

NIRAV S. SHAH & CO.
CHARTERED ACCOUNTANTS

139/1665, Shivalaya App., Nr. Sola Housing Complex, Sola Road,
A'bad-380063

M. No. :98256 09734

Email. : shah.shahassociates@gmail.com

AUDIT REPORT

F.Y. 2010-11

AMARNATH
SECURITIES
LIMITED

NIRAV S. SHAH & CO.

CHARTERED ACCOUNTANTS.

NIRAV SHAH
B.Com, A.C.A.

139/1665, Shivalaya Appartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

AUDITORS' REPORT

To,
The Members of
AMARNATH SECURITIES LIMITED

We have audited the attached Balance Sheet of AMARNATH SECURITIES LIMITED as at 31st March 2011 and also the annexed Profit and Loss Account of the Company 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.

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 amount and disclosures in financial 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.

As per the Companies (Auditors report) order, 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, we do hereby state that the company is exempted under the Companies (Auditors report) order, 2003, on the matter specified paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, 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 Balance Sheet & Profit & Loss Account dealt with by this report is in agreement with the books of accounts and comply with the Accounting Standards referred to in Sub- Section 3(C) of section 211 of the Companies Act, 1956.

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NIRAV S. SHAH & CO.

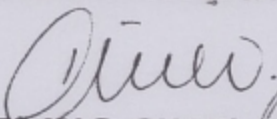
CHARTERED ACCOUNTANTS.

NIRAV SHAH
B.Com, A.C.A.

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4. According to information and explanations given to us and on the basis of written representations from the directors of the Company, none of the Director is disqualified from being appointed as a director of the Company under section 274(1) (g) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss Account, together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view: -
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
 - b) In the case of the Profit & Loss Account of the Profit for the year ended on that date.

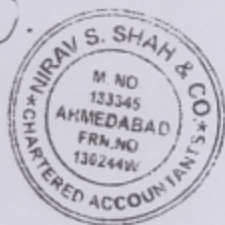
For NIRAV S. SHAH & Co.
Chartered Accountants


(NIRAV S. SHAH)

Proprietor

Firm No. 130244W

Membership : 133345



PLACE : AHMEDABAD

Date : Sep 01, 2011

ANNEXURE

(Referred to in paragraph 1 of our report of even date)

i)

(a) The Company has maintained proper records showing full particulars including quantities details and situation of Fixed Assets.

(b) All the Assets have been physically verified by the management during the year but there is regular program of Verification 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 such verification.

(c) In our opinion and according to the information and explanation given to us the company has not disposed off substantial part of fixed assets during the year.

ii)

(a) The Company has no inventory, hence not applicable.

iii)

(a) As informed to us, 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. However, year end Balance of Loan taken from relatives of director is Rs 70,320/-

(b) The company had no taken loan from any other companies covered in the register maintained under section 301 of the Companies Act, 1956. And the year end balance of loans taken from such parties was Rs. 2,50,33,948/-

(c) In our opinion the rate of interest and other terms and conditions on which loans have been taken from/ granted to companies, firms or other



parties listed in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(d) In respect of the aforesaid loans, the amount is payable on demand, the company is repaying the principal amount as & when demanded & has not been paying any interest.

(e) The aforesaid loan is repayable on demand & therefore the question of overdue amount does not arise.

iv) In our opinion and according to information & 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 purchase of inventory and Fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.

v)

(a) According to the information and explanations 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.

vi) In our opinion, according to the information and explanations given to us, the company has not taken any deposit from the public.

vii) In our opinion the company has an internal audit system commensurate with its size and nature of its business.

viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the products of the company.

ix) (a) The company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Income tax, Sales-tax, Excise Duty, investors education and protection fund, wealth Tax, Custom Duty, Cess and other material Statutory dues applicable to it except Income Tax Liability of Rs. NIL/- . There were no arrears for a period



of more than six month from the date they became payable as at 31st March 2011

- x) According to the information and explanation given to us, there are no cases of non-deposits with the appropriate authorities of disputed dues of sales tax /excise duty /custom duty / wealth tax / cess.
- xi) The accumulated losses of the company are not more than 50% of its Net Worth. The company has not incurred any cash losses in current year
- xii) According to the information and explanations given to us, the company has not defaulted in any repayment of dues of loan.
- xiii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
- xiv) 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 is not applicable to the company.
- xv) According to the information and explanations given to us, the company is not dealing or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xvi) In our opinion, the terms and condition on which the company has given guarantees for loans taken by others from Bank or Financial Institutions are, prima facie, not prejudicial to the interest of the company.
- xvii) According to the information and explanations given to us in this year there is no term loan during the loan.
- xviii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xix) The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xx) According to the information and explanations given to us, no debentures and/or preference shares have been issued during the year.



- xxi) The company has not raised any money through a public issue.
- xxii) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit

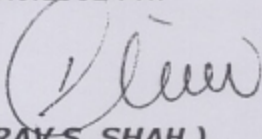
For NIRAV S. SHAH & Co.

CHARTERED ACCOUNTANTS

FRNNo.130244w

PLACE : AHMEDABAD.

DATE : Sep 01, 2011


(NIRAV S. SHAH)

Proprietor

Membership # 133345



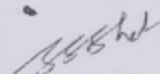
BALANCE SHEET AS ON 31ST MARCH, 2011

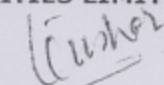
	Schedule	As at 31st March, 2011		As at 31st March, 2010	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1		30,002,000		30,002,000
Reserves & Surplus	2		3,780		3,780
Loan Fund					
Unsecured Loan	3		70,320		91,365
Total			30,076,100		30,097,145
Application of Funds					
FIXED ASSETS					
Gross Block	5		33,684		33,684
Less : Depreciation			27,380		26,216
Net Block			6,304		7,468
Investment			1,797,849		2,349,630
Current Assets, Loans & Advances					
Sundry Debtors	6	1,856,358		4,016,814	
Cash & Bank Balance	7	1,004,626		928,232	
Loans & Advances	8	25,031,303		22,156,933	
Other Current Assets	9	85,939		238,021	
		27,978,226		27,340,000	
Less : Current Liabilities & Provisions	4	129,689		101,830	
		129,689		101,830	
Net Current Assets			27,848,537		27,238,170
Profit & Loss Account	10		423,410		501,877
Total			30,076,100		30,097,145
Significant Accounting Policies & Notes to Accounts	13				

As per Our Report Even Data

For NIRAV S. SHAH & Co
Chartered Accountants(NIRAV S. SHAH)
Proprietor
Firm No. 130244W
Membership : 133345

For AMARNATH SECURITIES LIMITED


(Sanjay Shah)
Director


(Tushar Shah)
Director
Place : Ahmedabad
Date : Sep 01, 2011Place : Ahmedabad
Date : Sep 01, 2011

AMARNATH SECURITIES LIMITED

Annual Report 2010-2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	As at 31st March, 2011 (Rupees)	As at 31st March, 2010 (Rupees)
INCOME			
Profit From Share Trading		-	200,000
Interest from Others	11	28,995	500,083
Other Income		146,500	-
		175,495	700,083
EXPENDITURE			
Administrative Expenditure	12	78,005	582,307
Interest & Other Financial Expenses			582,307
Dpreciation		1,164	1,385
Preliminary Exp w/off		79,169	
PROFIT BEFORE TAX		96,326	116,391
Less : Provision for MAT/Income Tax		17,859	35,965
PROFIT AFTER TAX		78,467	80,426
ADD: Previous year Opening Bal. (To be carried forward to B/s)		(501,877) (423,410)	(582,303) (501,877)
Significant Accounting Policies & Notes to Accounts	13		

For NIRAV S. SHAH & Co
Chartered Accountants

(NIRAV S. SHAH)
Proprietor

Firm No. 130244W
Membership : 133345



Place : Ahmedabad
Date : Sep 01, 2011

For AMARNATH SECURITIES LIMITED

(Sanjay Shah)
Director

(Tushar Shah)
Director

Place : Ahmedabad
Date : Sep 01, 2011

AMARNATH SECURITIES LIMITED

AMARNATH SECURITIES LIMITED

SCHEDULE TO BALANCE SHEET

SCHEDULE TO BALANCE SHEET

	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 1		
SHARE CAPITAL		
40,00,000 Equity Share of Rs 10/- Each	40,000,000	40,000,000
Issued, Subscribed & Paid Up :		
3000200 equity shares of Rs.100/- each	30,002,000	30,002,000
	30,002,000	30,002,000
SCHEDULE - 2		
RESERVES AND SURPLUS		
Profit & Loss Account		
General Reserves	3,780	3,780
	3,780	3,780
SCHEDULE - 3		
UNSECURED LOAN		
From Share Holders, Relative & Others	70,320	91,365
- Inter Corporate	-	-
	70,320	91,365
SCHEDULE - 4		
Current Liabilities & Provision		
Current Liabilities :		
Sundry Creditors		
Creditors for Expenses	70,800	44,800
Creditors for Others	5,065	5,065
Total [A]----->	75,865	49,865
Provision		
Provision for Expenses	-	16,000
Provision for Income Tax	35,965	35,965
Provision for MAT	17,859	
Total [B]----->	53,824	51,965
Total [A]+ [B]----->	129,689	101,830



AMARNATH SECURITIES LIMITED

Schedule 05 - Fixed Assets

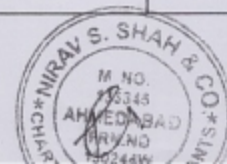
Particulars	Gross Block			Depreciation			Net Block	
	As At 1st April 2010 Rs	Addition Rs.	As At 31st March 2011 Rs	As At 1st April 2010 Rs	For the Year Rs.	As At 1st March 2011 Rs	As At 31st March 2011 Rs	As At 31st March 2010 Rs
Cycle - 20%	1650	-	1,650	1,030	124	1,154	496	620
Furniture & Fixtures - 18.10%	11414	-	11,414	9,326	378	9,704	1,710	2,088
EPABX System - 13.91%	20620	-	20,620	15,860	662	16,522	4,098	4,760
Total :	33684	-	33,684	26,216	1,164	27,380	6,304	7,468



AMARNATH SECURITIES LIMITED

SCHEDULE TO BALANCE SHEET

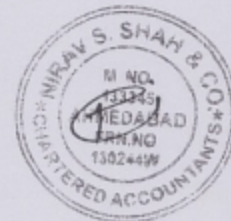
	As at 31st March 2011	As at 31st March, 2010
SCHEDULE - 6		
SUNDRY DEBTORS		
More than Six Months	-	4,016,814
Less than Six Months	1,856,358	
	1,856,358	4,016,814
SCHEDULE - 7		
CASH AND BANK BALANCE		
Cash in Hand	92,619	13,959
Cash at Bank - Current a/c with Scheduled Bank	902,269	902,269
Cash at Bank- Current a/c with The AMCO Bank	927	927
Cash at Bank - Current a/c with (ii)	2,149	2,149
Cast at Bank - Current a/c. with Social Co - op bank	990	990
Cash at Bank - Current a/c. with Union Bank Ltd	5,672	7,938
[Maximum amount outstanding at any time during the year and previous year are same Except Union Bank of India Account]		
	1,004,626	928,232
SCHEDULE - 8		
LOANS & ADVANCES		
Recoverable in cash or in kind or for which value to be received	16,026,154	
Advances to the parties in which directors interested	1,651,387	1,651,387
Advance to Others	2,042,000	20,505,546
Loans To Others	5,311,762	
	25,031,303	22,156,933
SCHEDULE - 9		
OTHER CURRENT ASSETS		
TDS Receivable	2,645	95,973
TDS For A.Y.11-12	-	58,754
Minimum Alternate TAX	83,294	83,294
	85,939	238,021
SCHEDULE - 10		
PROFIT & LOSS ACCOUNT		
Opening Balance	501,877	582,303
Add : Current Year Profit	(78,467)	(80,426)
	423,410	501,877
Total	423,410	501,877



AMARNATH SECURITIES LIMITED

SCHEDULE TO PROFIT & LOSS ACCOUNT

	As at 31st March 2010	As at 31st March 2009
SCHEDULE - 11.		
INDIRECT INCOMES		
Interest Incomes	26,448	
Interest on TDS Return	2,547	
	28,995	-
SCHEDULE - 12		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Bank Charges	165	2,522
Stationary & Printing Expenses	-	5,500
Audit Fees	10,000	10,000
Salary Expenses	36,250	120,000
Account Expenses	-	6,000
Kasar - Vatav Expenses	-	423,017
Misc. Expenses	12,366	15,268
Office Expenses	19,224	-
	78,005	582,307
	78,005	582,307



M/s **AMARNATH SECURITIES LIMITED.**

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE
YEAR
ENDED 31ST MARCH, 2011

Schedule - 13

Notes to Balance sheet and Profit & Loss Account

1. **Significant Accounting Policies-**

i) **Basis of Accounting :**

Financial Statement are prepared **under** historical cost convention on a accrual basis in accordance with the requirements of the Companies Act. 1956.

ii) **Fixed Assets and Depreciation**

a) The Fixed assets are stand at cost **of** acquisition inclusive of freight, duties, taxes, and inclusive of expenses.

b) **Depreciation :**

(i) Depreciation on fixed **assets** is provided on "Written Down Value Method" **at** the rate and in the manner prescribed in Schedule **XIV** of the Companies Act,1956.

ii) **INVENTORIES**

There is no Inventory **hence** not applicable. -

iii) **MISCELLANEOUS EXPENSES**

There is no Preliminary Expenditure at the year end.

iv) **CONTINGENT LIABILITIES**

No provision is made **for** liabilities, which are contingent in nature but, if **material** the same is disclosed by way of notes to the accounts.

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M/s AMARNATH SECURITIES LIMITED.

-2-

2. Deferred Tax

The figure of Differed Tax is minor, so no Provision made for Deferred Tax.

Deferred Tax Liability/Assets

On account of Depreciation on Fixed Assets Rs. Nil

3. None of the employees of the Company has crossed the Limits Prescribed u/s. 217 (2A) of the Companies (Particulars of Employees) Amendment Rules, 1988 during the year.

4. (a) Value of Import calculates on CIF basis

	Current year	Previous year
1. Raw Material	N.A.	(N.A.)
2. Components & Spare Parts	N.A.	(N.A.)
3. Capital Goods	N.A.	(N.A.)

(b) Expenditure in Foreign Currency - Nil Nil

(c) Amount remitted in foreign currency Nil Nil
on account of divided to Non Resident

5. Auditors Remuneration

	As at 2010-2011	As at 2009-2010
a) Audit Fees	10,000.00	10,000.00

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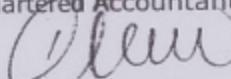


M/s AMARNATH SECURITIES LIMITED.

-3-

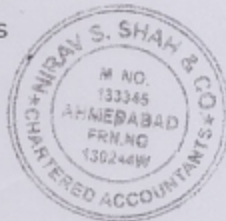
6. In the opinion of the Board, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business and are subject to confirmation.
7. Additional Information under Schedule VI of the Companies Act, 1956 : Nil
8. Previous Year's figure have been re-grouped / rearranged wherever essential.
9. **Bank Account of Certain Accounts are not update and no any Bank Statement is available, so we are unable to certified the Bank balance of Ahmedabad District Co Op Bank Ltd, Bank of India, Central Bank of India, Dena Bank, Social Co-op Bank, Ahmedabad Mercantile Co-op Bank Ltd.**
10. We relied on vouchers duly certified by the Assessee wherever original bills are not available during the test checked conducted in the course of our audit.
11. We are unable to express our opinion regarding diminution, if any, in the value of the investments as no documentary evidence were available or verification / judgment of the same.
12. Cash on hand at the year end certified by the management. Moreover we are not physically Verified the Cash Balance as on 31-03-2010.

For NIRAV S. SHAH & Co
Chartered Accountants

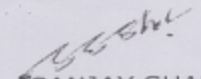

(NIRAV S. SHAH)
Proprietor

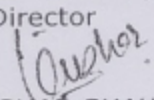
Firm No. 130244W
Membership : 133345

Place : Ahmedabad
Date : Sep 01, 2011



For & on behalf of the Board


(SANJAY SHAH)
Director


(TUSHAR SHAH)
Director

Place : Ahmedabad
Date : Sep 01, 2011

Additional information pursuant to part IV schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFIT

1. Registration No. :

State Code : 04

Balance Sheet as on 31-03-2011

2. Capital Raised During the year Rs. In Lacs.

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Issue	NIL

3. Position of mobilization and deployment of funds.

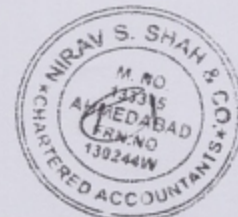
Total Liability	0300.76
Total Assets	0300.76

4. Source of funds

Paid up Capital	
[Incl. Share Application money]	0300.02
Reserves & Surplus	0000.04
Secured Loan	0000.00
Unsecured Loan	0000.70

5. Application of Funds

Net Fixed Assets	0000.06
Investment	0017.98
Net Current Assets	0278.51
Misc. Expenditure	0000.00



6. Accumulated Losses

Profit & Loss Account 0004.23

7. Performance of the Company

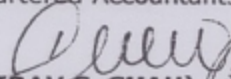
Turnover/ other income	0001.75	Turnover/ other income
Total Expenses	0000.79	Total Expenses
Profit before Tax	0000.96	Profit before Tax
No Of shares	3000200	No Of Shares
Earning Per Share	Rs.0.033	Earning Per Share
Dividend	Rs.0.000	Dividend

8. General Names of Three principal products/ services of the company.

a) Item Code No. : N.A.

b) Product description N.A.

For NIRAV S. SHAH & Co
Chartered Accountants

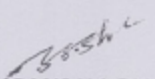

(NIRAV S. SHAH)
Proprietor

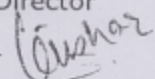
Firm No. 130244W
Membership : 133345



Place : Ahmedabad
Date : Sep 01, 2011

For & on behalf of the Board


(SANJAY SHAH)
Director


(TUSHAR SHAH)
Director

Place : Ahmedabad
Date : Sep 01, 2011

AMARNATH SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011
PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

Particulars	[Rs. In Laks]	
	31-03-2011	31-03-2010
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit / (Loss) before Tax & Extra ordinary Items	1.01	1.16
Adjustment for ;		
Depreciaiton	0.01	0.01
Preliminary & Public Issue Exp. Written off	0	0
Operation Profit / Loss Before Working Capital Change	1.02	1.17
Adjustment for		
ong Term, Loans Raised	-0.21	0
(Increase) / Decreased in current Assets	-5.61	22.49
(Increase) / Decreased in current Liabilities	0.06	-0.01
<u>NET CASH FLOW FROM OPERAITON : (A)</u>	-4.74	23.65
<u>B. CASH FLOW FROM INVESTING ACTIVITIES</u>		
Sales / (Purchase) of Fixed Assets	0	0
Sales / (Purchase) of Fixed Investment	5.51	-23.49
<u>NET CASH FLOW FROM INVESTING AVTIVITIES : (B)</u>	5.51	-23.49
<u>C. NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B)</u>		
Opening Cash & Cash Equivalents	9.27	9.11
Closing Cash & Cash Equivalents	10.04	9.27

As per our report of even date Annexed

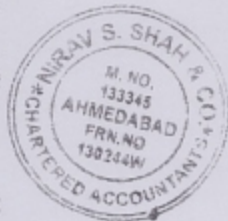
For, Nirav S. Shah & Co.
Chartered Accountants

Nirav Shah

**Proprietor
(Nirav Shah)**

Membership # 133345

FRN.NO.130244W



For, AMARNATH SECURITIES LIMITED

Sanjay Shah

**Director
[Sanjay Shah]**

Tushar Shah

**Director
[Tushar Shah]**

Place : Ahmedabad
Date : 1st September, 2011

Place : Ahmedabad
Date : 1st September, 2011

NIRAV S. SHAH & CO.
CHARTERED ACCOUNTANTS

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AUDIT REPORT

F.Y. 2010-11

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