

Chopra & Company

CHARTERED ACCOUNTANTS

CHOPRA HOUSE 133, Canning Street, Kolkata - 700 001
Phone : 2242-1718 / 2523 / 6029 • Fax : 91-33-2242 1676 • E-mail : mail@chopracompany.com / acnopa@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 2010 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 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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, 2010 and
 - b) In the case of the Profit and Loss Account, of the Profit 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
- x) There are no accumulated losses of the company as on 31st March 2010. The Company has not incurred cash losses during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year.



Chopra & Company

CHARTERED ACCOUNTANTS

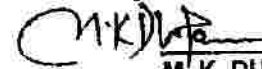
CHOPRA HOUSE, 133, Canning Street, Kolkata - 700 001

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- 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 2010.

For **CHOPRA & COMPANY**
Chartered Accountants
Firm Regn. No. 308035E



M. K. DUGAR
Partner

(Memb. No. 053684)

Dated the 26th day of August 2010



M/S KIRAN VYAPAR PVT. LTD.

Balance Sheet as at 31st March 2010

	Schedule	As at 31.3.10		As at 31.3.09	
		Rs.	P.	Rs.	P.
<u>SOURCE OF FUNDS:</u>					
Share Capital	1	5952000.00		5952000.00	
Reserve & Surplus	2	4000000.00		4000000.00	
Unsecured Loan		1002453.00		-	
		10954453.00		9952000.00	
<u>APPLICATION OF FUNDS:</u>					
Fixed Assets: (Cost less Depreciation)	3	39874.96		3702.96	
Deferred Tax Asset		595.64		595.64	
<u>Current Assets, Loans & Advances:</u>					
Stock of Shares	4	8890021.15		8144995.80	
Cash & Bank Balances	5	250320.85		176300.14	
Loans & Advance	6	2067844.00		1791768.00	
		11208186.00		10113061.94	
Less:					
Current Liabilities & Provision:	7	317420.00		539945.00	
Net Current Assets		10890766.00		9573116.94	
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Preliminary expenses		5100.00		10200.00	
Profit & Loss Account		18116.40		364384.46	
		10954453.00		9952000.00	

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

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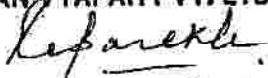
As per our report of even date
For Chopra & Company
Chartered Accountants
Firm Reg. No.308035E



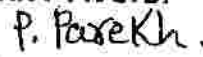
M. K. Dugar
(Partner)
Memb. No. 053684

Dated the 26th day of August 2010
133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.


Director

For KIRAN VYAPAR PVT. LTD.


Director

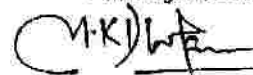
M/S KIRAN VYAPAR PVT. LTD.

Profit & Loss Account for the year ended 31.03.2010

	<u>Schedule</u>	<u>Current Year</u>	<u>Previous Year</u>
		<u>Rs.</u>	<u>Rs.</u>
INCOMES:			
Sale of Shares		8037786.64	285402.75
Closing Stock of Shares		8890021.15	8144995.80
Dividend received		97549.50	75387.00
Interest received (TDS Rs. 28917/-, Previous year Rs.38934/-)		189000.00	188899.00
Bank Interest received		3043.92	2908.10
Interest on IT Refund		4627.00	5200.00
		<u>17222028.21</u>	<u>8702892.65</u>
EXPENSES:			
Opening Stock of Shares		8144995.80	8543057.60
Purchase of Shares		8284860.65	247137.75
Salary		65000.00	60000.00
Interest paid		113836.00	-
Accounting Charges		12000.00	10000.00
Brokerage & Commission		13579.86	-
Filing Fees		1500.00	1500.00
Trade Licence		4250.00	-
Printing & Stationeries		8965.00	6899.00
Directors Remuneration		78000.00	150000.00
Rates & Taxes		2694.60	1850.00
Office expenses		12541.00	13400.00
Audit fees		11030.00	8824.00
Bank Charges		1858.53	138.00
Demat Charges		565.46	2026.23
Demat & Other Charges		7309.90	7234.00
Travelling & Conveyance		15198.00	-
Professional fees		1103.00	8105.00
Security Transaction Tax		17014.35	20604.78
General expenses		14265.00	13456.00
Depreciation		5228.00	2468.64
Preliminary expenses written off		5100.00	5100.00
		<u>16820895.15</u>	<u>9101801.90</u>
Profit before Tax		401133.06	(398908.35)
Less: Income Tax		46904.00	0.00
Deferred Tax Asset		0.00	595.64
Less: Income Tax & FBT of earlier year		7981.00	3733.00
Profit after Tax		<u>346268.06</u>	<u>(402045.71)</u>
Balance brought forward from Previous year		(364384.46)	37661.25
		<u>(18116.40)</u>	<u>(364384.46)</u>

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

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

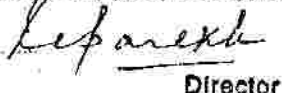


M. K. DUGAR
(Partner)
Mem. No. 053684

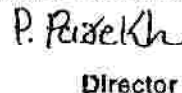
Dated the 26th day of August 2010

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.


Director

For KIRAN VYAPAR PVT. LTD.


Director

M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2010

<u>SCHEDULE-1</u>	<u>AS AT</u>	<u>AS AT</u>
	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
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
	<u>5952000.00</u>	<u>5952000.00</u>

<u>SCHEDULE- 2</u>		
Reserve & Surplus:		
a) Share Premium Account		
Issue of 100000 Equity Shares at a premium of Rs. 40/- per Shares	4000000.00	4000000.00
	<u>4000000.00</u>	<u>4000000.00</u>

<u>SCHEDULE-3</u>								
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as	Addition	Total	Upto	For the	Total	Net W.D.V	Net W.D.V
	01.04.09			31.03.10	year		31.03.2010	31.03.2009
Computer	52156.00	-	52156.00	48453.04	1481.00	49934.04	2221.96	3702.00
Telephone	0.00	41400.00	41400.00	0.00	3747.00	3747.00	37653.00	0.00
Total	52156.00		93556.00	48453.04	5228.00	53681.04	39874.96	3702.00
Previous Year	52156.00		52156.00	48453.04	4114.40	44338.64	6171.60	

<u>SCHEDULE-4</u>		
Stock of Shares:		
<u>Quoted Shares</u>	(Valued at cost or market value whichever is lower)	5405021.15
<u>Unquoted Shares</u>	(Valued at cost or realisable value whichever is lower)	3485000.00
		<u>8890021.15</u>
		<u>8144995.80</u>

<u>SCHEDULE-5</u>		
Cash & Bank Balances:		
Cash in hand (As certified by director)		76436.09
<u>Balance in Current Account with</u>		
Kotak Mahindra Bank, Kolkata		140978.92
Fixed Deposit with Kotak Mahindra Bank		20000.00
Dana Bank, Kolkata		12845.84
		<u>250320.85</u>
		<u>176300.14</u>

<u>SCHEDULE-6</u>		
Loans, Advances & Deposits		
Unsecured Loans		1950000.00
Tax Deducted at Source (for the year Rs.28917/-)		117844.00
		<u>2067844.00</u>
		<u>1791766.00</u>

Dated the 26th day of August 2010

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.

Kiran Vyapar
Director

For KIRAN VYAPAR PVT. LTD.

P. Parekh
Director

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M/S KIRAN VYAPAR PVT. LTD.

Schedule to the Balance Sheet as at 31st March 2010

<u>SCHEDULE-7</u>	<u>AS AT</u>	<u>AS AT</u>
<u>Current Liabilities & Provision:</u>	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
Liabilities for expenses	259133.00	538927.00
TDS Payable	11383.00	0.00
Provision of Income Tax	46904.00	
Provision of Fringe Benefit Tax	0.00	1018.00
	<u>317420.00</u>	<u>539945.00</u>

Dated the 26th day of August 2010

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.

P. P. Chakraborty

Director

For KIRAN VYAPAR PVT. LTD.

P. P. Chakraborty

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, 2010

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.

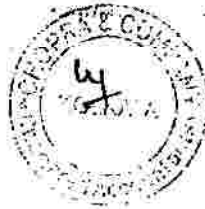
2. Information pursuant to the provisions of part II of Schedule VI of the Companies Act, 1956.

	<u>As at 31.03.2010</u>		<u>As at 31.03.2009</u>	
	<u>Quantity units</u>	<u>Amount Rs.</u>	<u>Quantity units</u>	<u>Amount Rs.</u>
i) Opening Stock	68908	8144996	67634	8543058
ii) Purchase of Shares	74350	8284861	5274	247138
iii) Sale of Shares	63200	8037786	4000	285403
iv) Closing Stock	80058	8890021	68908	8144996

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.

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

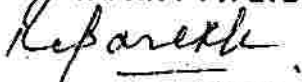



M. K. DUGAR
(Partner)
Memb. No. 053684

Dated the 26th day of August 2010

133, Canning Street, Kolkata-700001

For KIRAN VYAPAR PVT. LTD.


Director

For KIRAN VYAPAR PVT. LTD.


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. : U51909WB1829PTC071730 State Code : 21
Balance Sheet Date : 31.03.2010

**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 : 10954 Total Assets : 10954

Source of Funds:

Paid-up Capital : 5952 Reserve & Surplus : 40000
Secured Loans : NIL Unsecured Loans : 1002

Application of Funds:

Net Fixed Assets : 40 Investments : NIL
Net Current Assets : 10891 Misc. Expenditure : 5
Accumulated Losses : NIL

**Performance of Company
(Amount in Rs. thousand)**

Turnover (inc. other income also) : 8832 Total Expenditure : 8431
Profit/(Loss) Before Tax : 401 Profit/(Loss) After Tax : 346
Earning per Share in Rs. : 0.58P Dividend : NIL
Face Value : Rs.10/-

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

Item Code No. :
Product Description : Shares & Securities

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



M. K. Dugar
(Partner)

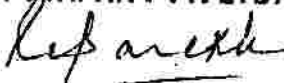
Memb. No. 053684

Dated the 26th day of August 2010

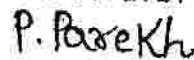
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For KIRAN VYAPAR PVT. LTD.


Director

For KIRAN VYAPAR PVT. LTD.


Director