VOLGA AIR TECHNICS LIMITED
Notes forming part of the financial statements

GN 8.8.4 **Note 11 Cash and cash equivalents @**
GN 6.4

Ref. No.	Particulars	As at 31 March, 2012	As at 31 March, 2011
		₹	₹
BS 6.Q.i	(a) Cash on hand	107,775.00	68,754.00
BS 6.Q.i	(b) Cheques, drafts on hand		
BS 6.Q.i	(c) Balances with banks		
	(i) In current accounts		
	(1) Vijaya bank	533,966.00	5,107.00
	(ii) In EEFC accounts		
	(iii) In deposit accounts (Refer Note (i) below)		
BS 6.Q.ii	(iv) In earmarked accounts		
	- Unpaid dividend accounts		
	- Unpaid matured deposits		
	- Unpaid matured debentures		
	- Share application money received for allotment of securities and due for refund		
BS 6.Q.iii	- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)		
	- Other earmarked accounts (specify) (Refer Note (ii) below)		
BS 6.Q.i	(d) Others (specify nature)		
	F.D with vijaya bank	1,500,000.00	-
	Total	2,141,741.00	73,861.00
AS 3.5.1 AS 3.5.2	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is		

VOLGA AIR TECHNICS LTD. SECUNDERABAD

VOLGA AIR TECHNICS LIMITED
Notes forming part of the financial statements

GN 8.8.5 **Note 12 Short-term loans and advances**
GN 8.7.3

Ref. No.	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
BS 6.R.i GN 6.15	(a) Loans and advances to related parties (give details @) (Refer Note 30.7)		
BS 6.R.ii	Secured, considered good		
BS 6.R.ii	Unsecured, considered good		
BS 6.R.ii	Doubtful		
BS 6.R.iii	Less: Provision for doubtful loans and advances		
BS 6.R.i	(b) Security deposits		
BS 6.R.ii	Secured, considered good		
BS 6.R.ii	Unsecured, considered good		
	(1)UGVCL	20,201	-
BS 6.R.ii	Doubtful		
BS 6.R.iii	Less: Provision for doubtful deposits		
BS 6.R.i	(c) Loans and advances to employees		
BS 6.R.ii	Secured, considered good		
BS 6.R.ii	Unsecured, considered good		
BS 6.R.ii	Doubtful		
BS 6.R.iii	Less: Provision for doubtful loans and advances		
BS 6.R.i BS 6.R.ii	(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
BS 6.R.i BS 6.R.ii	(e) Balances with government authorities		
	Unsecured, considered good		
	(i) CENVAT credit receivable		
	(ii) VAT credit receivable		
	(iii) Service Tax credit receivable		
BS 6.R.i	(f) Inter-corporate deposits		
BS 6.R.ii	Secured, considered good		
BS 6.R.ii	Unsecured, considered good		
BS 6.R.ii	Doubtful		
BS 6.R.iii	Less: Provision for doubtful inter-corporate deposits		
BS 6.R.i	(g) Others (specify nature)		
	(1) TDS 2010-11	-	40,000.00
	(2) TDS ON FD INT 2011-12	2,959.00	-
	(3) TDS ON GEB Security Deposit	2,481.00	-
	(4) others		9,209
BS 6.R.ii	Secured, considered good		
BS 6.R.ii	Unsecured, considered good		
BS 6.R.ii	Doubtful		
BS 6.R.iii	Less: Provision for other doubtful loans and advances		
	Total	25,641.00	49,209.00

VOLGA AIR TECHNICS LIMITED
Notes forming part of the financial statements

Note 13 Other income

	Particulars	For the year ended	For the year ended
		₹	₹
	Interest Income	59,002.00	1,650,910.00
	Sundry Debit / Credit Bal.Write Off	12768	484625
	Other Income	1099	0
	Total	72,869.00	2,135,535.00
	from long-term investments		
	subsidiaries @		
	joint ventures		
	associates		
	others		
(c)	Net gain on sale of:		
	current investments		
	long-term investments		
(d)	Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of:		
	current investments		
	long-term investments		
(e)	Net gain on foreign currency transactions and translation (other than considered as finance cost)		
(f)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii)		
	Total		

Note	Particulars	For the year ended	For the year ended
		₹	₹
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits		
	other balances		
	Interest on loans and advances		
	Interest on overdue trade receivables		
	Interest income from current investments		
	subsidiaries		
	joint ventures		
	associates		
	others		
	Interest income from long term investments		
	subsidiaries		
	joint ventures		
	associates		
	others		
	Interest on income tax refund		
	Other interest		

VOLGA AIR TECHNICS LIMITED

GN 10.5 to 10.8
GN 9.5.3

Note 14. Changes in inventories of finished goods, work-in-progress and stock-in-trade @

GN 10.5 to 10.8

Ref. No.	Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
PL 5.iii	Inventories at the end of the year:		
	Finished goods	-	0
	Work-in-progress		0
	Stock-in-trade		0
			0
	Inventories at the beginning of the year:		
	Finished goods		186341
	Trading Goods		100600
	Raw Material		171644
			458585
	Toal	0	458585

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VOLGA AIR TECHNICS LTD.

VOLGA AIR TECHNICS LIMITED

Note 15 Employee benefits expense

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		₹	₹
	Encashment of Leave	0	343294
	Contributions to provident and other funds	7986	14420
	Staff welfare expenses	70	600
	Total	**8056**	**358314**

VOLGA AIR TECHNICS LIMITED
Notes forming part of the financial statements

GN 9.5.5 **Note 16 Finance costs**

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		₹	₹
	Interest	2286	10712
	Bank Commission	788	1421
	Total	3074	12133

VOLGA AIR TECHNICS LTD

VOLGA AIR TECHNICS LIMITED
Notes forming part of the financial statements

GN 9.5.7 Note 17 Other expenses

Ref. No.	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		₹	₹
	Electrical Exps	0	29550
	Insurance Exps	600	17443
	Stationary & Printing Exps	4759	2340
	Telephone Exps	3607	484
	Professional Charges	58904	191670
	Motor Car Exps	106536	94228
	Auditors Remuneration	17500	17500
	Miscellaneous expenses	44958	82336
	Repairs & Maintenance	700	0
	Legal Exps	150	2750
	Electricity Charges	0	172374
	Repairs to Machineries	0	22864
	Advertisement Exps	0	172221
	Excise Duty	0	76617
	Travelling Exps	0	23747
	Kasar A/c	-15651	-929
	P F damages	0	14603
	Electricity Exps	237226	0
	Loss on Sale Of Asset		204516
	Total	459289	1124314
	Total		

AS PER OUR REPORT OF EVEN DATE
FOR S.N. MEHTA & ASSOCIATES

S.N. MEHTA & ASSOCIATES AHMEDABAD M.NO. 9057 CHARTERED ACCOUNTANTS

S.N. MEHTA M NO 9057
(PROPRIETOR)
FIRM REG.NO. 106306W

Place : AHMEDABAD
Date : 31.07.2012

M.S. BHALAVAT
CHAIRMAN & MANAGING DIRECTOR

A J SHAH
DIRECTOR

S.R. Shah

MRS. S.R. SHAH
DIRECTOR

PLACE : AHMEDABAD
Date : 31.07.2012

VOLGA AIR TECHNICS LTD. AHMEDABAD

VOLGA AIR TECHNICS LTD
NOTES ON ACCOUNTS & ACCOUNTING POLICIES

NOTE - 1

[A] STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

1. The Books of Accounts are maintained on Accrual Basis

2. Fixed Assets are stated at cost price net of MODVAT except the Land & Building which are revalued. (They are stated at Revalued amounts).

3. The Long Term borrowings from Financial Institutions as per Note – 4 i.e. Term Loan from IDBI & GIIC. Working Capital Loan from Central Bank of India. Bill Loan from GIIC Ltd. GIIC Bills Discounting are due for payments before 31.03.2002. However as the Company is registered with BIFR and as such the financial institution are not in a position to recover the loans till final order is passed by BIFR these loans including such corporate loans and loans from Directors are treated as Long Term Borrowings since it is not known when Final order is pass by BIFR.

4. Company has Suspended (Stopped) the production from 22.11.2009 and as such Depreciation for plant & machinery not provided.

5. Due to Suspension of production no depreciation is provided during the year including depreciation on revalued assets.

6. Prior Period Adjustment :The Company continues to follow the practice of making adjustment through 'Prior Years Adjustments' in respect of all material transactions pertaining to the period prior to current accounting year. However, there is no Prior Period Adjustment.

7. (a)The Company has not provided interest on term loan of financial institutions-IDBI & GIIC, CC Limit of Central Bank of India and unsecured loans. (The amount of interest on term loan from I D B I and G I I C as per the calculation made by Company comes to approx. Rs.413.64 lacs, interest in CC limit of Central Bank of India comes to approx. Rs.260.32 lacs.).

[B] NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

1. Figures are regrouped / rearranged wherever they are necessary.

2. During the year, due to carried forward loss, Company has not provided taxation in the Books of Accounts including deferred tax liability as the Company does not estimate any such liability in the near future.

3. The Company has revalued its Land & Building of both the Units at Changodar, Tal Sanand Dist. Ahmedabad effective 27.03.1998 on the basis of the Valuation Report from the Approved Valuer Shri B R Rami, Ahmedabad on the basis of prevailing market rates of Land & Building on revaluation. The following revalued amounts were substituted for the historical cost in the gross block of Fixed Assets.

Land Rs 2,53,18,467 **Building Rs.5,05,33,487**

The Revaluation pertaining to assets which were sold during year 2006-2007 was reversed. The balance amount are as under.(Revaluation with cost.)

Land Rs 44,94,667 **Building Rs.2,10,87,704**

4. **Business Segment**
The Company has suspended business activities and hence no business segment.

5. **Related Party Disclosures.**
(i)The Company neither have Holding, Subsidiary or fellow subsidiary Company nor it is a holding, subsidiary or fellow Company.
(ii)Other related party with whom no transactions have taken place during the year

Associate	VRF Engineers Pvt. ltd.

III **Directors of the company**

Chairman & Managing Director	Mr. M. S . Bhalavat
Non executive Directors	Mr.A.J.Shah
	Mrs. S R Shah

Particulars of remuneration to director is given in Note – B –(8) in this Schedule 1

IV Key Management of the Associate :	Mr. M. S. Bhalavat
	Mr. R. S. Bhalavat

V There is no Related Party transactions during the year 2011-12:

6. **Earning per Share**

	2011-2012	2010-2011
a) Net Profit (Loss)	(397550)	424321
b)Weighted average number of Equity Shares of Rs 10 each outstanding during the year (No of shares)	8127500	8127500
c) Basic/Diluted earning per share	(0.049)	0.05

7. **Auditor's Remuneration**

	2011-2012	2010-2011
	Rs.	Rs.
Audit Fee	17,500.00	17,500.00
Tax Audit Fee	-	-
Other Services	-	-
Total	**17,500.00**	**17,500.00**

8. No Managerial Remuneration is paid during the year previous year (NIL)

9. Contingent Liabilities not provided for in the books of accounts are under:
(i) The Company has a various matter for different years and pending with different forum of sales tax authority. Total demand of Rs. 965.97 lacs for which the apprals are pending at various forum of sales tax department as details given below:

(a) Sales Tax Department completed assessment for the years 96-97, 97-98, & 99- 2000 and demanded Sales tax, Interest and Penalty as under.

A.Y	Assessed Sales Tax(RS.)	Interest (Rs.)	Penalty (Rs.)	Total (Rs.)	Forum where disputed is pending
1996-1997	17,90,591	20,50,236	10,74,354	49,15,181	Tribunal
1997-1998	12,08,954	10,65,549	7,03,961	29,78,464	Tribunal
1999-2000	5,58,621	5,37,276	6,70,344	17,66,241	Tribunal

For these years appeals are pending .The Company has made provision for assessed sales tax. How ever no provision for interest & penalty is made since the company shall make application to BIFR (Since Company is already registered with BIFR.)for relief from payment of Interest & Penalty. Company have applied to Govt. of Gujarat as per G.R.BFR/(HPC)/102009/435690/P dtd. 15.7.2010.

VOLGA K'S TECHNIC LTD.

b) The PF authorities has levied damages Rs. 562444 & penal interest Rs. 56769 for delayed payment of PF for the period from March 2002 to July 2003. However, the Company has approached the higher authorities for waiver shifted of damages as was done in the past no provision is made for the same.

© The Company's transformer is required to be sifted from the place where it is at present as the side adjoing primises was sold by operating Agency as per guidelines of BIFR in 2006. the estimated cost for shifting will be approx Rs. 5 lacs. No Provision has been made.

10.There is no amount due to Small scale Industrial undertakings/units.

11. Certain Unclaimed credit balances & unrecoverable amounts from customers which are compromised by the Company for lesser payment or which in the opinion of the management not payable & non-recoverable outstanding Debit balance i.e. (Debit/Credit Balances) are written off during the year and net amount is treated as expense/income during the year.

12. Financial data as on 31st March 2012

Due to continuous loss incurred by the Company the financial data is as under

	Rs.
(1) Profit during the year	(397550)
Accumulated losses	183886289
(2) Total Current Assets	2423808
Total Current Liabilities	6334640

13. The financial data for further information are given above. The Company has incurred cash loss during the current year. Moreover Company has suspended production from 22.11.2009 & relieved all the staff members from 28.2.2010. On the basis of these facts and based on Accounting Standard issued by ICAI in our opinion the Company is not "Going Concern". However accounts are prepared on "Going Concern" basis on the basis of legal opinion obtained by Company.

M.S.BHALAVAT
CHAIRMAN & MANAGING DIRECTOR

AS PER OUR REPORT OF EVEN DATE
FOR S.N.MEHTA & ASSOCIATES

S.N. MEHTA & ASSOCIATES AHMEDABAD M.NO. 9057 CHARTERED ACCOUNTANTS

A J SHAH
DIRECTOR

S.N.MEHTA M.No 9057
(PROPRIETOR)
FIRM REG. NO. 106306W

S.R.Shah
MRS. S R SHAH
DIRECTOR

DATE : 31.07.2012
PLACE : AHMEDABAD

DATE : 31.07.2012
PLACE : CHANGODAR

DOLGA AIR TECHNIC LTD.

VOLGA AIR TECHNICS LIMITED

CASH FLOW STATEMENT

			2011-2012	2010-11
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before tax as per Profit & Loss A/c		-397550.00	282189.00
	Adjustments :			
	Depreciation			-
	Loss on sale of Fixed Assets			
	Investment Income (interest/div income)		-59002.00	-1650910.00
	Cr./Dr. Balance Written off		-12768.00	-484625.00
	Interest Paid		2286.00	10712.00
	Net Gain on Sale of Investments			
	Operating Profit before working capital		-467034.00	-1842634.00
	Adjusted for :			
	I) Trade & other Receivables		375689.00	75913.00
	ii)Inventories		0.00	458585.00
	iii) Trade Payable		1516151.00	-3201917.00
	iv)Other Current liability		-560320.00	
	v)Short Term Loans & Adv.		23568.00	
	Cash generated from operations			
	Interest & Other Income		59002.00	1650910.00
	Interest Paid		-2286.00	-10712.00
	Direct Tax Paid			
	Misc Expence/Income Written off		12768.00	484625.00
	Foreign Exchange effects			
	Net Cash from Operating Activities		**957538.00**	**-2180714.00**
(B)	**Cash Flow from Investing Activities :**			
	Purchase of Fixed Assets			
	Foreign exchange effect on fixed assets			
	Sale of Fixed Assets			195000.00
	Investments (F.D. in Bank)		-1500000.00	
	Sale of Investments			
	Interest Income			
	Dividend Income			
	Net Cash used in Investing Activities		-1500000.00	195000.00
(C)	**Cash Flow from Financing Activities**			
	Borrowing of Funds		1110342.00	-58488.00
	Repayment of borrowings			2095117.00
	Proceeds from Issue of shares			
	Foreign Exchange Effects on L.T. Borrowings			
	Dividend paid including distribution tax			
	Net Cash from financing Activities		1110342.00	2036629.00
	Net Increase in cash & cash equivalents (A+B+C)		567880.00	50915.00
	Opening Balance of Cash & Cash equivalents		73861.00	22946.00
	Closing Balance of Cash & Cash equivalents		641741.00	73861.00
	Net Increase/(Decrease) in cash & cash equivalents		567880.00	50915.00

M. S. BHALAVAT
Chairman & Managing Director

A.J.SHAH
Director

MRS S R SHAH
Director

Place : Changodar
Date : 31.07.2012

AUDITOR'S REPORT

We have examined the attached Cash Flow Statement of Volga Air Technics Limited for the year ended 31 st March,2012. The statement has been prepared by the Company in accordance with requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet covered by our report of 31.07.2012 to the members of the Company.

FOR S.N.MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG.NO. 106306

(S.N.MEHTA) M.No. 9057

PLACE : AHMEDABAD
DATE 31.07.2012