

URBAN GAS LIMITED

Regd. Office: 11B, Mittal Towers, Free Press Journal Marg,
Nariman Point, Mumbai – 400 021 Tel: 022 61155300

DIRECTORS' REPORT

The Directors of your Company are pleased to present the Fourth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Particulars	Year Ended 31-03-2011 (Rs.)	Year Ended 31-03-2010 (Rs.)
Total Income	19,619	12,380
Total Expenditure including Depreciation	17,874	22,463
Profit/(Loss) for the year before Income-tax	1,745	(10,083)
Less: Provision for Income-tax	Nil	Nil
Profit/(Loss) for the year after Income-tax	1,745	(10,083)

OPERATION:

During the year under review your Company earned Rs.19,619/- by way of dividend and earned a profit of Rs. 1,745/- after tax. As your Company was not carrying on any business since incorporation and there is no immediate plan for such activity, your Directors decided to avail of the Easy Exit Scheme, 2011 of the Ministry of Corporate Affairs (MCA) and accordingly has made an application to the Registrar of Companies (ROC), Maharashtra, Mumbai for striking off the name of your Company from the Register of Companies.

DIVIDEND:

In view of conserving the resources, your Directors do not recommend any dividend.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is, hereby, confirmed:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2011 applicable Accounting standards have been followed along with proper explanation relating to material departure;

- (ii) that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates have been made that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- (iii) that proper and sufficient care has been 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;
- (iv) that in view of your Company availing of the “Easy Exit Scheme, 2011” pursuant to General Circular no. 6/2010 issued by the Ministry of Corporate Affairs (MCA) dated 03.12.2010 read with Section 560 of the Companies Act, 1956, the accounts for the financial year ended 31st March, 2011 are not prepared on a ‘going concern’ basis.

AUDITORS AND AUDITORS’ REPORT:

Messrs Pathak H.D & Associates, Chartered Accountants, Mumbai, hold office as statutory auditors of the Company until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. Pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956 your Company has received a certificate from Messrs Pathak H.D & Associates, Chartered Accountants confirming their eligibility for re-appointment.

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

NIL

FIXED DEPOSIT:

Your Company has not accepted any fixed deposit during the year under review.

ACKNOWLEDGEMENT:

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Government authorities and Shareholders during the year under review.

For and on behalf of Board of Directors

Director

Date: 19/05/2011

Place: Mumbai

AUDITORS' REPORT

**To the Members of
Urban Gas Limited**

1. We have audited the attached Balance Sheet of '**URBAN GAS LIMITED**' as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement 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.
2. 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 of material misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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.

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4. Further to our comments in the Annexure referred to in paragraph 3 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 referred to in this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report Comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
5. Attention is drawn to the note no.1 of the schedule "E" of the notes on accounts wherein all the assets and liabilities have been recorded at their fair value as company has applied to registrar of the companies for strike off the name of the company under "Easy Exit Scheme " read with section 560 of the companies Act,1956. Accordingly the financial statements have not been prepared on going concern basis.
6. Subject to our comments in paragraph 5 above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read 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: -

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: 3:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (ii) In the case of 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 PATHAK H.D & ASSOCIATES

**Chartered Accountants
(Firm Reg.No-107783W)**

Anuj Bhatia

Partner

Membership No. 122179

Place: Mumbai

Dated: 19th May 2011

ANNEXURE TO AUDITOR'S REPORT
Referred to in paragraph 3 of our report of even date

- i. In respect of its fixed assets:
The Company does not have any fixed assets, hence the provisions of the clause 4 (i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- ii. In respect of its inventories:
The Company does not have any Inventories, hence the provisions of the clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii. 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 and hence provisions of Clause 4 (iii) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us the Company has not purchased any inventory and fixed assets and sold any goods or services during the year. Hence the provisions of clause 4 (iv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- v. According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- vi. The Company has not accepted any deposits from the public during the year and hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

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- vii. As the Company is not listed on any stock exchange or the paid up capital and reserves as at the Commencement of the financial year did not exceed Rupees fifty lacs or average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, hence provisions of clause 4 (vii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- viii. The 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 the clause 4 (viii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- ix. According to the information & explanations given to us in respect of statutory and other dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, and Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding, as at 31st March, 2011, for a period of more than six months from the date they became payable
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A 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. According to the information and explanations given to us, there are no dues of sales tax, income tax, Custom duty, Wealth tax, Service tax and Excise Duty, Cess, as applicable, which have not been deposited on account of any dispute.

- x. The Company has been registered for a period of less than five years and hence the provisions of clause 4 (x) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- xi. Based on our audit procedures and on the information and explanations given by the management, the Company has not taken any borrowings from financial institutions, banks or debenture holders, hence the provisions of the clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 or a nidhi/mutual benefit fund/society, hence provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of Investments and timely entries have been made therein. All the investments are held by the Company in its own name.
- xv. As per the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge & belief and according to the information & explanations given to us, the Company has not taken any term loan.
- xvii. During the year the Company has not raised any short term funds.
- xviii. During the year the Company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act,1956.
- xix. The Company has not issued any Debentures during the year.
- xx. The Company has not raised any money by way of Public issue during the year.

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- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per 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 PATHAK H.D & ASSOCIATES

Chartered Accountants
(Firm Reg.No-107783W)

Anuj Bhatia

Partner

Membership No. 122179

Place: Mumbai

Dated: 19th May 2011

Urban Gas Limited
BALANCE SHEET AS AT 31st MARCH, 2011

Amount in (Rs.)

Particulars	Schedule	As at	
		31.03.2011	31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	500,000	500,000
Total		500,000	500,000
APPLICATION OF FUNDS			
Investments	B	454,588	434,969
Current Assets, Loans and Advances	C		
Cash & Bank Balance		8,872	34,246
Less: Current Liabilities & Provisions	D		
Other Liabilities		13,788	21,288
Net Current Assets / (Liabilities)		(4,916)	12,958
Profit & Loss Account			
		50,328	52,073
Total		500,000	500,000
Significant Accounting Policies & Notes on Accounts	E		

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia
Partner
Place : Mumbai
Date: 19th May, 2011

Gaurav Jain
Director

A. Datta
Director

Urban Gas Limited
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2011

Amount in (Rs.)

Particulars	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
A) INCOME			
Dividend		19,619	12,380
		19,619	12,380
B) EXPENDITURE			
Filling Fees		1,200	2,100
Payment to Auditors		13,788	13,788
Misc Expenses		2,500	6,516
Bank Charges		386	59
		17,874	22,463
Profit / (Loss) before Tax		1,745	(10,083)
Less: Provision for Income Tax		-	-
Profit / (Loss) after Tax		1,745	(10,083)
Balance as per last Balance Sheet		(52,073)	(41,990)
Balance Carried to Balance Sheet		(50,328)	(52,073)
Basic & Diluted earning per Equity Share of Rs.10 each (Refer Note No. 3 of Schedule "E")		0.03	(0.20)
Significant Accounting Policies & Notes on Accounts	E		

As per our report of even date

For Pathak H. D. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia
Partner
Place : Mumbai
Date: 19th May, 2011

Gaurav Jain
Director

A. Datta
Director

Urban Gas Ltd.

SCHEDULE FORMING PART OF THE BALANCE SHEET

Amount in (Rs.)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE "A"		
SHARE CAPITAL		
AUTHORISED		
50,000 (Previous year 50,000) Equity shares of Rs 10 each	500,000	500,000
	500,000	500,000
ISSUED,SUBSCRIBED AND PAID UP		
50,000 (Previous Year 50,000) Equity Shares of Rs 10 each fully paid up (Above shares are held by Jai Infraprojects Ltd., the holding company including 60 shares held jointly with nominees.)	500,000	500,000
	500,000	500,000
SCHEDULE "B"		
INVESTMENTS		
CURRENT INVESTMENTS		
NON-TRADE INVESTMENTS (UNQUOTED)		
IN UNITS FULLY PAID UP		
3835.738 units (Previous Year 3670.196 of Rs.100/-) of ICICI Prudential Liquid Plan of Rs.100/- each.	454,588	434,969
	454,588	434,969
Notes:		
1) Aggregate value of investments:-		
	As at 31.03.2011	As at 31.03.2010
	Book Value	Market Value
	Book Value	Market Value
Unquoted Investments	454,588	-
		434,969
		-
SCHEDULE "C"		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
CASH AND BANK BALANCE		
Balance with a Scheduled Bank In Current Account	8,872	34,246
	8,872	34,246
SCHEDULE "D"		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Other Liabilities	13,788	21,288
	13,788	21,288

Urban Gas Ltd.

Cash Flow Statement for the year ended 31st March, 2011

	Amount in (Rs.)	
	2010-2011	2009-2010
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax as per P & L Account	1,745	(10,083)
	<u>1,745</u>	<u>(10,083)</u>
Adjusted for		
Dividen Income	(19,619)	(12,380)
	-	(12,380)
	<u>(17,874)</u>	<u>(22,463)</u>
Operating Loss before Working Capital Changes		
Adjusted for		
Trade Payables	(7,500)	6,500
	<u>(25,374)</u>	<u>(15,963)</u>
Cash Generated from Operation		
Net Cash from / (used in) Operating Activities	<u>(25,374)</u>	<u>(15,963)</u>
B. Cash Flow from Investing Activities		
Dividend Income	19,619	12,380
Purchase of Investment	(19,619)	(12,380)
Net Cash from / (used in) Investing Activities	<u>-</u>	<u>-</u>
C. Cash Flow from Financing Activities		
Net Cash from /(used in) Financing Activities	<u>-</u>	<u>-</u>
Net Increase / (Decrease) in Cash and Cash Equivalentents (A+B+C)	(25,374)	(15,963)
Opening Balance of Cash and Cash Equivalentents	34,246	50,209
Closing Balance of Cash and Cash Equivalentents	8,872	34,246

Notes :

- The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in
- Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standards) Rules, 2006.
 - Bracket indicates cash outflow.
 - The Previous year's figures have been regrouped, rearranged, restated and reclassified, wherever necessary.

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants

r and on behalf of the Board of Directors

Anuj Bhatia
Partner
Place : Mumbai
Date: 19th May, 2011

Gaurav Jain
Director

A. Datta
Director

Urban Gas Limited.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE "E"

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical Cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.

b. USE OF ESTIMATES

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect 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. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

c. INVESTMENTS

Current Investments are carried at lower of cost and market value/NAV, computed individually. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.

d. PRELIMINARY AND SHARE ISSUE EXPENSES

Preliminary and Share Issue expenses are charged to the Profit & Loss account in the year in which they are incurred.

e. 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 have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

f. PROVISION ,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 on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

B NOTES ON ACCOUNTS

1 The Company applied to the Registrar of the Companies Maharashtra, Mumbai for striking off the name of the Company under " Easy Exit Scheme,2011" pursuant to General Circular no.6/2010 issued by the Ministry of Corporate Affairs (MCA) dated 03.12.2010 read with Section 560 of the Companies Act,1956. Accordingly all assets and liabilities of the Company have been recognised at their fair value in the books of the accounts as at 31.03.2011 and the financial statements are not prepared on going concern basis.

2 In the opinion of the Management, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

3 Auditor's Remuneration

	Amount in (Rs.)	
	2010-11	2009-10
Audit Fees	13,788	13,788
	<u>13,788</u>	<u>13,788</u>

4 Basic & Diluted Earnings per Share

	2010-11	2009-10
(a) Net profit / (Loss) available for equity Share Holder (Amount used as numerator)	1,745	(10,083)
(b) Weighted Average Number of equity shares used as denominator for calculating EPS	50,000	50,000
(c) Basic and diluted Earning Per Share (Rs.)	0.03	(0.20)

5 The deferred tax Assets comprises of the following:

	Amount in (Rs.)	
	As on 31.03.2011	As on 31.03.2010
(i) <u>Deferred Tax Liability</u> Related to fixed assets	-	-
(ii) <u>Deferred Tax Assets</u> Disallowance under the Income Tax Act, 1961	1,382	2,764
	<u>1,382</u>	<u>2,764</u>

Deferred tax Assets1,3822,764

Note: As at 31st March 2011 the Company has net Deferred Tax Assets of Rs.1,382. However in the absence of virtual certainty that sufficient future taxable income will be available against which such Deferred tax Assets can be realised the same has not been recognised in the books of accounts in line with Accounting Standard 22 dealing with "Accounting For Taxes on Income"

6 As per Accounting Standard 18, " Related Party disclosures" , the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties and relationship.

(i)	Holding Company:-	Jai Infraprojects Limited
	Ultimate Holding Company:-	Jai Corp Limited

(ii) No transactions occurred with related parties during the year and previous year:

7 Segment Reporting

There is no separate reportable segment hence information as defined in the Accounting Standard 17 "Segment Reporting" is not

8 There is no other information which is required to be disclosed in accordance with Para 3 & 4 of Part II of Schedule VI of the Companies Act,1956.

9 The Previous year's figures have been regrouped, rearranged, restated and reclassified, wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

For Pathak H. D. & Associates

Chartered Accountants

Anuj Bhatia

Partner

Place : Mumbai

Date: 19th May, 2011

Gaurav Jain

Director

A. Datta

Director

Statement pursuant to Part IV of Schedule VI to the Companies Act , 1956 .

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration No .

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 State Code

1	1
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Balance Sheet Date

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CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousands) :

Public Issue

N	I	L
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 Right Issue

N	I	L
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Bonus Issue

N	I	L
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 Private Placement

N	I	L
---	---	---

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

5	1	4
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 Total Assets

5	1	4
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Sources of Funds

Paid-up Capital

5	0	0
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 Reserves and Surplus

N	I	L
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Secured Loans

N	I	L
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 Unsecured Loans

N	I	L
---	---	---

Application of Funds

Net Fixed Assets

N	I	L
---	---	---

 Investments

4	5	5
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Net Current Assets

(5)
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 Misc . Expenditure

N	I	L
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Accumulated Losses

5	0
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PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Net) & Other Income

2	0
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 Total Expenditure

1	8
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Profit before Tax

2

 Profit after Tax

2

Earning Per Share in Rs.
(Basic & Diluted)

0	.	0	3
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 Dividend rate %

NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms) :

Not Applicable