

# **ANNUAL REPORT**

**2013-14**

## **SPARKLING (INDIA) FINSHARES LIMITED**

**Registered Office:**

3, Narinder Bhawan,  
448, Ring Road,  
Azad Pur,  
New Delhi-110033

**Email id:** pawan@bbj.in

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock exchanges

|   |   |                                       |
|---|---|---------------------------------------|
| 1 | Name of the Company                             | Sparkling ( India ) Finshares Limited |
| 2 | Annual financial statements for the year ended  | 31st March 2014                       |
| 3 | Type of Audit observation                       | None                                  |
| 4 | Frequency of observation                        | ---N.A---                             |
| 5 | To be signed by-                                |                                       |
|   | CEO/Managing Director<br>(Pawan Aggarwal)       | sd/-                                  |
|   | CFO<br>(Anil Kumar Gupta)                       | sd/-                                  |
|   | Auditor of the company<br>(Mittal Nirbhay & Co) | sd/-                                  |
|   | Audit Committee Chairman                        | sd/-                                  |
|   |   |                                       |

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of **Sparkling (India) Finshares Limited** will be held on Tuesday 30<sup>th</sup> September 2014 at 03:30 P.M at the registered office of the company, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place Of Mr. Pawan Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor from the conclusion of this Annual General Meeting till Next Annual General Meeting and to fix their remuneration and in this regard pass the necessary resolution with or without modification as Ordinary Resolution.

**“RESOLVED THAT** M/s Nirbhay Mittal & Co., Chartered Accountants, T-11, 3rd Floor, Maruti Plaza Sanjay Place, Agra-282002, as Auditor from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.”

Date: 01/09/2014  
Place: New Delhi

By Order of the Board  
of **Sparkling (India) Finshares Limited**

**Sd/-**  
**Name:** Pawan Aggarwal  
**Designation:** Director  
**DIN:** 02071966  
Address: 90c, Block Ad,  
Shalimar Bagh,  
Delhi- 110088

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## NOTES

1. **APPOINTMENT OF PROXY:** A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.

Pursuant to the provisions of Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding not more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate board resolution/authority letter, as applicable.

2. **Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. Members /Proxies are requested to bring their copy of A.G.M Notice to the Meeting.
4. The register of members and share transfer books of the company will remain closed from 23<sup>rd</sup> September 2014 to 29<sup>th</sup> September 2014 (both days inclusive).
5. **Queries of the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least 7 days prior to the date of AGM to enable the management to compile the relevant information to reply to the same in the meeting.
6. **Inspection of Documents:** Copies of Memorandum and Article of Association of the Company and all other documents referred to in the notice etc., shall be open for inspection at the registered office of the company on any working days except Saturdays between 11 A.M. To 2 P.M. up to the date of AGM and also at the Annual General meeting venue during the meeting. The Register of Directors' Shareholding, maintained under section 170 of the Companies Act, 2013, shall be available for inspection by the members at the Annual General meeting venue during the meeting.

---

**Registered Office:** 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi  
**Phone:** 9811132098, **Email ID:** pawan@bbj.in

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

7. Members /Proxies are requested to produce the enclosed attendance slips duly filled and signed as per the specimen signature recorded with the company for admission to the Meeting Hall.

Members who hold shares in de-materialized form are requested to bring their client ID and DP ID Numbers for easier identification for their attendance at the meeting.

8. **Address Change Intimation:** Members are requested to intimate the change of address immediately to the company. In case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant without any delay.
9. In all correspondence with the Company, members are requested to quote their account/folio numbers and in case their shares are held in dematerialized form, they must quote their client ID and DP ID Numbers.
10. As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, brief Profile/ Resume of the Directors seeking appointment/ re-appointment is annexed hereto.

## INFORMATION PURSUANT TO CLAUSE 31 OF THE LISTING AGREEMENT

Name and Addresses of the Stock Exchange at which the Company's shares are listed

1. Delhi Stock Exchange Limited  
DSE House, 3/1  
Asif Ali Road,  
Delhi-110002
2. Calcutta Stock Exchange Limited  
7, Lyons Range  
Kolkata -700001  
Phones: 4025 3000 (Board)  
FAX: (033) 2210 4500, 4025 3030

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT ANNUAL GENERAL MEETING

| Particulars         |                    |
|---------------------|--------------------|
| Name                | Mr. Pawan Aggarwal |
| Date of Birth       | 03.06.1964         |
| Date of Appointment | 15.12.2003         |

Date: 01/09/2014  
Place: New Delhi

By Order of the Board  
of **Sparkling (India) Finshares Limited**

**Sd/-**

**Name:** Pawan Aggarwal  
**Designation:** Director  
**DIN:** 02071966  
Address: 90c, Block Ad,  
Shalimar Bagh,  
Delhi- 110088

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

## DIRECTOR'S REPORT

The Members of **Sparkling (India) Finshares Limited**,

Your Directors have pleasure in presenting the Director's Report of the company together with the Audited Statement of Accounts for the Financial Year ended March 31<sup>st</sup>, 2014.

### **FINANCIAL RESULTS:**

| Particulars                 | Current Year<br>Amount | Previous Year<br>Amount |
|-----------------------------|------------------------|-------------------------|
| Total Income                | 10, 90,430             | 1, 25,000               |
| Profit before Tax           | 2, 31,346              | (4,109)                 |
| Less: Provision for Tax     | --                     | --                      |
| Profit after Tax Adjustment | 1, 59,860              | (4,109)                 |

### **DIVIDEND**

Your Company's Directors do not recommend any dividend to the Shareholders of the Company for the Financial Year 2013-2014.

### **TRANSFER TO RESERVES**

The Company does not transfer any amount to the General Reserve as there are no profits available for appropriations.

### **PARTICULARS OF EMPLOYEES:**

None of the employees of your company were drawing emoluments exceeding the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975 during the year.

A detailed report on the company's efforts at the adopting principles of corporate Governance as prescribed under the clause 49 of the listing agreement is produced as part of the Annual Report.

### **DEPOSITS**

The Company has not accepted or renewed any sort of deposits during the Financial Year 2013-2014 under section 73 and 74 of the Companies Act, 2013.

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## **CORPORATE GOVERNANCE:**

The Board of Directors supports the principles of Corporate Governance. In addition to the basic governance issues the board lays strong emphasis on transparency, accountability and integrity. Your company strives for excellence with the objective of enhancing the shareholders' value. We ensure the practice of Corporate Governance in your esteemed company. All function is discharged in professionally sound, competent and transparent manner.

A detailed report on the company's efforts at the adopting principles of corporate Governance as prescribed under the clause 49 of the listing agreement is produced as part of the Annual Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

Since the Company has not carried on the Business, which requires the particulars to be set out as prescribed under section 217 (1)(e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1998 in the Director's report, the same provision is not applicable.

## **COMPANY SECRETARY:**

As per the requirement of Section 383A, the Management of the Company is trying to appoint a Company Secretary but Company has not found a suitable Candidate for the office of Company Secretary. Hence the company's Balance Sheet for the Financial Year ended 31st March 2014 has not been authenticated by the Company Secretary.

## **FOREIGN EXCHANGE EARNING AND OUTGO:**

The company has not earned any foreign exchange from its business operation during the current year. There is no outgo of foreign exchange during the year 2013-14

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of sub – section (2AA) of Section 217 of the Companies Act, 1956, your Directors hereby confirm:

(I) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(II) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as on 31<sup>st</sup> March, 2014 and of Profit of the company for that period.



# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

(III) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

(IV) That the directors had prepared the annual accounts on a going concern basis.

## **DIRECTORS**

In accordance with the Articles of Association of the Company Mr. Pawan Aggarwal is liable to retire by rotation at this Annual General Meeting and shall eligible for re-appointment.

## **AUDITORS:**

M/s A G N & Associates, Chartered Accountants, Statutory Auditors of the company retire at the conclusion of the Annual General Meeting and being eligible; offer themselves for re- appointment. He was appointed in the Annual General Meeting on 30.09.2013, but during the period he resigned as Statutory Auditor in the EGM on 6<sup>th</sup> December, 2013 and M/s. Nirbhay Mittal & Co. was appointed as new auditor of the company till the conclusion of next Annual General Meeting.

## **AUDITORS REPORT:**

The Directors have gone through the Auditors reports and are in agreement with the same.

## **LISTING:**

The Equity Shares of Company are listed with Delhi Stock Exchange Limited and Calcutta Stock Exchange Limited.

## **CASH FLOW STATEMENT:**

As required under clause-31(2) of the Listing Agreement, a cash flow statement, as prepared in accordance with the Accounting Standard-3 issued by the Institute of Chartered Accountants of India, is given along with Balance Sheet and Profit and Loss Account.

## **CAUTIONARY STATEMENT:**

Statement in this report, particularly those which relate to Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

may constitute “forward looking statements” within the meeting of applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statement depending on the circumstances.

## **INTERNAL CONTROL SYSTEM:**

The company has a reasonable control system commensurate with its size and the nature of services provided by the company, which is being reviewed, periodically for more effectiveness. The company has an audit committee, which regularly reviews the internal audit observations and put corrective measures through justified actions.

## **HUMAN RESOURCES DEVELOPMENT:**

The Company continues to enjoy cordial and warm relations with the employees and executives at all levels. It provides direction for the people working in the organization. Special training programs, workshops, seminars, etc. were continued during the year with a focus towards infusion of technical skill and quality consciousness in order to improve productivity, efficiency and quality.

## **INDUSTRIAL RELATIONS:**

The industrial relation among all within the organization was cordial. They maintained highest level of discipline and decency for the growth of the organization.

## **GENERAL:**

The note forming part of the accounts being self-explanatory, the comments made by the auditors in their report are not required to be dealt separately.

## **APPRECIATION:**

The Directors wish to place on record its appreciation for the continued co-operation extended by various Financial Institutions, Bankers, Govt. Departments and the members. The Directors also express their appreciation to the employees at all levels, for their dedicated services rendered to the Company.

Date: 01/09/2014  
Place: New Delhi

By Order of the Board  
of **Sparkling (India) Finshares Limited**

**Sd/-**  
**Pawan Aggarwal**  
**DIN:** 02071966  
Address: 90c, Block Ad,  
Shalimar Bagh,  
Delhi- 110088

**Sd/-**  
**Anil Kumar Gupta**  
**DIN:** 00185239  
Address: C-54, Ashok Vihar  
Phase -I, Delhi-110052  
Delhi-110052

---

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. OPERATING RESULTS OF THE COMPANY

During the Financial Year under consideration the performance of the Company was satisfactory and there was a marked improvement. Net Profit for the year 2013-14 stood at Rs.159, 860 /- as against net loss of Rs 4,109/- in the year 2012-13. Furthermore the total Revenue from operation for the year ended March 31st, 2014 stood at Rs. 1,090,430/-, as compared to Rs.125000 revenue for the year 2012-13

### 2. INDUSTRY STRUCTURE AND DEVELOPMENT

The principal activities of the Company are:

I. To carry on and undertake the business of leasing, finance, hire purchase, trading and to lease operation of all kinds, purchasing, selling hiring or letting on hire of all kind of equipments.

II. To carry on the business of financiers and as such to finance, give loans, in cash or in kind, whether unsecured or secured, on all or any of the articles or properties of any description relating to business, trade, profession or otherwise, tangible or intangible, real or nominal, freehold or leasehold.

III. To carry on the business of housing finance and as such to undertake financing either wholly or partially, of flats, houses, buildings, etc

#### **Threats**

i) With the increase in business segment, the competition has increased from Domestic and other developed countries.

ii) Threats for this Industry are very common and every person is aware of the threats and the risks involved with this Industry.

### 3. PROSPECT & OUTLOOK

The company presents the analysis of the company for the year 2014-2015 & its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic & other developments, both in India and abroad.

### 4. RISKS AND CONCERNS

The Company has taken adequate preventive ad precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## 5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are well-established procedures for Internal Controls for operations of the company. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations. The company has constituted Audit Committee for guidance and proper control of affairs of the company.

## 6. HUMAN RESOURCES

Human Resources are highly valued assets at Chirau Broadcast Network Limited. The company seeks to attract, retain and nurture technical & managerial talent across its operations and continues to create, sustain the environment that brings out the best in our people with emphasis on training, learning & development. It aims at career progression and fulfilling satisfactory needs. Performance is recognized and rewarded through up gradation & job enrichment, performance incentives.

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## CORPORATE GOVERNANCE

### REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the set of best practices. Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth.

The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and protection of the rights of the shareholders and your Board of Directors are putting their best efforts to fulfill its commitment towards good Corporate Governance.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Corporate Governance philosophy is scripted as:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

The Company's philosophy of Corporate Governance is to strengthen the investor's trust and ensures a long-term partnership that helps in achieving company's objectives, meeting its obligations towards stakeholders, and is guided by a strong emphasis on transparency, accountability, integrity and environment responsibility.

Our Company's framework is designed to enable the Board to provide strategic guidelines for the company the effective over-sight of management. The respective roles and responsibilities of Board Members and Senior Executives are clearly defined to facilitate accountability to company as well as its shareholders. This ensures a balance of authority so that no single individual has unfettered powers.

Our Company has taken adequate steps to form various Committees at the Board level to focus attention on crucial issues before placing the same before the Board for

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

consideration. These include 'Audit Committee' and 'Shareholders/Investors Grievance Committee' Independent directors are appointed not merely to fulfill the listing requirement but for their diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions.

The Company is in compliance with all the requirements of the corporate governance code as enshrined in Clause 49 of the listing agreement.

## MANDATORY REQUIREMENTS

### A. BOARD OF DIRECTORS

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the company.

#### i) CATEGORY AND COMPOSITION

In compliance with the Listing Agreement, the Company has a balanced mix of executive, non-executive and Independent Directors. As on date of this report, the Board of Directors consists of 3 (Three) Directors, out of which 1 is Executive Directors, 2 are Non-Executive Independent Directors in compliance with Clause 49 of the Listing Agreement.

**The composition of Board during the year as follows:**

| Name of the Director | Designation | Category                             |
|----------------------|-------------|--------------------------------------|
| Mr. Pawan Aggarwal   | Director    | Executive Director                   |
| Mr. Anil Kumar Gupta | Director    | Non-Executive & Independent Director |
| Mr. Arun Kumar Jain  | Director    | Non-Executive & Independent Director |

#### ii) BOARD MEETING

The Board meeting is held in every quarter to review the financial results and discuss other issues. Besides the quarter, board meeting are also held whenever required. To conduct a board meeting the directors are informed by giving a notice in advance and the agenda of board meeting is also dispatched with the notice. The members of board discussed each agenda in the meeting and take decision after having a proper discussion and obtaining views of all members. The board members are free to give their suggestions on any agenda item and can also submit their view for improving the performance of company.

During the year Seven Board Meetings have taken place on 20.05.2013, 01.06.2013, 09.08.2013, 15.10.2013, 12.11.2013, 12.02.2014 and 31.03.2014.

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

Details of attendance of each director at various meetings of the company are as follows:

| Name of the Director | Designation | Category                             | No. of Board Meetings attended | Last AGM attended |
|----------------------|-------------|--------------------------------------|--------------------------------|-------------------|
| Mr. Pawan Aggarwal   | Director    | Executive Director                   | 6                              | Yes               |
| Mr. Anil Kumar Gupta | Director    | Non-Executive & Independent Director | 5                              | Yes               |
| Mr. Arun Kumar Jain  | Director    | Non-Executive & Independent Director | 5                              | Yes               |

## B. COMMITTEE OF DIRECTORS

### AUDIT COMMITTEE:

An Audit committee is a key element in corporate governance process of any company. The emergence of corporate governance, which refers to the establishment of a structural framework or reforming the existing framework to ensure the working of the company to best serve the interest of all stakeholders, is a vital concept which has become indispensable in the present capital market state of affairs so as to safeguard the interest of stakeholders.

### i) BOARD TERMS OF REFERENCE

The composition of audit committee meets the requirements of Section 292A of the Companies Act, 1956 and revised Clause 49 of the Listing Agreement. The terms of reference of this Committee covers the matters specified for Audit Committee under clause 49(II)(C) & (D) of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of the reference of Audit Committee include inter alia the following:

### Powers of Audit Committee

- i. To investigate any activity within its terms of reference.
- ii. To seek information from any employee.
- iii. To obtain outside legal or other professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Key responsibilities of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual/Quarterly financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
  - h. The quality and acceptability of:
    - i) The accounting policies and practices, including without limitation critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative treatments and the treatment preferred by the external auditors; and
    - ii) financial reporting disclosures and changes thereto, including a review of any material items of correspondence between the Company and the external auditors;
      - i. The extent to which the financial statements are affected by any unusual transactions or any off-balance sheet arrangements, including any disclosable guarantees, indemnification agreements or interests in unconsolidated special purpose entities, in the year and how they are disclosed;
  - j. the policies and process for identifying and assessing business risks and the management of these risks;
  - k. material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;



# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

- l. possible impairments of the Group's assets;
- m. compliance with financial reporting standards and relevant financial and governance reporting requirements;
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Mandatory reviews the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

14. Overseeing the relationships with the external auditors as follows:

i. To consider the appointment of the external auditors and provide the Board with its recommendation to the shareholders on the appointment, reappointment and removal of the external auditors approve the audit engagement fees and terms and review annually their activities, findings, conclusions and recommendations. The external auditors shall report directly to the Audit Committee. The Audit Committee shall be responsible for ensuring the resolution of any disagreements between management and the external auditors regarding financial reporting;

ii. To discuss with the external auditors the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit) and ensure co-ordination if more than one audit firm is involved;

iii. To review and monitor the independence of the external auditors and the objectivity and the effectiveness of the audit process including reviewing and monitoring the external auditors' quality control procedures and steps taken by the external auditors to respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures;

iv. To pre-approve the scope and extent of audit and non-audit services provided to the Group by any third party in the case of audit services and by the external auditors in the case of audit and permitted non-audit services. The Audit Committee may delegate to the Chairman of the Audit Committee (and in his absence another member) the authority to pre-approve any audit or permitted non-audit service to be provided by the external auditors provided such approvals are presented to the Audit Committee at its next scheduled meeting;

v. To consider communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention, including a review of material items of correspondence between the Company and the external auditors; and

vi. To ensure that there are no restrictions on the scope of the statutory audit;

15. Such other function, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including the Listing Agreement and the Companies Act, 1956.

## **THE COMPOSITION AND MEETING OF AUDIT COMMITTEE:**

The Audit Committee of the Company has been constituted as per the requirements of clause 49 of listing agreement. Audit Committee consists of three Directors, namely Mr.

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

Pawan Aggarwal, is Executive Director, Mr. Anil Kumar Gupta is Non-Executive & Independent Director and Mr. Arun Kumar Jain is Non-Executive & Independent Director. The Constitution of Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956.

The Chairman of the Committee is Mr. Anil Kumar Gupta an Independent Director nominated by the Board.

The Statutory Auditors and Internal Auditors are also the invitee to the meetings. During the year under review, the Committee met Seven times on 20.05.2013, 01.06.2013, 09.08.2013, 15.10.2013, 12.11.2013, 12.02.2014 and 31.03.2014. The gap between two meetings did not exceed four months. Constitution of Audit Committee and other related information as on 31st March 2014 are as under:

## The Composition of audit committee is as follows:

| Name of the Director | Designation | Category                             |
|----------------------|-------------|--------------------------------------|
| Mr. Pawan Aggarwal   | Director    | Executive Director                   |
| Mr. Anil Kumar Gupta | Director    | Non-Executive & Independent Director |
| Mr. Arun Kumar Jain  | Director    | Non-Executive & Independent Director |

## Details of attendance of each member of Audit Committee meetings of the company are as follows:

| Name of the Director | Designation | Category                             | No. of Board Meetings attended | Last AGM attended |
|----------------------|-------------|--------------------------------------|--------------------------------|-------------------|
| Mr. Pawan Aggarwal   | Director    | Executive Director                   | 6                              | Yes               |
| Mr. Anil Kumar Gupta | Director    | Non-Executive & Independent Director | 5                              | Yes               |
| Mr. Arun Kumar Jain  | Director    | Non-Executive & Independent Director | 5                              | Yes               |

## SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

### Terms of Reference

The broad terms of reference includes the following:

- Redressal of shareholder and investor complaints including, but not limiting itself to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc., and

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

- Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by the Company.

## Composition, meetings and attendance

In compliance with the Listing Agreement requirements and provisions of the Companies Act, 1956, the Company has constituted an Investor Grievance Committee consisting of majority of Non-Executive Independent Directors. As on 31<sup>st</sup> March 2014, Committee consists of three members Comprising of Mr. Pawan Aggarwal, is Executive Director, Mr. Anil Kumar Gupta is Non-Executive & Independent Director and Mr. Arun Kumar Jain is Non-Executive & Independent Director under the Chairmanship of an Independent & Non Executive Director viz Anil Kumar Gupta.

| Name of the Director | Designation | Category                             |
|----------------------|-------------|--------------------------------------|
| Mr. Pawan Aggarwal   | Director    | Executive Director                   |
| Mr. Anil Kumar Gupta | Director    | Non-Executive & Independent Director |
| Mr. Arun Kumar Jain  | Director    | Non-Executive & Independent Director |

The Composition of Shareholders/ Investors Grievances Committee is as follows:

During the year under review, the Committee met Seven times on 20.05.2013, 01.06.2013, 09.08.2013, 15.10.2013, 12.11.2013, 12.02.2014 and 31.03.2014.

**Details of attendance of each member of Shareholders/ Investors Grievance Committee meetings of the company are as follows:**

| Name of the Director | Designation | Category                             | No. of Board Meetings attended | Last AGM attended |
|----------------------|-------------|--------------------------------------|--------------------------------|-------------------|
| Mr. Pawan Aggarwal   | Director    | Executive Director                   | 6                              | Yes               |
| Mr. Anil Kumar Gupta | Director    | Non-Executive & Independent Director | 5                              | Yes               |
| Mr. Arun Kumar Jain  | Director    | Non-Executive & Independent Director | 5                              | Yes               |

Share Transfers are processed and duly approved by the committee. Investor's Grievances are placed before the committee. There were no investors complaints pending at the end of the financial year ended on 31.03.2014.

The roles and responsibilities of Shareholders/ Investors Grievances Committee are as follows:

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## **Role and Responsibilities**

The role of Shareholders/ Investors Grievances Committee includes the review of following:

- To monitor the process of expeditious transfer of shares or debentures.
- To monitor and review the shareholders complaints related to transfer of shares, non-receipt of Balance Sheet, non receipt of declared dividend etc.
- To monitor and review from time to time the systems/ procedures relating to processing of transfer of shares, dematerialization/ re-materialization of share certificates, re-issued of share certificates against split, cancellation, consolidation and lost share certificates etc.
- To investigate any activity and seek information from any employee of the company, in discharging its duties.
- To obtain outside legal or professional services, if consider necessary.
- To fix the record date for the purposes as required under the Companies act and/or listing agreement.
- To consider and approve issue of duplicate share certificate in lieu of those reported lost, misplaced, torn, mutilated etc.
- Any other powers which are specifically delegated by the board from time to time.

## **SUB-DELEGATION**

In order to expedite the process of shares transfers, In compliance with the Listing Guidelines, every six months, the Share Transfer System is audited by a Company Secretary in Practice and a certificate to that effect is issued by them.

## **CODE OF CONDUCT:**

As per Clause 49 (I) (D), the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management as well and the same has been posted on Website of the Company. Annual Compliance Report for the year ended 31st March, 2014 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

## **MATERIAL NON-LISTED SUBSIDIARY COMPANIES:**

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

Company does not have any such subsidiary during the accounting year under review.

## COMPLIANCE OFFICER OF THE COMPANY

Mr. Pawan Aggarwal , Director is the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992 & clause 47 (a) of listing agreement and is responsible for complying with the requirements of Listing Agreement with the Stock Exchanges. The Compliance Officer can be contacted at:

### Sparkling (India) Finshares Limited

Registered Office:

3, Narinder Bhawan,  
448, Ring Road, Azad Pur,  
New Delhi-110033  
E-Mail: pawan@bbj.in

### GENERAL MEETING:-

Location and time for the last 3 AGMs were as follows:-

| Particulars        | FY 2010-2011  | FY 2011-2012  | FY 2012-2013  |
|--------------------|---|---|---|
| Date and time      | 30 <sup>th</sup> September, 2011,<br>11:00 A.M.                         | 29 <sup>th</sup> September,2012,<br>11:00 A.M.                          | 30 <sup>th</sup> September, 2013,<br>11:00 A.M.                         |
| Venue              | 3, Narinder Bhawan,<br>448, Ring Road,<br>Azad Pur,<br>New Delhi-110033 | 3, Narinder Bhawan,<br>448, Ring Road,<br>Azad Pur,<br>New Delhi-110033 | 3, Narinder Bhawan,<br>448, Ring Road,<br>Azad Pur,<br>New Delhi-110033 |
| Special Resolution | No  | No  | No  |

### POSTAL BALLOT

During the year under review, we have not conducted any postal ballot in pursuance of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

### STATUTORY DISCLOSURES

No transactions of material nature have been entered into by the company with any of the promoters, directors, their related companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company. The company has not been penalized, nor have any strictures been passed by the Stock Exchanges, SEBI. Though

---

**Registered Office:** 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi  
**Phone:** 9811132098, **Email ID:** pawan@bbj.in

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

company has received notice u/s 235 of Companies Act, 1956 last year and suitable reply has been submitted by company in this regard.

## **MEANS OF COMMUNICATIONS**

Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports and latest presentation have been made to the institutional investors.

The notice of the AGM along with Annual Report will be sent to the shareholders well in advance of the AGM.

## **DISCLOSURES**

The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the company where they and /or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transactions are placed before the audit committee as well as to the Board of directors in terms of Clause 49(IV) (A) and other applicable laws for approval.

## **RISK MANAGEMENT**

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. This policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

## **ANNUAL GENERAL MEETING**

Date: 30<sup>th</sup> September 2014

Time: 03:30 P.M.

Venue: 3, Narinder Bhawan,  
448, Ring Road, Azad Pur,  
New Delhi-110033

## **FINANCIAL CALENDAR (tentative)**

Financial Year- 1st April to 31st March

Financial Reporting for the First Quarter ending 30th June 2013: 09/08/2013

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

Financial Reporting for the Half Year ending 30th September 2013:12/11/2013

Financial Reporting for the Third Quarter ending 31st December 2013: 12/02/2014

Financial Reporting for the Quarter & Year ending 31st March 2014:20/05/2014

## **DATE OF BOOK CLOSURE:**

23<sup>rd</sup> September, 2014 to 29<sup>th</sup> September, 2014 (both days inclusive)

## **LISTING ON STOCK EXCHANGE:**

1. Delhi Stock Exchange Limited  
DSE House, 3/1  
Asif Ali Road,  
Delhi-110002
2. Calcutta Stock Exchange Limited  
7, Lyons Range  
Kolkata -700001  
Phones: 4025 3000 (Board)  
FAX: (033) 2210 4500, 4025 3030

**CORPORATE IDENTIFICATION NUMBER:** L74900DL1994PLC062222

STATUS FOR SHAREHOLDERS' COMPLAINTS FOR THE PERIOD 01.04.2013 TO 31.03.2014

Complaint received from the shareholders of the company during the year was duly resolved upto the satisfaction of our shareholders & no complaint was pending at the end of financial year.

## **ADDRESS FOR CORRESPONDENCE**

SPARKLING (INDIA) FINSHARES LIMITED  
3, Narinder Bhawan,  
448, Ring Road, Azad Pur,  
New Delhi-110033

## **DECLARATION**

None of the Director of the Company is a Director of more than 15 Companies and member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

---

**Registered Office:** 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi  
**Phone:** 9811132098, **Email ID:** pawan@bbj.in



# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

To reconcile the total admitted capital with NSDL & CDSL and the total issue and listed capital, A Reconciliation of Share Capital Audit Report under clause 55A of Depository Participants Act, is carried out by a Chartered Accountant in Practice on Quarterly basis.

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## AUDITOR'S CERTIFICATE OF CORPORATE GOVERNANCE

To  
The Members of  
Sparkling (India) Finshares Limited  
3, Narinder Bhawan, 448,  
Ring Road, Azad Pur, New Delhi

We have examined the compliance of the conditions of Corporate Governance by Interact Leasing and Finance Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges in India.

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

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

We state that in respect of Investor Grievances received during the year ended 31st March 2014, no investor grievances are pending against the company as per the record maintained by the companies which are presented to Investor Grievance Committee.

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

**Date:** 01/09/2014

**Place:** Delhi

For M/s **Mittal Nirbhay & Co.,**  
Chartered Accountants,

**Sd/-**  
**(Kamal Kumar)**  
Proprietor  
M.NO. 502549

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

## CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

I, **Mr. Anil Kumar Gupta**, Director, of **Sparkling (India) Finshares Limited**, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed financial statements and the cash flow statements for the year and that to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in the internal control over financial reporting during the year under reference;
  - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date: 01.09.2014**  
**Place: New Delhi**

**By Order of the Board**  
**of Sparkling (India) Finshares Limited**

**Sd/-**  
**Name: Pawan Aggarwal**  
**Designation: Director**

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. The Code of Conduct as adopted is available on the Company's website. I confirm that the Company has in respect of the Financial Year ended March 31, 2014, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Presidents, Sr. Vice Presidents and Vice President Cadre as on March 31, 2014.

**Date:** 01.09.2014  
**Place:** New Delhi

**By Order of the Board  
of Sparkling (India) Finshares Limited**

**Sd/-**

Signature:

**Name:** Pawan Aggarwal

**Designation**

# SPARKLING (INDIA) FINSHARES LIMITED

CIN: L74900DL1994PLC062222

-----Tear Here-----

## SPARKLING (INDIA) FINSHARES LIMITED

Regd. Off: 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi  
ATTENDANCE SLIP

Name of the Shareholder (in Block Letter) : \_\_\_\_\_  
Regd. Folio No. /DP. Id/ Client Id : \_\_\_\_\_  
Name of the Proxy (s) (in Block Letter) : \_\_\_\_\_  
(to be filled in, if a proxy attends instead of a member)  
No. of Shares held : \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of the Company at 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi at 3.30 A.M. on Tuesday 30<sup>th</sup> September 2014.

Shareholder /Proxy Signature  
.....

Note:

- 1) You are requested to sign and hand over this slip at the entrance of the Meeting venue.
- 2) If you intend to appoint a proxy to attend the meeting instead of yourself, the Form of Proxy must be deposited at the Registered Office of the Company not later than 48 Hours before the time for holding the meeting.

## SPARKLING (INDIA) FINSHARES LIMITED

Regd. Off: 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi  
**Proxy form**

I/We ..... of .....  
being a member / members of the above named company, hereby appoint Mr.  
..... of ..... as my /our  
proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on on Tuesday 30<sup>th</sup> September 2014 at Regd. Office at 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi at 3.30 A.M. and at any adjournment thereof.

Signed this ..... Day of ..... 2014  
Regd. Folio No. /DP. Id/ Client Id: .....  
No. of Share held: .....

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|

---

**Registered Office:** 3, Narinder Bhawan, 448, Ring Road, Azad Pur, New Delhi  
**Phone:** 9811132098, **Email ID:** pawan@bbj.in

# SPARKLING (INDIA) FINSHARES LIMITED

---

CIN: L74900DL1994PLC062222

**Note:**

1. The proxy, to be effective, should be duly completed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the aforesaid meeting.
2. A Proxy need not to be a Member of the Company



## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profit of the Company for the year ended on that date; and

## **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 Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and the Statement of Profit and Loss, comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**Place: New Delhi**  
**Date: 20.05.2014**

**for MITTAL NIRBHAY & COMPANY**  
**Chartered Accountants**  
**FRN No. 013097C**

**Sd/-**  
**KAMAL KUMAR**  
**PARTNER**  
**M. No.: 502549**



## **Annexure to the Auditors' Report**

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of **SPARKLING (INDIA) FINSHARES LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2014.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets *in electronic form* on the basis of available information.  
  
(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, 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 physical verification.  
  
(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
(b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) In our opinion and to the information and explanation given to us. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. (a) The company has not granted any loans Secured or unsecured during the year to the Companies, firms or other parties listed in the registered maintained under section 301 of the companies Act, 1956. Accordingly Paragraph 4(iii)(b), 4(iii)(c), 4(iii)(d) of Sub Section 4 of Companies (Auditor's Report) Order, 2003 is not applied.  
(b) The company has not taken loans Secured or unsecured during the year from the Companies, firms or other parties listed in the registered maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanation given 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 inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. (a) In our opinion and according to the information and explanations given to us , the transactions made in pursuance of contracts or arrangement, that need to be entered in the Registered maintained under section 301 of the Companies Act 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301, 1956 and exceeding the value of Rs. Five Lacs in respect of any party during the year has been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to information and explanations given to us, the Company has not accepted any deposits from the public in the violation of provision under Section 58A and 58AA of the Act. Therefore, the provisions of the Clause (vi) of paragraph 4 of the order are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) section 209 of the Act.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income tax, customs duty, wealth-tax, excise duty and cess, which have not been deposited on account of any dispute.
10. In our Opinion, the accumulated losses at the end of the financial year 31<sup>st</sup> March, 2014 are not more than 50% of its net worth. The company has incurred cash losses during the financial year covered by our audit but and in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to a financial institution and Bank. It has not issued any debenture.
12. In our opinion and according to the explanation available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund /nidhi /mutual benefit fund /society. Therefore, the provisions of the Clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. The Company is not dealing in or trading in share securities, debenture and other investments during the financial year ended 31/03/2014. Accordingly, the provision of clause (xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.

15. Based on our examination of record and as per the information and explanation provided by the management, the company has not given guarantee for the loans taken by others from banks or financial institution; hence clause (xv) of Para 4 of the Order is not applicable.
16. On the Basis of examination of records and as per the information and explanation provided by the management, the Company has not raised new term loans from the financial institution during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. According to the information and explanation given to us and overall examination of the Balance Sheet of the Company ,we are of the opinion that there are no funds raised on short term basis that have been applied for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in Registered maintained under Section 301 of the Company Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The company has not raised any monies by way of public issues during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or before by the company has been noticed or reported during the course of our audit.

**Place: New Delhi**  
**Date: 20.05.2014**

**for MITTAL NIRBHAY & COMPANY**  
**Chartered Accountants**  
**FRN No. 013097C**

**Sd/-**

**KAMAL KUMAR**  
**PARTNER**  
**M. No.: 502549**