

Chopra & Company

CHARTERED ACCOUNTANTS

CHOPRA HOUSE, 133, Canning Street, Kolkata - 700 001
Phone : 2242-1718 / 2523 / 6029 • Fax : 91-33-2242 6676 • E-mail : mail@chopracompany.com / achopra@cal3.vsnl.net.in

AUDITORS' REPORT

Auditors' Report to the Members of M/s. KIRAN VYAPAR PVT. LTD.

We have audited the attached Balance Sheet of M/s. Kiran Vyapar Pvt. Ltd. as at 31st March 2011 and also the Profit and Loss Account 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.

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

We report that:

- i) 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;
- ii) 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.
- iii) The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the Books of Account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representation received from the Directors, as on 31st March 2011, and taken on record 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.
- vi) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with Significant Accounting Policies and Notes to Accounts in Schedule 12 and those appearing elsewhere in the accounts 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:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date



Chopra & Company

CHARTERED ACCOUNTANTS

CHOPRA HOUSE, 133, Canning Street, Kolkata - 700 001

Phone : 2242-1718 / 2523 / 6029 • Fax : 91-33-2242 6676 • E-mail : mail@chopracompany.com / achopra@cal3.vsnl.net.in

-- : 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, on the basis of such checks as we considered appropriate and according to information and explanations given to us during the course of audit, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory. No discrepancies one noticed on verification between the physical stocks and the book records.
- iii) The Company has granted unsecured loans bearing no interest to the parties covered in the register maintained under the provision of Section 301 of the Act, which is prima facie prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under sections 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, no transactions were made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- vi) The company has not accepted deposits from the public.
- vii) The Company has no internal audit system commensurate with the size and nature of its business.
- viii) The Company is not required to maintain the cost records in terms of Section 209(1)(d) of the Companies Act, 1956.
- ix) According to the information and explanations given to us, there are no dues in respect of Income Tax, Custom Duty, Sales Tax and Wealth Tax etc. that have not been deposited with the appropriate authorities on account of any dispute.



Chopra & Company

CHARTERED ACCOUNTANTS

CHOPRA HOUSE, 133, Canning Street, Kolkata - 700 001

Phone : 2242-1718 / 2523 / 6029 • Fax : 91-33-2242 6676 • E-mail : mail@chopracompany.com / achopra@cal3.vsnl.net.in

-- : 3 : --

- x) There are no accumulated losses of the company as on 31st March 2011. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
- xii) Clause (xiii) of the order is not applicable to the company as the company is not a Chit Fund Company or Nidhi/ Mutual benefit Fund/Society.
- xiii) The Company is trading in shares, securities, debentures and other investments. According, the provisions of clause 4(xiv) of the order proper records are maintained for the same and all the shares and securities are held by the company in its own name.
- xiv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xv) According to the information and explanations 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 and funds raised on long term raised on long-term basis have not been used for short-term investment.
- xvi) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xvii) The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
- xviii) According to the explanation and information given to us, based upon the audit procedures performed and representation made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.
- xix) According to the information and explanations given to us, the company has not issued any secured debentures, which are outstanding during the year.
- xx) The company has not raised any money through public issue during the year.
- xxi) Based upon the audit procedure performed and 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 the year ended 31st March 2011.

For KIRAN VYAPAR PVT. LTD.

Director

Dated the 20th day of August 2011

For KIRAN VYAPAR PVT. LTD.

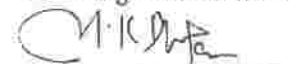
Director



For CHOPRA & COMPANY

Chartered Accountants

Firm Regn. No. 308035E



M. K. DUGAR

Partner

(Memb. No. 053684)

M/S KIRAN VYAPAR PVT. LTD.

Balance Sheet as at 31st March 2011

	<u>Schedule</u>	<u>As at 31.3.11</u>		<u>As at 31.3.10</u>	
		<u>Rs.</u>	<u>P.</u>	<u>Rs.</u>	<u>P.</u>
<u>SOURCE OF FUNDS:</u>					
<u>Share Capital</u>	1	5952000.00		5952000.00	
<u>Reserve & Surplus</u>	2	4169791.40		4000000.00	
<u>Unsecured Loan</u> (from Directors' relative)		1137784.00		1002453.00	
		11259575.40		10954453.00	
<u>APPLICATION OF FUNDS:</u>					
<u>Fixed Assets:</u> (Cost less Depreciation)	3	33747.96		39874.96	
<u>Deferred Tax Asset (net)</u>		393.64		595.64	
<u>Current Assets, Loans & Advances:</u>					
Stock of Shares	4	8994730.05		8890021.15	
Cash & Bank Balances	5	155980.75		250320.85	
Loans & Advance	6	2218893.00		2067844.00	
		11369603.80		11208186.00	
Less:					
<u>Current Liabilities & Provision:</u>	7	144170.00		317420.00	
Net Current Assets		11225433.80		10890766.00	
 <u>Miscellaneous Expenditure</u> (To the extent not written off or adjusted)					
Preliminary expenses				5100.00	
Profit & Loss Account				18116.40	
		11259575.40		10954453.00	

Accounting policies and notes on accounts
The Schedules 1 to 8 form an integral part
of the accounts.

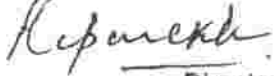
8

As per our report of even date
For Chopra & Company
Chartered Accountants
Firm Reg. No. 308035E

Dated the 20th day of August 2011
133, Canning Street, Kolkata-700001


M. K. Dugar
(Partner)
Memb. No. 053664

For KIRAN VYAPAR PVT. LTD.


Director

For KIRAN VYAPAR PVT. LTD.

P. Parakh
Director



M/S KIRAN VYAPAR PVT. LTD.

Profit & Loss Account for the year ended 31.03.2011

	Schedule	Current Year		Previous Year	
		Rs.	P.	Rs.	P.
INCOMES:					
Sale of Shares		6001460.12		8037786.84	
Closing Stock of Shares		8994730.05		8890021.15	
Dividend received		97845.00		97549.50	
Interest received (TDS Rs. 18900/-, Previous year Rs.28917/-)		189000.00		189000.00	
Bank Interest received		5614.42		3043.92	
Interest on IT Refund		3506.00		4827.00	
		14292165.59		17222026.21	
EXPENSES:					
Opening Stock of Shares		8890021.15		8144995.80	
Purchase of Shares		4242291.25		8284860.65	
Salary		190000.00		65000.00	
Interest paid		150368.00		113836.00	
Accounting Charges		-		12000.00	
Brokerage & Commission		2384.01		13579.88	
Filing Fees		1500.00		1500.00	
Trade Licence		-		4250.00	
Printing & Stationeries		17548.00		8965.00	
Directors Remuneration		480000.00		78000.00	
Rates & Taxes		2143.00		2694.60	
Office expenses		18985.00		12541.00	
Audit fees		11030.00		11030.00	
Bank Charges		657.30		1858.53	
Dmats & Other Charges		5164.08		7875.36	
Telephone expenses		17854.00		-	
Postage & Telegram		5412.00		-	
Travelling & Conveyance		22568.00		15198.00	
Professional fees		1103.00		1103.00	
Security Transaction Tax		8626.00		17014.35	
General expenses		25164.00		14265.00	
Depreciation		6127.00		5226.00	
Preliminary expenses written off		5100.00		5100.00	
		14104045.79		16620895.15	
Profit before Tax		188109.80		401133.06	
Less: Income Tax		0.00		46904.00	
Deferred Tax Liabilities		(202.00)		0.00	
Less: Income Tax & FBT of earlier year		0.00		7961.00	
Profit after Tax		187907.80		346268.06	
Less: Transferred to Statutory Reserve (NSFC)		37582.00		-	
		150325.80		346268.06	
Balance brought forward from Previous year		(18116.40)		(364384.46)	
Balance transferred to Balance Sheet		132209.40		(18116.40)	

Accounting policies of notes on accounts
The Schedules 1 to 8 form an integral part
of the accounts.

8

For KIRAN VYAPAR PVT. LTD.

Keparekh
Director

Dated the 20th day of August 2011
133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.

P. Prasekh
Director

Director



As per our report of even date
For Chopra & Company
Chartered Accountants
Firm Reg. No.308035E

M.K. Dugar

M. K. DUGAR
(Partner)
Memb. No. 053684

M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2011

<u>SCHEDULE-1</u>	AS AT As at 31.3.11	AS AT As at 31.3.10
SHARE CAPITAL:		
Authorised:		
750000 Equity Shares of Rs. 10/- each	7500000.00	7500000.00
Issued, Subscribed & Paid up:		
595200 Equity Shares of Rs. 10/- each fully paid up in cash.	5952000.00	5952000.00
	5952000.00	5952000.00
SCHEDULE- 2		
Reserve & Surplus:		
a) Share Premium Account Issue of 100000 Equity Shares at a premium of Rs. 40/- per Shares	4000000.00	4000000.00
b) Credit balance of Profit & Loss Account	132209.40	-
c) Statutory Reserve (20% as per RBI Guidelines)	37582.00	-
	4169791.40	4000000.00

SCHEDULE- 3

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as	Addition	Total	Upto	For the	Total	Net W.D.V	Net W.D.V
	01.04.10			31.03.11	Year		31.03.2011	31.03.2010
Computer	52158.00	-	52158.00	49934.04	889.00	50823.04	1332.96	2221.06
Telephone	41400.00	-	41400.00	3747.00	5238.00	8985.00	32415.00	37653.00
Total	93558.00		93558.00	53681.04	6127.00	59808.04	33747.96	39674.06
Previous Year	52158.00	41400.00	93558.00	48453.04	5228.00	53681.04	3702.00	

SCHEDULE- 4

Stock of Shares:

Quoted Shares

(Valued at cost or market value whichever is lower)

AJMERA REALTY & INFRA LTD	500	82100.00	-	-
ASHOK LEYLAND LTD.	500	14225.00	-	-
CENTURY TEXTILES LTD.	300	105015.00	-	-
DECAN CHRONICLE HOLDING LTD.	200	18050.00	-	-
DELTA CORPORATION LTD.	1000	75350.00	-	-
DR REDDY LAB. LTD.	100	36375.00	300.00	72750.00
DWARIKESH SUGAR INDS. LTD.	200	8020.00	200.00	8020.00
FAME INDIA LTD.	500	5200.00	500.00	5200.00
GAS AUTHORITY (I) LTD.	102	21613.80	402.00	85183.00
GLOBAL TELE LTD.	950	78855.00	1850.00	7020.00
GLOBAL TELE INFRAS LTD.	1950	7020.00	950.00	76855.00
GVK POWER LTD.	1000	25950.00	1000.00	44850.00
HCL TECHNOLOGY LTD.	600	54498.00	600.00	54498.00
HEG LTD.	200	42440.00	200.00	67330.00
HIMACHAL FUTURITIC LTD.	1720	13777.20	3720.00	29797.20
HIMATSINKA SEIDE LTD.	-	-	1000.00	40250.00
HIND OIL LTD.	200	40170.00	-	-
ICICI BANK LTD.	180	137342.40	310.00	103106.00
IFCI LTD.	-	-	1000.00	49850.00

Dated the 20th day of August 2011

133, Canning Street, Kolkata-700001

Contd...

For KIRAN VYAPAR PVT. LTD.

Koparekh
Director

For KIRAN VYAPAR PVT. LTD.

P. Parakh
Director



M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2011

SCHEDULE- 4

<u>Stock of Shares:</u>					<u>AS AT</u>	<u>AS AT</u>
<u>Quoted Shares</u>	(Valued at cost or market value whichever is lower)				<u>As at 31.3.11</u>	<u>As at 31.3.10</u>
INDIABULLS SECURITIES LTD.	500	7975.00	500.00	13900.00		
INGERSOLL RAND (I) LTD.	-	-	100.00	34550.00		
J P ASSOCIATES LTD.	750	69375.00	750.00	112162.50		
JENSON & NICKLESON LTD.	7000	23660.00	7000.00	23660.00		
JM FINANCIAL LTD.	1000	24000.00	-	-		
KINGFISHER AIRLINES LTD.	-	-	500.00	23400.00		
KITPLY INDUS. LTD.	-	-	6000.00	22800.00		
L & T LTD.	4760	3555101.20	4760.00	3201914.00		
MC DOWELL HOLDING LTD.	20	717.00	20.00	717.00		
MERCATOR LINES LTD.	350	9905.00	350.00	9905.00		
MRPL LTD.	500	20525.00	500.00	20525.00		
NAGARJUNA FERT. CHEM LTD.	750	21150.00	1500.00	46125.00		
ORIENT PAPER INDS. LTD.	-	-	500.00	25225.00		
PARSNATH DEVELOPERS LTD.	1000	45600.00	500.00	56350.00		
PENTAMEDIA LTD.	1500	2070.00	1500.00	2070.00		
PETRONET LNG LTD.	-	-	1000.00	76050.00		
POLARISED SOFT LTD.	400	34140.00	400.00	34140.00		
PVP VENTURES LTD.	100	850.00	100.00	1003.00		
RNEL LTD.	-	-	500.00	31125.00		
RELIANCE POWER LTD. LTD.	125	16212.50	-	-		
STEEL AUTHORITY (I) LTD.	300	50925.00	-	-		
SESA GOA LTD.	100	29040.00	-	-		
SILVERLINE ANIMATION LTD.	40	264.00	40.00	264.00		
SILVERLINE TECHNO LTD.	100	316.00	100.00	604.00		
SPANCO LTD.	133	16799.55	-	-		
SPARSH BPO SERVICES LTD.	66	1511.40	66.00	1511.40		
SUZLON ENERGY LTD.	700	31255.00	700.00	50295.00		
SWISS GLASS COT EQUIP. LTD.	-	-	2000.00	68000.00		
TATA METALINKS LTD.	-	-	200.00	28690.00		
TATA TELE SERVICES LTD.	1000	17100.00	1000.00	22800.00		
TELEVISION EIGHTEEN LTD.	500	46600.00	-	-		
TISCO LTD.	650	310206.00	450.00	191954.05		
TORRENT POWER LTD.	200	20874.00	-	-		
ULTRATECH CEMENT LTD.	707	389557.00	1107.00	609957.00		
VARUN INDUSTRIES LTD.	-	-	300.00	50715.00	5509730.05	5405021.15
					<u>5509730.05</u>	<u>5405021.15</u>
<u>Unquoted Shares:</u>	(Valued at cost or market value whichever is lower)					
ONWARD PLASTICS PVT. LTD.	34850	3485000	34850	3485000.00	3485000.00	3485000.00
					<u>8994730.05</u>	<u>8890021.15</u>

SCHEDULE- 5

Cash & Bank Balances:

Cash in hand (As certified by director)

5972.09 76496.09

Balance in Current Account with

Kotak Mahindra Bank, Kolkata

133557.82 140978.92

Fixed Deposit with Kotak Mahindra Bank

- 20000.00

Dena Bank, Kolkata

16450.84 12845.84

155980.75 250320.85

SCHEDULE- 6

Loans, Advances & Deposits

Unsecured Loans

2150000.00 1950000.00

Tax Deducted at Source (for the year Rs. 18900/-)

68693.00 117844.00

Dated the 20th day of August 2011

2218093.00 2067844.00

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.

P. Parvathi
Director

For KIRAN VYAPAR PVT. LTD.

P. Parvathi
Director



M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2011

<u>SCHEDULE-7</u> <u>Current Liabilities & Provision:</u>	<u>AS AT</u>	<u>AS AT</u>
	<u>As at 31.3.11</u>	<u>As at 31.3.10</u>
Liabilities for expenses	129133.00	259133.00
TDS Payable	15037.00	11383.00
Provision of Income Tax	-	46904.00
	<u>144170.00</u>	<u>317420.00</u>

Dated the 20th day of August 2011
133, Canning Street, Kolkata-700001



For KIRAN VYAPAR PVT. LTD.

K. P. Kh.
Director

For KIRAN VYAPAR PVT. LTD.

P. P. Kh.
Director

M/S KIRAN VYAPAR PVT. LTD.

Schedule Annexed to and forming part of the
Balance Sheet and Profit & Loss Account
As at 31st March, 2011

SCHEDULE- 8

Accounting Policies and Notes on Accounts:

1. Significant Accounting Policies:

- i) Valuation of Stock of Shares: Quoted Shares are valued at cost or market value whichever is lower and unquoted share are valued at cost.
- ii) Retirement Benefits: Since none of the employees has put in the qualifying period of service, retirement benefits of gratuity as per payment of Gratuity Act, 1972, has not been provided for.
- iii) Recognition of Income & Expenditure: Item of Income and Expenditure are recognized on accrual basis.

2. Information pursuant to the provisions of part II of Schedule VI of the Companies Act, 1956.

	<u>As at 31.03.2011</u>		<u>As at 31.03.2010</u>	
	<u>Quantity units</u>	<u>Amount Rs.</u>	<u>Quantity units</u>	<u>Amount Rs.</u>
i) Opening Stock	80058	8890021	68908	8144996
ii) Purchase of Shares.	19500	4242291	74350	8284861
iii) Sale of Shares	30675	5001460	63200	8037786
iv) Closing Stock	68883	8994730	80058	8890021

3. In accordance with Accounting Standard AS-22, Deferred Tax has been recognised on timing difference of depreciable Assets.

Depreciation as per Income Tax	6780/-
Depeceion as per schedule XIX of Co. Act 1956	6127/-
Timing difference	653/-
Deferred tax liabilities @30.9% Rs. 653/-	202/-
Deferred tax Assets as on 31.03.2010.	595.64
Deferred tax Assets (net)	393.64

4. Figures of the Previous year have been rearranged, regrouped wherever necessary to correspond with the the figure of the Current year.

For KIRAN VYAPAR PVT. LTD.

K. Parikh
Director

For KIRAN VYAPAR PVT. LTD.

P. Parikh
Director

As per our report of even date
For Chopra & Company
Chartered Accountants
Firm Reg. No. 308035E

M. K. Dugar

M. K. DUGAR
(Partner)
Memb. No. 053684

Dated the 20th day of August 2011

133, Canning Street, Kolkata-700001

