

Retirement Solutions

UTI RETIREMENT SOLUTIONS LIMITED

Financials for the year 2010-11

UTI RETIREMENT SOLUTIONS LIMITED
Balance Sheet as at 31st March, 2011

Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.	
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	200,000,000	200,000,000
Reserve & Surplus	2	22,075,928	17,774,802
UNSECURED LOAN			
Loan	3	-	84,471
Total		<u><u>222,075,928</u></u>	<u><u>217,859,273</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	1,205,604	1,205,604
Less : Depreciation		<u>1,205,604</u>	<u>754,585</u>
Net Block		-	451,019
INVESTMENTS			
	5	5,993,995	80,910,576
DEFERRED TAX ASSET			
		268,965	283,258
CURRENT ASSETS, LOANS AND ADVANCES			
Debtors	6	60,913	34,385
Cash and Bank Balances	7	206,835,558	125,930,197
Loans and Advances	8	4,176,455	3,826,508
Other Current Assets	9	<u>8,279,859</u>	<u>10,794,309</u>
		219,352,785	140,585,399
Less :			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	1,531,684	459,979
Provisions	11	<u>2,008,133</u>	<u>3,911,000</u>
		3,539,817	4,370,979
NET CURRENT ASSETS		215,812,968	136,214,420
Total		<u><u>222,075,928</u></u>	<u><u>217,859,273</u></u>

Significant Accounting Policies and
Notes to Accounts

17

As per our report attached of even date attached

For : F. A. Ansari & Associates
Chartered Accountants

For Board of UTI Retirement Solutions Limited

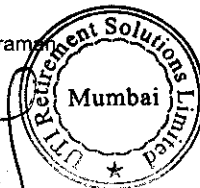
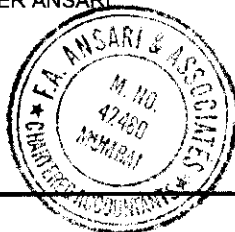
CA. FAHEEM AKHTER ANSARI
Proprietor
M. No. - 042480

S Venkatram
Director

Balram P. Bhagat
CEO & Whole Time Director

Place : Mumbai
Date : 21.04.2011

Arvind Patkar
Company Secretary



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UTI RETIREMENT SOLUTIONS LIMITED

Profit and Loss Account for the period ended on 31st March, 2011

	Schedule	For the period ended on 31st March, 2011 Rs.	For the year ended on 31st March, 2010 Rs.
INCOME			
Management Fees	12	204,371	112,715
Interest	13	15,084,188	18,509,762
Other Income	14	1,232,642	77,476
Total		<u>16,521,201</u>	<u>18,699,953</u>
EXPENDITURE			
Staff Expenses	15	4,141,973	2,869,881
Administrative and Other Expenses	16	5,384,057	3,687,466
Depreciation	4	451,019	393,717
		<u>9,977,049</u>	<u>6,951,064</u>
Profit Before EOI / PPI		<u>6,544,152</u>	<u>11,748,889</u>
Less: Prior Period Item		220,600	30,474
Profit Before Tax		6,323,552	11,718,415
Provision for Tax			
- Current		2,008,133	3,911,000
- Deferred		14,293	83,171
Fringe Benefit Tax (Short Provision)		<u>-</u>	<u>14,577</u>
		2,022,426	4,008,748
PROFIT AFTER TAX		<u>4,301,126</u>	<u>7,709,667</u>
Profit Brought Forward		17,774,802	10,065,135
Balance Carried to the Balance Sheet		22,075,928	17,774,802
Earnings Per Share (Face Value Rs. 10 per share) (Basic and Diluted)		0.22	0.39
Significant Accounting Policies and Notes to Accounts	17		
As per our report attached of even date attached			

For : F. A. Ansari & Associates
Chartered Accountants

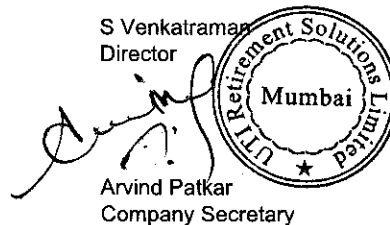
For Board of UTI Retirement Solutions Limited

CA.FAHEEM AKHTER ANSARI
Proprietor
M. No. - 042480

S Venkatraman
Director

Balram P. Bhagat
CEO & Whole Time Director

Place : Mumbai
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Arvind Patkar
Company Secretary

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UTI RETIREMENT SOLUTIONS LIMITED

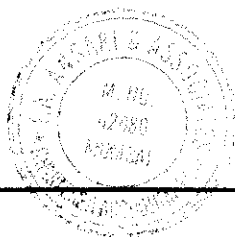
Cash Flow Statement for the period from 1st April 2010 to 31st March, 2011

Particulars	For the year ended on 31st	For the year ended on 31st
	March, 2011	March 2010
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and extra ordinary items	6,544,152	11,748,889
Add / (Less) Adjustment for Depreciation	451,019	393,717
Less: Prior Period Item	(220,600)	(30,474)
Less: Interest on Investment	(15,084,188)	(18,509,762)
Less: Profit on sale of Investment	(1,232,642)	(77,476)
Operating profit before working capital changes	(9,542,259)	(6,475,106)
(Increase) / Decrease in Debtors	(26,528)	3,091,798
(Increase) / Decrease in Loans & Advances	2,818,977	5,818,999
(Increase) / Decrease in Other Current Assets	2,514,449	(10,225,330)
Increase / (Decrease) in Current Liabilities	1,071,705	(950,500)
Increase / (Decrease) in Provisions	(3,911,000)	(5,520,367)
Cash Generated from Operations	(7,074,656)	(14,260,507)
Advance Tax & Self Assessment Tax Paid	(3,168,924)	(2,940,091)
Net cash from Operating Activities	(10,243,579)	(17,200,598)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	-	(123,000)
Investments	74,916,581	(72,420,576)
Add: Profit on sale of Investment	1,232,642	77,476
Add: Interest on Investment	15,084,188	18,509,762
Net cash used in Investing Activities	91,233,411	(53,956,338)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Capital	-	-
Loan	(84,471)	(8,016,773)
Net cash from Financing Activities	(84,471)	(8,016,773)
Net Increase in cash and cash equivalents	80,905,361	(79,173,709)
Cash and Cash equivalents at the beginning of the year	125,930,197	205,103,906
Cash and Cash equivalents at the end of the year	206,835,558	125,930,197
As per our report attached		

For : **F. A. Ansari & Associates**
Chartered Accountants

For Board of **UTI Retirement Solutions Ltd.**

CA. FAHEEM AKHTER ANSARI
Proprietor
M. No. - 042480



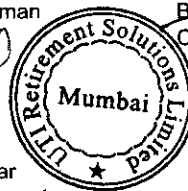
Place : Mumbai
Date : 21.04.2011

S. Venkatraman

S. Venkatraman
Director

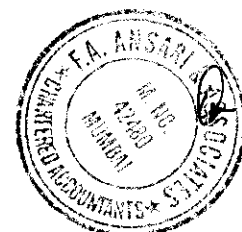
Arvind Patkar

Arvind Patkar
Company Secretary



Balram P. Bhagat
Balram P. Bhagat
CEO & Whole Time Director

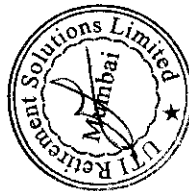
UTI RETIREMENT SOLUTIONS LIMITED		
SCHEDULES		
<i>Annexed to and forming part of the Accounts</i>		
Schedule 1	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
SHARE CAPITAL		
AUTHORIZED		
20,000,000 Equity Shares of Rs. 10 each	<u>200000000</u>	<u>200,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
20,000,000 Equity Shares of Rs. 10 each	<u>200000000</u>	<u>200,000,000</u>
(All the above shares are held by UTI Asset Management Company Limited, the Holding Company and its nominees)		
Schedule 2	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
RESERVES AND SURPLUS		
Balance in Profit and Loss Account	22075928	17,774,802
	<u>22075928</u>	<u>17,774,802</u>
Schedule 3	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
UNSECURED LOANS		
Short Term Loan From UTI AMC Ltd.	0	84,471
	<u>0</u>	<u>84,471</u>



SCHEDULE 4

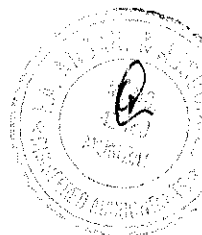
FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01st April 2010	Additions	Deductions	As at 31st March, 2011	As at 01st April 2010	For the period	Deduction	As at 31st March, 2011	As at 31st March, 2010	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Computer Software	1,205,604	0	0	1,205,604	754,585	451,019	0	1,205,604	0	451,019
	1,205,604	0	0	1,205,604	754,585	451,019	0	1,205,604	0	451,019



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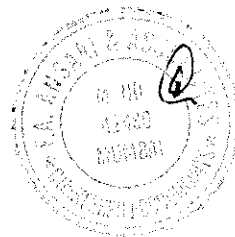
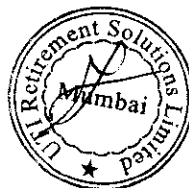
Schedule 5	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
CURRENT INVESTMENTS (Valued at Cost and Net Asset Value, whichever is lower)		
(2238.485 Units of Rs.2723.0582 each in UTI Money Market Fund) (Market Value - Rs. 61,02,240.39)	5993995	80,910,576
	<u>5993995</u>	<u>80,910,576</u>
Schedule 6		
	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
DEBTORS		
Investment Management Fees Receivable		
- More than six months	0	-
- Less than six months	60913	34,385
	<u>60913</u>	<u>34,385</u>
Schedule 7		
	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
CASH AND BANK BALANCES		
Cash on Hand	0	-
Balance with Scheduled Bank :		
- In Current Account	335558	30,197
- In Fixed Deposit Account	206500000	125,900,000
	<u>206835558</u>	<u>125,930,197</u>



Schedule 8	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
LOANS AND ADVANCES (Unsecured, considered good)		
Advance Income Tax	904974	373,739
Tax Deducted at Source	2263950	2,566,352
Receivable from Income Tax	956308	886,417
Service Tax Receivable	51223	0
	<u>4176455</u>	<u>3,826,508</u>
	<u>4176455</u>	<u>3,826,508</u>
Schedule 9		
	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
OTHER CURRENT ASSETS		
Interest receivable	8279859	10,794,309
Other Assets	0	0
	<u>8279859</u>	<u>10,794,309</u>
	<u>8279859</u>	<u>10,794,309</u>
Schedule 10		
	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
CURRENT LIABILITIES		
Sundry Creditors	4324	100,000
Other Liabilities	1527360	359,979
	<u>1531684</u>	<u>459,979</u>
	<u>1531684</u>	<u>459,979</u>



Schedule 11	As at 31st March, 2011	As at 31st March, 2010
	Rs.	Rs.
PROVISIONS		
Provision For Income Tax	2008133	3,911,000
	<u>2008133</u>	<u>3,911,000</u>
Schedule 12		
	For the period ended on 31st March, 2011	For the year ended on 31st March, 2010
	Rs.	Rs.
Management Fees		
Investment Management Fees	204371	112,715
	<u>204371</u>	<u>112,715</u>
Schedule 13		
	For the period ended on 31st March, 2011	For the year ended on 31st March, 2010
	Rs.	Rs.
INTEREST		
On Fixed Deposit with Banks	15084188	18,509,762
	<u>15084188</u>	<u>18,509,762</u>
Schedule 14		
	For the period ended on 31st March, 2011	For the year ended on 31st March, 2010
	Rs.	Rs.
OTHER INCOME		
Profit on Investment	1232642	77,476
	<u>1232642</u>	<u>77,476</u>



Schedule 15	For the period ended on 31st March, 2011	For the year ended on 31st March, 2010
	Rs.	Rs.
STAFF EXPENSES		
Salaries and Allowances	4141973	2,793,479
Staff Welfare	0	76,402
	4141973	2,869,881
	4141973	2,869,881
Schedule 16	For the period ended on 31st March, 2011	For the year ended on 31st March, 2010
	Rs.	Rs.
ADMINISTRATIVE AND OTHER EXPENSES		
Auditors' Remuneration:		
Scheme Audit Fees	350000	204,485
Statutory Audit Fees	125000	125,000
Tax Audit Fees	45000	45,000
Internal Audit Fees	0	80,000
Administrative Expenses	16512	7,735
AMC Charges	41250	0
Audit Expenses	25057	280
Bank Charges	392	0
Board Meeting Expenses	256494	226,444
Board Meeting Expenses - Sitting Fees	240000	260,000
Brokerage	2028565	864,608
Business Promotion Expenses	4370	0
Car Hire Charges	41566	0
Crisil Bond Valuer	496350	0
Interest in TDS	418	0
Legal & Professional Fees	23200	143,000
Miscellaneous Expenses	7483	59,032
Professional Expenses	74870	0
Rent	6000	6,000
Traveling Expenses (including AIR)	0	63,332
ROC Filing Charges	1530	2,550
Rounding off	0	0
Directors Remuneration	600000	600,000
PFRDA Fees	1000000	1,000,000
	5384057	3,687,466
	5384057	3,687,466



Schedule 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON MARCH 31, 2011

A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting. The financial statements have been prepared to comply in all material respects with notified accounting standards by Companies Accounting Standards Rules 2006 and the relevant provisions of the Companies Act 1956.

1.2 Use of estimates

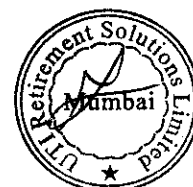
The preparation of financial statements requires the management of the company to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, provision for income tax, provision written back for diminution in the value of investment and the useful life of fixed assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates. Any revision to accounting estimate is recognized prospectively in the current and future periods.

1.3 Revenue Recognition

- a) Management fees are accounted for on accrual basis in accordance with the Investment Management Agreement with the NPS Trust (New Pension System).
- b) Dividend & Interest income is accounted on accrual basis.
- c) Profit/Loss on sale of investments is accounted on trade date basis. The profit/loss on sale of investments is calculated on weighted average basis.

1.4 Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.



1.5 Depreciation

1.5 (a) Tangible Assets

The Company has decided to provide Depreciation on Fixed Assets in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation has been provided at the following rates:-

CLASS OF FIXED ASSET	METHOD OF DEPRECIATION	RATE OF DEPRECIATION (%)
Computer Hardware	Written Down Value	40.00%
Office Equipment & Machines	Written Down Value	13.91%
Furniture's & Fixtures	Written Down Value	18.10%
Motor Cars	Written Down Value	25.89%
Buildings	Straight Line	1.63%

Assets costing individually Rs. 5,000/- or less are depreciated at the rate of 100% on pro-rata basis.

1.5 (b) Intangible Assets

Intangible Assets - Software are amortised over a period of three years on straight line method on pro rata basis.

1.6 Investments

Investments are classified into current investments and long-term investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and market/ fair value.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than of temporary nature, in the value of such investments.

1.7 Earning per Share

Basic and Diluted Earnings per share are calculated and reported in accordance with AS 20 'Earnings Per Share' issued by the ICAI. Basic and Diluted Earnings per equity share has been computed by dividing net profit after tax by weighted average number of equity shares outstanding for the period.



1.8 Taxes on Income

Income tax is accrued in accordance with Accounting Standard 22 'Accounting for Taxes on Income' issued by ICAI, which includes current and deferred taxes.

Current tax is determined as the amount of tax payable in respect of taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.

Deferred Income Taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized for all deductible timing differences; carry forward of unused tax assets and unused tax losses only if there is reasonable virtual certainty that such deferred tax assets can be realized against future liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

1.9 Lease

Leases if any, are recognized as per Accounting Standard 19 "Leases" issued by ICAI.

1.10 Treatment of Contingent Liability

Contingent Liabilities where an estimate of its financial effect is measurable and indication of the uncertainties relating to any outflow and the possibility of any reimbursement are disclosed by way of Notes in the Balance Sheet as per Accounting Standard 29, "Provisions, Contingent liabilities and Contingent Assets" issued by ICAI. Provision is made in accounts for those liabilities, which are likely to materialize after the period end and having effect on the position stated in Balance Sheet as at the period ended.

1.11 Impairment of assets

At each balance sheet date, the management reviews the carrying amounts of assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and the value in use. In assessing value in use, the estimated future cash flows expected from



the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.



B. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. Sundry Creditors & debtors

Sundry creditors do not include any amount payable to Small and Medium Enterprises as defined in Micro, Small and Medium Enterprises Development Act 2006. The balance of sundry creditors, sundry debtors and receivable/payable from/to subsidiaries is subject to reconciliation and confirmation from respective parties.

2. Fixed Assets

Cost of software was considered based on the agreement entered between UTI Retirement Solutions Ltd. & Strabus Software Solutions Pvt. Ltd.

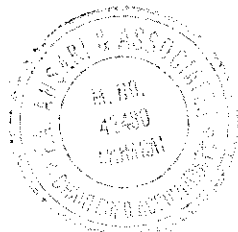
3. Deferred Tax

In compliance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22) issued by ICAI, the company has recognized a deferred tax liability (net) of Rs. 0.14 Lacs in Profit & Loss Account. The details are as follows:

Particulars	Deferred Tax Liabilities (Deferred Tax Assets) as at 01.04.2010	Current	Deferred Tax Liabilities (Deferred Tax Assets) as at 31.03.2011
Deferred Tax Liabilities			
Depreciation on Fixed Assets	65160.00	(91288.00)	(26128.00)
Total Deferred Tax Liability (A)	65160.00	(91288.00)	(26128.00)
Deferred Tax Assets			
Expenses on Account of Preliminary Expenses write off	(348418.00)	105581.00	(242837.00)
Total Deferred Tax Asset (B)	(348418.00)	105581.00	(242837.00)
Net Deferred Tax Asset (A-B)	(283258.00)	14293.00	(268965.00)

4. Managerial Remuneration

- The remuneration to CEO & Whole Time Director during the current period is Rs 6,00,000/-
- The Computation of profits under Section 349 of the Companies Act, 1956 has not been given as no commission is payable to the Managing Director.



5. Segmental Reporting

The Company is primarily engaged in the wholesale investment management of Pension funds under new pension system. Hence there are no other a "reportable segments" as per the definition contained in Accounting Standard on "Segment Reporting" (AS-17) issued by ICAI.

6. Related Party Transactions

As per the Accounting Standard on "Related Party Transactions" (AS-18) issued by ICAI, following are the related parties of the Company with whom transactions have been made in the ordinary course of business. The names of related parties are:

Names of related parties where control exists Irrespective of whether transactions have occurred or not	
Shareholders and promoters	UTI Asset Management Company Limited.
Key Management Personnel (KMP)	Bairam P Bhagat, CEO & Whole Time Director UTI Retirement Solutions Ltd.
Names of other related parties with whom transactions have taken place during the year	
UTI Mutual Fund	Schemes of UTI Mutual Fund

The details of transactions are:

S.No	Name	Amount in Rupees	Details
	Balances outstanding		
1	UTI Mutual Fund	59,93,994.93	Investment in UTI Mutual Fund

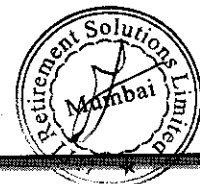
7. Earnings per Share

Earnings per share are computed in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

Amount in Rs.

	Year ended on 31.03.2011	Period ended 31.03.2010
Profit after Tax	43,01,126	77,09,666
No of Equity Shares	2,00,00,000	2,00,00,000
Nominal Value Per Shares	10	10
Basic and Diluted EPS	Rs. 0.22	Rs. 0.39

Basic Earnings per Share and Diluted Earnings per Share are the same.

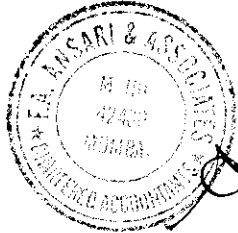


8. The accounts are prepared for the period from 1st April, 2010 to 31st March 2011.
9. Information with regard to other matters specified in paragraph 4A and 4D of part II of Schedule VI of the Companies Act 1956 are either nil or not applicable to the company for the year ended 31st March 2011.
10. Information with regard to other standard specific as per Rule 4(1) of the Companies (accounting Standard) Rules, 2006 are either NIL or not applicable to the Company for the Company for the year ended on 31st March 2011.

For F. A. Ansari & Associates
Chartered Accountants



CA. F. A. Ansari
Proprietor
Mumbai
Date: 21.04.2011



For and on behalf of the Board of Directors



S. Venkatraman
Director



Arvind Patkar
Company Secretary



Balram P. Bhagat
CEO & Whole Time Director



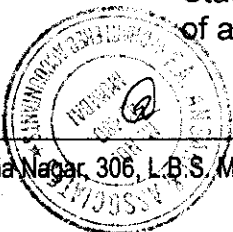
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Date : 21-04-2011

Auditors' Report

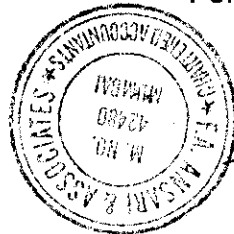
TO THE MEMBERS OF UTI RETIREMENT SOLUTIONS LIMITED.

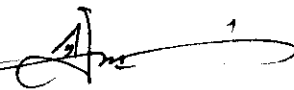
1. We have audited the attached Balance Sheet of UTI RETIREMENT SOLUTIONS LIMITED as at 31st March, 2011, the related Profit & Loss Account for the period ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date, which we have signed under reference to this report. 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 presentation of the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, on the basis of such checks of the books and records as we considered appropriate and the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent they are applicable to the Company.
4. Further to our comments in the annexure referred to in Paragraph 3 above, 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;



- d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report 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 representation received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other 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 the affairs of the Company as at 31st March, 2011;
- (ii) in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For : **F. A. Ansari & Associates**
Chartered Accountants




CA. FAHEEM AKHTER ANSARI
Proprietor
Membership No. 42480

Place : Mumbai
Date : 21-04-2011

Annexure to the Auditors' Report
(Referred to paragraph 3 of our report of even date)

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situations, of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the management at reasonable intervals during the discrepancies noticed have been properly dealt with in the books of account.
 - (c) In our opinion, and according to the information and explanations given to us, no part of fixed assets has been disposed off by the Company during the year.
2. The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties, but has taken a loan from its Holding Company covered in the register maintained under Section 301 of the Company's Act, 1956.

Maximum amount involved during the year	Amount outstanding as at 31/03/2011
8,97,791.88	0.00

3. In our opinion and having regard to the explanation that certain items purchased / sold are of a special nature in respect of which suitable alternative sources do not exist for obtaining comparative quotations in general, 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 and services. Further, during the course of our audit we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control procedures.
4. (a) On the basis of our examination of the books of account, we are of the opinion that 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 this Section.



- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the market prices prevailing at the relevant times as evaluated on the basis of quotations obtained from parties / prices charged by the Company in case of similar transactions during the year and considering that having regard to certain items purchased/sold are of a special nature in respect of which suitable alternative sources do not exist for obtained comparative quotations in general.
5. The Company has not accepted any deposits under the provisions of Sections 58A and 58AA of the Act and the rules framed there under.
 6. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
 7. We are informed that no cost records are required to be maintained by the Company under section 209(1)(d) of the Companies Act, 1956.
 8. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they became payable.
 9. The Company has no accumulated losses at the end of the period and it has not incurred any cash losses in the period under report.
 10. The Company has not taken any loan from Financial Institution, Bank and the Company has not issued any Debentures.
 11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 12. The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.



13. The Company has not taken term loans during the year except an amount from its Holding Company as reported in clause 2 (above)
14. 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 Company has not used funds raised on short-term basis for long-term investment.
15. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
16. The Company has not issued any Debentures during the year.
17. The Company has not raised any money by public issue during the year.
18. The Company has in our opinion maintained proper records and contracts with respects to its investments where timely entries of transactions are made by the former. All investments at the close of the year are held in the name of the company
19. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.
20. The clause (ii) and (xiii) of para 4 are not reported upon as these are not applicable to the Company.

For : **F. A. Ansari & Associates**
Chartered Accountants



CA. FAHEEM AKHTER ANSARI
Proprietor
Membership No. 42480

Place : Mumbai

Date : 21-04-2011

