

BIHAR SPONGE IRON LIMITED

Registered office: Umesh Nagar, Chandil District, Saraikela Khasawan, Jharkhand-832401

Email: Companysecretary@bsil.org.in/web: www.bsil.org.in

PART I

Statement of Audited Financial Results For the Quarter / Year ended 31 March 2014

Rs in Lakhs

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 Mar'14	31 Dec'13	31 Mar'13	31 Mar'14	31 Mar'2013
		Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations					
	(a) Net Sales/Income from operations (Net of excise duty)	-	-	2,639	1,910	12,054
	(b) Other operating income	127	23	51	211	61
	Total income from operations (net)	127	23	2,690	2,121	12,115
2	Expenses					
(a)	Cost of materials consumed	(10)	-	1,908	1,212	8,603
(b)	Purchase of stock - in -trade	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	232	425	1,238
(d)	Employee benefit expense	(5)	52	450	668	1,781
(e)	Power & fuel	95	-	213	442	850
(f)	Store and Repairs & Maintenance	(16)	-	141	132	597
(g)	Packing, Freight & forwarding	(7)	-	17	17	204
(h)	Depreciation and amortization expense	83	87	86	343	346
(i)	Other Expenses	32	18	181	228	686
	Total Expenses	172	157	3,228	3,467	14,306
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(45)	(134)	(538)	(1,346)	(2,191)
4	Other Income	19	15	25	64	85
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(26)	(119)	(513)	(1,282)	(2,106)
6	Finance costs (Net)	(187)	44	-	389	978
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	161	(163)	(513)	(1,671)	(3,084)
8	Exceptional items - (Income)/Expenditure	103	-	-	103	(476)
9	Profit/(Loss) from ordinary activities before tax (7-8)	58	(163)	(513)	(1,774)	(2,608)
10	Tax Expense	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	58	(163)	(513)	(1,774)	(2,608)
12	Extraordinary items (net of tax expense/liabilities)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	58	(163)	(513)	(1,774)	(2,608)
14	Paid up equity share capital (face value Rs 10 each)	9,025	9,025	9,025	9,025	9,025
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	2,378	2,378	2,378	2,378	2,378
16.i	Earnings per share (before extraordinary items) (of Rs 10 each) (not annualised):					
	(a) Basic	0.06	(0.18)	(0.57)	(1.97)	(2.89)
	(b) Diluted	0.06	(0.18)	(0.57)	(1.97)	(2.89)
16.ii	Earnings per share (after extraordinary items) (of Rs 10 each) (not annualised):					
	(a) Basic	0.06	(0.18)	(0.57)	(1.97)	(2.89)
	(b) Diluted	0.06	(0.18)	(0.57)	(1.97)	(2.89)

Part II:-

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 Mar'14	31 Dec'13	31 Mar'13	31 Mar'14	31 Mar'2013
		Audited	Unaudited	Unaudited	Audited	Audited
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	27652824	27652824	27652824	27652824	27652824
	- Percentage of shareholding	30.66	30.66	30.66	30.66	30.66
2	Promoters and Promoter Group Shareholding					
	(a) Pledged/Encumbered					
	- Number of shares	32500000	32500000	32500000	32500000	32500000
	- percentage of shares (as a % of the total shareholding of promoter and promoter group)	51.96	51.96	51.96	51.96	51.96
	- Percentage of shares (as a % of the share capital of the company)	36.03	36.03	36.03	36.03	36.03
	(b) Non-encumbered					
	- Number of shares	30052579	30052579	30052579	30052579	30052579
	- percentage of shares (as a % of the total shareholding of promoter and promoter group)	48.04	48.04	48.04	48.04	48.04
	- Percentage of shares (as a % of the share capital of the company)	33.32	33.32	33.32	33.32	33.32

	Particulars	3 months ended as on 31st March 2014
B	INVESTOR COMPLAINTS	
	Pending at the begining of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of quarter	NIL

Note:-

Statement of Assets & Liabilities as per clause 4(1)(a) of the listing agreement ended 31st March 2014		
Particulars	Rs in Lakhs	
	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES	Audited	Audited
(1) Shareholder's Funds		
(a) Share Capital	9,025	9,025
(b) Reserves and Surplus	(14,706)	(12,685)
(c) Money received against share warrants	-	-
Sub-total	(5,681)	(3,660)
(2) Share Application money pending allotment		
(3) Non-Current Liabilities		
(a) Long-term borrowings	6,864	4,166
(b) Other long term liabilities	81	84
(c) Long term provisions	451	472
Sub-total	7,396	4,722
(4) Current Liabilities		
(a) Short-term borrowings		
(b) Trade payables	2,038	4,794
(c) Other current liabilities	7,814	7,518
(d) Short-term provisions	19	59
Sub-total	9,871	12,371
Total Equity & Liabilities	11,586	13,433
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets	8,571	9,221
(b) Deferred Tax Assets (Net)	-	-
(c) Long term loans and advances	389	399
(d) Other non-current assets	-	-
Sub-total	8,960	9,620
(2) Current Assets		
(a) Inventories	764	1,835
(b) Trade receivables	47	232
(c) Cash and cash equivalents	1,099	1,152
(d) Short-term loans and advances	649	478
(e) Other current assets	69	116
Sub-total	2,626	3,813
Total Assets	11,586	13,433

- 2 On conservative basis, the Deferred Tax Assets have not been recognised for the current financial year.
- 3 The Company is a single location single product company and hence the requirements of AS 17 are not applicable.
- 4 As on 31.03.2014 Disputed liability amounting to Rs.2754.09 Lacs on account of currency fluctuations on Foreign currency loans obtained by the company and interest thereon, as per BIFR scheme dated 29.07.2004 and also confirmed by AAIFR/ Single Bench of Jharkhand High Court, has not been provided by the company pending disposal of Letters Patent Applet Jurisdiction (LPA) filed before the larger bench of Jharkhand High Court, Ranchi, against the above order.
- 5 No provision has been made for penalty recovered by South East Coalfields Ltd. for Rs. 215.28 Lacs on account of short lifting of coal qty. in term of FSA ,Since the matter is pending under writ petition filed by Company before the Hon'ble High Court of Chattisgarh, Bilaspur and hence the amount has been included in long term loans and advances.
- 6 As the net worth of the Company has not become positive during the implemetation of the BIFR Scheme from 29.07.2004 to 30.09.2011, the Company has submitted the Modified Draft Rehabilitation Scheme (MDRS) with the BIFR on 3rd December, 2012 and the Monitoring AGENCY (IFCI), the MDRS is pending for consideration.
- 7 No provision has been made for additional price of R.171.79 Lacs as recovered by the Central Coalfields Limited over the prevailing price of coal as per tapering linkage policy. Since the matter is pending under writ petition filed by Company before the Hon'ble High Court of Jharkhand, Ranchi and hence the amount has been included in short term loans and advances.
- 8 Central Coalfiels Limited (CCL) has stopped supply bod linkage coal to the company from 5th February 2013. The afforsaid action of CCL has also been challanged by way of Writ Petition filed by Comany before Hon'ble High Coart of Jahrkhand and the same is pending.
- 9 In view of the facts stated under Note No. 6 above, the Plant has been shut down and the operations suspended w.e.f. 9th August, 2013 and accordingly the provisions for undernoted items of expense have not been made in the accounts for the period from 10th August, 2013 to 31st March, 2014.
 - (a) Interest on Unsecured Loans taken from Promoters and Other Parties (amounts unascertained),
 - (b) Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs.305.26 lacs which is subject to representations for waiver, and
 - (c) Salaries, Wages and allowances as well as employee benefits expenses (amount unascertained).
10. Chandil Power Limited (CPL) has become a subsidiary of the Company under section 4(1)(a) of the Companies Act, 1956 w.e.f. 17th August, 2011. CPL is still under development stage and hence no consolidation of accounts has been done in line with the provision of AS-21.
- 11 Previous period figures have been regrouped / recast / rearranged wherever necessary.
- 12 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 29, 2014.
- 13 The above Financial results for the year ended March 31, 2014 have been audited by the statutory auditors of the company.
- 14 The figures of the last quarter of current financial year are the balancing figures between audited results in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year

For BILAR SPONGE IRON LTD.

(U.K.Modi)
Chairman

Place : New Delhi
Date : 29.05.2014

THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
New Delhi, Mumbai, Kolkata, Chennai.
Patna and Chandigarh

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BIHAR SPONGE IRON LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of BIHAR SPONGE IRON 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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 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.

Basis for Qualified Opinion

The management has prepared the financial statements on the basis of going concern perhaps based on the facts that the Modified Draft Rehabilitation Scheme has been submitted by the company on 03.12.2012 and still under the consideration BIFR. In our opinion the going concern concept is likely to be appropriate only if the modified rehabilitation scheme referred to above is approved by the BIFR with or without modifications.

In the meanwhile following liabilities may or may not materialised depending upon the final outcome of the dispute, have not been provided :-

- i. Non recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon (as required under Accounting Standard – 11, Revised) amounting to Rs. 2754.09 lacs as provided in the BIFR Scheme dt. 29.07.2004 and also confirmed by AAIFR/ Single Bench of Jharkhand High Court, Ranchi since the company against the order of Single Bench of High court, has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi (Note No. 3(ii) appearing in Annexure I).*

- ii. *Non recognition penalty of Rs. 215.28 lacs recovered by South Eastern Coal Fields Ltd. on account of short lifting of coal quantity in terms of Fuel Supply Agreement since the matter has been disputed by the Company before the Chhattisgarh High Court (refer note no. 5 of Annexure I).*
- iii. *Non recognition of Rs. 171.79 lacs forfeited by CCL for additional price under tapering linkage policy for which company has filed Writ Petition(C) before the Jharkhand High Court (refer note no. 7 of Annexure I)*
- iv. *No provision has been made in the books of accounts in respect of the undemoted items of expense in view of shutdown of the plant & suspension of operations since 10th August 2013 as well as other reasons contended by the company :-*
 - a) *Interest on unsecured loan from Promoters and other parties from 10.08.2013 to 31.03.2014 (amount unascertained) (refer note 8 (a) of Annexure I).*
 - b) *Interest on Soft Loan taken from the Government of Jharkhand under and Industrial Rehabilitation Scheme 2003 amounting to Rs. 305.26 lacs from 10.08.2013 to 31.03.2014 which is subject representations for waiver (refer note 8 (b) of Annexure I) and*
 - c) *Salaries, Wages, Allowances as well as employee benefits expense w.e.f.10.08.2013 to 31.03.2014, (amount unascertained) (refer note 8 (c) of Annexure I).*

Taking into consideration non provision of likely liabilities mentioned in paragraph I, II, III and iv (a) above

- (a) *Loss for the year would be more by Rs. 3446.42 lacs as compared to the disclosed loss of Rs.1774.30 lacs .*
- (b) *Accumulated losses would be Rs.24644.34 lacs as compared to disclosed losses of Rs. 21197.92.*
- (c) *The above losses is however subject to ascertainment of liabilities mentioned in Para iv (a) and iv (c)*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matter described in the Basis of Qualified Opinion paragraph, 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.*

Emphasis of Matter

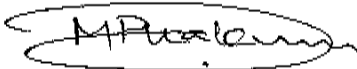
We draw attention to note no. 9 of Annexure I to the financial statements regarding managerial remuneration aggregating to Rs. 3.25 lacs paid / provided for a whole time director of the company during the year in respect of which Special Resolution at the General Meeting and Central Government approval are yet to be obtained in accordance with the requirements of Schedule XIII and other applicable provisions of the Companies Act, 1956. Our opinion is not qualified in respect of this matter.



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 to the extent applicable to the company.
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) *Except for the effects of the matter described in the basis of Qualified Opinion paragraph,* in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Director (except one Director who is in the service of the Government of Bihar and is the nominee of the BSIDC and on the board of the Company) other than Government Nominee Director, as on March 31, 2014, and taken on record by the Board of Directors, we report that 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. The said Director of BSIDC, in the opinion of the Board is stated to be covered by the exemption granted for the Director u/s 274(1) (g) of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N



(M.P. Thakur)

Partner

M. No. : 052473



Place: New Delhi
Date : 29.05.2014

THAKUR, VAIDYANATH AIYAR & CO.
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Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report of even date in the matters of Bihar Sponge Iron Limited ("the Company") on the Financial Statements for the year ended March 31, 2014

- i) Fixed Assets**
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Company has a programme of verifying all of the fixed assets over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of assets. Discrepancies noticed on physical verification of the fixed assets conducted during the year are not material and have been properly dealt with in the books of account.
- c) The Company has not disposed off substantial part of its fixed assets during the year, which may have any impact on the going concern nature of the Company.
- ii) Inventories**
- a) The stock of finished goods, stores, spare parts and raw materials *have not been physically verified by the management at reasonable intervals during the year /at the yearend since the plant has been under shut down and operations suspended w.e.f. 10.08.2014.*
- b) The company has the procedures of 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, *however no physical verification has been carried out during the year ended 31.03.2014 in view of the fact stated at (ii) a) above.*
- c) The company has maintained proper records of inventory showing full details regarding quantity of receipts, issues, balances and dates of transactions. *Since no physical verification of inventories were carried out during the year hence the question of discrepancies, if any, observed and their adjustment in the books of account does not arise.*
- iii) Transactions with parties u/s 301 of the Companies Act, 1956**

- a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b), c) & d) In view of (a) above, Para (b), (c) & (d) of clause 4 (iii) are not applicable
- e) The Company had taken unsecured loan amounting to Rs. 38.03 lakhs during the year from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, however the amount outstanding comes to Rs. 4204.10 lakhs from four parties (including opening balance and net of repayment) as at 31.03.2014 (Rs. 4166.07 lacs from four parties including Opening balance as at 31.03.2013).
- f) The rate of interest and other terms and conditions of such loans taken by the company are not prima facie prejudicial to the interest of the company.
- g) Since there is no stipulation for the repayment of the principal amount and interest due thereon, we are unable to offer any comment.
- iv) **Internal Control**
In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets, sale of goods and services. *However, there is a need of strengthening internal control with respect to obtaining of confirmation of balances from major parties.*
There are no continuing failures to correct matters in respect of lack of adequacy of internal controls brought to the notice.
- v) (a) In our opinion and 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, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.



vi) Fixed Deposits

The Company has not accepted any deposits from the public which are covered under the directives issued by the Reserve Bank of India and the provisions of sections 58A and section 58AA or any other relevant provisions of the Act and the rules framed thereunder.

vii) Internal Audit System

The Company has an adequate internal audit system commensurate with its size and nature of its business.

viii) Cost Records

We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Accounting records) Rule 2011 prescribed by the Central Government under 209(1)(d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix) Statutory Dues

- a) According to the books and records, examined by us and information and explanations given to us, except the Sales tax, VAT, Electricity duty and Cess etc., *company has not been regular in depositing the undisputed statutory dues with the appropriate authorities including Provident Fund, Income Tax (TDS & TCS), Service Tax, Excise Duty and other applicable statutory dues during the year under audit.*

The arrears on account of such dues outstanding at the end of the financial year for a period more than six months from the date they become payable are Excise Duty Rs. 84.48 lakhs, Service Tax Rs. 14.85 lakhs, Provident Fund Rs. 50.46 lakhs, Family Pension Fund Rs. 4.49 lakhs, Income Tax (tds/tcs) Rs. 23.08 lakhs, Electricity Duty Rs. 3.20 lakhs, Cess Rs. .01 lakh

- b) The details of dues of sales tax, custom duty, excise duty, trade tax and cess etc. which have not been deposited on account of dispute are given hereunder:

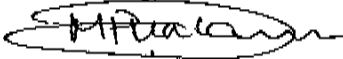


Name of the statute	Forum where Dispute pending	Nature of dues	Period of dispute	Amount Rs./lacs
1. The Customs Act, 1962	CESTAT, Kolkatta	Custom duty on rate diff. on account of Classification of items on imported Plant & Machinery	1987-89	106.92
2. The Customs Act, 1962	CESTAT, Kolkatta	Custom Duty & Demurrage Charges and interest on imported Stores & spare parts	1991-92 1994-95	104.27 50.32
3. JVAT Act 2005	Jt. Commissioner of Commercial Taxes (Appeals) Jamshedpur, who has recommended case on 08.10.2013 to DCIT to verify and allow credit for taxes, if any, paid earlier.	Tax on Non - submission of JVAT forms	2006-07	23.97
4. The C.S.T. Act, 1956	Jt. Commissioner of Commercial Taxes (Appeals)	Tax on Non-Submission of "C" Forms	2006-07	3.11
5. JVAT Act, 2005	Disputed demand for JVAT for the F.Y. 2010-11 u/s 70(5)(b) under appeal before the Jt. Comm. of Commercial Taxes (Appeals), Jsr. However stay has been granted on 20.01.2012 (Amount paid on appeal Rs.5.88 lakhs)	Tax on JVAT.	2010-11	58.79
	Demand raised by DCCT, Jsr for tax due and / penalty imposed or interest payable under JVAT Act 2005 of the F.Y. 2010-11 under dispute before JCCT, Jsr (Amount paid on appeal Rs.15 lacs on 19.10.2012)	Tax on JVAT.	2010-11	247.86
6. Finance Act, 1994	The Commissioner of Appeals Central Excise & Service Tax, Ranchi	Recovery of Irregular cenvat credit, cess availed and penalty thereon	2009-10	1.23
7. Income Tax Act, 1961	The Commissioner of Income Tax (Appeals), Jsr	Short deduction/ collection of Tax at Source with interest and penalty	2004-05 to 2008-09	83.34

- x) The accumulated losses of the company at the end of the financial year March 31, 2014 substantially exceeds its net worth and the company was declared as Sick industrial undertaking in 1996. Further the Company has incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi) The company has not defaulted in payment of dues to financial institutions/Banks. There has been no debenture in the company.
- xii) The Company has not granted loans and advances, on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provision of clause 4 (xiii) (a) to (d) for the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xiv) The Company has not dealt or traded in shares, securities, debentures, and other investments during the year and accordingly the provisions of Companies (Auditor's Report) order 2003 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) The term loans taken by the Company have been applied for the purpose for which they were obtained, however there has been no term loans obtained during the year under audit.
- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company as at the end of the year, funds raised on short term basis has not been used for long term investment.
- xviii) 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 during the year.
- xix) The Company has not issued debentures hence the question of pending creation of security does not arise.
- xx) The company has not raised any money by public issue during the year and hence disclosure for end use does not arise.

- xxi) Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the year under audit.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRNo. 000038N



(M. P. THAKUR)
Partner
Membership No. : 052473

Place: New Delhi
Date: 29.05.2014

