

GIRISH MURTHY & KUMAR**Chartered Accountants****AUDITORS' REPORT****TO THE MEMBERS OF PARICHAY INVESTMENTS LIMITED**

1. We have audited the attached Balance Sheet of PARICHAY INVESTMENTS LIMITED, as on 31st March 2008 & the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

Further, we report that,

1. 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.
2. In our opinion, proper books of accounts, as required by law have been kept by the company, so far as appears from our examination of the books.
3. The said Balance Sheet and the Profit & Loss Account are in agreement with the books of account: and
4. In our opinion, the Profit & Loss account & Balance Sheet comply with the requirements of the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956 to the extent applicable.
5. Based on the written representations received from the Directors of the Company as at March 31, 2008 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, as on that date.
6. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with and subject to notes annexed thereto, give the information, required, and give a true and fair view:
 - a. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2008; and
 - b. In the case of Profit & Loss Account of the Profit during the year ended on that date.

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4502, High Point IV, 45, Palace Road, Bangalore – 560 001. Ph : 22 65 202

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- c. In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

3. As required by the Companies (Auditors report) order, 2003 issued by the company law board, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:-

- i) The Company does not have fixed assets; hence the report under this clause does not arise.
- ii) The nature of the Company's operations does not require it to hold inventories and as such paragraph 4(ii) of the Companies (Auditors' Report) Order, 2003 ('Order') is not applicable.
- iii) The Company has not taken any unsecured loans from parties listed in the register maintained under section 301 of the companies act 1956, and/or to the companies under the same management as defined under section 370 (I-B) of the companies act, 1956.
- iv) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the companies act 1956, and/or to the companies under the same management as defined under section 370 (I-B) of the companies act, 1956.
- v) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- v) The Company has not accepted deposits from the public during the year to which the provisions of section 58A of the Companies Act, 1956 and the rules framed there under are applicable.
- vi) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the Companies Act, 1956.

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- VII) We are informed that the Provident Fund Act and Employees' State Insurance Act Investor education protection fund, Sales tax wealth tax, excise duty, cess, are not applicable to the Company.
- VIII) There are no undisputed amounts payable in respect of income tax, as at 31st march 2008, which are outstanding for a period of more the than six months from the date they become payable.
- IX) According to the information and explanation given to us, there are no dues of income tax which has not been deposited on account of any dispute.
- X) The Company is not having any accumulated losses. The company has not incurred any cash loss for this year.
- XI) The company has not taken any loan from financial institutions and from banks and as such question of default in repayment does not arise. The Company has not issued any debentures at any point of time
- XII) The Company has not granted any loans/advances on the basis of security by way of shares, debenture etc. As such no records and documents have been maintained.
- XIII) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XV) We have been Informed by the Company that it has not given any guarantee for any loans taken by the others from banks and financial institutions.
- XVI) The Company has not taken any term loans during this year and as such question of its application for the purpose for which it is taken does not arise.
- XVII) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds have been raised under the short term basis have been used for long term investments. No long term funds have been used to finance short term assets and permanent working capitals.

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