Annexure to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date.

1. In respect of its fixed Assets:

   a) The company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.

   b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of Company and nature of its assets. In accordance with this program, the company has physically verified certain fixed assets and is in the process of reconciliation with the books of accounts. Management represents that discrepancies, if any are not expected to be material.

   c) During the year, the company has not disposed off substantial part of fixed assets.

2. In respect of its inventories:

   a) We have been informed that the inventory has been physically verified at reasonable intervals by the Management.

   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 records of inventory were not produced before us for our verification.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

   a) The company has granted loans to five of directors, firms or other parties covered in the register maintained under Section 301 of the Act. The amount involved at the end of the year of such loans aggregates to ₹ 23,99,426/- (₹ 1,83,01,169/-)

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b) The company has taken unsecured loan from the three of directors & relatives / covered in the register maintained under Section 301 of the Act. The amount involved at the end of the year of such loans aggregates to ₹ 1,17,53,458/- (₹ 17,10,631/-)

c) In our opinion no interest is earned from the advances given to parties listed in the register maintained u/s 301 of the Companies Act, 1956 and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the registers maintained under Section 301 are not, prima facie, prejudicial to the interest of the company.

d) As informed, the loans taken are re-payable on demand. There has been no default in repayment on the part of the company.

4. 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 with regard to purchase of fixed assets and services. We have not observed any major weakness in the internal controls during the course of the audit.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

   a) In our opinion and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

   b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of ₹ 5 Lacs with any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time.

6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. However, deposits have been accepted from customers against booking.

7. The Central Government of India has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for services rendered by the Company.

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8. In respect of Statutory dues:

   a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Customs duty, Wealth tax and any other material statutory dues have not been regularly deposited during the period by the Company with the appropriate authorities, and there has been delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Customs duty and other material statutory dues were in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable, except Service Tax Rs. 9,68,461/- , TDS Rs. 3,11,399/- and Advance tax which are not paid on or before respective due dates.

   b) According to the information and explanations given to us, there are no dues in respect of Wealth tax, Service Tax, Excise duty and Cess, which have not been deposited with the appropriate authorities on account of any dispute.

9. The Company has accumulated losses to the tune of ₹ 5,64,283/- as on 31st March, 2014 and has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.

10. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to debenture holders during the period.

11. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.

13. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

15. According to the information and explanations given to us, the term loans obtained during the year were applied for the purposes for which they were obtained.

16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

17. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956.

18. The Company did not have any outstanding debentures during the period.

19. The Company has not raised any monies by public issues during the period.

20. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For MOTWANI & AGARWAL
CHARTERED ACCOUNTANTS
FRN 127781W

MOTWANI & AGARWAL CHARTERED ACCOUNTANTS CA

CA RAM K. MOTWANI
PARTNER
M. No.: 117211

Place : **Ahmedabad - GUJARAT**
Date : **03/09/2014**