

**AUDITORS' REPORT TO THE MEMBERS OF
IDFS TRADINGS PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of M/s IDFS Tradings Private Limited, 1/1 East Patel Nagar, New Delhi -110 022 with PAN No. AABCI6298J as at March 31, 2010, and the related Profit and Loss Account for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We have conducted our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's 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' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 examinations of those books;
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;



(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon including note in schedule 5 and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

(ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date.



Naveen Gupta
Partner
Gopalaiah Associates
Chartered Accountants

Place: New Delhi
Date: 02-09-2010

ANNEXURE TO AUDITORS' REPORT

[Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of M/s IDFS Tradings Private Limited on the financial statements for the year ended March 31, 2010]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the management, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) 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 the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Act. As the company has not granted/taken any loan, secured or unsecured to / from parties covered in the register maintained under section 301 of the Act, clause (iii) (b), (iii) (c), (iii) (d), (iii) (f) and (iii) (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company for the current year.
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 for the purchase of inventory and fixed assets and for the sale of goods and services during the year. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control System.
5. In opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Act, which needs to be entered in the register maintained under that section. In view of the above clause (v) (b) of Paragraph 4 of the Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable to the company for the current year.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provision of the Act and the rules framed there under.



[Handwritten signature]

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including, income-tax, wealth tax and other material statutory dues, as applicable, with the appropriate authorities
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues on account of income-tax, wealth tax, service tax, and cess as at March 31, 2010, which have not been deposited on account of a dispute.
10. The company is a three year old company and the accumulated losses of the company are not more than 50% of its net worth.
11. The company has not defaulted in repayment of dues to a financial institution or a bank or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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 during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have 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. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year or in earlier years.



21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Gopalaiah Associates



Naveen Gupta
Partner
M.no.512204

Place: New Delhi
Date: 02-09-2010