used for long term investment.
- xviii. During the year the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year hence Clause 4 (xix) of the Companies (Auditor's Report) Order 2003 is not applicable.
- xx. The Company has not raised any monies by way of public issues during the year.
- xxi. According to the information and explanations given 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 CHATURVEDI & SHAH**  
**(Registration No. 101720W)**  
**Chartered Accountants**

**R. KORIA**  
**Partner**  
**Membership No. 35629**

**Place:** Mumbai  
**Date:** 12<sup>th</sup> May, 2010



**Urban Infrastructure Venture Capital Limited**  
**Particulars of Employees under Section 217 (2A) during the Financial Year ended 31.03.2010**

S. No.	Name of Employee	Designation/Nature of Duties of the Employee	Nature of Emp.	Qualifications	Exp.	Date of Joining	Date of Resignation	Age (Yrs.)	Date of Birth	LAST EMPLOYMENT	% of Equity Shares held by Employee	Total Gross Remuneration
1	Mr. PARAG PAREKH	MANAGING DIRECTOR & CEO	CONTRACTUAL	CA	25	21.10.2006	-	49	23.06.1961	Reliance Industries Ltd	Nil	1 50 00 462
2	Mr. TUSHAR SARDA*	CIO	PERMANENT	PGDM, C.A.	24	15.02.2006	03.09.2009	47	31.05.1963	Sovereign Securities Pvt. Ltd.	Nil	59 80 002
3	Ms. DEEPA SANGHANI	HEAD - CORP. DEVELOPMENT	PERMANENT	C.A.	21	01.04.2006	-	43	01.09.1966	NMSEZ Ltd.	Nil	56 34 997
4	Mr. TREVOR MACHADO	VP - INVESTMENT	PERMANENT	B.Sc. MBA.	18	01.08.2006	-	43	13.02.1967	Reliance Industries Ltd.	Nil	52 89 996
5	Mr. SATISH MAHESHWARI	VP - FINANCE & COMPANY SECRETARY	PERMANENT	CA, CS, CPA, ICWA	12	19.07.2007	-	38	26.01.1972	Mountail Real Estate Advisors	Nil	39 42 511
6	Mr. BITAL SINGHI	VP - INVESTMENT	PERMANENT	C.A.	14	01.05.2006	-	36	08.07.1973	Darshan Securities Ltd.	Nil	49 45 006
7	Mr. NITIN ANAND	VP - INVESTMENT	PERMANENT	B.Com, MBA	11	01.09.2006	-	36	02.10.1973	Reliance Infocomm	Nil	37 37 500
8	Mr. AMIT GUPTA	VP - INVESTMENT	PERMANENT	B.Tech, PGDM	12	02.05.2006	-	35	15.05.1975	Reliance Communications Ltd.	Nil	35 07 499
9	Mr. RAJEEV BHANDARI*	VP - INVESTMENT	PERMANENT	B.E. (Mech)	25	01.07.2009	-	50	16.12.1959	Reliance Global Management Services Ltd.	Nil	31 48 198
10	Mr. RAJESH KHUSHALANI*	VP - INVESTMENT	PERMANENT	B.com, MBA, PGDBA	16	23.11.2009	-	38	01.09.1971	Caryle Group	Nil	15 19 726
11	Mr. K. R. VISWANARAYAN*	COO - MF	PERMANENT	C.A., CS	22	02.06.2008	31.07.2009	49	15.09.1960	J. P. Morgan India Ltd.	Nil	18 91 848
12	Mr. ASHOK JANGID*	EXE. VP LEGAL & GROUP CS	PERMANENT	B.Com, FCS, LLB	27	01.08.2008	13.03.2010	49	21.09.1960	Siemens Ltd.	Nil	60 38 217
13	Mr. MAHESH PAYANNAVAR*	VP-MUTUAL FUND	PERMANENT	B.E., MMS	22	25.08.2008	30.06.2009	48	21.03.1962	Phoneix Mills Ltd.	Nil	17 38 681
14	Mr. RAKESH BANSAL	CHIEF RISK OFFICER (CRO)	PERMANENT	DBF, MBA	16	28.08.2008	-	41	15.11.1968	ICICI Bank Ltd.	Nil	65 00 001
15	Mr. SURAMYA KAMANI*	VP - INVESTMENT	PERMANENT	C.A., LLB	18	01.01.2009	31.01.2010	46	30.09.1963	IND Global Finance Ltd	Nil	36 45 146
16	Mr. DEEPAK SALVI*	VP - INVESTOR RELATIONS	PERMANENT	B.Com, DMKTG	26	02.02.2009	15.02.2010	55	20.04.1955	Tata Securities Pvt. Ltd.	Nil	31 96 117

\* For part of the year

For, Urban Infrastructure Venture Capital Limited

Mumbai  
Date: 12.05.2010Anand Jain  
Chairman

Urban Infrastructure Venture Capital Limited

Balance Sheet as at 31st March 2010

	Schedule	(Amount in Rs.)	
		As at 31.03.2010	As at 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Fund</b>			
Share Capital	A	1 00 00 000	1 00 00 000
Reserve and Surplus	B	56 66 21 006	25 82 63 805
<b>Secured Loans</b>	C	25 02 15 342	-
<b>TOTAL</b>		<b>82 68 36 348</b>	<b>26 82 63 805</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	D	1 55 82 872	1 53 79 913
Less: Depreciation		36 27 300	24 15 259
Net Block		1 19 55 572	1 29 64 654
<b>Investments</b>	E	16 07 25 839	21 53 18 349
<b>Deferred Tax Asset</b> (Refer note no.5 of Schedule N)		19 57 171	16 57 676
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	F	2 33 46 217	2 52 84 300
Cash and Bank Balance		15 49 044	53 68 962
Loans & Advances		64 42 52 403	1 79 18 338
		66 91 47 664	4 85 71 600
<b>Less : Current Liabilities &amp; Provisions</b>	G		
Current Liabilities		90 09 862	67 07 145
Provisions		79 40 037	35 41 329
		1 69 49 899	1 02 48 474
<b>Net Current Assets</b>		65 21 97 765	3 83 23 126
<b>TOTAL</b>		<b>82 68 36 348</b>	<b>26 82 63 805</b>
Significant Accounting Policies	M		
Notes on Accounts	N		

As per our report of even date  
For Chaturvedi & Shah  
Chartered Accountants

For and on behalf of the Board of Directors

R. Koria  
Partner

Anand Jain  
Chairman

Parag Parekh  
Managing Director & CEO

S S Thakur  
Director

P.Krishnamurthy  
Director

Place: Mumbai  
Date : 12th May 2010

Satish Maheshwari  
Company Secretary

Urban Infrastructure Venture Capital Limited

Profit & Loss Account for the year ended 31st March 2010

	Schedule	(Amount in Rs.)	
		2009-10	2008-09
<b>INCOME</b>			
Income from Operations	H	64 33 38 147	64 07 77 404
Less: Service Tax Recovered		5 19 63 855	6 12 07 024
Net			
Other Income	I	59 13 74 292	57 95 70 380
Total		7 73 67 514	63 06 889
		<b>66 87 41 806</b>	<b>58 58 77 269</b>
<b>EXPENDITURE</b>			
Employee Remuneration, Amenities & Benefits	J	12 98 86 458	14 62 36 965
Administrative & Other Expenses	K	9 92 75 946	22 97 66 134
Interest & Finance Charges	L	12 30 352	30 479
Depreciation		12 25 461	14 19 497
Total		23 16 18 217	37 74 53 075
<b>PROFIT BEFORE TAX</b>		<b>43 71 23 589</b>	<b>20 84 24 194</b>
Less : Provision For Tax			
Current Tax		12 60 00 000	10 60 00 000
Income Tax for earlier year		1 50 665	-
Deferred Tax (Credit)		( 2 99 495)	( 1 48 814)
Fringe Benefit Tax		-	19 89 051
<b>PROFIT AFTER TAX</b>		<b>31 12 72 419</b>	<b>10 05 83 957</b>
Prior period expenditures		-	1 50 565
Balance brought forward from previous year		25 82 63 805	15 78 30 413
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>56 95 36 224</b>	<b>25 82 63 805</b>
Appropriations			
Transfer to General Reserve		25 00 00 000	-
Proposed Dividend on Equity shares		25 00 000	-
Tax on proposed dividend		4 15 219	-
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b>31 66 21 006</b>	<b>25 82 63 805</b>
Basic and Diluted earning per equity share of Rs. 10 each (Refer note no. 7 of schedule N)		311.27	100.58
Significant Accounting Policies	M		
Notes on Accounts	N		

As per our report of even date  
For Chaturvedi & Shah  
Chartered Accountants

For and on behalf of the Board of Directors

R. Koria  
Partner

Anand Jain  
Chairman

Parag Parekh  
Managing Director & CEO

S S Thakur  
Director

P.Krishnamurthy  
Director

Place: Mumbai  
Date :12th May 2010

Satish Maneshwari  
Company Secretary

## Cash Flow Statement for the year ended 31st March, 2010

	For the year ended 31.03.2010	For the year ended 31.03.2009
<b>Cash flow from operating Activities</b>		
Profit before tax as per Profit & Loss Account	43 71 23 589	20 84 24 194
Prior Period Expenditure	-	( 31 775 )
	<u>43 71 23 589</u>	<u>20 83 92 419</u>
<b>Adjustments for :</b>		
Depreciation	12 25 461	14 19 497
Dividend from Current Investments	( 18 88 700)	( 56 07 620)
Interest on Inter Corporate Deposit	( 76 68 295)	-
Interest and Finance charges	12 15 342	-
Dividend from Long Term Investment	( 610)	( 2 408)
Loss / (Profit) on Sale / Redemption of Current Investments (net)	(2 24 14 240)	2 49 87 021
Loss / (Profit) on Equity Derivatives (net)	6 61 793	1 89 76 936
Loss / (Profit) on sale of fixed assets	43 594	36 713
(Reversal) / Provision for Diminution in value of Current Investments (Net)	(4 49 93 015)	7 59 88 306
Operating profit before working capital changes	<u>36 33 04 919</u>	<u>32 41 90 864</u>
Trade Receivable	46 99 741	1 15 51 510
Trade Payable	37 86 206	(4 32 47 222)
Cash generated from operations	37 17 90 866	29 24 95 152
Less: Taxes Paid (Including Fringe Benefit Tax)	(13 34 19 343)	(11 17 99 131)
<b>Net Cash from operating activities (A)</b>	<u><b>23 83 71 523</b></u>	<u><b>18 06 96 021</b></u>
<b>Cash flow from Investing Activities</b>		
Purchase of fixed assets	( 3 23 778)	( 51 78 288)
Sale of Fixed Assets	63 805	59 174
Purchase of Long Term Investments	( 4 581)	-
Purchase of Current Investments	( 261 03 48 973)	(80 64 41 378)
Movement in Inter Corporate Deposits	(62 07 00 000)	-
Interest Received on Inter Corporate Deposits	65 41 249	-
Investment in Subsidiaries	-	(2 10 00 000)
Sale / Redemption of Current Investments	273 23 53 319	64 61 54 933
Loss / (Profit) on Equity Derivatives (net)	( 6 61 793)	(1 89 76 936)
Dividend from Current Investments	18 88 700	56 07 620
Dividend from Long Term Investment	610	2 408
<b>Net Cash (used in) investing activities (B)</b>	<u><b>(49 11 91 441)</b></u>	<u><b>(19 97 72 467)</b></u>
<b>Cash flow from Financing Activities</b>		
Short term loan	25 00 00 000	-
Interest & Finance charges paid	( 10 00 000)	-
<b>Cash from financing activities (C)</b>	<u><b>24 90 00 000</b></u>	<u><b>-</b></u>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<u><b>( 38 19 918)</b></u>	<u><b>(1 90 76 446)</b></u>
<b>Opening Balance of cash and cash equivalents*</b>	<b>53 68 962</b>	<b>2 44 45 408</b>
<b>Closing Balance of cash and cash equivalents*</b>	<b>15 49 044</b>	<b>53 68 962</b>

\*For components refer Schedule "F".

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statement" as notified in Companies (Accounting Standard) Rules, 2006.
- The previous year's figures have been regrouped and reworked wherever necessary.

As per our report of even date

For Chaturvedi &amp; Shah

Chartered Accountants

For and on behalf of the Board of Directors

R. Koria  
PartnerAnand Jain  
ChairmanParag Parekh  
Managing Director & CEOS S Thakur  
DirectorP. Krishnamurthy  
DirectorPlace: Mumbai  
Date: 12th May 2010Satish Maheshwari  
Company Secretary

**Urban Infrastructure Venture Capital Limited**

**Schedules forming part of the Balance Sheet**

(Amount in Rs.)

As at  
31.03.2010

As at  
31.03.2009

**Schedule "A"**

**SHARE CAPITAL**

**Authorised :**

10 00 000 (Previous year 10 00 000 ) Equity Shares of Rs 10 each

1 00 00 000

1 00 00 000

**Issued, Subscribed & Paid up :**

10 00 000 (Previous year 10 00 000 ) Equity Shares of Rs 10 each fully paid up

1 00 00 000

1 00 00 000

**Total**

1 00 00 000

1 00 00 000

Of the above Equity Shares :

9 99 994 Shares are held by Jai Corp Limited, the holding Company

& 6 Shares are jointly held by Jai Corp Limited and its nominees.

**Schedule "B"**

**RESERVES AND SURPLUS**

**General Reserve**

Balance as per last Balance sheet

-

-

Add: Transfer during the year

25 00 00 000

-

Closing Balance

25 00 00 000

-

**Profit & Loss Account**

Balance from Profit & Loss Account

31 66 21 006

25 82 63 805

**Total**

56 66 21 006

25 82 63 805

**Schedule "C"**

**Secured Loans**

Short Term Loan from Bank

25 00 00 000

-

Interest Accrued & due on above

2 15 342

-

**Total**

25 02 15 342

-

The above Loan is secured by hypothecation of Present & Future receivables.

Urban Infrastructure Venture Capital Limited

Schedules forming part of the Balance Sheet

Schedule 'D'

Fixed Assets

Description	Gross Block				Depreciation			Net Block	
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	Upto 31.03.2009	For the Year	Deductions Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Computer	36 59 143	-	-	36 59 143	9 68 254	5 93 147	-	20 97 742	26 90 889
Furniture & Fixture	65 33 503	18 360	-	65 51 863	10 58 207	3 81 048	-	51 12 608	54 75 296
Office Equipment	51 87 267	3 05 418	1 20 819	53 71 866	3 88 798	2 51 266	13 420	47 45 222	47 98 469
<b>Total</b>	<b>1 53 79 913</b>	<b>3 23 778</b>	<b>1 20 819</b>	<b>1 55 82 872</b>	<b>24 15 259</b>	<b>12 25 461</b>	<b>13 420</b>	<b>1 19 55 572</b>	<b>1 29 64 654</b>
Previous Year	<b>1 03 05 246</b>	<b>51 78 288</b>	<b>1 03 621</b>	<b>1 53 79 913</b>	<b>10 03 495</b>	<b>14 19 497</b>	<b>7 733</b>	<b>1 29 64 654</b>	

Urban Infrastructure Venture Capital Limited

Schedules forming part of the Balance Sheet

		(Amount in Rs.)	
		As at	As at
		31.03.2010	31.03.2009
Schedule "E"			
<b>INVESTMENTS</b>			
<b>A) LONG TERM INVESTMENTS</b>			
<b>Trade Investments</b>			
<b>In Equity Shares of Subsidiary Companies - Unquoted fully paid up</b>			
21 00 000	UI Wealth Advisors Limited of Rs. 10 each	2 10 00 000	2 10 00 000
(21 00 000)			
<b>Other Investments</b>			
<b>In Equity Shares - Quoted fully paid up</b>			
10	Akruti City Ltd of Rs. 10 each	4 238	4 238
(10)			
1	Ajmera Realty & Infra India Ltd. of Rs.10 each	134	-
(-)			
1	Alpine Industries Ltd of Rs.10 each	26	-
(-)			
5	Anant Raj Industries Ltd of Rs 2 each	1 323	1 323
(5)			
100	Ansal Buildwell Ltd of Rs 10 each	17 341	17 341
(100)			
100	Ansal Housing & Construction Ltd. of Rs. 10 each	34 675	34 675
(100)			
1	Ansal Properties & Infrastructure Ltd.of Rs 5 each	278	278
(1)			
1	Arihant Foundation & Housing Ltd of Rs 10 each	308	308
(1)			
3	Ashiana Housing Ltd. of Rs 10 each	190	190
(3)			
1	Asahi Infrastructure & Projects Ltd of Rs.1 each	2	-
(-)			
1	Asian Hotels Ltd.of Rs.10 each	313	-
(-)			
1	BL Kashyap & Sons Ltd of Rs.5 each	352	-
(-)			
10	BSEL Infrastructure Realty Ltd of Rs 10 each	704	704
(10)			
10	D.S.Kulkarni Developers Ltd of Rs. 10 each	2 429	2 429
(10)			
1	DLF Ltd of Rs. 2 each	634	634
(1)			
1	Diwan Housing and Finance Ltd. of Rs. 10 each	70	70
(1)			
1	DMC International Ltd of Rs.5 each	8	-
(-)			
1	EIH Ltd of Rs.2 each	134	-
(-)			
1	EIH Associated Hotels Ltd of Rs.10 each	98	-
(-)			
1	Eldeco Housing & Industries Ltd of Rs.10 each	113	-
(-)			
5	ERA Infra Engineering Limited of Rs.2 each	362	362
(5)			
1	Ganesh Housing Corporation Ltd of Rs 10 each	420	420
(1)			
1	GIC Housing Finance Ltd of Rs. 10 each	54	54
(1)			
1	Gruh Finance Ltd of Rs. 10 each.	180	180
(1)			
1	HB Estate Developers Ltd of Rs.10 each	32	-
(-)			

**Urban Infrastructure Venture Capital Limited**

**Schedules forming part of the Balance Sheet**

		(Amount in Rs.)	
		As at 31.03.2010	As at 31.03.2009
1	Hotel Leela Venture Ltd of Rs.2 each	32	-
(-)			
1	Housing Development Finance Corporation Limited of Rs. 10 each	2 534	2 534
(1)			
5	Hindusthan Construction Company Ltd of Rs 1 each	576	576
(5)			
1	Housing Development & Infrastructure Ltd of Rs.10 each	536	536
(1)			
1	Indiabulls Real Estate Ltd of Rs. 2 each	648	648
(1)			
1	Indo-Asian Projects Ltd of Rs. 10 each	39	-
(-)			
1	IVR Prime Urban Developers Ltd of Rs. 10 each	380	380
(1)			
1	IVRCL Infrastructure & Project Ltd of Rs 2 each	362	362
(1)			
5	Kadamb Constructions Ltd of Rs.2 each	38	-
(-)			
1	Kamawala Housing Constructions .Ltd of Rs. 10 each	29	-
(-)			
1	Kolte Patil Developers Ltd of Rs.10 each	45	-
(-)			
11	KSL & Industries Ltd of Rs.4 each	577	-
(-)			
10	Lanco Infratech Ltd Rs. 10 each	294	294
(10)			
1	Lancor Holdings Ltd of Rs.2 each	42	-
(-)			
1	LIC Housing Finance Ltd of Rs. 10 each	235	235
(1)			
5	Lok Housing & Construction Ltd of Rs 10 each	749	749
(5)			
100	Mahendra Lifespace Developers Ltd of Rs. 10 each	89 399	89 399
(100)			
1	Marg Ltd of Rs.10 each	102	-
(-)			
1	Narendra Properties Ltd of Rs.10 each	23	-
(-)			
1	Nila Infrastructure Ltd of Rs.1 each	2	-
(-)			
450	Omaxe Ltd of Rs 10 each	1 39 500	1 39 500
(450)			
5	Orbit Corporation Ltd of Rs 10 each	1 269	1 269
(5)			
1	Brigade Enterprises Ltd of Rs.10 each	117	117
(1)			
1	The Ruby Mills Ltd of Rs. 10 each	725	725
(1)			



Urban Infrastructure Venture Capital Limited

Schedules forming part of the Balance Sheet

		(Amount in Rs.)	
		As at 31.03.2010	As at 31.03.2009
1	Pantaloan Retail (India) Ltd of Rs 2 each	452	452
(1)			
100	Parsvnath Developers Ltd. of Rs.10 each	46 570	46 570
(100)			
10	Peninsula Land Ltd of Rs 2 each	1 019	1 019
(10)			
5	Prajay engineers Syndicate Ltd of Rs 10 each	1 252	1 252
(5)			
1	Prime Property Development Corp.Ltd of Rs.5 each	113	-
(-)			
5	Provogue (India) Ltd of Rs 2 each	488	488
(5)			
1	Purvankara Projects Ltd of Rs.5 each	375	375
(1)			
100	Radhe Developers (India) Ltd of Rs 10 each	157	157
(100)			
1	Regalia Realty Ltd of Rs.10 each	8	-
(-)			
1	Rainbow Foundations Ltd of Rs.10 each	10	-
(-)			
1	Rajeswari Foundations Ltd of Rs.10 each	16	-
(-)			
1	SAAG RR Infra Ltd of Rs.10 each	22	-
(-)			
1	Shopper's Stop Ltd of Rs 10 each	598	598
(1)			
1	Simplex Realty Ltd of Rs.10 each	164	-
(-)			
10	Sobha Developers Ltd. of Rs. 10 each	7 928	7 928
(10)			
5	Sunteck Realty Ltd of Rs.2 each	1 986	-
(-)			
1	Taj GVK Hotels & Resorts Ltd of Rs.2 each	80	-
(-)			
5	The Phoenix Mills Ltd of Rs. 2 each	2 108	2 108
(5)			
1	Trent Ltd of Rs 10 each	708	708
(1)			
1	Tribhuvan Housing Ltd of Rs.5 each	14	-
(-)			
200	Unitech Ltd of Rs. 2 each	48 861	48 861
(200)			
1	Vijay Shanti Builders Ltd of Rs.10 each	27	-
(-)			
5	Vipul Ltd of Rs 2 each	806	806
(5)			
<b>In units - Unquoted Fully Paid up</b>			
20 000	Urban Infrastructure Venture Capital Fund - Class B	20 00 000	20 00 000
(20 000)	Face Value of Rs. 100 each		
	<i>Sub total (A)</i>	<b>2 34 16 432</b>	<b>2 34 11 852</b>

Urban Infrastructure Venture Capital Limited

Schedules forming part of the Balance Sheet

**B) CURRENT INVESTMENTS**

**In Equity Shares - Quoted fully paid up**

	(Amount in Rs.)	
	As at 31.03.2010	As at 31.03.2009
7 62 608 (7 62 608) Ansal Properties & Infrastructure Ltd.of Rs 5 each	5 42 59 559	1 90 27 070
4 500 (4 500) Bajaj Holdings & Investment Ltd. of Rs. 10 each	27 33 525	13 40 550
35 200 (35 200) Bombay Dyeing & Mfg.Co. Ltd of Rs. 10 each	1 93 84 641	59 13 600
7 815 (7 815) Cinemax India Ltd. of Rs. 10 each	4 97 815	3 59 099
2 500 (2 500) Electrotherm (India) Ltd. of Rs. 10 each	8 21 500	2 39 000
44 494 (44 494) Essar Shipping Ltd of Rs. 10 each	17 84 065	13 10 348
32 955 (-) Pipavav Shipyard Ltd of Rs.10 each	19 11 390	-
1 94 532 (1 94 532) The Indian Hotels Company Ltd of Rs. 1 each	1 40 85 227	76 74 287
17 248* (22 000) State Bank of India of Rs. 10 each	2 10 63 661	2 34 76 200
58 700 (58 700) Tata Communication Ltd of Rs. 10 each	1 64 59 480	3 04 27 145
4 500 (4500) Bajaj Auto Limited of Rs. 10 each	28 03 519	27 83 025
4 500 (4500) Bajaj Finserve Limited of Rs 5 each	15 05 025	7 60 725
<b>MUTUAL FUND UNITS - Unquoted fully paid up</b>		
- Principal Floating Rate Fund - FMP		9 85 95 448
(71 08 676) Dividend Reinvestment - Daily		
<b>Sub total (B)</b>	<b>13 73 09 407</b>	<b>19 19 06 498</b>
<b>Total (A+B)</b>	<b>16 07 25 839</b>	<b>21 53 18 350</b>

Note:	(Amount in Rs.)			
	As at 31.03.2010		As at 31.03.2009	
	Book Value	Market Value	Book Value	Market Value
1 <b>Aggregate value of Investment</b>				
Quoted Investment	13 77 25 839	16 61 98 339	9 37 22 901	9 33 75 762
Unquoted Investment	2 30 00 000	-	12 15 95 448	-
2 <b>Movements during the year</b>				
<b>Investment purchased &amp; sold during the year</b>				
<b>Equity Shares</b>	<b>Face Value</b>	<b>No. of units</b>	<b>Cost</b>	
Pipavav Shipyard Ltd	10	25 000	14 50 000	
<b>Mutual Fund Units</b>				
Principal Floating Rate Fund FMP - Instl. Option - Growth	10	1 86 44 290	26 12 00 000	
ICICI Prudential Flexible Income Premium - Growth	10	3 15 48 527	52 50 67 363	
ICICI Prudential Liquid Super Institutional - Growth	10	4 49 34 301	98 85 63 975	
ICICI Prudential Flexible Income Premium - Growth	100	16 97 732	28 74 68 776	
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	10	29 22 563	4 50 04 259	
HDFC Liquid Fund - Growth	10	25 05 247	4 50 00 000	
Templeton India Treasury Management Account Super Institutional Plan - Growth	1 000	1 67 056	22 50 00 000	
Templeton Floating Rate Income Fund Long Term Plan Super Institutional - Growth	10	1 82 10 301	22 50 23 397	
3 The Current Investments are net of provision for diminution in value of Rs.4 94 51 490 (Previous year Rs. 9 44 44 505).				
4 * 5 248 Equity Share of State Bank of India Ltd. are pledged as security with the broker				

Urban Infrastructure Venture Capital Limited

Schedules forming part of the Balance Sheet

	(Amount in Rs.)	
	As at	As at
	31.03.2010	31.03.2009
<b>Schedule "F"</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Current Assets</b>		
<b>Sundry Debtors</b>		
(Unsecured, Considered Good unless otherwise stated )		
Due for a period exceeding six months		18 13 776
Considered Doubtful	-	18 13 776
Less: Provision for Doubtful Debts	-	-
Others, considered good	<u>2 33 46 217</u>	<u>2 33 46 217</u>
		2 52 84 300
<b>Cash &amp; Bank Balances</b>		
Cash on hand	22 654	16 235
In current accounts with scheduled banks	<u>15 26 390</u>	<u>15 49 044</u>
		53 52 727
<b>Loans &amp; Advances</b>		
(Unsecured & considered good)		
Advances Recoverable in cash or in kind or for value to be received*	67 24 876	58 99 598
Taxes Paid & Tax Deducted at Source (Net of provisions)	89 62 450	17 23 846
Balance with Service Tax authority	19 01 481	5 21 244
Intercorporate Deposits	62 18 27 046	-
(Includes Interest of Rs. 12 78 245 accrued there on)		
Deposit	<u>48 36 550</u>	<u>97 73 650</u>
		64 42 52 403
		1 79 18 338
<b>Total</b>	<u><u>66 91 47 664</u></u>	<u><u>4 85 71 600</u></u>

\* Advance Recoverable in cash or kind includes Rs. 4 50 000 (previous year Rs 3 00 000 ) due from the Manager / Officer.  
Maximum balance outstanding at any time during the year Rs.7 50 000  
(Previous year Rs.5 75 000)

**Schedule "G"**  
**CURRENT LIABILITIES & PROVISIONS**  
**Current Liabilities**

Sundry Creditors*	4 51 831	8 87 915
Others Liabilities	<u>85 58 031</u>	<u>58 19 230</u>
		90 09 862
		<u>67 07 145</u>
<b>Provisions</b>		
Compensated Absences	20 81 930	7 52 056
Gratuity	29 42 888	27 89 273
Proposed Dividend on Equity Shares	25 00 000	-
Tax on Proposed Dividend	<u>4 15 219</u>	<u>-</u>
		79 40 037
		35 41 329
<b>Total</b>	<u><u>1 69 49 899</u></u>	<u><u>1 02 48 474</u></u>

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

**Urban Infrastructure Venture Capital Limited**

**Schedules forming part of the Profit & Loss Account**

	(Amount in Rs.)	
	2009-10	2008-09
<b>Schedule "H"</b>		
<b>INCOME FROM OPERATIONS</b>		
Investment Management Fees	54 95 49 217	55 00 74 026
Advisory Fees	9 37 88 930	9 07 03 378
<b>Total</b>	<b>64 33 38 147</b>	<b>64 07 77 404</b>
<b>Schedule "I"</b>		
<b>OTHER INCOME</b>		
Profit on Sale / Redemption of Current Investments (Net)	2 24 14 240	-
Dividend from Current Investment	18 88 700	56 07 620
Dividend from Long Term Investment	610	2 408
Reversal of Provision for Diminution in the value of Current Investments (Net)	4 49 93 015	-
Exchange Difference (Net)	-	4 56 303
Interest	77 14 888	44 049
(Tax Deducted at Source Rs.7 66 831 Previous Year Nil)		
Miscellaneous Income	1 31 044	1 96 509
Balance written back	2 25 017	-
<b>Total</b>	<b>7 73 67 514</b>	<b>63 06 889</b>
<b>Schedule "J"</b>		
<b>EMPLOYEES REMUNERATION, AMENITIES &amp; BENEFITS</b>		
Salaries and Perquisites	12 14 51 525	13 67 23 642
Contribution to provident fund, superannuation fund and pension scheme	63 93 316	54 69 158
Gratuity	1 53 615	16 82 557
Employees Welfare & Amenities	18 88 002	23 61 608
<b>Total</b>	<b>12 98 86 458</b>	<b>14 62 36 965</b>
<b>Schedule "K"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES*</b>		
Rent (Under cancelable operting lease)	2 81 36 800	3 88 36 600
Rates & Taxes	6 98 247	24 613
Repairs & Maintenance		
Building	33 16 924	81 63 805
Other	7 38 612	8 51 992
Legal & Professional	4 89 00 091	3 16 86 417
Traveling & Conveyance	19 27 088	50 79 771
Insurance	38 409	24 863
Telephone Expenses	11 30 610	14 60 130
Business Promotion	19 66 613	27 46 232
Electricity Expenses	22 25 987	35 19 175
Director Sitting Fees	1 80 000	-
Auditor's Remuneration	5 00 000	5 95 000
Donation	-	11 00 000
Provision for Diminution in the value of Current Investments (Net)	-	7 59 88 306
Provision for Doubtful debts	-	18 13 776
Bad debts written off		
For the year	18 13 776	-
Less: Adjusted against provision for doubtful debt	18 13 776	-
Foreign Exchange Rate Difference	24 01 040	-
Loss on sale of Fixed Assets (Net)	43 594	36 713
Loss on sale / Redemption of Current Investments (Net)	-	2 49 87 021
Loss on Equity Derivatives (Net)	6 61 793	1 89 76 936
Other Expenses	64 10 138	1 38 74 784
<b>Total</b>	<b>9 92 75 946</b>	<b>22 97 66 134</b>
*Net of recovery		
<b>Schedule "L"</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
Interest (Other than Fixed Loans)	11 001	10 000
Interest (Fixed Loans)	2 15 342	-
Bank Charges	4 009	20 479
Finance Charges	10 00 000	-
<b>Total</b>	<b>12 30 352</b>	<b>30 479</b>

## **Urban Infrastructure Venture Capital Limited**

### **Schedules forming part of the Balance Sheet and Profit & Loss Account**

#### **Schedule "M"**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted Accounting principles in India and the provisions of the Companies Act, 1956.

##### **2. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### **3. Fixed Assets**

Fixed assets are stated at cost of acquisition less accumulated depreciation.

##### **4. Revenue Recognition**

The investment management fees are recognized in accordance with management agreement entered into, for the period for which services are rendered. Other revenues are recognised when it is earned and no significant uncertainty exists as to its ultimate collection and includes, service tax, wherever applicable. Dividend is recognized when right to receive payment is established. Interest income is recognized on accrual basis.

##### **5. Depreciation**

Depreciation on fixed assets is provided on the straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

## **6. Foreign Currency Transactions**

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transactions.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rates on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss account.

## **7. Investments**

Current investments are carried at the lower of cost and quoted / fair value, computed scrip wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

## **8. Equity Index/Stock Futures/options**

- i) Gains are recognized only on settlements / expiry of the derivative instruments.
- ii) All open positions are marked to market and the unrealized gains / loss are netted on a scrip wise basis. Mark to market gains, if any, are not recognized.
- iii) Debit / Credit balances on open positions are shown as other assets / other liabilities, as the case may be.

## **9. Employee Benefits**

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- iii) Provision for compensated absences to employees is on actual basis for the portion of accumulated leaves which an employee can encash.

#### **10. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### **11. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable Profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

#### **12. Preliminary and Issue Expenses**

Preliminary and issue expenses are charged off to the Profit and Loss Account in the year in which incurred.

#### **13. Impairment of Assets**

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal or external factors. An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment Loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment Loss recognized in prior Accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **14. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be 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.

**Urban Infrastructure Venture Capital Limited**  
**Schedules forming part of the Balance Sheet and Profit & Loss Account**

**Schedule 'N'**  
**NOTES ON ACCOUNTS**

1. The previous year's figures have been regrouped, reworked, rearranged and reclassified wherever considered necessary.

**2. Payment to Auditor**

Particulars	(Amount in Rs)	
	2009-10	2008-09
Audit Fees	4 00 000	4 00 000
Tax Audit Fees	1 00 000	1 00 000
Taxation and Related Matters	-	95 000
<b>Total</b>	<b>5 00 000</b>	<b>5 95 000</b>

3. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plan**

Particulars	2009-10	2008-09	2007-08
Contribution to Defined Contribution Plan, recognised as an expense as under:			
Employer's Contribution to Provident Fund	47 85 758	40 93 013	28 45 401
Employer's Contribution to Superannuation Fund	7 51 198	5 50 270	8 22 492
Employer's Contribution to Pension Scheme	3 55 413	3 90 891	2 82 442

**Defined Benefit Plan**

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

**i. Reconciliation of opening and closing balance of Defined Benefit Obligation:**

	Gratuity (Unfunded)		
	2009-10	2008-09	2007-08
Defined Benefit obligation at Beginning of the year	27 89 273	11 42 102	2 49 577
Current Service Cost	9 40 949	5 48 311	2 46 929
Interest Cost	2 55 799	1 28 172	39 560
Actuarial (gain) / loss	( 10 43 133)	10 06 074	7 00 682
Benefits paid	-	( 35 386)	( 94 646)
Defined Benefit obligation at the year end	29 42 888	27 89 273	11 42 102

**ii. Amount to be recognized in Balance Sheet:**

	2009-10	2008-09	2007-08
Present Value of obligation	29 42 888	27 89 273	11 42 102
Amount recognized in Balance Sheet	29 42 888	27 89 273	11 42 102

**iii. Expense recognized during the year (Under the head "Employee Remuneration, amenities and benefits")**  
Refer Schedule 'J'

	2009-10	2008-09	2007-08
Current Service Cost	9 40 949	5 48 311	2 46 929
Interest Cost	2 55 799	1 28 172	39 560
Actuarial (gain)/loss	( 10 43 133)	10 06 074	7 00 682
	1 53 615	16 82 557	9 87 171

**iv. Actuarial Assumptions**

	2009-10	2008-09	2007-08
Mortality Table (LIC)	1994-96	1994-96	1994-96
Discount Rate (per annum)	7.45%	6.90%	7.60%
Rate of escalation in salary (per annum)	10% for first 2 years & 6% thereafter	10% for first 3 years & 6% thereafter	10% for first 4 years & 6% thereafter

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.



#### 4. Managerial Remuneration

(a) The Company is of the opinion that the computation of net profit for the purpose of managerial remuneration under section 349 of the Companies Act, 1956 need not to be enumerated since no commission by way of percentage of profit is payable for the year to any of the directors of the company. Fixed monthly remuneration has been paid to the director.

(b) Managerial Remuneration by way of :

Particulars	(Amount in Rs)	
	2009-10	2008-09
i) Salary	1 36 15 400	74 66 400
ii) Contribution to Provident Fund	12 52 800	7 20 000
iii) Leave Salary / Encashment	-	40 50 387
<b>Total</b>	<b>1 48 68 200</b>	<b>1 22 36 787</b>

Note: The above remuneration does not include provision for gratuity and provision for leave encashment, since these have been provided for all the employees separately.

5. The components of deferred tax are as follows:

Particulars	As at 31st March 10 at 31st March 09	
i) Deferred Tax Liabilities		
Related to Fixed Assets	( 9 53 145 )	( 8 20 959 )
ii) Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	29 10 316	24 78 635
<b>Net deferred tax Assets</b>	<b>19 57 171</b>	<b>16 57 676</b>

6. As per Accounting Standard-18 on Related Party disclosure as notified by Companies (Accounting Standards) Rules, 2006, the disclosure of transactions are given below:

#### List of Related Parties and Relationship

Sr. No.	Name of the Company	Relationship
1	Jai Corp Limited	Holding company
2	Urban Infrastructure Venture Capital Fund	Associate
3	Urban Infrastructure Venture Capital Fund II	Associate
4	Urban Infrastructure Venture Capital Fund III	Associate
5	Urban Infrastructure Trustees Limited	Fellow Subsidiary Company
6	UI Wealth Advisors Limited	Subsidiary Company w.e.f. 20.11.08
7	Mr. Anand Jain	Key Management Personnel
8	Mr. Parag Parekh	Key Management Personnel
9	Mr. Satyapal Jain	Relative of Mr. Anand Jain
10	Ms. Rina Jain	Relative of Mr. Anand Jain

#### Transactions during the year with related parties:

Sr. No	Particulars	2009-10	2008-09
1	Jai Corp Limited		
	Equity Shares		
	Closing balance as at 31st March	1 00 00 000	1 00 00 000
	Income		
	Advisory Fees (including Service Tax)	69 18 078	65 96 244
	Sundry Debtors		
	Closing balance as at 31st March	15 35 244	15 30 324
2	Urban Infrastructure Venture Capital Fund		
	Investment Management Fees (Including Service Tax)	54 95 49 217	55 00 74 026
	Reimbursement received of Expenses	66 13 339	1 53 91 733
	Advance Recoverable in cash or kind or for value to be received		
	Closing balance as at 31st March	12 10 648	22 76 446

		(Amount in Rs.)	
		2009-10	2008-09
3	Urban Infrastructure Venture Capital Fund II Advance Recoverable in cash or in kind or for value to be received Closing balance as at 31st March	1 00 000	1 00 000
4	UI Wealth Advisors Limited Investment in Equity Shares Closing Balance as at 31st March Reimbursement of manpower charges Closing Balance as at 31st March	- 2 10 00 000 - -	2 05 00 000 2 10 00 000 2 03 835 1 80 740
5	Mr. Anand Jain Rent	70 35 000	70 35 000
6	Mr. Parag Parekh Remuneration	1 48 68 200	1 22 36 787
7	Mr. Satyapal Jain Rent	66 75 000	66 75 000
8	Ms. Rina Jain Rent	53 40 000	53 40 000

#### 7. Basic and Diluted earnings per share

Particulars			
(a)	Profit after Tax as per profit and loss account	31 12 72 419	10 05 83 957
(b)	Weighted average number of equity shares used as denominator for calculating EPS	10 00 000	10 00 000
(c)	Basic and diluted EPS of face value of Rs. 10 each	311.27	100.58

#### 8. Expenditure in Foreign Currency

Particulars			
	Conference Participation	-	5 39 139
	Professional Fees (Net of Recovery)	-	48 90 522
	Subscription	-	4 425
	Books & Periodicals	1 208	8 495

#### 9. Earning in Foreign Currency

Advisory Fees	8 69 34 373	8 41 07 135
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#### 10. Disclosure on Financial Instruments

Unhedged foreign currency exposure as on 31st March is as under		
Receivable	2 11 09 450	2 35 73 236

#### 11. Details of Open Interest in Stock Futures - 29.04.10 series contract

Name of Stock Future	No. of contracts	Units Long
State Bank of India	6	792

12. Segment Reporting

Segment information as per Accounting Standard - 17 on Segment Reporting for the year ended 31st March 2010

Particulars	Asset Management		Investment		Unallocated		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue	64 33 38 147	64 12 33 707	7 70 11 453	56 54 077	1 96 509	-	72 07 05 661	64 70 84 293
External Revenue	-	-	-	-	3 56 061	-	-	-
Intersegment Revenue	64 33 38 147	64 12 33 707	7 70 11 453	56 54 077	1 96 509	-	72 07 05 661	64 70 84 293
Gross Revenue	5 19 63 855	6 12 07 024	-	-	3 56 061	-	5 19 63 855	6 12 07 024
Less: Service Tax Recovered	59 13 74 292	58 00 26 683	7 70 11 453	56 54 077	3 56 061	-	66 87 41 806	58 58 77 269
Net Revenue	36 30 19 924	32 31 45 871	7 44 50 268	11 42 98 186	-	-	43 74 70 192	20 88 47 685
Results	-	-	-	-	(3 46 604)	(4 23 491)	(3 46 604)	(4 23 491)
Segment Results	36 30 19 924	32 31 45 871	7 44 50 268	11 42 98 186	(3 46 604)	(4 23 491)	(3 46 604)	(4 23 491)
Unallocated Corporate Income (Net)	-	-	-	-	(3 46 604)	(4 23 491)	(3 46 604)	(4 23 491)
Operating Profit/(Loss)	36 30 19 924	32 31 45 871	7 44 50 268	11 42 98 186	12 58 51 169	10 78 40 237	10 78 40 237	10 78 40 237
Provision for Income Tax	-	-	-	-	(12 61 97 773)	(10 82 38 728)	5 11 182	10 06 08 957
Net Profit/(Loss)	36 30 19 924	32 31 45 871	7 44 50 268	11 42 98 186	(12 61 97 773)	(10 82 38 728)	5 11 182	10 06 08 957
Other Information	-	-	-	-	-	-	-	-
Segment Assets	4 80 63 223	5 44 43 446	78 32 54 358	21 53 18 349	-	-	83 13 17 581	26 97 61 795
Unallocated Corporate Assets	-	-	-	-	1 24 68 665	87 50 484	1 24 68 665	87 50 484
Total Assets	4 80 63 223	5 44 43 446	78 32 54 358	21 53 18 349	1 24 68 665	87 50 484	84 37 86 246	27 85 12 279
Segment Liabilities	1 34 72 928	97 37 292	25 02 58 245	-	34 34 069	5 11 182	26 37 31 173	97 37 292
Unallocated Corporate Liabilities	-	-	-	-	-	-	34 34 069	5 11 182
Total Liabilities	1 34 72 928	97 37 292	25 02 58 245	-	34 34 069	5 11 182	26 71 65 242	1 02 48 474
Capital Expenditure	3 23 778	51 78 288	-	-	-	-	3 23 778	51 78 288
Depreciation	12 25 462	14 19 497	-	-	-	-	12 25 462	14 19 497

Notes:

(a) Segments have been identified and reported taking into account, the differing risks and returns, the organisation structure and the internal reporting system based on business segment.

The Assets Management activity Segment includes Investment Advisory Services.

Investment : Investments in Mutual Fund, Derivatives, Shares and Inter Corporate Deposits.

Unallocated : Consists of expenses incurred at Corporate level which relates to the company as a whole, Income from miscellaneous sources.

(b) Secondary Segment Information (Geographical Segment)

Segment Revenue - External Revenue	2009-10	2008-09
Total Revenue	58 15 14 893	50 15 73 626
-Within India	8 68 70 852	8 41 07 134
-Outside India	66 83 85 745	58 56 80 760
Segment Assets	81 02 08 131	24 61 88 559
-Within India	2 11 09 450	2 35 73 236
-Outside India	83 13 17 581	26 97 61 795
Segment Liability	26 37 31 173	97 37 292
-Within India	-	-
-Outside India	26 37 31 173	97 37 292
Total Liability	26 37 31 173	97 37 292

As per our report of even date

For Chartered Accountants

R. Koria  
Partner

Place: Mumbai  
Date : 12th May 2010

For and on behalf of the Board of Directors

Anand Jain  
Chairman

Parag Parekh  
Managing Director & CEO

S S Thakur  
Director

P. Krishnakurthy  
Director

Satish Maiti  
Company Secretary

**Urban Infrastructure Venture Capital Limited**

**Balance sheet abstract and Company's general business profile**

Rs in '000

**I Registration details**

Registration No. U 67190 MH 2005 PTC 158049

State Code 11

**Balance Sheet date**

31	03	2010
Date	Month	Year

**II Capital raised during the year (Rs. In thousand)**

Public Issue -

Rights issue -

Bonus issue -

Private placement -

**III Position of mobilisation and deployment of funds (Rs. In thousand)**

Total liabilities 8 26 836

Total assets 8 26 836

**Sources of funds**

Paid-up capital 10 000

Reserve and Surplus 5 66 621

Secured loans 2 50 215

Unsecured loans/ Deferred Tax -

**Application of funds**

Net fixed assets 11 956

Investments 1 60 726

Deferred Tax Asset 1 957

Net Current Assets 6 52 198

**IV Performance of the Company (Rs. In thousand)**

Turnover & other income 6 68 742

Total expenditure 2 31 618

Profit/ (loss) before tax 4 37 124

Profit/ (loss) after tax 3 11 272

Earnings per share (Basic & Diluted) in Rs 311.27

Dividend -

**V Generic names of 3 principal products/services of the Company (as per monetary terms)**

Item Code no (ITC code) Not applicable

Product description Not applicable

For and on behalf of the Board of Directors

Anand Jain  
Chairman

Parag Parekh  
Managing Director & CEO

SS Thakur  
Director

P.Krishnamurthy  
Director

Satish Maheshwari  
Company Secretary

Place: Mumbai  
Date : 12th May 2010