

V D S R & CO.,
CHARTERED ACCOUNTANTS

Head Office:
No. 1-C, Queens Court,
6/102, Montieth Road,
Egmore, Chennai 560 003
Tel: 044-2855447

Branch Office:
No. 337, Karuna Complex
Sampige Road, Malleswaram
Bangalore, 560 003
Tel: 080-23312779

INDEPENDENT AUDITORS' REPORT

**To the Members of
Purva Star Properties Private Limited**

We have audited the accompanying financial statements of Purva Star Properties Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the quarter and year ended, and 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 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.

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 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 Company'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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

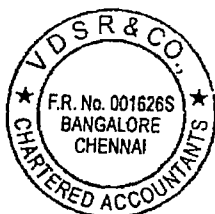
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") 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 (and proper returns adequate for the purposes of our audit have been received from branches not visited by us);
 - 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 (and with the returns received from branches not visited by us);
 - 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 March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 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 V D S R & Co.,
Chartered Accountants
FRN No.: 001626S

Patil

Patil Narahari Laxmanrao
Partner M No: 222219



Place: Bangalore
Date: April 30, 2014

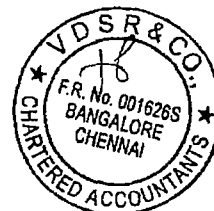
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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- 1 The Company has not acquired any fixed assets as at the Balance Sheet date. Hence, Paragraph 4(i) (a), (b) and (c) of the Order are not applicable.
- 2
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 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. Accordingly the provisions of paragraph 4 (iii) (b), (iii) (c) and (iii) (d) are not applicable to the Company.
 - e. The company had taken interest free demand loan from holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 5,30,00,000/- and the year-end balance of loan taken is Rs. 9,19,621/-.
 - f. In our opinion, the interest free nature and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
 - g. There are no overdue payment outstanding as there is no demand received for repayment from Holding Company.
- 4 In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- 5
 - a. In our opinion, and according to the information and explanations given to us, the particulars of all contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
 - b. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (v) (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposit covered under the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Hence, Paragraph 4(vi) of the Order are is not applicable.
- 7 During the year there was no formal internal audit, carried out by the Company. However, there are adequate internal controls and checks and balances, which are in place, which is commensurate with the size of the Company and its nature of business.
- 8 In our opinion and according to the information and explanation given to us, the Company is exempt from the applicability of Companies (Cost Accounting Records) Rules, 2011 for the year under audit. Hence, Paragraph 4(viii) of the Order is not applicable.
- 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us no disputed amounts in respect of income tax, wealth tax, service tax, cess and any other material statutory dues applicable to the Company were in arrears as of March 31, 2014 for a period more than six months from the date they became payable.
- 10 In our opinion, the Company has no accumulated losses at the end of the financial year. Further, the company has not incurred any cash losses during the financial year covered by our audit, but the Company has incurred cash losses in the immediately preceding financial year.
- 11 In our opinion and based on the information and explanation given to us the Company has not availed any financial assistance from financial institution or bank. Hence Paragraph 4 (xi) of the Order is not applicable.



- 12 In our opinion and according to the information and explanations given to us, during the year, the Company has not granted loans and advances on the basis of security of shares, debentures and other securities. Hence, Paragraph 4(xii) of the Order is not applicable.
- 13 In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Paragraph 4(xiii) of the Order is not applicable.
- 14 In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Hence, Paragraph 4(xiv) of the Order is not applicable.
- 15 In our opinion and according to information and explanation given to us, no guarantees/undertakings were given by the Company for loans/financial assistance taken by others from banks and financial institutions. Hence, Paragraph 4(xv) of the Order is not applicable.
- 16 In our opinion and according to the information and explanation given to us, the Company has not taken any term loans. Hence, Paragraph 4(xvi) of the Order is not applicable.
- 17 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 no funds raised on short-term basis have been used for long-term investment.
- 18 According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- 19 According to the information and explanations given to us, the Company has not issued any debentures during the year.
- 20 The Company has not raised any money by public issue during the year.
- 21 As per information and explanations given to us and based on our examinations of books and records of the Company carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instances of fraud on or by the Company, nor have we been informed of such cases by the management during the year.

for V D S R & Co.,
Chartered Accountants
FRN No.: 001626S

Hatit

Patil Narahari Laxmanrao
Partner M No: 222219



Place: Bangalore
Date: April 30, 2014