

Independent Auditor's Report
To the Members of THE PATNA ELECTRIC SUPPLY COMPANY LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **The Patna Electric Supply Company Limited**. ('the Company') which comprise the Balance Sheet as at **31st March, 2014**, the Statement of Profit and Loss and the Cash Flow Statement for the year then 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 principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('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. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's 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 auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

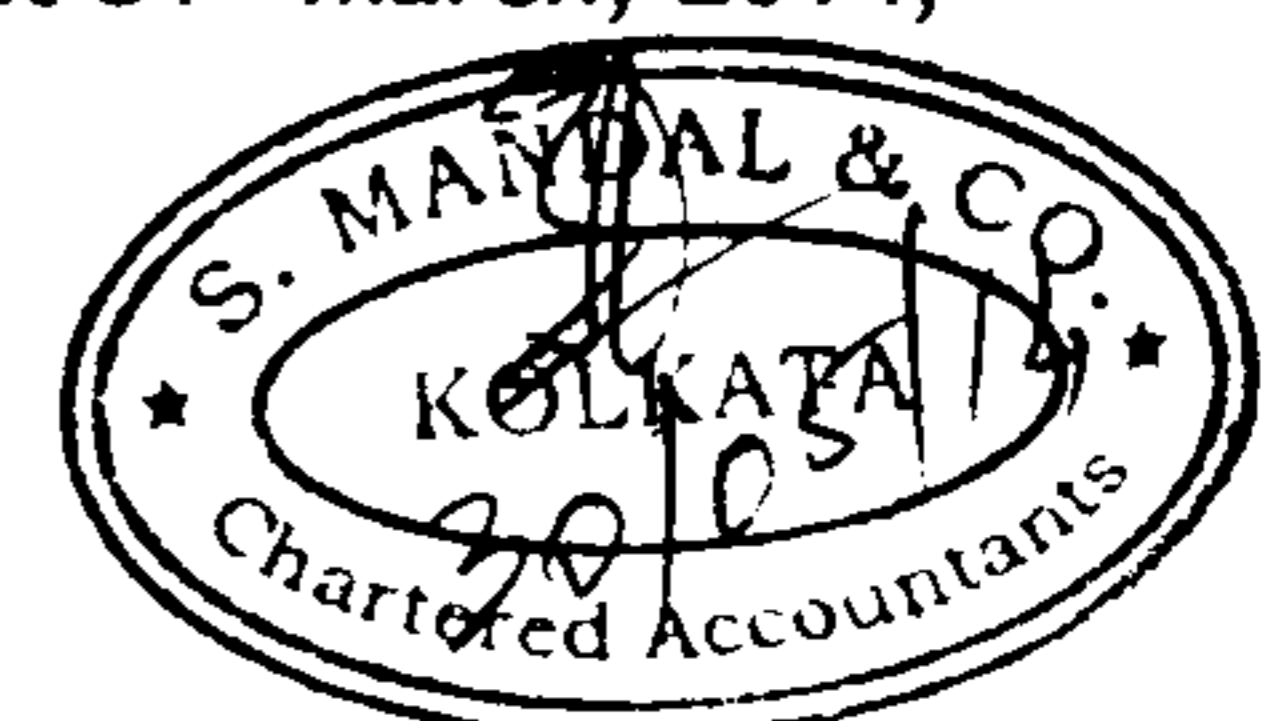
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified Opinion

In our opinion the company has violated the going concern assumption. The Company has not been carrying any business activities for a long period. The Company has no future business plans and funds to carry any business activity.

Further 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:

- iv. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;



S. MANDAL & CO.
CHARTERED ACCOUNTANTS

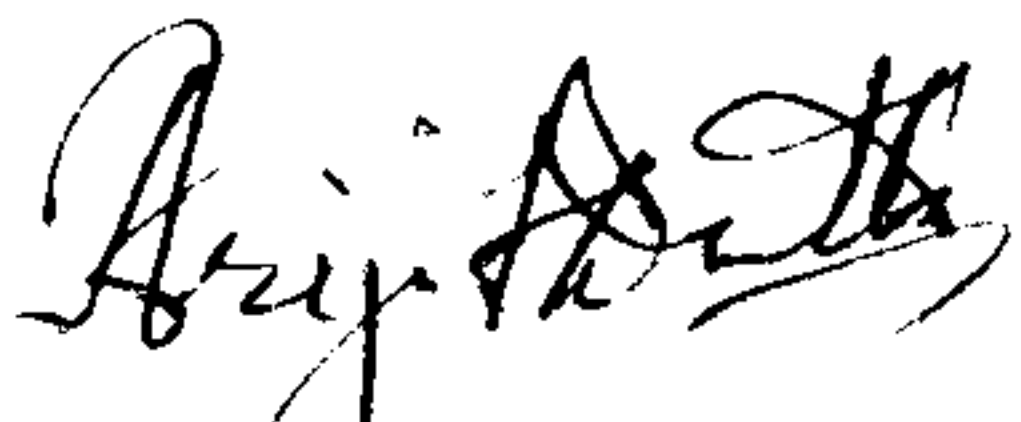
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- v. In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- vi. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

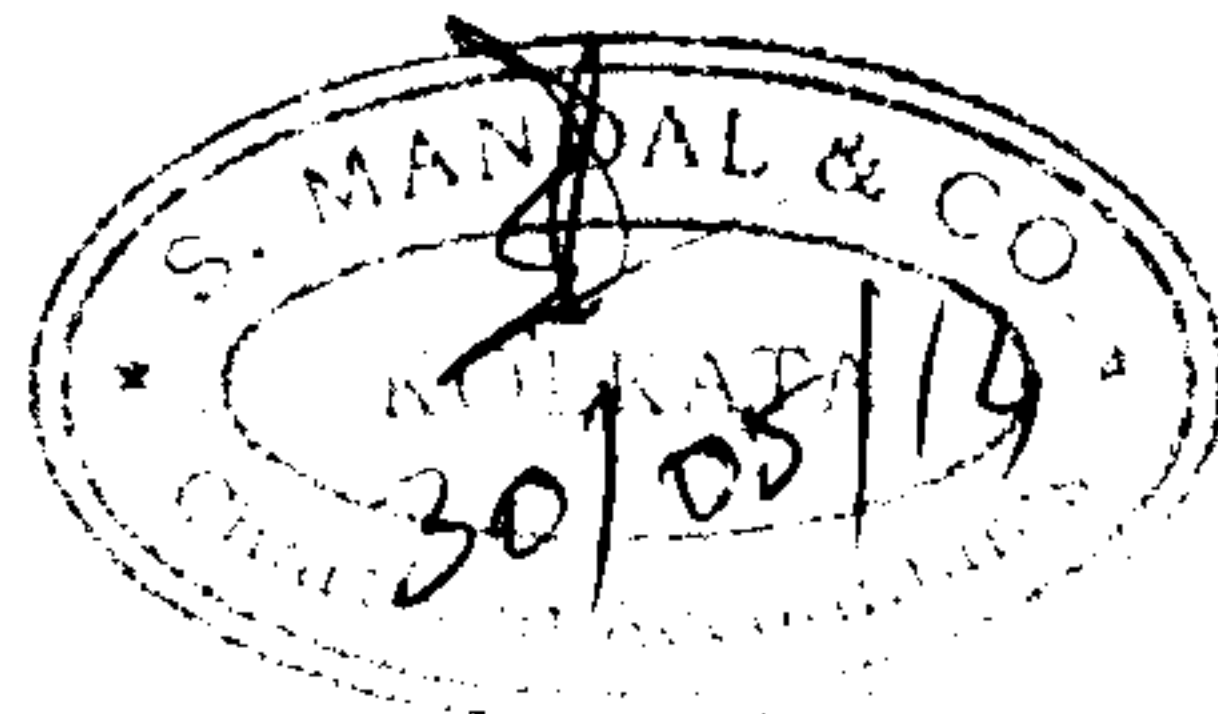
Report on Other Legal and Regulatory Requirements

- 3. 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.
- 4. 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 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; and
 - e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.MANDAL & Co.
Chartered Accountants
Firm's Registration No. 314188E



(Arijit Dutta)
Partner
Membership No. 066223



Place: Kolkata
Date: the 30th day of May, 2014

ANNEXURE TO THE AUDITOR'S REPORT

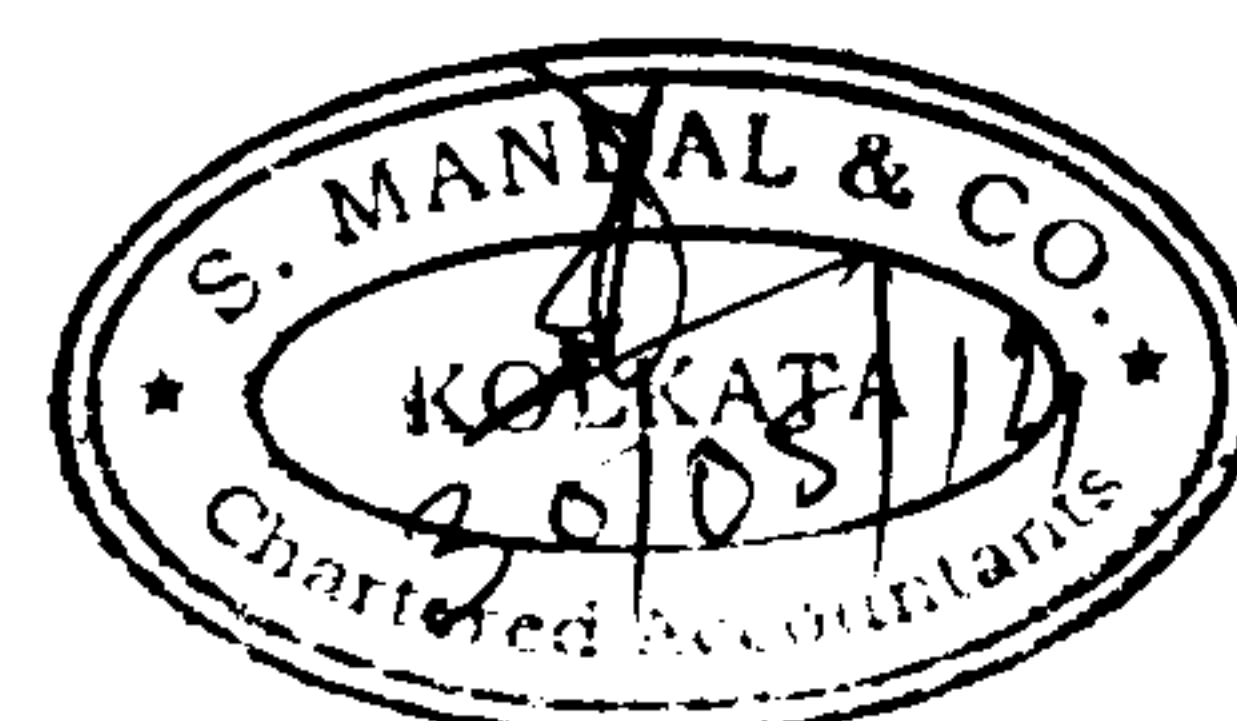
The Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **THE PATNA ELECTRIC SUPPLY COMPANY LIMITED** (The Company) for the year ended 31st March 2014.

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

d) Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

e) According to the information and explanation given to us, there was no material disposal of fixed assets during the year, which would affect the going concern status of the Company.
2. Clause (ii) of the order is not applicable in case of this Company.
3. The Company has granted no unsecured loan to companies covered in the register maintained under section 301 of the Act.
 - b) The Company has taken no unsecured loan from any parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the Company are not prima facie prejudicial to the interest of the Company considering the period of such loan.
 - d) The Company has repaid the principal amounts and interest as stipulated and has been regular in the payment of interest.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system, nor have we been informed of any such instance.
5. a) Based on the audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1961 have been so entered.

b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts and arrangements entered into the register in pursuance of Section 301 of the Companies Act, 1961 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



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Continuation Sheet No. 2

6. In our opinion and as per explanations given to us loans received and repaid during the year are not deposits as defined in Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 1975 and hence relevant provisions of Section 58A and 58AA and Rules made there under as above are not applicable in case of the Company.
7. The Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act in the case of this Company.
9.
 - a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty and other material statutory dues applicable to it with the appropriate authorities.
 - c) According to information and explanation given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash loss during the financial year covered under audit and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues of a bank or financial institution.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provision of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. The Company has not dealt / traded in securities or debenture during the year. In our opinion and according to the information and explanations given to us, proper records have been maintained relating to investments and timely entries have been made therein. The shares and other investments have been held by the Company, in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.



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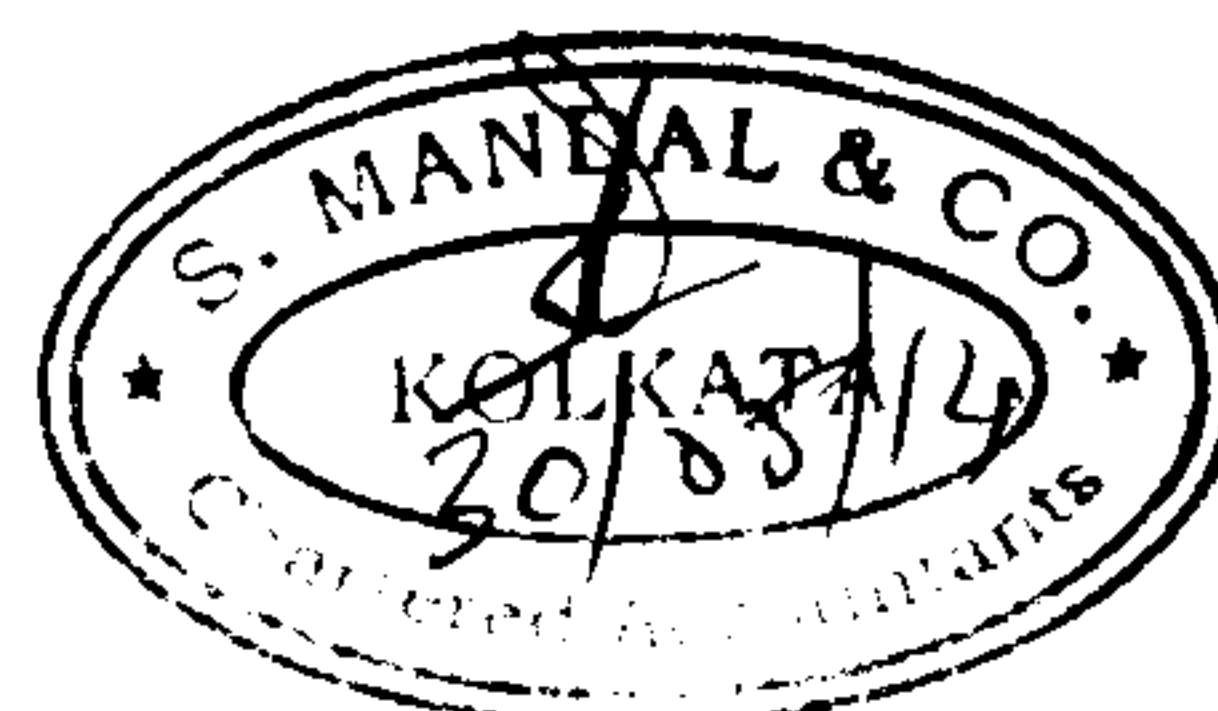
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Continuation Sheet No. 3

16. The Company has not taken any term loan during the year.
17. On the basis of information and explanation received from the management and based on our examination of the balance sheet of the Company as at 31st March, 2014. We find that the funds raised on a short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of share during the year.
19. There are no debentures outstanding at the end of the year.
20. The Company has not raised money by issue of its shares during the year.
21. Based on information and explanations furnished by the management there is no reported fraud committed during the year.

For S.MANDAL & CO.
Chartered Accountants
Firm's Registration No. 314188E



Arijit Dutta
(Arijit Dutta)
Partner

Membership No. 066223

Kolkata
The 30th day of May, 2014.