

AUDITORS REPORT
TO THE MEMBERS OF RAGHUNATH PRASAD PHOOLCHAND LIMITED

We have audited the attached Balance Sheet of **RAGHUNATH PRASAD PHOOLCHAND LIMITED** as at 31st March 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that: -

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit:
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Contd.P/2.



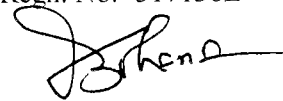
(vi) Attention is invited to following notes as stated note no 2.8 and 2.9 and significant of accounting policies.

- a) *Note No. 2.8 and 2.9 regarding non-provision of doubtful advance amounting to Rs. 3,971.42 and doubtful debts Rs. 59,014.29.*
- b) *Significant of accounting policies in going concern basis regarding preparation of accounts on going concern basis though net worth of the company has been fully eroded.*
- c) *We further report that without considering the effect of our observation made in para vi(b) above, the quantum of which is not determinable, had the effect of our observation made in para vi(a) been considered, the Loss for the year would have been Rs. 87,564.19 (as against the reported loss of Rs.24,578.48) and there would have been a debit balance in the Note No.2.2 Reserve and surplus under Surplus account(as per annexed account) to the extent of Rs. 58,37,767.68 (as against reported figure of Rs. 57,74,781.97).*

(vii) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012:
- (b) in the case of the Statement of Profit and Loss, of the **LOSS** for the year ended on that date : and
- (c) in the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

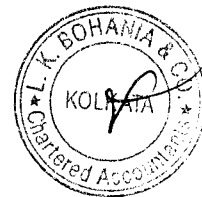
For L.K. BOHANIA & CO.
Chartered Accountants
Firm Regn. No.- 317136E



(L.K. BOHANIA)
PARTNER

Membership No.- 053314

Dated :- The 19th day of June'2012.



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF
EVEN DATE TO THE MEMBERS OF RAGHUNATH PRASAD PHOOLCHAND
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- b. The Fixed Assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification.
- c. The Company has not disposed off any substantial part of its Fixed Assets during the year so as to affect its going concern status.
2. The Company does not have inventory. Therefore, the provisions of Para(ii) (a), (b) and c) paragraph 4 of the said order are not applicable to the company.
3. a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in register maintained under section 301 of the Companies act, 1956, clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- c. The Company has not taken any loans from parties covered in register maintained under section 301 of the Companies Act, 1956 during the year. However, the Company had taken unsecured loan in the past from one parties whose maximum amount outstanding any time during the financial year was Rs. 30,18,600.00 and year ended balance is Rs. 27,30,000.00.
- d. In our opinion and according to the information and explanations given to us, the aforesaid loan was interest free. The other terms and conditions are not prima facie prejudicial to the interest of the interest of the company.
- e. The said interest free loan was repayable on demand. As explained to us, there is no default as and when repayment is demanded by the Company.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories, fixed assets and sale of goods and services.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under section 301 for transactions that need to be entered into the Register.

Contd. ...P/2.



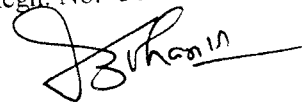
- b) On the basis of our examination of the books of account, the company has not entered into any transactions exceeding Rs. 5 lacs in respect of any party during the financial year.
- The Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Act and the rules framed there under.
- The Company did not have Internal Audit system during the year.
- 5 Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- a) According to the records, the company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Fringe Benefit Tax and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid rules were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable. As per the explanations given to us, the provisions of Investor Education & Protection Fund, Wealth Tax, Custom Duty, Excise Duty and Cess are not applicable to the company.
- b) There are no cases of non-deposit with the appropriate authorities of disputed dues of Sales Tax /Income Tax Custom Duty/Wealth Tax/Excise Duty/Cess & Service Tax.
10. The accumulated losses at the end of financial year are more than 50% of its net worth. The company has incurred cash losses of Rs.23,782.48 during financial year covered by our audit but cash loss was not incurred in the immediately Preceding financial year.
11. According to the records of the Company, there are no dues to any financial institution or bank or to debenture holders during the year.
12. As explained to us, the Company has not granted any loans or advance on the basis of security by way of pledge of shares, debenture and other securities.
13. In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special status applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
14. In respect of shares, Securities, Debentures and other investments dealt or traded by the company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the company in its own name.

Contd.P/3.



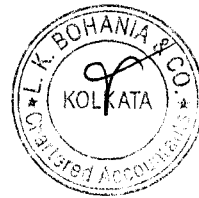
- 15 According to the information and explanations given to us, the company has not given
any guarantee for loans taken by others from banks or financial institutions.
- 16 The Company has not applied or obtained any term loans during the year.
- 17 On the basis of review of utilisation of funds which is based on overall examination of
the balance sheet of the company, related information as made available to us and as
represented to us by the Management, funds raised on short terms basis have not been
used for long term investment.
- 18 The Company has not made any preferential allotment of shares to parties and
companies covered in the Register maintained under section 301 of the Act during the
year.
- 19 No debenture have been issued by the Company and hence the question of creating
securities in respect there of does not arise.
- 20 The Company has not raised any money by public issue during the year.
- 21 As per the information and explanations given to us and on the basis of examination of
records, no fraud on or by the company has been noticed or reported during the
financial year.

For L.K. BOHANIA & CO.
Chartered Accountants
Firm Regn. No.- 317136E



(L.K. BOHANIA)
PARTNER
Membership No.- 053314

Dated :- The 19th day of June'2012



RAGHUNATH PRASAD PHOOLCHAND LIMITED
Balance Sheet as at 31st March, 2012

Particulars	Note No	As at 31st March, 2012		As at 31st March, 2011	
		Rs.	P.	Rs.	P.
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2.1	2,495,000.00		2,495,000.00	
Reserves	2.2	(5,774,781.97)		(5,616,723.49)	
Current Liabilities					
Trade payables (Net)		109,410.21		109,410.21	
Long Term Liabilities					
Long term borrowings	2.3	2,730,000.00		2,798,600.00	
Trade receivables	2.4	642,805.97		841,958.47	
Other receivables	2.5	-		283,000.00	
Total		202,434.21		911,245.19	
ASSETS					
Non-current assets					
Fixed assets					
Land and buildings	2.6	4,910.27		5,706.27	
Plant and machinery	2.7	94,999.66		520,828.30	
Other non-current assets	2.8	19,617.83		19,617.83	
Current assets					
Trade receivables	2.8	59,014.29		330,430.63	
Trade payables	2.9	23,892.16		34,662.16	
Total		202,434.21		911,245.19	

(0.00)

Accounting Policies and Notes on Accounts

1 & 2

Plot, S. Prasad Road
Floor Room No - 404,
Sector - 10, Gurgaon

For L.K. BOHANIA & CO.
Chartered Accountants
Firm Regn. No. - 317136E

(L.K. Bohania)
Partner.

Membership No.- 53314

Approved: The 19th day of June 2012

RAGHUNATH PRASAD PHOOLCHAND LTD.
A. B. Singhania
DIRECTOR

K. R. Singhania
DIRECTOR



PRASAD PHOOLCHAND LIMITED

POLICIES

PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on the concept of going concern and accrual basis under the Companies Act, 1956 and are in accordance with generally accepted accounting principles in India.

DEPRECIATION

Assets are valued at the original cost of acquisition including all related expenses of acquisition and are depreciated as provided at W.D.V. rate as per Schedule XIV to the Companies Act, 1956.

INVENTORY

Inventory is valued on an accrual basis.

DEFERRED TAX

Deferred tax is accounted for on an accrual basis.

DEFERRED TAX

Deferred tax is recognized as the amount of tax payable in respect of taxable income for the period. It is recognized, subject to consideration of prudence in respect of deferred tax assets, for the difference between taxable income and accounting income that originates from temporary differences that are capable of reversal in one or more subsequent periods.

RECOGNITION OF ASSETS

Assets, if any, are recognized in accordance with the accounting standard notified under the Companies Act, 1956 (Accounting Standards) Rules, 2006.

RECOGNITION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are recognized in respect of obligation where, based on the evidence available at the Balance Sheet date is considered probable.

Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

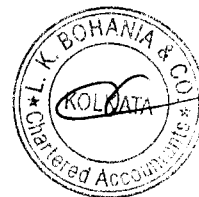
Contingent assets are not recognized in the Accounts.

SEGMENT REPORTING

The Company's business activities fall within a single primary segment viz Cast Iron. Therefore, Accounting Standard 17 Segment Reporting is not applicable to the Company.

GOING CONCERN

The financial statements of the Company have been prepared on going concern basis though net worth of the Company is fully eroded.



<u>As at</u>	<u>As at</u>
<u>31.03.12</u>	<u>31.03.11</u>
4,000,000.00	4,000,000.00
1,000,000.00	1,000,000.00
<u>5,000,000.00</u>	<u>5,000,000.00</u>
2,495,000.00	2,495,000.00
<u>2,495,000.00</u>	<u>2,495,000.00</u>

Each holder of equity shares is entitled to one vote per share.

On liquidation, the assets of the company, after distribution of the remaining assets of the company, after distribution of the assets of the company, shall be distributed among the equity shareholders in proportion to the number of equity shares held by all.

STATEMENT OF THE NUMBER OF SHARES OUTSTANDING

<u>As at</u>	
<u>31.03.2012</u>	<u>31.03.2011</u>
249,500.00	249,500.00
-	-
<u>249,500.00</u>	<u>249,500.00</u>

STATEMENT OF THE NUMBER OF SHARES OF THE COMPANY:

	<u>As at 31.03.2012</u>		<u>As at 31.03.2011</u>	
	<u>No. of Shares held</u>	<u>% of shares</u>	<u>No. of Shares held</u>	<u>% of shares</u>
	34,212	13.71	34,212	13.71
	16,230	6.51	16,230	6.51
	42,930	17.21	42,930	17.21
	21,212	8.50	21,212	8.50
	21,600	8.66	21,600	8.66
	20,000	8.02	20,000	8.02
	<u>156,184</u>	<u>62.60</u>	<u>156,184</u>	<u>62.60</u>

<u>As at</u>	<u>As at</u>
<u>31.03.12</u>	<u>31.03.11</u>
(5,616,723.49)	(5,625,898.16)
(158,058.48)	9,174.67
<u>(5,774,781.97)</u>	<u>(5,616,723.49)</u>

As per statement of Profit and Loss

STATEMENT OF DEBTORS (Unsecured)

2,730,000.00	2,798,600.00
<u>2,730,000.00</u>	<u>2,798,600.00</u>

As per statement for goods & Services

642,805.97	841,958.47
<u>642,805.97</u>	<u>841,958.47</u>

As per information available with the company, the principal amount payable to Micro, Small and Medium Enterprises falling under the provision of Micro, Small and Medium Enterprises Development Act, 2006 Rs. Nil

STATEMENT OF TAXES

As per statement for income Taxes

-	283,000.00
<u>-</u>	<u>283,000.00</u>



2.6 EXPENDITURE

PARTICULARS

SL. NO.

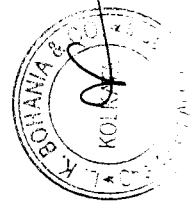
1	Furniture	1,00,000
2	Office Equipments	71,00,000
3	Electrical Fittings	5,10,000
4	Weigh Bridge	19,17,000
5	Air Conditioner	70,259.64
6	Moped	5,218.00
7	Cycle	982.56

Total 1,62,756.96

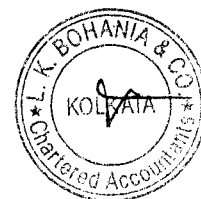
Previous Year

1,62,756.96

1,62,756.96



	94,999.66	104,348.30
<u>Unsecured Loans</u>	-	296,248.00
	-	120,232.00
	94,999.66	520,828.30
	3,971.42	3,971.42
	15,646.41	15,646.41
	19,617.83	19,617.83
Advances Amounting to Rs. 3971.42)		
<u>Unsecured Loans</u>	59,014.29	330,430.63
	59,014.29	330,430.63
(Doubtful Debtors)		
Account No.20014742507)	19,297.96	30,067.96
(settled by the management)	4,594.20	4,594.20
	23,892.16	34,662.16
	As at	As at
	31.03.12	31.03.11
	-	49,297.65
	-	49,297.65
Security Deposit	651.36	614.52
Received	60,000.00	-
	60,651.36	614.52
<u>OTHER EXPENSES</u>		
Lease Paid	60,000.00	-
	60,000.00	-
<u>DEPRECIATION AND AMORTIZATION</u>		
Depreciation on Tangible Assets	796.00	925.00
	796.00	925.00
<u>OTHER EXPENSES</u>		
Factory Rent	9,120.00	9,120.00
Rates, Taxes and License Fees	11,605.50	13,081.50
Bank Charges	270.00	132.00
P.F. Adm. Charges	60.00	84.00
<u>Auditors Remuneration</u>		
As Audit Fees	3,371.00	3,309.00
Sundry Balance W/off	6.34	-
Sales Tax for earlier year	1.00	14,086.00
	24,433.84	39,812.50



RAGHUNATH PRASAD PHOOLCHAND LIMITED

2.16 OTHERS NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

Related Party Disclosures:-

a) Name of the related parties

i) Key Management Personnel

Mr. VINOD KUMAR JHUNJHUNWALA ,Director
Mr. ASHOK KUMAR JHUNJHUNWALA ,Director
Mr. KESHAV JHUNJHUNWALA ,Director

ii) Relatives of Key Management Personnel

Mr. Shree Kant Jhunjhunwala
Mr. Usha Jhunjhunwala

iii) Enterprises owned by Key Management Personnel or their relatives

M/s. R P Jhunjhunwala(HUF)
M/s. Rachna Ceations

b) Related Party Disclosure

Aggregate Related Party Disclosures as at 31 st March'2012

Particulars	Enterprises owned by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Transaction Value	Balance Outstanding as on 31.03.2012	Transaction Value	Balance Outstanding as on 31.03.2012	Transaction Value	Balance Outstanding as on 31.03.2012	Transaction Value	Balance Outstanding as on 31.03.2012
Rent Received:-					60,000.00	NIL	60,000.00	NIL
Rachna Ceations	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
Rent Paid							9,120.00	164,160.00
R P Jhunjhunwala(HUF)	9,120.00	164,160.00	NIL	NIL	NIL	NIL	(9,120.00)	(155,040.00)
	(9,120.00)	(155,040.00)	(NIL)	(NIL)	(NIL)	(NIL)		
Rent Paid			248,600.00	2,730,000.00	NIL	NIL	248,600.00	2,730,000.00
L.K. Kumar Jhunjhunwala	(NIL)	(NIL)	(NIL)	(2,978,600.00)	(NIL)	(NIL)	(NIL)	(2,978,600.00)
	(NIL)	(NIL)	40,000.00	NIL	NIL	NIL	40,000.00	NIL
Ashok Kumar Jhunjhunwala	(NIL)	(NIL)	(NIL)	(140,000.00)	(NIL)	(NIL)	(NIL)	(140,000.00)
	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)

Related Party relationship is as identified by the Company and relied upon by the Auditors.

Revised Schedule VI as notified under the Company Act, 1956, has become applicable to the Company for Presentation of its financial Statements for the year ending March 31, 2012. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosures and the Company has complied with in these financial statements.

Gratuity amount to Rs. 1,12,810/- pertains to ex-employees of the company.

Provisions pursuant to the provision of Schedule VI of the Companies Act, 1956 are not applicable and hence not given.

Current assets, loans and advances have a value on realization in the ordinary course of business at least to the extent of the net realizable value as stated.

Debtors, Creditors, Loans and Advances etc. are Subject to confirmation/reconciliation.

There is no change in the nature of business pertains to previous year.

There is no change in the nature of business pertains to previous year.

For L.K. BOHANIA & CO.
Chartered Accountants
Firm Regn. No. - 317196E

For L.K. BOHANIA & CO.
Chartered Accountants
Firm Regn. No. - 317196E

(L.K. Bohania)
Partner.

Membership No.- 53314

