

## AUDITORS' REPORT

To the members of  
UNITED VAN DER HORST LIMITED,

1. We have audited the attached Balance Sheet of **United Van Der Horst Limited** (the 'Company') as at March 31, 2011, the Profit and Loss account and also 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 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 the 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 (as amended) (the "Order"), issued by the Central Government of India in terms of sub-section (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 comments in the Annexure referred to in paragraph (3) above, we report that:
  - a. *The Company continues to prepare the accounts on a going concern basis, despite accumulated losses as at March 31, 2011 being more than 50% of the average net worth during four years immediately preceding the current financial year, relying upon the improving profitability / net worth position. In addition, the management explanations in this regard have been relied upon (Refer note 14 of Schedule 16(B)).*
  - b. *Sundry Debtors Rs.2,17,42,337/-, Sundry Creditors Rs.71,37,832/-, Advances against Expenses, Advance to Contractors, Sub-contractors & Creditors having debit balances amounting to Rs.6,85,840/- and Advance received Rs.10,63,262/- are subject to reconciliation and confirmation with respective parties. Reliance is placed on management certificate on the issuance of confirmations. (Refer note 6 of Schedule 16(B)).*
  - c. 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.
  - d. 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.
  - e. The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- f. In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- g. On the basis of the written representations received from the Directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

*Subject to our comments in 4 (a) & (b) above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, 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:-

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (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 of the Company for the year ended on that date.

**For CHOKSHI & CHOKSHI**  
**Chartered Accountants**  
**FRN : 101872W**

**Pooja Mehta**  
**Partner**  
**M.No.133578**

**Place: Mumbai**  
**Date:**



**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH '3' OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF UNITED VANDER HORST LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011.**

(i)

- (a) *The Company has not updated / maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
- (b) The management during the year has physically verified all the fixed assets. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification to the extent records available.
- (c) During the year, the Company has not disposed off any major part of its fixed assets so to affect going concern.

(ii)

- (a) As explained to us, inventories have been physically verified by the management at reasonable intervals with the records.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining records of inventory. The discrepancies on physical verification of inventory as compared to the available book records were not material and have been dealt with in the books of account.

(iii)

- (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies / firms / other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) & (d) of the order are not applicable.
- (e) According to the information and explanations given to us, the Company, during earlier years, had taken unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. The particulars of these loans have been entered in the aforesaid register. The maximum amount involved during the year is Rs.1,03,40,823/- and year end balance was NIL /- (Previous Year Rs.1,02,00,000/-).
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans, were *prima facie* not prejudicial to the interest of the Company.



- (g) According to the information and explanations given to us, the loans are repayable on demand and the loans have been repaid during the current year.
- (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, for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:
- (a) The particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of Companies Act 1956 have been so entered.
- (b) In our opinion and according to our information and explanations given to us, where each of such transaction is in excess of rupees five lacs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (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 within the meaning of provisions of Section 58A, 58AA or any relevant provisions of the Companies Act 1956 and rules framed there under. We are informed that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any court or any other Tribunal.
- (vii) In our opinion, the in-house internal audit system prevalent within the Company is commensurate with the existing size and nature of business of the Company. However, the frequency and scope of audit needs to be enhanced.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been maintained. We have, however not undertaken a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) In our opinion and according to the information & explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues during the financial year, except that there were few instances of delays.



(b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, in arrears as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they become payable.

(c) The details of disputed dues unpaid as at March 31, 2011 are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Amount (Rs.)	Amount Paid / Adjusted (Rs.)	Net Balance (Rs.)	Asst. Year	Forum where the dispute is pending
1	Maharashtra Value Added Tax Act, 2002	Sales Tax	68,257	-	68,257	2004-05	Sales Tax officer
2	Maharashtra Value Added Tax Act, 2002	Sales Tax	1,01,755	-	1,01,755	2005-06	Sales Tax officer

- (x) *The accumulated losses as at March 31, 2011 are not less than 50% of net worth but there are cash profits since the preceding year. The accounts of the company have been prepared on going concern basis relying on the profitability and net worth trends. The management explanations thereto have been relied upon (Refer Note 14 of Schedule 16(B) of Notes to accounts)*
- (xi) In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions / banks during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, provisions of clause 4 (xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Hence, provisions of clause 4 (xiii) of the Order are not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Hence, provisions of clause 4 (xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of Balance Sheet, we are of the opinion that the funds raised on short-term basis have prima facie, not been used for long-term investments.
- (xviii) The Company has not made any preferential allotments of shares to parties and companies covered in the register maintain under section 301 of the Companies Act 1956 during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing standards in India and as per the information and explanations given to us, we have not come across any instance of fraud, either noticed or reported during the year, on or by the Company.

**For CHOKSHI AND CHOKSHI**  
**Chartered Accountants**  
**FRN : 101872W**

**Pooja Mehta**  
**Partner**  
**M.No.133578**

**Place: Mumbai**  
**Date:**



## **AUDITORS' CERTIFICATE**

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER  
CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN  
INDIA.**

**TO  
THE MEMBERS OF  
UNITED VAN DER HORST LIMITED**

We have examined the compliance of conditions of Corporate Governance by UNITED VAN DER HORST LIMITED for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**FOR CHOKSHI AND CHOKSHI  
CHARTERED ACCOUNTANTS  
FRN: 101872W**

**POOJA MEHTA  
(PARTNER)  
M.NO.133578**

**PLACE : MUMBAI  
DATE :**