

# **INDEPENDENT AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
M/S S. E. INVESTMENTS LIMITED  
DELHI**

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **M/S S. E. INVESTMENTS LIMITED** which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

1. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
2. In the case of the statement of profit and loss, of the profit for the year ended on that date; and
3. In the case of the cash flow statement, of the cash flows for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **R. LAL & Company**  
Chartered Accountants  
Firm Reg. No. 000926C  
sd/-  
**(CA Ram Lal Agrawal)**  
Proprietor  
M.No 17583

For **PMS & Co.**  
Chartered Accountants  
Firm Reg. No. 013398C  
sd/-  
**(CA Shilpi Agarwal)**  
Partner  
M.No. 405692

Date : 29th May 2013  
Place : Delhi

## **S. E. INVESTMENTS LIMITED**

### **ANNEXURE TO AUDITORS' REPORT OF M/S S. E. INVESTMENTS LTD. (Referred to in paragraph (3) of our Report of even date for F. Y. 2012-13)**

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
According to information and explanations given to us, no substantial disposal of fixed assets has been made during the year.
2. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. Company has taken loans from companies, firms & other parties or companies listed in the register maintained under Section 301 of the Companies Act, 1956.  
The rate of interest and other terms and conditions are not prejudicial to the interest of the Company.  
The Company has granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.  
The rate of interest and other terms and conditions are not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate Internal Control Procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets, 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. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 have been entered and the transactions have been made at price which are reasonable with regard to the prevailing market price at the relevant time.
6. Directives issued by The Reserve Bank of India and provisions of Section 58A & 58AA or any other relevant provision of the Companies Act, 1956 and the Rules framed there under have been complied with.
7. In our opinion, the Company has an adequate Internal Audit System commensurate with size and nature of its business.
8. Maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 are not applicable to the company.
9. According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Service Tax, Cess, Investor Education and Protection Fund, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the year and during the immediately preceding financial year.
11. The Company has not defaulted in the repayment of dues to a Financial Institution or Bank or Debenture holders.
12. In our opinion adequate documents and records are maintained by the Company in cases where loans & advances have been granted on the basis of security by way of pledge of shares, debentures & other securities.
13. The provisions of any Special Statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the company.

14. In our opinion and according to the information and explanations given to us, proper records have been maintained in respect of dealing & trading of shares, debentures, securities and any other investments and timely entries have been made therein. All the investments are held in Company's name.
  15. According to information and explanations given to us the Company has not given any guarantee for loans taken by others from Banks/financial institutions. Accordingly clause 4(xv) of the order is not applicable.
  16. In our opinion and according to information and explanations given to us, the Company had applied the Term Loans for the purpose for which the loans were obtained.
  17. According to the Cash Flow statement and the information and explanations given to us, on an overall basis, funds raised on short term basis prima facie, have not been used during the year for long term investment.
  18. The Company has not made any preferential allotments of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
  19. The Company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable to the company.
  20. The Company has not raised any funds by public issue during the year.
  21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
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For **R. LAL & Company**

Chartered Accountants

Firm Reg. No. 000926C

sd/-

**(CA Ram Lal Agrawal)**

Proprietor

M.No 17583

For **PMS & Co.**

Chartered Accountants

Firm Reg. No. 013398C

sd/-

**(CA Shilpi Agarwal)**

Partner

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Date : 29th May 2013

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