



**T.K. GUPTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS.**

4228/1, ANSARI ROAD, DARYA GANJ,  
 NEW DELHI - 110 002

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**AUDITOR'S REPORT**

To.  
 The Members of  
**M/S-MODERN CREDIT PVT LTD.**

1. We have audited the attached Balance Sheet of M/S MODERN CREDIT PVT. LTD. as at 31<sup>st</sup> March, 2008 and also 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 the 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 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 issued by the Central Government of India in terms of subsection (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 in paragraph 3 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, Profit and Loss account dealt with by this report are in agreement with the books of account.

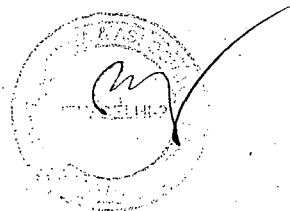
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For Modern Credit Pvt. Ltd.

*Kamlesh*

Authorised Signatory





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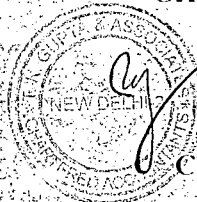
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- (iv) In our opinion, the balance sheet and Profit and Loss account dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2008 and taken on record by the Board of Directors of the company and information & explanation given to us, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 as on said date.
- (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 2008.
  - b. In the case of the Profit and Loss account, of the Profit for the year ended on that date.

For And on Behalf of  
**T. K. GUPTA & ASSOCIATES**  
CHARTERED ACCOUNTANTS



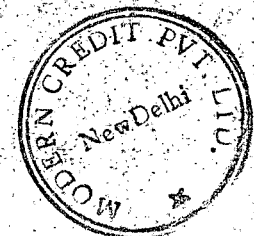
CA. T.K. GUPTA (PARTNER)  
M.NO. 82235

PLACE : NEW DELHI

DATE : 27 JUN 2008

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ANNEXURE TO THE AUDITOR'S REPORT

Information as required by the Companies (Auditors Report) Order 2003 u/s 227 (4A) of the Companies Act, 1956

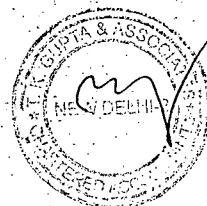
- (i) In respect of Fixed Assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets of the Company have been physically verified by the management during the year at reasonable intervals, which, 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 verification.
  - c) On the basis of our examination and according to the information and explanations given to us, the Company has not made any substantial disposals during the year, which would have affected its going concern.
- (ii) In respect of its Inventories:
- As the company is a finance company so the company has not purchase/sold goods during the year nor is there any opening stocks; requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- (iii) In respect to loans:
- a) According to information and explanation given to us, the company has not granted any Loans or Advances, secured or unsecured, to companies, firm and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
  - (b) According to information and explanation given to us, the company has not taken any Loans or Advances, secured or unsecured, to companies, firm and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (f) and (g) of the order are not applicable.

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For Modern Credit Pvt. Ltd.

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- (iv) In our opinion and according to the information and explanation 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 disbursement of loans. The activities of the company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of audit.
- (v) (a) According to the information and explanations given to us and the Company examined by us, we are of the opinion that the particulars of contracts or arrangement referred to in Section 301 of the Act have been entered into the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions for purchase of goods and sale of goods and services made in pursuance of contracts or arrangements entered in the register(s) maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 500,000/- or more, in respect of each party and hence the question of reasonable do not arise.
- (vi) In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits from the public during the year and hence, the question of complying with the provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, does not arise and there has not been any order passed by Company Law Board or National Law Tribunal or Reserve Bank of India or any court of any other tribunal.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under the provisions of Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Custom Duty, Excise-Duty, Service Tax, Cess and other material statutory dues applicable to it.

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- b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education Protection Fund, Employees State Insurance, income tax, wealth tax, sales tax, customer duty and excise duty, service tax and other material dues were outstanding, as at 31<sup>st</sup> March 2008 for a period of more than six months from the date they became payable.
- c) According to the information & explanation given to us, there are no dues in respect of Provident Fund, Investor Education Protection Fund, Employees State Insurance, sales tax, income tax, customs, wealth-tax, excise duty and cess and other material dues that have not been deposited on account of any disputes.
- (x) The Company neither have accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions & banks.
- (xii) According to the information and explanation given to us, the company has not granted any loans and / or advance on the basis of security by way of pledge of shares and debentures and other securities.
- (xiii) According to the information and explanation given to us, the provisions of Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Company are not applicable to the Company.
- (xiv) According to the information and explanation given to us, as the Company is not dealing or trading in shares, debenture & and other securities, the requirement of clause 4(xiv) of the order relating to maintenance of the proper record of transaction and contracts and making of timely entries therein as not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- (xvi) According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.
- (xvii) According to the information and explanation given to us and the books and records examined by us, funds raised for short-term basis have not been used for long-term investment.

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