

MUNOTH CAPITAL MARKET LIMITED

BALANCE SHEET FOR 2007-08

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Siddhant Jain
DIRECTOR

Vijay R. Tater & Co.
CHARTERED ACCOUNTANTS

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Date:

Ref. No.:

AUDITOR'S REPORT

To,
The Members,
M/S. MUNOTH CAPITAL MARKET LTD.,
Mumbai - 400 021.

- 1) We have audited the attached Balance Sheet of **M/S. MUNOTH CAPITAL MARKET LTD.** as at 31st March, 2008 and also the Profit & Loss Account and the cash flow statement 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 misstatements. 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 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks, as we considered appropriate set out in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4) Further to our comments in Annexure referred to in paragraph 3 above we report that: -
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.



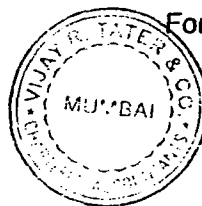
VIJAY R. TATER & CO.

Chartered Accountants

Auditors' Report (F. Y. 2007-08)

- 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 the books.
- c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance sheet and Profit & Loss account have been prepared, in all material respects in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors as on 31st March, 2008, and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of the sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the Significant Accounting policies and other notes generally give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view: -
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008.
 - (ii) in the case of the Profit and Loss account, of the Profit for the year ended on that date, and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on the date.

Place: Mumbai
Date: 20/08/2008

For **VIJAY R. TATER & CO.**

Chartered Accountants

(Suresh G. Kothari)
Partner.

M.NO.47625

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date to the members of **Munoth Capital Market Ltd. For the year ended 31st March, 2008.**)

- 1)
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, during the year the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
 - c) No substantial part of fixed assets of the company has been disposed of during the year.

2. According to information and explanations given to us, during the year, the company does not have any inventory. Therefore the question of physical verification, adequacy of procedures of physical verification and maintenance of proper records of inventories does not arise.

3.
 - a) According to information and explanations given to us, during the year the Company has granted interest free unsecured loans to 3 company's and 2 other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs. 304.33 lacs and the year-end balance was Rs. 118.87 lacs.
 - b) In our opinion, the other terms and conditions of the above interest free loan granted are not prima facie prejudicial to the interest of the Company.
 - c) The aforesaid interest free loans are repayable on demand. According to information and explanations given to us, loans granted to the Companies and other party listed in the register maintained u/s 301 of the Act, are regular in repaying the principal amounts as stipulated.
 - d) According to information and explanations given to us, in respect to such interest free loans given by the company, the same are at repayable on demand and no stipulations have been made regarding repayment of principal amount.
 - e) According to information and explanations given to us, the Company has taken interest free unsecured loan from five companies and two other parties covered in the register maintained under section 301 of



the Companies Act, 1956. The Maximum amount involved during the year was Rs. 291.62 lacs and the year-end balance was Rs. 16.78 lacs in respect of a party.

- f) In our opinion, the other terms and conditions of the above referred interest free loan taken by the company, is not prima facie prejudicial to the interest of the Company.
 - g) According to information and explanations given to us, in respect to such interest free loans taken by the company, the same are at repayable on demand and no stipulations have been made regarding repayment of principal amount.
- 4) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets, shares & securities and other assets, and for the sale of shares & securities and services. We have not observed any major weaknesses in the internal control system during the course of the audit.
- 5) a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
- b) In our opinion, and according to the information and explanations given to us, where transactions made with different parties, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public during the year, within the meaning of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under.



- 7) According to the information and explanations given to us, the company does not have an internal audit system.
- 8) According to the information and explanations given to us, the maintenance of Cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- 9) a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales-Tax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty, Cess, service tax or any other statutory dues with the appropriate authorities and there were no arrears under the above heads which were due for more than six months from the date they became payable as at the close of the year.
- b) According to the information and explanations given to us and records of the company examined by us, no disputed amount is payable for income tax, Sales Tax, Customs, Wealth-tax, excise duty, cess etc.,
- 10) The Company has no accumulated losses at the end of the year and has not incurred any cash loss in the current financial year and in the immediately preceding financial year.
- 11) The Company has neither borrowed funds from banks or financial institutions nor raised any amounts through debentures.
- 12) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- 14) The company has maintained proper records of transactions and contracts in respect of trading and investments in shares, debentures and other securities



and those timely entries have been made therein. The shares and the debentures have been held by the company in its own name except to the extent of the exemption granted under section 49 (4) of the Companies Act, 1956.

- 15) 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.
- 16) The Company has not taken any terms loans during the year.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the funds raised on short-term basis have not been used for long-term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- 19) The Company has not issued any Debentures and hence no securities are required to be created in respect thereof.
- 20) The Company has not raised any money by way of public issues during the year.
- 21) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of such cases by the management.

Place: Mumbai

Date: 20/08/2008



For VIJAY R. TATER & CO.
Chartered Accountants


(Suresh G. Kothari)
Partner.
M.NO. 47625