



VATSS & ASSOCIATES
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE SHAREHOLDERS OF KHL INVESTMENTS LIMITED

We report that we have audited the attached Balance Sheet of KHL INVESTMENTS LIMITED as at 31st March, 2013 and the Cash Flow Statement for the period 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 by the 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 (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order,2004, issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement of the matters specified in paragraph 4 and 5 of the said order.

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (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 such books;
- (iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account;
- (iv) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2013 from being appointed as directors in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and according to the best of our information and according to explanations given to us the said accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013; and
 - b. In the case of the Cash Flow Statement, of the cash flow for the period ended on that date.

For VATSS & Associates,

Regn. No. 017573N

Chartered Accountants

Suresh Arora

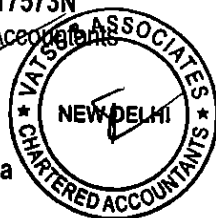
Suresh Arora

Partner

M.No.90862

Place: New Delhi

Dated: 30.04.2013



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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date to the members of
KHL INVESTMENTS LIMITED)

- (i) The Company have no fixed assets. Therefore, the provisions of clause 4 (i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
- (ii) The company has not taken / granted any loans, secured or unsecured from / to Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- (iii) 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, fixed assets and the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (iv) The company has not accepted deposits from the public within the meaning of section 58 – A and 58-AA of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, the requirement as to internal audit system is not applicable to the company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
- (vii) (a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including income tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31 March 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) Since the company has no accumulated losses at the end of the year, therefore, the provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. Therefore, the provisions of clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (x) In our opinion and according to the information and explanations given 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. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



(xi) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xii) In our opinion and according to the information and explanations given to us, the company has maintained proper records regarding dealing or trading in shares, securities, debentures and other investments as per clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003. The company has made timely entries in such records and all such investments are held in company's own name.

(xiii) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) In our opinion and according to the information and explanations given to us, the company has not taken any term loans, therefore, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not raised any funds on short-term basis. Further, no long-term funds have been used to finance short term assets except permanent working capital.

(xvi) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year.

(xvii) According to the information and explanations given to us, during the period covered by our audit, the company has not issued any debentures. Therefore, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xviii) According to the information and explanations given to us, during the period covered by our audit, the company has not raised any money by public issue. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xix) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For VATSS & Associates,
Regn. No. 017573N
Chartered Accountants




Suresh Arora
Partner
M.No.90862
Place: New Delhi
Dated: 30.04.2013

KHL INVESTMENTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2013



Particulars	Note No.	As at March 31, 2013 Rs./lakhs
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	2	<u>5.00</u>
		5.00
Current liabilities		
Other current liabilities	3	<u>0.10</u>
		0.10
TOTAL EQUITY AND LIABILITIES		<u><u>5.10</u></u>
ASSETS		
Current assets		
Cash and bank balances	4	<u>0.49</u>
Other current assets	5	<u>4.61</u>
		5.10
TOTAL ASSETS		<u><u>5.10</u></u>

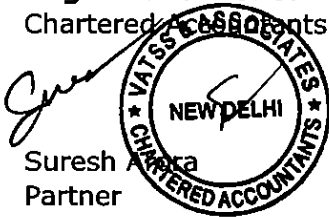
Accounting Policies contained in Note 1 & Note 2 to 5 form part of financial statements

As per our report of even date

For VATSS & Associates

Regn. No. 017573N

Chartered Accountants



Suresh
 Partner
 M.No. 90862

Date: 30.04.2013
 Place: New Delhi

Ashish Bharat Ram
 Director

Kartikeya Bharat Ram
 Director

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KHL INVESTMENTS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2013



		Amount (Rs./lakhs)
		Period Ended
		March 31, 2013
A	CASH FLOW FROM OPERATING ACTIVITIES:	
	Pre-incorporation/pre-operative expenses	(4.61)
	Adjustment for Trade payables	0.10
	Net Cash from operating activities (A)	(4.51)
B	CASH FLOW FROM INVESTING ACTIVITIES:	
	Net Cash from Investment Activities (B)	-
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Proceeds from issue of equity share capital	5.00
	Net cash used in/ from financing activities (C)	5.00
	Net increase in Cash and Cash Equivalents D=(A+B+C)	0.49
	Cash & Cash equivalents at the beginning of the year (E)	-
	Cash & Cash equivalents at the close of the year F =(D+E)	0.49

Ashish Bharat Ram
Director

Kartikeya Bharat Ram
Director

We have certified the above cash flow statement of KHL Investments Limited derived from the audited financial statements for the year ended March 31, 2013 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchange.

For **VATSS & Associates**

Regn. No. 01757
Chartered Accountants



Suresh K. Arora
Partner (M.No. 90862)

Place: New Delhi

Date: 30.04.2013

1. Significant Accounting Policies & Notes to the financial statements for the year ended March 31, 2013



A. Accounting Policies:

- (i) The financial statements have been prepared on the historical cost convention basis. The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act, 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI to the Companies Act, 1956 and the Indian Accounting Standards.
- (ii) Fixed assets are shown at cost. All expenses including interest incurred upto the date of completion/possession are capitalized.
- (iii) Depreciation is provided on fixed assets on Straight-line method in accordance with Schedule VI of the Companies Act, 1956.
- (iv) Non-current/Long term quoted investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.
- (v) Current investments are valued at lower of cost or market value.
- (vi) Unquoted investments are valued at cost and no loss is recognized for the fall in their net worth, if any, unless there is a permanent fall in their value.
- (vii) Contingent liabilities, barring frivolous claims, not acknowledged as debts are disclosed by way of note.

B. Notes

- (i) The company was incorporated on 06.08.2012, hence no previous year figures are applicable.
- (ii) The company not started its operations yet, hence no Profit & Loss Account has been prepared.
- (iii) Related Party Transactions:
As per AS-18 issued by the Institute of Chartered Accountants of India, the related parties of the company and transactions with them as disclosed as under:

The company being wholly owned subsidiary of KAMA Holdings Limited, it has following related party transactions with KAMA Holdings Limited:

- Issue of equity share capital of Rs.5.00 lakhs/-; and
- Reimbursement of pre-incorporation and pre-operative expenses of Rs.4.40 lakhs.



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2. Share Capital



a) Details of share capital

	As at March 31, 2013 Rs./lakhs
AUTHORISED	
50,00,000 Equity shares of Rs. 10 each	500.00
	<u>500.00</u>
ISSUED, SUBSCRIBED AND PAID UP	
50,000 Equity Shares of Rs. 10 each fully paid up	5.00
	<u>5.00</u>

b) Reconciliation of equity shares

	Number of shares
As at August 06, 2012*	-
Shares issued during the year	50,000
Shares bought back during the year	-
As at March 31, 2013	<u>50,000</u>

*The company was incorporated on August 06, 2012.

Equity shares have a nominal value of Rs. 10 each, carry one voting right per share and carry a right to dividends.

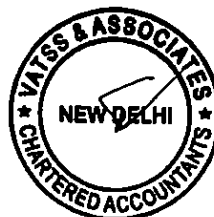
c) Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2013 (No. of shares)
Kama Holdings Limited and its nominee	100% 50,000

- In the period of immediately preceding five years, the Company has not: -
- allotted any shares without payment being received in cash; and
 - allotted any bonus shares as fully paid up shares.

3. Other current liabilities

	As at March 31, 2013 Rs./lakhs
Audit Fee Payable	0.10
	<u>0.10</u>



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4. Cash and bank balances



As at
March 31, 2013
Rs./lakhs

Cash and cash equivalents

Balance with banks on
Current accounts 0.49

Total cash and bank balances 0.49

5. Other current assets

As at
March 31, 2013
Rs./lakhs

Unamortised expenditure 4.61

Total other current assets 4.61

