

R.S.SHAH & COMPANY
Chartered Accountants
218, Vardhaman Chambers,
Cawasji Patel Street,
Fort
MUMBAI – 400 001
Tel Nos: 22042469/ 22873508

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF
MILGREY FINANCE & INVESTMENTS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of MILGREY FINANCE & INVESTMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss 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 notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13th September 2013 of the 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 that give a true and fair view 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 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 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 Statement of Profit and Loss, of the loss 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General circular 15/2013 dated 13th September 2013 of the Ministry of corporate Affairs in respect of section 133 of the Companies Act, 2013 ;
 - 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 R.S. SHAH & COMPANY
CHARTERED ACCOUNTANTS
Firm's Registration Number: 109762W

Place : MUMBAI

R. S. SHAH
(PROPRIETOR)

Dated : 23rd May 2014

Membership No.30108

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph 1 of the Auditors Report of Even date to the Members of MILGREY FINANCE & INVESTMENTS LIMITED.

- i) The Company does not have any fixed assets. Hence the question of maintenance of proper records and physical verification by the management does not arise.
- ii)
 - a) The inventory has been physically verified by the management during the year. IN our opinion the frequency of verification is reasonable.
 - b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies between book records and physical inventory were noticed on physical verification .
- iii)
 - a) The Company has taken interest free loan from a director, terms and conditions thereof are not prima facie prejudicial to the interests of the Company.
 - b) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and accordingly, para 4(iii)(b), (c) and (d) of the Order are not applicable.
- iv) 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 purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v)
 - 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 section 301 have so been entered.
 - b) In our opinion and according to the information and explanations given to us, the Company has not made any transactions pursuant to contract or arrangement entered into the registered maintained under section 301 of the Act for the value exceeding Rs.5.00 lakhs in respect of any party during the year.
- vi) In our opinion, and according to the information and explanations given to us, the Company has not accepted any fixed deposits which are covered under provision of section 58A and section 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.
- vii) We are informed that the Company does not have any formal internal audit system during the year.