



319-320, REX CHAMBERS, W. H. MARG, BALLARD ESTATE, MUMBAI - 400 001.
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
PENINSULA INTEGRATED LAND DEVELOPMENT PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PENINSULA INTEGRATED LAND DEVELOPMENT PRIVATE LIMITED, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

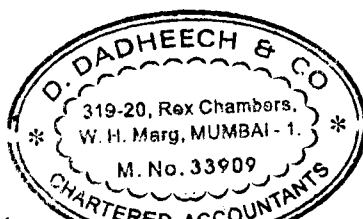
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 ;
- b) in the case of the Statement of Profit and Loss Account, of the **Loss** for the year ended on that date ;and
- c) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, 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 purpose 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Mumbai
Date :



For D. Dadheech & Co.
Chartered Accountants
Firm Registration Number: 101981W

(Signature)

Devesh H. Dadheech
Proprietor
Membership No.: 33909

Annexure to Auditor's Report

Re: PENINSULA INTEGRATED LAND AND DEVELOPERS PRIVATE LIMITED

	Particulars	Comments
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company does not have any fixed asset so this clause is not applicable
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
	(c) if a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern;	Not Applicable
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	The Company does not have any inventory, therefore, the provisions of the clauses 4(ii) are not applicable to the company
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Not Applicable
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
(iii)	(a) has the company either granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions.	M/s Peninsula Land Ltd had reimbursed the expenses of company and outstanding balance at the year end amounts to Rs.40,000/-
	(b) whether the rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company;	No Interest Is provided during the year.
	(c) whether payment of the principal amount and interest are also regular;	Loan is repayable from the cash flor of the project over a period of years. It is interest free loan.
	(d) if overdue amount is more than one lakh, whether reasonable steps have been taken by the company for recovery/payment of the principal and interest;	Not Applicable
(iv)	is there an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Whether there is a continuing failure to correct major weaknesses in internal control;	In our opion the company has an internal audit system commensurate with the size and nature of business.
(v)	(a) whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;	Based on the examination of the books of accounts and related records and according to information an explanations provided to us, there are o contracts or arrangement with companies, firms or other parties which need to be listed in the register maintained u/s 301 of the Companies Act.
	(b) whether each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;	Yes
(vi)	in case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board whether the same has been complied with or not?	The Compay has not accepted any public deposit.
(vii)	in the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business;	In our opion the company has an internal audit system commensurate with the size and nature of business.
(viii)	where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, whether such accounts and records have been made and maintained;	Since the turnover of company is less than Rs.20 Crores and Net worth is less than Rs.5 Crore the Cost Audit is not mandatory.



(ix)	(a) is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the records of the Company, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Custom duty, Excise Duty, Cess and other material statutory dues applicable to it.
	(b) in case dues of sales tax/income tax/custom tax/wealth tax/excise duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned.	According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
(x)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the financial year immediately preceding such financial year also;	According to the records of the Company, there are no dues of Sales Tax, Income Tax, Customs Tax/Wealth Tax, Excise Duty/Cess which have not been deposited on account of any dispute.
(xi)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	The company has suffered cash loss of Rs.46,000/ during the year and previous year it suffered cash loss of Rs.20,000/-. The accumulated loss of Rs.3,11,000 is less than 50% of its Net Worth. The Company is not a Sick Company as per provision of SICA
(xii)	whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out.	No
(xiii)	whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi/ mutual benefit fund/societies;	According to the records of the company, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
	(a) whether the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet;	In our opinion the company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies(Auditors Reports)Order 2003 are not applicable to the company.
	(b) whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard/default/loss assets;	Not Applicable
	(c) whether the company has adequate procedures for appraisal of credit proposals/requests, assessment of credit needs and repayment capacity of the borrowers;	Not Applicable
	(d) whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower and would be conducive to recovery of the loan amount;	Not Applicable
(xiv)	if the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act;	In our opinion the company is not dealing in shares, securities, debentures and other investment. Therefore, the provision of clause 4(xiv) of the order are not applicable.
(xv)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Hence relevant clause is not applicable.
(xvi)	whether term loans were applied for the purpose for which the loans were obtained;	According to information and explanation given to us the Company has not obtained any term loan during the year.
(xvii)	whether the funds raised on short-term basis have been used for long term investment and vice versa; If yes, the nature and amount is to be indicated;	According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets during the year.
(xviii)	whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company;	According to the information and explanations given to us, the company has not made any preferential allotment of shares of parties and companies covered in the register maintained u/s 301 of the Act.
(xix)	whether securities have been created in respect of debentures issued?	According to the information and explanation given to us, the Company had not issued any Secured Debenture during the year.
(xx)	whether the management has disclosed on the end use of money raised by public issues and the same has been verified;	During the period the Company has not raised money by public issue.



(xxi) whether any fraud on or by the company has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated.	Based upon the audit procedures performed and information and explanation 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.
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FOR D DADHEECH & CO
Chartered Accountants
F.R.No.:101981W

[Handwritten Signature]

DEVESH H DADHEECH
Proprietor
M.No.033909



Place: Mumbai
Date:

23 MAY 2014

PENINSULA INTEGRATED LAND DEVELOPERS PRIVATE LIMITED

Balance sheet as on 31st March 2014

(Rs In Lakhs)

Particulars	Note No.	31-Mar-14	31-Mar-13
<u>EQUITY AND LIABILITIES</u>			
Shareholders Funds			
Share Capital	1	50.00	50.00
Reserve & Surplus	2	(3.11)	(2.65)
<u>Non-Current Liabilities</u>			
Long Term Borrowings			
Unsecured	3	0.40	0.33
Current Liabilities			
Trade payables	4	0.36	0.14
TOTAL.....		47.64	47.82
<u>ASSETS</u>			
Non-Current Assets			
<u>Current assets</u>			
(i) Short Term Advances	5	46.00	46.00
(ii) Cash & Cash Equivalents	6	1.64	1.82
TOTAL.....		47.64	47.82

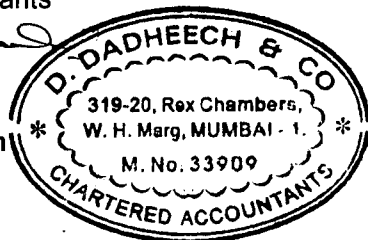
As per our report of even date

For D.Dadheech & Co
Chartered Accountants

Devesh Dadheech
Proprietor
FR No. 101981W

Mumbai :

Date : 23 MAY 2014



For and on behalf of the Board of Directors

Harshvardhan A Piramal

Director

Bharat Sanghavi

Director

PENINSULA INTEGRATED LAND DEVELOPERS PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31,2014

(Rs In Lakhs)

	Note No.	31-Mar-14	31-Mar-13
INCOME:			
Income from Operation		-	-
Total Revenue		-	-
EXPENSES:			
Filing & Stamp duty		0.07	0.05
Tender Charges		-	-
Professional Fees		0.22	0.01
Bank Charges		0.00	0.01
Audit Fees		0.17	0.13
Total Expenses		0.46	0.20
Profit before tax		(0.46)	(0.20)
Tax expense:			
Current tax		-	-
Profit after tax		(0.46)	(0.20)
Balance Carried to Balance Sheet			
Earning Per equity share:			
Basic & Diluted (Refer Note 6 of (II) of Note 7)		(0.09)	(0.04)
SIGNIFICANT ACCOUNTING POLICIES			
Notes forming part of accounts Refer Note 7			

As per our report of even date

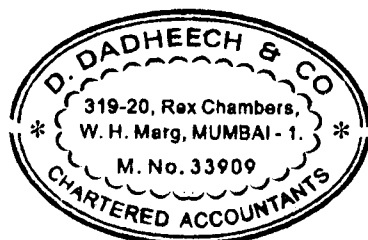
For D.Dadheech & Co
Chartered Accountants

(Signature)

Devesh Dadheech
Proprietor
FR No. 101981W

Mumbai :

Date : 23 MAY 2014



For and on behalf of the Board of Directors

(Signature)
Harshvardhan A Piramal Director

(Signature)
Bharat Sanghavi Director

PENINSULA INTEGRATED LAND DEVELOPERS PRIVATE LIMITED

NOTE : 1

SHARE CAPITAL

(Rs In Lakhs)

Particulars	31-Mar-14	31-Mar-13
Authorised		
5,00,000 (P.Y. 5,00,000) Equity Shares of Rs.10/- each	50.00	50.00
Issued, Subscribed and Paid up		
Balance at the Bening of the year -5 00,000 Equity Shares of Rs.10/- each	50.00	50.00
	-	-
	-	-
Terms /rights attached to Equity shares		
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share . All shares rank pari passu with regard to dividend .		
Share capital as at end of the year	50.00	50.00

Share Holder Holding more than 5% of Share Capital

Name of Share Holder	Number of Shares	% of Holding	Rs In Lacs
Peninsula Holdings & Investments Pvt Ltd	500000	100%	50
	(500000)	100%	50

NOTE : 2

RESERVE & SURPLUS

(Rs In Lakhs)

Particulars	31-Mar-14	31-Mar-13
Profit & Loss Accounts		
Balance as per Profit and Loss Account	(2.65)	(2.45)
Add : Profit /(Loss) of current year	(0.46)	(0.20)
Closing Balance of Reserve and surplus	(3.11)	(2.65)

NOTE : 3

LONG TERM BORROWINGS

(Rs In Lakhs)

Unsecured Loan	31-Mar-14	31-Mar-13
Loan from Ultimate Controlling entity (Peninsula Land Limited)	0.40	0.33
(i) Terms of Loan Repayment		
Loan is repayable from the cash flow of the project		
Interest free Loan received for Project Acquisition		
	0.40	0.33

PENINSULA INTEGRATED LAND DEVELOPERS PRIVATE LIMITED

(Rs In Lakhs

NOTE No. 4

CURRENT LIABILITIES

	31-Mar-14	31-Mar-13
Trade Payables		
MSMED	-	-
Others	0.36	0.14
	0.36	0.14

NOTE No. 5

SHORT TERM ADVANCES

(Unsecured Considered Good)

	31-Mar-14	31-Mar-13
Advance for Project	-	-
Advances to Controlling entity	46.00	46.00
	46.00	46.00

NOTE No. 6

CASH & BANK BALANCES

	31-Mar-14	31-Mar-13
(i) Cash In Hand	0.93	0.93
(ii) Balance with banks in current Accounts	0.71	0.89
	1.64	1.82

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PENINSULA INTEGRATED LAND DEVELOPERS PRIVATE LIMITED

NOTE : 7

NOTES TO ACCOUNTS

I. Significant Accounting Policies :

- 1 Basis of Accounting
The Financial statements are prepared under the historical cost convention in accordance with the Accounting Standards applicable in India. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
- 2 Miscellaneous Expenditure:
Preliminary and pre operative expenses are fully written off to be in line with AS 26.
- 3 Revenue Recognition:
 - a) The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
 - b) Revenue is recognized only when it is reasonably certain that the ultimate collection will be made

II. NOTES TO ACCOUNTS:

- 1 At the end of the financial year there was no sum in excess of Rs 1 lac outstanding for more than 30 days due to small-scale industrial undertakings.
- 2 In the opinion of the directors, current assets, have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. Sundry creditors are subject to confirmation.
- 3 The Management confirms that there are no contingent liabilities
- 4 The other information required under clauses 4A, 4C and 4D of Part II of Schedule VI of the Companies Act 1956, are not applicable to the Company.
- 5 List of Related Parties and Transactions During the year.
 - a Ultimate Controlling entity
Peninsula Land Ltd. -PLL
 - b Controlling entity
Peninsula Holdings & Investments Pvt Ltd.-PHIPL

Key Managerial Personnel
Harshvardhan A Piramal (w.e.f. 31st October 2012)
Bharat Sanghavi
Rajesh S. Jaggi (Resign on 31st October 2012)

(Rs In Lacs)

Details of Transaction are Follows	Year Ended 2013-2014	Year Ended 2012-2013
a Loan Taken From		
Ultimate Controlling entity -PLL		-
b Reimbursement of Expenses		
Ultimate Controlling entity -PLL	0.07	0.14
c Loan Taken Reapid to		
Controlling entity -PHIPL	-	104.00
d Loan Given to		
Controlling entity -PHIPL	-	46.00
e Outstanding Balances payable as at March 31.03.2014		
PLL	0.40	0.33
f Outstanding Balances Receivable as at March 31.03.2014		
PHIPL	46.00	46.00

6	Earning Per Share	2013-2014	2012-2013
	Profit After Tax (Rs In Lacs)	(0.46)	(0.20)
	Number of shares	5 00 000	5 00 000
	Basic & Diluted Earning per share (In Rs)	(0.09)	(0.04)

7 The Company is registered with MCA under CIN No. U70109MH2007PTC167090

8 The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the current year.

As per our report of even date

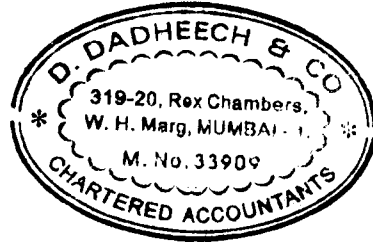
For D.Dadheech & Co
Chartered Accountants

(Signature)

Devesh Dadheech
Proprietor
FR No. 101981W

Mumbai :

Date : 23 MAY 2014



For and on behalf of the Board of Directors

(Signature)

Harshvardhan A Piramal Director

(Signature)

Bharat Sanghavi Director

PENINSULA INTEGRATED LAND DEVELOPERS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs In Lakhs)

		For the Year Ended 2013-2014	For the Year Ended 2012-2013
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (Loss) Before Tax and Extra Ordinary Items	(0.46)	(0.20)
	Adjustments for:		
	Less:		
	Increase / (Decrease) in Loans and Advances	-	(104.00)
	(Increase)/Decrease in Trade Payables	(0.22)	0.09
	Cash Generated from Operations	(0.22)	(103.91)
	Net Cash From Operating Activities (A)	-0.24	103.71
B.	CASH FLOW FROM INVESTING ACTIVITIES	-	-
	Net Cash From Investing Activities (B)	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Equity Shares	-	
	Loan from Holding & Ultimate Holding Company	0.07	(103.86)
	Net Cash Used in Financing Activities (C)	0.07	-103.86
	Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	(0.18)	(0.15)
	Cash and Cash Equivalents at the beginning of the year	1.82	1.97
	Cash and Cash Equivalents at the end of the year	1.64	1.82

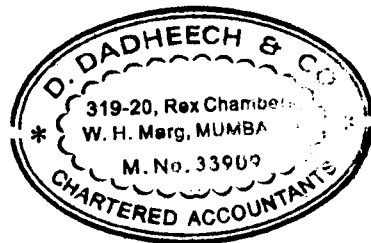
As per our report of even date.

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the ICAI
2. Previous figures have been regrouped or rearranged or reclassified wherever necessary to confirm the current year's classifications

For and on behalf of
D. Dadheech & Co.
Chartered Accountants

Devesh Dadheech
Proprietor
FR No. 101981W

Date : **23 MAY 2014**
Mumbai:



For and on behalf of Board of Director's

(Signature)
Harshvardhan A Piramal Director

(Signature)
Bharat Sanghani Director

Companies (Auditor's Report) Order, 2003.

Annexure to Auditor's Report

Re: PENINSULA INTEGRATED LAND AND DEVELOPERS PRIVATE LIMITED

	Particulars	Comments
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company does not have any fixed asset so this clause is not applicable
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
	(c) if a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern;	Not Applicable
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	The Company does not have any inventory, therefore, the provisions of the clauses 4(ii) are not applicable to the company
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Not Applicable
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
(iii)	(a) has the company either granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions.	M/s Peninsula Land Ltd had reimbursed the expenses of company and outstanding balance at the year end amounts to Rs.40,000/-
	(b) whether the rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company;	No Interest is provided during the year.
	(c) whether payment of the principal amount and interest are also regular;	Loan is repayable from the cash flow of the project over a period of years. It is interest free loan.
	(d) if overdue amount is more than one lakh, whether reasonable steps have been taken by the company for recovery/payment of the principal and interest;	Not Applicable
(iv)	is there an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Whether there is a continuing failure to correct major weaknesses in internal control;	In our opinion the company has an internal audit system commensurate with the size and nature of business.
(v)	(a) whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;	Based on the examination of the books of accounts and related records and according to information and explanations provided to us, there are no contracts or arrangement with companies, firms or other parties which need to be listed in the register maintained u/s 301 of the Companies Act.
	(b) whether each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;	Yes
(vi)	in case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board whether the same has been complied with or not?	The Company has not accepted any public deposit.
(vii)	in the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business;	In our opinion the company has an internal audit system commensurate with the size and nature of business.

(viii)	where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, whether such accounts and records have been made and maintained;	Since the turnover of company is less than Rs.20 Crores and Net worth is less than Rs.5 Crore the Cost Audit is not mandatory.
(ix)	(a) is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the records of the Company, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees's State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Custom duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
	(b) in case dues of sales tax/income tax/custom tax/wealth tax/excise duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned.	According to the records of the Company, there are no dues of Sales Tax, Income Tax, Customs Tax/Wealth Tax, Excise Duty/Cess which have not been deposited on account of any dispute.
(x)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the financial year immediately preceding such financial year also;	The company has suffered cash loss of Rs.46,000/- during the year and previous year it suffered cash loss of Rs.20,000/-. The accumulated loss of Rs.3,11,000 is less than 50% of its Net Worth. The Company is not a Sick Company as per provision of SICA
(xi)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	No
(xii)	whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out.	According to the records of the company, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
(xiii)	whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi/ mutual benefit fund/societies;	In our opinion the company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies(Auditors Reports)Order 2003 are not applicable to the company.
	(a) whether the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet;	Not Applicable
	(b) whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard/default/loss assets;	Not Applicable
	(c) whether the company has adequate procedures for appraisal of credit proposals/requests, assessment of credit needs and repayment capacity of the borrowers;	Not Applicable
	(d) whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower and would be conducive to recovery of the loan amount;	Not Applicable
(xiv)	if the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act;	In our opinion the company is not dealing in shares, securities, debentures and other investment. Therefore, the provisions of clause 4(xiv) of the order are not applicable.
(xv)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Hence relevant clause is not applicable.
(xvi)	whether term loans were applied for the purpose for which the loans were obtained;	According to information and explanation given to us the Company has not obtained any term loan during the year.
(xvii)	whether the funds raised on short-term basis have been used for long term investment and vice versa; If yes, the nature and amount is to be indicated;	According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets during the year.

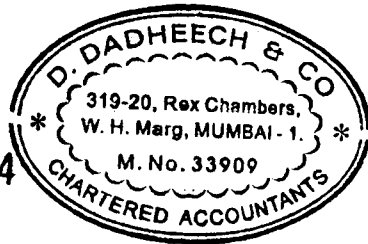
(xviii)	whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company;	According to the information and explanations given to us, the company has not made any preferential allotment of shares of parties and companies covered in the register maintained u/s 301 of the Act.
(xix)	whether securities have been created in respect of debentures issued?	According to the information and explanation given to us, the Company had not issued any Secured Debenture during the year.
(xx)	whether the management has disclosed on the end use of money raised by public issues and the same has been verified;	During the period the Company has not raised money by public issue.
(xxi)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	Based upon the audit procedures performed and information and explanation 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 D DADHEECH & CO
Chartered Accountants
F.R.No.:101981W

D. Dadheech

Place: Mumbai
Date:

23 MAY 2014



DEVESH H DADHEECH
Proprietor
M.No.033909