

C P E C Limited

**71st
Annual Report
2013-2014**

71st Annual Report 2013-2014

BOARD OF DIRECTORS

Mr. Akbar Shamji
Mrs. Shernaz Master
Mr. Ryaz Shamji
Mr. Alim Shamji

REGISTERED OFFICE

12, Bharti Bhavan, 211/219, P.D'mello Road,
Opp. Govt. Dental College, Fort, Mumbai – 400001
Email: investor@cpowerec.com
Website: www.cpowerec.com

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C/13 Pannalal Silk Mills Compound, L B S Marg,
Bhandup West, Mumbai-400 078
Tel No.022-25963838

BANKERS

Union Bank

AUDITORS

D. B. Bhanushali
Chartered Accountants

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CPEC Limited

12, 211/219, Bharti Bhavan, P.D'Mello Road, Fort, Mumbai-400001

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FIRST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF C P E C LIMITED WILL BE HELD ON TUESDAY, THE 30TH DAY OF SEPTEMBER 2014 AT 10.00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT 12, 211/219, BHARTI BHAVAN, P.D'MELLO ROAD, FORT, MUMBAI-400001, TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Profit & Loss Account as on that date together with Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Ryaz Shamji (Holding DIN 02024129), who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint M/s D.B.Bhanushali, Chartered Accountants, the retiring Statutory Auditors of the Company, as Statutory Auditors of the company, who shall hold Office from the conclusion of this Annual General Meeting until the conclusion of the 72nd Annual General Meeting and to authorise the Board to fix their remuneration.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT M/s D.B.Bhanushali, Chartered Accountants, (118951W) who have given a certificate pursuant to the provisions of Section 139(1) of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014, to the effect that, if appointed, their appointment shall be in accordance with the conditions as prescribed in the Act and the Rules made thereunder; be and are hereby appointed as the Statutory Auditors of the Company, to hold office, in terms of the provisions of Section 139 of the Companies Act, 2013, for a term of one year i.e. from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting, at such remuneration as may be fixed by the Board of Directors plus reimbursement of out of pocket expenses."

**By order of the Board of Directors
CPEC Limited**

Place : Mumbai
Date : 08th August 2014

Shernaz H. Master
Director

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. The enclosed proxy form, if intended to be used should reach the registered office of the company duly completed, stamped and signed not less than forty eight hours before the time fixed for the meeting.
3. The Register of Members of the Company shall remain closed from Wednesday 24th September 2014 to 30th September 2014 (both days inclusive) for annual closing.
4. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies at the Meeting.
5. Members are requested to intimate immediately, any change in their address or bank mandates to the Compliance Officer of the Company.
6. Trading in the company's shares have been suspended since March 2012. But the equity shares have been registered with both NSDL as well as CDSL to enable shareholders to hold and trade the securities in dematerialised or electronic form. In view of the numerous advantages offered by the depository system, members holding shares in the company in physical form are requested to avail of the facility of dematerialization.

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7. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the annual report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.
8. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
9. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them in physical form.
10. In terms of the circular Nos. 17/2011 and 18/2011, dated 21 and 29 April 2011, issued by the Ministry of Corporate Affairs (MCA), Government of India, allowing paperless compliance by the companies under the 'Green Initiative in Corporate Governance', the Company requests all its members to register their e-mail address with the Company.
11. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company. The members whose email id are registered with the company, will be entitled to a physical copy of the annual report for the financial year 2013-14, free of cost, upon sending a request to the Compliance Officer at 12, 211/219, Bharti Bhavan, P.D'mello Road, Fort, Mumbai-400001. The Annual Report for the year 2013-14 has also been uploaded on the website of the company www.cpowerec.com
12. Shareholders desiring any information regarding the accounts are requested to write to the Company Secretary at least 7 days prior to the Annual General Meeting, so as to enable the Company to keep the information ready.
13. Voting through Electronic means
In terms of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 e-voting facility is being provided to the members by Central Depository Services (India) Limited (CDSL). Details of e-voting process and relevant details are being sent to all members along with the notice.
In case of members receiving e-mail:
 - (i) Members are requested to follow the instructions below to cast their vote through e-voting:
 - (ii) Launch the internet browser by typing the following <https://www.evotingindia.com>
 - (iii) Click on "Shareholders" tab.
 - (iv) Now, select "C P E C LIMITED" from the drop down menu and click on "SUBMIT".
 - (v) (a) Put User ID - 16 digits beneficiary ID,
(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.

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DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company Name "CPEC LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 24th September, 2014 at 10.00 a.m and ends on 26th September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as

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on the cut-off date 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xix) The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date of 22th August, 2014.
- (xx) Mrs. Sandhya Malhotra Practicing Company Secretary (Membership No. F6715) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxii) The Scrutinizer's Report shall be placed on the Company's website www.cpowerec.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- (xxiii) For any other queries relating to the shares of the Company, you may contact the Share Transfer Agent at the following address:

LINK INTIME (INDIA) PVT. LTD.

Unit: C P E C LIMITED

C-13, Pannalal Silk Mills Compound, LBS Road,
Bhandup (W), Mumbai – 400078.
Tele No. : 022 - 2594 6970
E-mail Id: mt.helpdesk@linkintime.co.in

**By order of the Board of Directors
CPEC Limited**

Place : Mumbai
Date : 08th August 2014

Shernaz H. Master
Director

CPEC Limited**DIRECTOR'S REPORT**

To,
The Shareholders,
C P E C Limited.

Your Directors are pleased to present their 71st Annual Report together with audited account statement for the year ended on the 31st March, 2014.

1. BUSINESS ACTIVITY:

The Company's financial result for the year ended on the 31st March, 2014 is as under:

Particulars	Current Year (in Rs. lacs)	Previous Year (in Rs. lacs)
Revenue from Operations	-	249.74
Other Income	0.20	-
Total Revenue	0.20	249.74
Depreciation and Amortization Expense	1.25	0.10
Finance cost	7.38	55.03
Other Expense	64.60	169.10
Employee benefits expense	2.64	5.34
Total Expense	75.87	229.57
Profit/(Loss) before Exceptional items	(75.66)	20.17
Exceptional items	118.57	(133.33)
Profit/(Loss) Before Tax	42.91	(113.16)
Tax Expenses		
a. Provision for Income Tax	168.24	-
b. Deferred Tax Assets/Liabilities/MAT Credit	(0.18)	0.05
c. Fringe Benefit Tax	-	-
Profit/(Loss) after tax	(125.16)	(113.21)
Profit/(Loss) brought forward from previous year (s)		
Balance carried to the Balance Sheet	(125.16)	(113.21)

2. DIVIDEND:

Your directors do not recommend any dividend for the financial year 2013-14.

3. OPERATIONS:

During the year under review, your company has recorded total income of Rs. 0.20 lacs with a loss of Rs. 125.16 lacs. In the first quarter of next financial year i.e 30/06/2014 the company has completed the stake sale in M/S Euro Solar Power Pvt. Ltd. for a Net Sale consideration of Rs. 7.875 Cr .. The amount is receivable in stages and last payment to be received in December 2014. The company proposes to repay all its statutory liabilities , repay loans and further expand the solar power development, solely or in joint venture, on the balance vacant land of around 70 acres adjacent to the existing plot.

4. AUDITORS AND THEIR REPORT

M/s D.B.Bhanushali, Chartered Accountants, the auditors of the company are retiring at the conclusion of the ensuing Annual General Meeting of the company and being eligible offer themselves for reappointment as Auditors. The Company has received certificate to the effect that their appointment, if made, would be within the limit prescribed under Section 141 (3) of the Companies Act, 2013.

The Auditor's Report is self-explanatory and needs no clarification.

5. PARTICULARS OF EMPLOYEES

During the year under review, the Company did not have any employee attracting provisions of Section 134 (3) (e) of the Companies Act, 2013.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company is into Renewable energy, mainly Solar power generation, hence the disclosures under Section 217 (1) (e) of the Companies Act. 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

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Foreign Exchange Earnings/Outgoings

There were no foreign exchange earnings during the year were Rs. 0/- and outgoings Rs.0/-

7. INVESTOR RELATIONS:

Your company continues to provide prompt investor service through quick resolution of investor grievances. Your company has designated an exclusive email id investor@cpec.in to enable the investors to post their grievances and the company to monitor its redressal. The company is also registered at the SCORES website of SEBI, where we take regular updates on any grievance posted, which so far has been 2 received and 2 resolved and hence, NIL outstanding. The company has paid Annual Listing fees to the Stock Exchange for the financial year 2013-14.

8. FIXED DEPOSITS:

Your Company has not accepted any public deposits within the meaning of the provisions of Section 73(1) of the Act read with the Companies Act (Acceptance of Deposits) Rules, 1975. Therefore, no amount on account of principal or interest on Public Deposits was outstanding as on the Date of the Balance Sheet.

9. DIRECTORS:

The Board of Directors is duly constituted and there has been no change during the financial year under consideration. Mr. Riyaz Shamji, Director, retiring at the ensuing Annual General Meeting, being eligible offers himself for re-appointment.

10. COMPLIANCE CERTIFICATE

The Compliance Certificate under Section 383A of the Act, and Rule 3 of the Companies (Compliance Certificate) Rules, 2001 is issued by SRM & Co., Practicing Company Secretary and forms part of this Report.

11. JOINT VENTURE AND SUBSIDIARIES

During the year under review, Moulik Impex Private Limited is the only subsidiary of the Company and hence reporting under the provisions of Section 129(3) of the Companies Act, 2013, (the Accounts and other information of the subsidiaries) is required.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under the provisions of section 134 (5), of the Companies Act, 2013, your Directors state that:

1. In preparation of Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departure therefrom.
2. They had selected such accounting policies and applied them constantly and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and that of profit of the company for that period.
3. They had taken proper and sufficient care of maintenance of adequate accounting records so as to safeguard the company's assets and to detect fraud and irregularities.
4. They have prepared the annual accounts of the company on a going concern basis.

13. ACKNOWLEDGEMENT:

The Board wishes to express their sincere gratitude for the continued co-operation, encouragement and support extended by the shareholders and bankers of the company. The Board also wishes to express their deep appreciation of the dedicated services of the officers, staff of the company.

For & on behalf of the Board of Directors

Place : Mumbai
Date : 08th August 2014

Shernaz H. Master
Director

CPEC Limited**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF****CPEC LTD****Report on the Financial Statements**

We have audited the accompanying financial statements of **CPEC Ltd**, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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 Section 211(3C) of the Companies Act, 1956 and in accordance with the accounting principles generally accepted in India. 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.

Auditors' 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 the 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 Company's internal control. An audit also includes evaluating the appropriateness of the 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.

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 aforesaid 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, **subject to Note to Schedule 2 forming part of balance sheet;**

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company 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 issued by the Central Government in terms of Section 227(4A) 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, one of the directors Mr. Alim Jamal Shamji is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For D. B. Bhanushali & Co.
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO 118951W)

D. B. Bhanushali

Partner

(Membership No. 42844)

Place : Mumbai

Date : May 14, 2014

CPEC Limited

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (I) (a) The company has freehold Land at Bhachau, Gujrat and furniture and fixtures (on rented office premises) as fixed assets and required records of the same are properly maintained,
- (b) As explained to us, all the fixed assets have been physically verified by the management.
- (c) The company has not disposed of fixed assets during the year.
- (ii) (a) There is no opening and closing inventory hence this clause is not applicable.
- (iii) (a) As informed to us, the company has granted advances in the nature of Loans to an Associate Company and to Subsidiary Companies. The maximum amount outstanding is Rs.390.67 lakhs and closing outstanding balance is Rs.390.67 lakhs.
- (b) There is no stipulation for payment of interest. The other terms and Conditions of such loans are in our opinion, prima facie not prejudicial to the interest of the company.
- (c) The payment of principal amount is on demand.
- (d) There is no stipulation of principal repayment. Hence there is no overdue amount.
- (e) As informed to us, the company has taken Loan from a Director. The maximum amount outstanding is Rs.1.42 lakhs and closing outstanding balance is Rs.1.37 lakhs.
- (f) There is no stipulation for payment of interest, payment of principal amount is on demand. The other terms and Conditions of such loans are in our opinion, prima facie not prejudicial to the interest of the company.
- (g) There is no stipulation of principal repayment. Hence there is no overdue amount.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit no major weakness has been observed in the internal controls.
- (v) There are no contracts or arrangements with persons referred to in section 301 of the Companies Act and hence the clause is not applicable.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any public deposits within the meaning of sections 58 and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company **does not have an adequate internal audit system** commensurate with size and nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income – tax, Sales – tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year except the following :

Statutory Dues	Amount
1. Income Tax (o/s for more than 6 months) for A.Y. 11-12	33521316
2. Service Tax (o/s for less than 6 months) for F.Y. 12-13	3054669

- (b) According to the information and explanations given to us, there are no dues payable on account of disputes with regards to sales tax, income tax, custom tax, wealth tax, excise duty, cess.
- (x) The company does not have accumulated losses at the end of the financial year and it has incurred cash losses during the financial year covered by our audit but has not incurred cash loss in the preceding financial year .
- (xi) The company has not defaulted in repayment of dues to financial institutions or bank or debenture holders.
- (xii) According to the information and explanations 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.