



AUDITORS' REPORT

The Members,
Jagdhhan Finance and Investment Limited
Kanpur

1. We have audited the attached Balance Sheet of Jagdhhan Finance and Investment Limited, as at March 31, 2012, and also the Statement of Profit and Loss 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended by DCA Notification G.S.R. 766(E), dated November 25, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in Annexure I, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. 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 such books;
 - iii. The balance sheet and Statement of profit and loss dealt with by this report are in agreement with the books of accounts;
 - iv. in our opinion, the Balance Sheet and the Statement of Profit and Loss comply in all material respects with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



- v. On the basis of written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors was disqualified as on March 31, 2012, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. 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 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:
- (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of the Statement of profit and loss of the loss for the year ended on that date.

For Asit Mehta & Associates
Chartered Accountants
Firm Registration Number: 100733W


Asit.P.Mehta
(Partner)



Membership No.: 034179

Place: Mumbai
Date: 14th June, 2012

Annexure I to the Auditors' report to the members of Jagdhan Finance and Investment Limited
(Referred to in paragraph 3 of our report of even date)

On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, a major portion of the fixed assets has been physically verified by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Fixed Assets disposed during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) The Company is a Non Banking Finance Company ('NBFC'), engaged in the business of providing loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register under section 301 of the Act. Therefore, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company.
- (b) The Company has not taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 at any time during the year. Therefore, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations provided to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. The activities of the company do not involve purchase of inventory, or sale of goods or services. During the course of our audit, we have not observed nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) According to the information and explanation provided by the management, we are of the opinion that there are no contracts or arrangement referred to in section 301 of the Act that need to be entered into register maintained under section 301 of the Act.
- (vi) The Company has not accepted any deposit from the public.
- (vii) The provisions of clause (vii) of the Order regarding internal audit system are not applicable to the company for the subject financial year.



- (viii) To the best of our knowledge and as explained, the central government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the company.
- (ix) (a) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing with appropriate authorities undisputed amount of statutory dues including VAT, Service tax, Fringe Benefit Tax and other material statutory dues applicable to it. Subject to receipt of the account number from the appropriate authority , provident fund contribution (employee and employer's) Rs.78, 276 has remained unpaid as at 31st March, 2012.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable. There were no dues on account of cess under Section 441A of the Act since the date from which the aforesaid Section comes into force has not yet been notified by the Central Government.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited, on account of any dispute.
- (x) The Company's accumulated losses at end of the financial year are less than fifty percent of its net worth. The company has incurred a cash loss during the current financial year. In the immediately preceding financial year, the Company did not have a cash loss.
- (xi) Based on our audit procedures and on the information and explanations given by the management, the Company has not availed any credit facility from any financial institution or bank and has not issued any debentures.
- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
- (xiii) The Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause 4 of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) On the basis of our examination of the books of accounts the company has not obtained any term loan during the year.
- (xvii) According to the information and explanation given to us and on 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.



- (xviii) According to the information and explanation given to us, during the year, the company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has neither issued debentures nor has any debentures outstanding at the year-end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Asit Mehta & Associates**
Chartered Accountants
Firm registration Number: 100733W




Asit P. Mehta
Partner

Membership No: 034179

Place: Mumbai
Date: 14th June, 2012

ANNEXURE II TO THE AUDITOR'S REPORT

We have audited the attached balance sheet of Jagdhan Finance & Investment Ltd., as at 31st march 2012 and the Statement of Profit and loss for the year ended on that date annexed thereto.

Further to our audit report of even date issued under section 224 of the Companies Act 1956, as required by the Non Banking Finance Companies Auditor's Report (Reserve Bank) Directions, 1998 based on the information and explanations given to us and based on the records produced, we state below a statement of matters specified in paragraph 3 of the said directions.

1. The Company was incorporated on 31st May ,1996 and the Company had applied for registration as provided in section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), and further the Company has received from the Reserve Bank of India, the Certificate of Registration under category B as a company not accepting public deposits.
2. The Board of Directors has passed a resolution on 25th April, 2012 for the non-acceptance of any public deposits and the Company has not accepted any public deposits during the year ending 31st March 2012. Further, a resolution has been passed that the Company will not accept any public deposit in the current financial year.
3. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable.

For Asit Mehta & Associates

Chartered Accountants

Firm Registration Number: 100733W



Asit.P.Mehta

Partner

Membership No.: 034179



Place: Mumbai

Date: 14th June, 2012