

# NARINDER ARORA & CO.

## Chartered Accountants

111, Sewak Bhawan, Arya Samaj Road, Karol Bagh, New Delhi-110005

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### AUDITOR'S REPORT

#### TO THE MEMBERS OF AKS CREDITS LIMITED, NEW DELHI


1. We have audited the attached Balance Sheet of **AKS CREDITS LIMITED** as at 31st March, 2006 and 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account of the company.
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account and dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

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- v. On the basis of written representations received from the Directors, as on 31st March, 2006 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2006 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 the explanations given to us, the said 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 31<sup>st</sup> March, 2006: and
  - b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For **NARINDER ARORA & CO.**  
**Chartered Accountants**

  
(Pawan Gupta)  
Partner  
M. No. 92170

Place : New Delhi  
Date : 30.06.2006

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## Chartered Accountants

111, Sewak Bhawan, Arya Samaj Road, Karol Bagh, New Delhi-110005

### AKS CREDITS LIMITED

#### ANNEXURE TO AUDITORS' REPORT

#### REFERRED TO IN PARAGRAPH '3' OF OUR REPORT OF EVEN DATE

- 1) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The Fixed Assets at year-end physically verified by management and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) No fixed assets had been disposed off during the year
- 2) Since there is no inventory, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 3) The Company has granted Unsecured loans to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has also taken unsecured loan from companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, terms & conditions on which loans have been given/ taken by the company from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the company.
- 4) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- 5) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

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