B. J. SHAH & BROS.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Sheetal Infrastructure Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sheetal Infrastructure Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Profit and Loss Statement and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 the management, as well as evaluating the overall presentation of the financial statements.

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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 March 31, 2014;

(b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows 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 sub-section (4A) of section 227 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, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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d. In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable *except Accounting Standard-15 for employee benefits (See Note 35 of financial statements).*

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.

For, B. J. Shah & Bros.
Chartered Accountants
Firm Reg. No. 109501W

B. J. SHAH & BROS. AHMEDABAD CHARTERED ACCOUNTANTS

Tushar Shah
Partner
Membership No. 44689

Place: Ahmedabad
Date: 05-09-2014

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 1 of our report of even date on other legal and Regulatory Requirements)

(i) (a&b)The company is still in the process of compiling records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets were physically verified by the management at reasonable intervals. We are explained that no material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.

(ii) (a) The inventory of the company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company has not maintained proper records of inventory so as to give day to day stock position hence we are unable to verify the discrepancies, if any, between physical stocks and book records.

(iii) (a) The company has granted interest free unsecured loan to five parties (P.Y. four parties) covered in the register maintained under section 301 of the act. The maximum amount involved during the year and the year-end balance is Rs. 1684.14 lacs (Rs. 353.13 lacs) and Rs. 156.26 lacs (Rs. 105.03 lacs) respectively.

(b) In our opinion and according to the information and explanations given to us, the interest free loan and other terms & conditions on which loans have been given to the party covered in the register maintained under section 301 of the act are prima facie not prejudicial to the interest of the company.

(c) In the absence of stipulations in respect of the terms of payment of principal amount and interest in respect of aforesaid loans, we are unable to comment whether payment of principal amount and interest regular.

(d) In the absence of stipulations in respect of the terms of payment we are unable to comment whether reasonable steps have been taken by the company for recovery of the principal and interest.

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(e) The company has taken loan from three parties (P.Y. four parties) covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year-end balance is Rs. 1406.20 lacs (Rs. 1836.65 lacs) and Rs.96.35 lacs (Rs.1263.31 lacs) respectively.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions on which loans have been taken from the other parties listed in the register are not, prima facie, prejudicial to the interest of the company.

(g) In the absence of stipulations in respect of the terms of payment of principal amount and interest in respect of aforesaid loans, we are unable to comment whether payment of principal amount and interest regular.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) On the basis of our examination of the books of account, we are of the opinion that during the year, the company has made transactions in pursuance of such contracts or arrangements at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) The company has not accepted deposits from public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) The company has no formal internal audit department as such. However, its control procedures ensure internal checking of its financial and other records which needs to be strengthened to make it more commensurate with the size and nature of its business.

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(viii) The central government has prescribed maintenance of cost records vide notification no. GSR 429(E) dated 3rd June, 2011 and as per explanation given to us, the Company has maintained prima facie requisite records as per the notification. We have not, however, made a detailed examination of the same.

(ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues of provident fund, employee's state insurance, income tax, wealth tax, excise duty, cess and other material statutory dues applicable to it except undisputed statutory dues of service tax and sales tax. No undisputed amounts payable in respect of such dues were outstanding as on March 31, 2014 for a period of more than six months from the date they became payable except service tax of Rs. 2,06,000/- and Sales Tax of Rs 19,14,815/-.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

(x) The company has no accumulated losses at the end of the year, and has not incurred cash losses during the current financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

(xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund or a nidhi / mutual benefit fund / societies are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.

(xv) In our opinion, the term and conditions on which the company has given guarantee for loans taken by others from banks are not prejudicial to the interest of the company.

(xvi) In our opinion, and according to the information and explanations given to us, prima facie, term loans have been applied for the purpose for which they were raised.

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(xvii) 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 fund raised for short-term basis have been used to finance long-term investments.

(xviii) The company has not made any preferential allotment during the year.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.

(xx) The company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the company had been noticed or reported during the course of our audit.

For, B. J. Shah & Bros.
Chartered Accountants
Firm Reg. No. 109501W

B. J. SHAH & BROS. AHMEDABAD CHARTERED ACCOUNTANTS

Tushar Shah
Partner
Membership No. 44689

Place: Ahmedabad
Date: 05-09-2014