

Chopra & Company

(Formerly known as Chopra Dugar & Co.)

CHARTERED ACCOUNTANTS

CHOPRA HOUSE, 133, Canning Street, Kolkata - 700 001
Phone : 2242-1718 / 2523 / 6029 • Fax : 91-33-2242 6676 • E-mail : 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 2009 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 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 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, 2009 and
 - b) In the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date



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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 not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under the provision of Section 301 of the Act.
- iv) The Company has not taken loan from a company covered in the register maintained under the provision of Section 301 of the Act.
- v) 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.
- vi) 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.
- vii) The company has not accepted deposits from the public.
- viii) 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.
- ix) The Company has no internal audit system commensurate with the size and nature of its business



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- x) There are accumulated losses of the company as on 31st March 2009, which does not exceed 50% of the net worth of the company. The Company has incurred cash losses during the financial year covered by our audit but no cash losses incurred 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 (xii) 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 2009.



For CHOPRA & COMPANY
Chartered Accountants

M. K. DUGAR
Partner

(Memb. No. 053684)

Dated the 27th day of August

2009

M/S KIRAN VYAPAR PVT. LTD.

Balance Sheet as at 31st March 2009

	<u>Schedule</u>	<u>As at 31.3.09</u>	<u>As at 31.3.08</u>
		Rs. P.	Rs. P.
<u>SOURCE OF FUNDS:</u>			
<u>Share Capital</u>	1	5952000.00	5952000.00
<u>Reserve & Surplus</u>	2	4000000.00	4037661.25
		9952000.00	9989661.25
<u>APPLICATION OF FUNDS:</u>			
<u>Fixed Assets:</u> (Cost less Depreciation)	3	3702.96	6171.60
<u>Current Assets, Loans & Advances:</u>			
Stock of Shares	4	8144995.80	8543057.60
Sundry Debtors		-	992.98
Cash & Bank Balances	5	176300.14	32079.52
Loans & Advance	6	1791766.00	2388912.78
		10113061.94	10965042.88
Less:			
<u>Current Liabilities & Provision:</u>	7	539945.00	996853.23
Net Current Assets		9573116.94	9968189.65
<u>Deferred Tax Asset</u>		595.64	0.00
<u>Miscellaneous Expenditure</u> (To the extent not written off or adjusted)			
Preliminary expenses		10200.00	15300.00
Profit & Loss Account		364384.46	0.00
		9952000.00	9989661.25

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

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For KIRAN VYAPAR PVT. LTD.

R. Parekh
Director

As per our report of even date
For Chopra & Company
Chartered Accountants

M. K. Dugar

M. K. Dugar
(Partner)

Memb. No. 353684

Dated the 27th day of August 2009

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.

P. Parekh

Director



M/S KIRAN VYAPAR PVT. LTD.

Profit & Loss Account for the year ended 31.03.2009

	<u>Schedule</u>	<u>Current Year</u>		<u>Previous Year</u>	
		<u>Rs.</u>	<u>P.</u>	<u>Rs.</u>	<u>P.</u>
<u>INCOMES:</u>					
Sale of Shares		285402.75		672880.60	
Closing Stock of Shares		8144995.80		8543057.60	
Dividend received		75387.00		75382.04	
Interest received (TDS Rs. 38934/-, Previous year Rs. 52839/-)		188999.00		257747.82	
Bank Interest received		2908.10		-	
Interest on IT Refund		5200.00		-	
		8702892.65		9549068.06	
<u>EXPENSES:</u>					
Opening Stock of Shares		8543057.60		5341924.65	
Purchase of Shares		247137.75		3717056.50	
Salary		60000.00		60000.00	
Accounting Charges		10000.00		10000.00	
Filing Fees		1500.00		2500.00	
Printing & Stationaries		6899.00		7485.00	
Directors Remuneration		150000.00		300000.00	
Rates & Taxes		1850.00		470.00	
Office expenses		13400.00		13251.00	
Audit fees		8824.00		8987.00	
Bank Charges		138.00		3370.80	
Drnate Charges		2026.23		-	
Telephone charges		7234.00		7737.00	
Fringe Benefit Tax		-		221.00	
Professional fees		8105.00		12101.00	
General expenses		13456.00		14814.83	
Security Transaction Tax		20604.78		-	
Depreciation		2468.64		4114.40	
Preliminary expenses written off		5100.00		5100.00	
		9101801.00		9509133.18	
Profit before Tax		(398908.35)		39934.88	
Fringe Benefit Tax		492.00		526.00	
Fringe Benefit Tax (F.Y 2005-06)		2423.00		-	
Income Tax		818.00		-	
Deferred Tax Asset		595.64		-	
Profit after Tax		(402045.71)		39408.88	
Balance brought forward from Previous year		37661.25		(1747.63)	
		(364384.46)		37661.25	
Balance transferred to Balance Sheet					

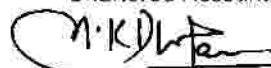
Accounting policies of notes on accounts
The Schedules 1 to 8 integral part of the accounts.

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As per our report of even date
For Chopra & Company
Chartered Accountants

Dated the 27th day of August 2009

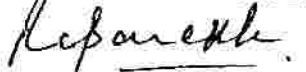
133, Canning Street, Kolkata-700001


M. K. DUGAR

(Partner)

Membr No. 053684

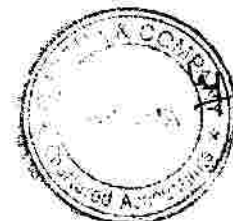
For KIRAN VYAPAR PVT. LTD.


Director

For KIRAN VYAPAR PVT. LTD.

P Parakh

Director



M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2009

	<u>AS AT</u>	<u>AS AT</u>
SCHEDULE-1	31.03.2009	31.03.2008

SHARE CAPITAL:

Authorised:

750000 Equity Shares of Rs.10/- each	7500000.00	7500000.00
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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
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b) Credit Balance of Profit & Loss Account

	-	37661.25
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	4000000.00	4037661.25
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SCHEDULE- 3

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK		
	Cost as 01.04.08	Addition	Total	Upto 31.03.09	For the year	Total	Net W.D.V 31.03.2009	Net W.D.V 31.03.2008
Computer	52156.00	-	52156.00	45984.40	2468.64	48453.04	3702.96	6171.60
Total	52156.00	-	52156.00	45984.40	2468.64	48453.04	3702.96	6171.60
Previous Year	52156.00	-	52156.00	41870.00	4114.40	45984.40	6171.60	10286.00

SCHEDULE- 4

Stock of Shares:

Quoted Shares	4659995.80	5058057.60
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Unquoted Shares

	3485000.00	3485000.00
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	8144995.80	8543057.60
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SCHEDULE- 5

Cash & Bank Balances:

Cash in hand (As certified by director)	75726.09	5183.93
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Balance in Current Account with

Kotak Mahindra Bank, Kolkata	96939.71	-
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Dena Bank, Kolkata	3634.34	26895.59
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	176300.14	32079.52
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SCHEDULE- 6

Loans, Advances & Deposits

Unsecured Loans	1650000.00	1650000.00
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Security Transaction Tax	0.00	19939.78
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Tax Deducted at Source (for the year Rs.38934/-)	141766.00	178973.00
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Deposit in Kotak Mahindra Bank	-	540000.00
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	1791766.00	2388912.78
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For KIRAN VYAPAR PVT. LTD.

Kaparekh
Director

For KIRAN VYAPAR PVT. LTD.

P Parekh
Director



M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2009

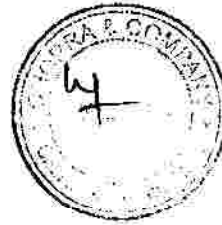
	<u>AS AT</u> <u>31.03.2009</u>	<u>AS AT</u> <u>31.03.2008</u>
SCHEDULE- 7		
<u>Current Liabilities & Provision:</u>		
Liabilities for expenses	538,927.00	495122.00
Advances	-	5000.00
Book Bank Overdraft (Kotak Bank)	-	475662.23
Provision of Income Tax	-	20543.00
Provision of Fringe Benefit Tax	1018.00	526.00
	<hr/> 539945.00	<hr/> 996853.23

For KIRAN VYAPAR PVT. LTD.

P. Parakh
Director

Dated the 27th day of August 2009

133, Canning Street, Kolkata-700001



For KIRAN VYAPAR PVT. LTD.

P. Parakh

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, 2009

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 31.03.2009</u>		<u>As at 31.03.2008</u>	
	<u>Quantity</u> units	<u>Amount</u> Rs.	<u>Quantity</u> units	<u>Amount</u> Rs.
i) Opening Stock	68634	8543058	39734	5341925
ii) Purchase of Shares	5274	247138	39100	3717057
iii) Sale of Shares	4000	285403	10200	672881
iv) Closing Stock	69908	8144996	68634	8543058

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

4. In accordance with As-22, Accounting for taxes on income, there is a Deferred Tax Asset of Rs.595.64 resulting from timing difference in depreciable assets, which the management has recognized.

For KIRAN VYAPAR PVT. LTD.

P. Purokh
Director



As per our report of even date
For Chopra & Company
Chartered Accountants

M. K. Dugar

M. K. DUGAR
(Partner)

Memb. No. 053684

Dated the 27th day of August 2009

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.

P. Purokh
Director

M/S KIRAN VYAPAR PVT. LTD.

Additional information as required under part IV schedule VI of the Companies Act 1956 Balance Sheet abstract and Company's general business profile:

Registration Details:

Registration No. : U51909WB1995PTC071730 State Code : 21
Balance Sheet Date : 31.03.2009

Capital Raised during the year (Amount in Rs. Thousand)

Public Issue : NIL Right Issue : NIL
Bonus Issue : NIL Private Placement : NIL

Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)

Total Liabilities : 9952 Total Assets : 9952

Source of Funds:

Paid-up Capital : 5952 Reserve & Surplus : 4000
Secured Loans : NIL Unsecured Loans : NIL

Application of Funds:

Net Fixed Assets : 4 Investments : NIL
Net Current Assets : 9573 Misc. Expenditure : 10
Accumulated Losses : 364

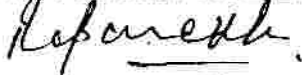
Performance of Company (Amount in Rs. thousand)

Turnover (Inc. other Income also) : 8703 Total Expenditure : 9102
Profit/(Loss) Before Tax : (399) Profit/(Loss) After Tax : (402)
Earning per Shares in Rs. : (-) 0.68P Dividend : NIL

Generic Named of three Principal/Product/Services of company (as per monetary terms)

Item Code No. : —
Product Description : Shares & Securities

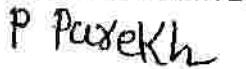
For KIRAN VYAPAR PVT. LTD.


Director

Dated the 27th day of August 2009

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.


Director

As per our report of even date
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(Partner)
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