

FORM A

Letter of the annual audit report to be filed with the stock exchanges

Sr. No.	Name of the Company:	Atlanta Limited
1	Annual financial statements for the year ended	March 31, 2013
2	Type of Audit observation	Matter of Emphasis: The company has, during the year, delayed in payment of dues to financial institutions and banks. Management Response: The Company's request to Lenders for reduction in interest rate from retrospective date and for reversal of such excess interest charged is pending. Pending such reversal of interest, higher rate has been charged. If interest at lower rate were considered, there would have been no overdues of interest and hence no delays in respect of interest. Similarly, in such cases our payment towards such excess interest charged would have got adjusted towards principal dues and there would have been no overdues of Principal and hence no delays in respect of Principal.
3	Frequency of observation	Since March 31, 2012
4	To be signed by- • Rajhoo Bbarot Managing Director • Bakul Desai CFO • S D Yardi Yardi Prabhu & Associates Auditor of the company • Vipul Desai Audit Committee Chairman	<i>Nike:</i> <i>Sarendra</i> For YARDI PRABHU & ASSOCIATES CHARTERED ACCOUNTANTS <i>Sarendra</i> PARTNER <i>U. Desai</i>



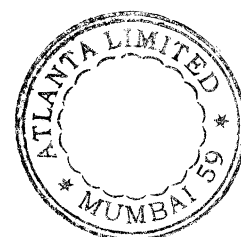
FORM B

Letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Atlanta Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit qualification	Qualified for Depreciation on Concession Assets/ Tolling Right: Para 5 The company has amortized the Concession Assets / Tolling Rights (BOT Rights) in the manner whereby the total cost is written off over the concession period of 6,127 days (i.e. from 27th December, 2007 to 4th October, 2024) as per the recommendation of Chief Engineer, Public Works Department (PWD) as against the concession period of 2,461 days (i.e. from 27th December, 2007 to 21st September, 2014) granted under the notification issued by the Government of Maharashtra, PWD. Accordingly, the BOT rights have been amortized over the extended period which is not in line with the period specified under the Government notification. Due to this there is a short amortization of tolling / BOT rights to the extent of Rs. 2,608.98 Lacs during the year under consideration. We further report that had the BOT Rights been amortized based on Government Notification, a. The loss after tax would have been Rs. 848.24 Lacs as against the reported profit after tax of Rs.1,760.74 lacs b. The net block of fixed assets would have been lower by Rs. 2,608.98 Lacs c. The balance in Reserve and Surplus would have been lower by Rs. 2,608.98 Lacs.
4.	Frequency of qualification	Since March 31, 2011



5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Note no. 12.2 & 12.3 of the Significant accounting policies. Depreciation on Concession Assets/ Tolling Right. Management Response: The Government of Maharashtra, Public Works Department (PWD) vide agreement dated 12.07.2000 originally awarded a contract of construction of Mumbra–Kausha By-pass Project on NH–4, Mumbai Pune Road on Build, Operate & Transfer (BOT) basis for a concession period of 6 years and 9 months (including construction period) which was subsequently revised vide notification dated 27.12.2007 authorising the Company to collect the toll from the vehicles passing through the said road effective from 28.12.2007 to 11.09.2010 as per the supplementary agreement. However, the Company made a representation before the Contracting Authority for enhancement of the concession period for various reasons including change in scope of work. Based on such representations, the Chief Engineer, PWD has recommended to the concerned authority for the enhancement of concession period from 10 years, 4 months and 25 days to 24 years, 1 month and 17 days. In the previous year, the Company invoked arbitration before the Arbitral Tribunal to resolve the issue. In the mean time the Government of Maharashtra issued an interim notification extending the concession period from 11.09.2010 to 21.09.2014. Considering the interim notification and recommendation of the Chief Engineer, (PWD), Mumbai Region and also relying upon the legal opinion of a counsel, the management is reasonably certain about the enhancement of concession period as stated above. In view of above, the concession assets / tolling rights are amortised in the manner whereby the total cost is written off over the proposed enhanced concession
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		period of 24 years, 1 month and 17 days. The Company, therefore, amortised the toll collection rights at Rs. 6.24 crores, as against the amortisation of Rs. 32.33 crores based on the concession period notified by the Government of Maharashtra.
6.	Additional comments from the board/audit committee chair:	--
7	To be signed by- • Rajhoo Bbarot Managing Director • Bakul Desai CFO • S D Yardi Yardi Prabhu & Associates Auditor of the company • Vipul Desai Audit Committee Chairman	<i>Nike</i> <i>Bakul Desai</i> For YARDI PRABHU & ASSOCIATES CHARTERED ACCOUNTANTS <i>S D Yardi</i> PARTNER <i>Vipul Desai</i> 

